

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

B E T W E E N:

FARM CREDIT CANADA

Applicant

and

GLOBAL FOOD AND INGREDIENTS INC. and GFI BRANDS INC.,

Respondents

APPLICATION UNDER SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O 1990, C.C.43, AS AMENDED

**APPLICATION RECORD**

May 17, 2024

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TO: **THE SERVICE LIST**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

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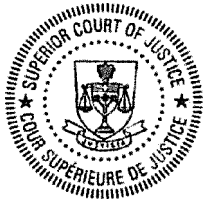
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Court File No. CV-24 -

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**BETWEEN:**

**FARM CREDIT CANADA**

**Applicant**

**- and -**

**GLOBAL FOOD AND INGREDIENTS INC. and GFI BRANDS INC.,**

**Respondents**

**APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,  
R.S.O. 1990, c. C.43, AS AMENDED**

**NOTICE OF APPLICATION**

**TO THE RESPONDENTS:**

**A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU** by the Applicant. The claim made by the Applicant is set out on the following pages.

**THIS APPLICATION** will come on for a hearing (*choose one of the following*)

1.  In person
2.  By telephone conference
3.  By video conference

at the following location: Video conference details to be established.

on: **May 30, 2024 at 12:00 (EST)**

**IF YOU WISH TO OPPOSE THIS APPLICATION**, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38C prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

**IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION**, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 p.m. on the day before the hearing.

**IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.**

Date: May 17, 2024

Issued by \_\_\_\_\_  
Local Registrar

Address of Court Office:  
330 University Avenue  
Toronto, Ontario, Canada

**TO: THE SERVICE LIST**



Court File No. CV-24-

**ONTARIO  
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<b>CANADA REVENUE AGENCY</b> Surrey National Verification and Collections Centre 9755 King George Boulevard Surrey, BC V3T 5E1	Tel: 866-891-7403
<b>CANADA REVENUE AGENCY</b> Shawinigan – Sud National Verification and Collections Centre 4695 Shawinigan-Sud Boulevard Shawinigan QC G9P 5H9	Tel: 1-800-959-8281

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1. The applicant, Farm Credit Canada (“FCC”), makes an Application for:
  - (a) An Order substantially in the form of Order attached at Tab 3 of the Application Record, to be filed, appointing FTI Consulting Canada Inc. (“FTI”) as receiver (in such capacity, the “Receiver”), without security, over the property, assets and undertakings of Global Food and Ingredients Inc. (“Global Food Canada”) and GFI Brands Inc. (“GFI Brands”, with Global Food Canada, the “Debtors”) that constitute “Term Loan Priority Collateral” (as defined below) pursuant to Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”) and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “CJA”); and
  - (b) Such further and other relief as may be just and equitable.

2. **THE GROUNDS FOR THE APPLICATION ARE:**

- (a) FCC is an independent mortgage financing company specializing in commercial and development mortgage financing for the agricultural and food sector.
- (b) Global Food Canada is a purchaser and processor of plant-based foods and ingredients, including peas, beans, lentils, chickpeas and other high protein specialty crops.
- (c) Global Food Canada is a federally incorporated entity incorporated pursuant to the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44 (“CBCA”). Global Food Canada is further extra-provincially registered in the provinces of Ontario, Saskatchewan and Alberta.

- (d) Global Food Canada carries on business in Toronto, Ontario and has its head office and registered office in Toronto, Ontario. Global Food Canada's corporate decisions, employee administration and human resource functions, marketing and communications, corporate, banking, strategic and management functions, cash management systems, business development initiatives, and accounts receivable and payables management occur in Toronto, Ontario.
- (e) Global Food Canada owns and operates two processing facilities in Saskatchewan, and the lands the facilities are situated thereon, at the locations municipally known as 100 Elevator Road, Zealandia Saskatchewan (the "**Zealandia Lands**"), and R.M. of Lajord No 128, Lajord Saskatchewan (surface parcel #111788219) (the "**Sedley Lands**", with the Zealandia Lands, the "**Mortgaged Lands**"). Global Food Canada also has a leasehold interest against a further processing facility in Saskatchewan, and the lands the facility is situated thereon, at the location municipally know as 100 South Railway Avenue, Lajord No. 128, Saskatchewan (the "**Leasehold Interest**").
- (f) GFI Brands is a federally incorporated entity incorporated pursuant to the CBCA. GFI Brands is further extra-provincially registered in the province of Ontario. GFI Brands is an affiliated and related company to Global Food Canada with its registered office and head office in Toronto, Ontario. GFI Brands carries on business as a brokerage, and in particular hires companies to buy pasta and outsources manufacturing of pasta.



respective priorities over the Debtors' assets, as defined in the Intercreditor Agreement as "Term Loan Priority Collateral" and "ABL Priority Collateral" ("**ABL Priority Collateral**"). FCC has senior priority over the Term Loan Priority Collateral, which in particular means:

- i. all Equipment and fixtures (each as defined in the Intercreditor Agreement);
  - ii. all Intellectual Property (as defined in the Intercreditor Agreement) owned by any Loan Party (as defined in the Intercreditor Agreement and which includes the Debtors);
  - iii. all Real Property (as defined in the Intercreditor Agreement, and which includes the Mortgaged Lands and Leasehold Interest);
  - iv. the insurance policy with respect to the life of David Hanna in the amount of \$1,000,000;
  - v. all books and records relating to the foregoing (including, without limitation, all books, databases, customer lists, engineer drawings, and records, whether tangible or electronic which contain any information relating to any of the foregoing), and all Proceeds (as defined in the Intercreditor Agreement) of the foregoing (including, without limitation, all insurance proceeds) and all collateral security and guarantees given by any Person (as defined in the Intercreditor Agreement) with respect to any of the foregoing;
- (collectively the "**Term Loan Priority Collateral**").

- (o) The Intercreditor Agreement also sets out FCC and Siena's respective rights in an enforcement scenario, including that FCC may only enforce against the Term Loan Priority Collateral, and not all of the assets, undertaking and property of the Debtors, unless consented to by Siena.
- (p) The Intercreditor Agreement is governed by the laws of the Province of Ontario and provides that FCC and Siena shall attorn before the courts of the province of Ontario with respect to their relevant priorities provided under the Intercreditor Agreement.

### **Debtors' Defaults**

- (q) Multiple events of default have occurred under the FCC Credit Agreement and Guarantee, which are ongoing and outstanding, including:
  - i. Global Food Canada failing to make its monthly principal and interest payments on May 1, 2024, as required under the FCC Credit Agreement;
  - ii. Global Food Canada becoming insolvent;
  - iii. Global Food Canada being unable to pay its debts or meet its liabilities as the same become due;
  - iv. Global Food Canada admitting to FCC in writing and in a public press release dated May 7, 2024, of its inability to pay its debts generally;
  - v. Global Food Canada suffering a Material Adverse Change (as defined in the FCC Credit Agreement) by taking steps to cease its business and operations

which change shall have a material adverse effect on the business, property, assets, liabilities, operations condition (financial or otherwise), affairs and prospects of the Debtor, and its ability to perform its obligations under the FCC Credit Agreement;

- vi. FCC, in good faith and upon commercially reasonable grounds, believing that the prospect of repayment or performance of the Indebtedness is impaired;
- vii. GFI Brands failing to repay the Indebtedness following demand by FCC under the Guarantee (as discussed below).

#### **Proposed Receivership and Receiver**

- (r) On May 7, 2024, FCC issued demand letters on the Debtors and demanded repayment of all amounts owing under the Credit Agreement and Guarantee (the “**Demand Letters**”). The Demand Letters additionally enclosed notices of intention to enforce security pursuant to section 244 of the BIA (the “**NITES**”).
- (s) The Debtors are indebted to FCC as of May 13, 2024 in the amount of \$15,004,907.17. The Debtors have failed to repay the outstanding amount owing to FCC.
- (t) The Debtors are working collaboratively with FCC and Siena and have consented to the earlier enforcement to the ten (10) days statutory notice period provided for under the BIA and outlined in the Demand Letters and the NITES.
- (u) Under the terms and conditions of the Security, the Debtors agreed that FCC would have the ability to appoint a receiver over the Debtors’ assets, undertaking and

property, which includes the Term Loan Priority Collateral, should the Debtors be in breach of the FCC Credit Agreement and Guarantee.

- (v) FCC requires the appointment of a receiver to maximize value of the Term Loan Priority Collateral.
- (w) FTI has consulted with FCC and has taken steps to understand the nature of the Debtors' assets and business
- (x) FTI has engaged in discussions with Siena and its counsel to promote cooperation between the Debtors' senior secured lenders.
- (y) Siena intends on bringing its own application for a receiver over the ABL Priority Collateral. FTI will coordinate with a receiver appointed by Siena over the ABL Priority Collateral.
- (z) It is just and convenient, at this time, for the Court to appoint FTI as receiver over the Term Loan Priority Collateral.
- (aa) Those other grounds set forth in the Affidavit of Jason Inman, sworn May 16, 2024 (the **"Inman Affidavit"**);
- (bb) The provisions of the BIA, including Section 243;
- (cc) Section 101 of the CJA;
- (dd) Rules 1.04, 3.02, 16.08, and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, c. C.43;  
and

- (ee) Such further and other grounds as counsel may advise and this Honourable Court may permit.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the Application:

- (a) The Inman Affidavit and the exhibits thereto; and
- (b) Such further material as counsel may advise and this Honourable Court may permit.

Date: May 17, 2024

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**GLOBAL FOOD AND INGREDIENTS INC. et al.**

Applicant

Respondents

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended  
and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**NOTICE OF APPLICATION**

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*Lawyers for the Applicant*

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

FARM CREDIT CANADA

Applicant

and

GLOBAL FOOD AND INGREDIENTS INC. and GFI BRANDS INC.

Respondents

APPLICATION UNDER SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O 1990, c.C.43, AS AMENDED

**AFFIDAVIT**

I, Jason Inman, of the City of Charlottetown, in the Province of Prince Edward Island,  
MAKE OATH AND SAY:

1. I am a Senior Account Manager, Special Credit, for Farm Credit Canada (“**FCC**”), the applicant in this proceeding, and as such, I have personal knowledge of the matters contained in this affidavit, except where I refer to matters based on information and belief, in which case I state the source of that information and believe it to be true.

2. I make this affidavit in support of FCC’s application for an Order (the “**Appointment Order**”) appointing FTI Consulting Canada Inc. (“**FTI**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, over the assets, undertakings and property that constitute the “Term Loan Priority Collateral” (as defined below) of Global Food and Ingredients Inc. (“**Global Food Canada**” or the “**Borrower**”) and GFI Brands Inc. (“**GFI Brands**” or the

“**Guarantor**”, and together with Global Food Canada, the “**Debtors**”, and each a “**Debtor**”) pursuant to section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”) and section 101 of the *Courts of Justice Act*, RSO 1990, c C43, as amended.

3. All capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the FCC Credit Agreement, defined below.

4. Unless otherwise referred to herein, all monetary amounts stated herein are in Canadian dollars.

## **I. THE PARTIES**

### **(a) FCC**

5. FCC is an independent mortgage finance company specializing in commercial and development mortgage financing for the Canadian agricultural and food sector. As further described below, FCC has extended credit facilities to Global Food Canada for three real property loans. FCC is the first ranking secured creditor and mortgagee with respect to the Term Loan Priority Collateral, as defined below.

### **(b) Debtors**

#### *i. Global Food Canada*

6. The Borrower, Global Food Canada, is a purchaser and processor of plant-based foods and ingredients, including peas, beans, lentils, chickpeas and other high protein specialty crops. Global Food Canada is a federally incorporated entity incorporated pursuant to the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44 (“**CBCA**”). Attached as **Exhibit “A”** is a Federal Corporate Profile Report for Global Food Canada dated April 25, 2024. Global Food Canada



carries on business in Toronto, Ontario, and its head office and registered office are located in Toronto, Ontario.

7. Global Food Canada is further extra-provincially registered in the provinces of Ontario, Saskatchewan and Alberta. Attached as **Exhibits “B”, “C” and “D”** are Ontario, Saskatchewan and Alberta Corporate Profile Reports for Global Food Canada dated April 25, 2024.

8. According to the records of FCC and based on my direct discussions with David Hanna (President and CEO of Global Food Canada) and Bill Murray (CFO of Global Food Canada) (collectively, **“Management”**), Global Food Canada’s corporate decisions, employee administration and human resource functions, marketing and communications, corporate, banking, strategic and management functions, cash management systems, business development initiatives, and accounts receivable and payables management occur in Toronto, Ontario.

9. Global Food Canada is member of the GFI group of companies (the **“GFI Group”**) and is a subsidiary of its parent corporation Global Food and Ingredients Ltd. (**“Parentco”**). Attached as **Exhibit “E”** is a corporate organizational chart for the GFI Group. The GFI Group operates processing facilities in Saskatchewan, Alberta and North Carolina.

10. In particular, Global Food Canada owns and operates two processing facilities in the province of Saskatchewan, and the lands the facilities are situated thereon, at two locations municipally known as 100 Elevator Road, Zealandia Saskatchewan (the **“Zealandia Lands”**) and R.M. of Lajord No 128, Lajord Saskatchewan (surface parcel #111788219) (the **“Sedley Lands”**, and together with the Zealandia Lands, the **“Mortgaged Lands”**).

11. Further in particular, Global Food Canada holds a leasehold interest (the “**Leasehold Interest**”) against a further processing facility in Saskatchewan, and the lands the facility is situated thereon, owned by Stewart Southern Railway Inc. (“**Stewart**”) at the location municipally know as 100 South Railway Avenue, Lajord No. 128, Saskatchewan (the “**Leasehold Lands**”). Attached as **Exhibit “F”** is the original lease agreement between Stewart and Canpulse Foods Ltd. dated October 1, 2015 (the “**Lease**”) for the leasing of the Leasehold Lands. The records of FCC provide that the Lease was assigned to 11567403 Canada Inc. (“**115 Canada**”), a former related entity in the GFI Group, pursuant to an Asset Purchase Agreement dated November 26, 2019 which is attached as **Exhibit “G”**. Attached as **Exhibit “H”** is a further Assignment of Lease dated March 31, 2022, whereby 115 Canada assigned the Lease to the Borrower.

*ii. GFI Brands*

12. GFI Brands is a federally incorporated entity incorporated pursuant to the CBCA. Attached as **Exhibit “I”** is a Federal Corporate Profile Report for GFI Brands dated April 25, 2024. GFI Brands is an affiliated and related company to Global Food Canada with its registered office and head office in Toronto, Ontario.

13. GFI Brands is further extra-provincially registered in the province of Ontario. Attached as **Exhibit “J”** is an Ontario Corporate Profile Report for GFI Brands dated April 25, 2024.

14. GFI Brands carries on business as a brokerage for the GFI Group, and in particular hires companies to buy pasta and outsources manufacturing of pasta for the GFI Group.

## II. THE FCC CREDIT FACILITIES

### (a) **The FCC Credit Agreement and GFI Brands Guarantee**

15. On November 22, 2019, Global Food Canada, GFI LP (“**GFI LP**”) and 115 Canada (115 Canada with GFI LP, the “**Former Borrowers**”), entered into a credit agreement with FCC for a real property loan in the maximum principal amount of \$12,000,000 (the “**Initial FCC Credit Agreement**”). 115 Canada was the prior general partner of GFI LP. Attached as **Exhibit “K”** is a true copy of the Initial FCC Credit Agreement.

16. On August 31, 2020, Global Food Canada and the Former Borrowers, entered into an Amendment No. 1 to the Initial FCC Credit Agreement, whereby a second real property loan in the principal amount of \$2,000,000 was extended by FCC to the Borrower and Former Borrowers (the “**Amendment No. 1 to Credit Agreement**”). Attached as **Exhibit “L”** is a true copy of the Amendment No. 1 to Credit Agreement.

17. On May 28, 2021, Global Food Canada and the Former Borrowers entered into a First Amended and Restated Credit Agreement with FCC whereby a third real property loan in the amount of \$4,000,000 was extended by FCC to the Borrower and Former Borrowers (the “**First Amended and Restated Credit Agreement**”). Attached as **Exhibit “M”** is a true copy of the First Amended and Restated Credit Agreement.

18. On May 17, 2022, Global Food Canada entered into a Second Amended and Restated Credit Agreement with FCC whereby, amongst other terms and conditions, FCC agreed that GFI LP would be dissolved and 115 Canada wound up, GFI Brands would be required to provide an unlimited guarantee to FCC guaranteeing the Borrower’s debt to FCC, and FCC would be provided with additional collateral security in support of FCC’s loans to the Borrower (the “**Second**

**Amended and Restated Credit Agreement**”). Attached as **Exhibit “N”** is a true copy of the Second Amended and Restated Credit Agreement. The records of FCC provide that GFI LP was previously dissolved and 115 Canada was previously wound up.

19. Attached as **Exhibit “O”** is the Unlimited Guarantee from GFI Brands dated May 17, 2022 guaranteeing to FCC payment of all current and future indebtedness owing by the Borrower to FCC (the **“Guarantee”**).

20. On December 20, 2022, Global Food Canada entered into an Amending Agreement to Second Amended and Restated Credit Agreement with FCC whereby, among other terms and conditions, additional entities within the GFI Group were required to be provide unlimited guarantees to FCC towards FCC’s security package (**“Amending Agreement to the Second Amended and Restated Credit Agreement”**). Attached as **Exhibit “P”** is a true copy of the Amending Agreement to the Second Amended and Restated Credit Agreement.

21. On March 17, 2023 Global Food Canada entered into a Second Amending Agreement to Second Amended and Restated Credit Agreement with FCC whereby, among other terms and conditions, additional security was required to be provided by entities within the GFI Group to FCC towards FCC’s security package (**“Second Amending Agreement to the Second Amended and Restated Credit Agreement”**). Attached as **Exhibit “Q”** is a true copy of the Second Amending Agreement to the Second Amended and Restated Credit Agreement.

22. On February 1, 2024, Global Food Canada entered into a Third Amending Agreement to Second Amended and Restated Credit Agreement with FCC whereby, among other terms and conditions, additional security and guarantees were required to be provided to FCC towards FCC’s security package (**“Third Amending Agreement to the Second Amended and Restated Credit**

**Agreement**”, along with the Initial FCC Credit Agreement and other amending agreements referred to in paragraphs 15 to 22 herein, collectively the “**FCC Credit Agreement**”). Attached as **Exhibit “R”** is a true copy of the Third Amending Agreement to the Second Amended and Restated Credit Agreement.

23. The records of FCC provide that FCC extended the three real property facilities to the Borrower pursuant to the FCC Credit Agreement.

24. As of May 13, 2024, the aggregate outstanding indebtedness owed by Global Food Canada under the three credit facilities extended by FCC is \$15,004,907.17, excluding professional fees, disbursements and accruing interest (the “**Indebtedness**”). Attached as **Exhibit “S”** is a detailed portfolio summary of the loans. The Indebtedness is comprised of the following three real property loans:

<b>Loans</b>	<b>Total owing (\$CDN)</b>
Loan #0000712591001	\$9,662,530.45
Loan #0000739304001	\$1,774,089.96
Loan #0000762753001	\$3,568,286.76
<b>Total</b>	<b>\$15,004,907.17</b>

**(b) The Security**

25. Pursuant to the FCC Credit Agreement, FCC holds security granted to it by the Debtors, including the documents attached as the following exhibits to this Affidavit (collectively, the “**FCC Security**”):

- a) **Exhibit “T”** – a Mortgage dated November 22, 2019 in the principal amount of \$15,000,000 granted by 115 Canada in favour of FCC granting FCC a first charge against the Mortgaged Lands (the “**Mortgage**”);
- b) **Exhibit “U”** - a Mortgage Amending Agreement dated May 28, 2021 granted by 115 Canada in favour of FCC increasing the principal amount under the Mortgage from \$15,000,000 to \$25,000,000;
- c) **Exhibit “V”** – a Mortgage Assumption and Amending Agreement among Global Food Canada, 115 Canada and FCC dated March 31, 2022, whereby Global Food Canada assumed the Mortgage from 115 Canada, and the principal amount secured under the Mortgage increased from \$25,000,000 to \$50,000,000;
- d) **Exhibit “W”** – a Leasehold Mortgage dated as of November 22, 2019 in the principal amount of \$15,000,000 granted by 115 Canada creating a first charge against the Leasehold Interest (the “**Leasehold Mortgage**”);
- e) **Exhibit “X”** - a Leasehold Mortgage Amending Agreement dated May 28, 2021 granted by 115 Canada in favour of FCC increasing the principal amount under the Leasehold Mortgage from \$15,000,000 to \$25,000,000;
- f) **Exhibit “Y”** – a Mortgage Assumption and Amending Agreement among Global Food Canada, 115 Canada and FCC dated March 31, 2022, whereby Global Food Canada assumed the Leasehold Mortgage from 115 Canada, and the principal amount secured under the Leasehold Mortgage increased from \$25,000,000 to \$50,000,000;

- g) **Exhibit “Z”** – a General Security Agreement granted by Global Food Canada dated November 26, 2019, whereby Global Food Canada pledged all of its present and after acquired personal property to FCC;
- h) **Exhibit “AA”** – an Assignment of Material Contracts agreement granted by Global Food Canada dated November 26, 2019, whereby Global Food Canada pledged certain contracts it had an interest in to FCC;
- i) **Exhibit “BB”** – a General Security Agreement granted by GFI Brands dated May 17, 2022, whereby GFI Brands pledged all of its present and after acquired personal property to FCC.

26. On September 1, 2020, Global Food Canada also provided FCC an Acknowledgement and Confirmation of Existing Security. Attached as **Exhibit “CC”** is a copy of the Acknowledgement and Confirmation of Existing Security.

27. As a result of the FCC Security, FCC has valid and enforceable security securing the Indebtedness.

### **III. LAND TITLES AND PERSONAL PROPERTY REGISTRATIONS**

#### **a) Saskatchewan Land Titles**

28. Attached as **Exhibits “DD” and “EE”** are copies of the two (2) Saskatchewan Land Titles searches dated May 13, 2024 for the Zealandia Lands disclosing the following registrations by order of appearance:

**Title No. 155846560**

Legal Description: BLK/PAR K PLAN NO 102144046 EXTENSION 0

<b>Interest #</b>	<b>Interest Register #</b>	<b>Date</b>	<b>Particulars</b>
195068368	104537314	25-Apr-1937	Easement Holder – Saskatchewan Power Commission
195068379	119711303	08-Jan-2014	Easement Holder – Saskatchewan Power Commission
195068380	123754237	29-Nov-2019	Mortgage Mortgagee – Farm Credit Canada Value: \$50,000,000
198477028	125976415	07-Feb-2024	Mortgage Mortgagee – Siena Lending Group Canada LLC Value - \$30,000,000

**Title No. 155846537**

Legal Description: BLK/PAR K PLAN NO 98MW19933 EXTENSION 1 AS DESCRIBED IN CERTIFICAT EOF TITLE 99MW02348

<b>Interest #</b>	<b>Int. Register #</b>	<b>Date</b>	<b>Particulars</b>
195068289	104537336	26-Apr-1937	Easement Holder – SaskPower
195068290	112863900	28-May-2007	Easement Holder – Saskatchewan Power Commission
195068302	119014781	07-Mar-2013	Easement Holder – Saskatchewan Power Commission
195068313	123754237	29-Nov-2019	Mortgage Mortgagee – Farm Credit Canada Value - \$50,000,000
198477040	125976415	07-Feb-2024	Mortgage



			Mortgagee – Siena Lending Group Canada LLC Value - \$30,000,000
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29. Attached as **Exhibit “FF”** is a copy of the Saskatchewan Land Titles search dated May 13, 2024 for the Sedley Lands disclosing the following registrations by order of appearance:

**Title No. 155846559**

Legal Description: BLK/PAR K PLAN NO 101331425 EXTENSION 10 As DESCRIBED ON CERTIFICATE OF TITLE 99SE01294, DESCRIPTION 10

<b>Interest #</b>	<b>Int. Register #</b>	<b>Date</b>	<b>Particulars</b>
195068335	101506441	25-Feb-1977	Easement Holder – PKM Cochin ULC
195068346	123754237	29-Nov-2019	Mortgage Mortgagee – Farm Credit Canada Value - \$50,000,000
198477051	125976415	07-Feb-2024	Mortgage Mortgagee – Siena Lending Group Canada LLC Value - \$30,000,000

30. Attached as **Exhibit “GG”** is a copy of the Saskatchewan Land Titles search dated May 13, 2024 disclosing the following registrations for the Leasehold Lands by order of appearance:

**Title No. 147263070**

Legal Description: SW Sec 09 Twp 15 Rge 16 W 2 Plan No B3490 Extension 4

<b>Interest #</b>	<b>Int. Register #</b>	<b>Date</b>	<b>Particulars</b>
186671267	123754259	29-Nov-2019	Lease Holder – Global Food and Ingredients Inc.
195068447	123754260	29-Nov-2019	Mortgage Mortgagee – Farm Credit Canada Value - \$50,000,000
198477039	125976415	07-Feb-2024	Mortgage Mortgagee – Siena Lending Group Canada LLC Value - \$30,000,000
186671290	123754282	29-Nov-2019	Personal Property Security Interest Holder – Farm Credit Canada Value - \$25,000,000
193862830	125086428	11-May-2022	Personal Property Security Interest Holder – Farm Credit Canada Value - \$25,000,000

**b) Ontario Personal Property Registry**

31. Attached as **Exhibit “HH”** is an Ontario Personal Property Registry search dated May 13, 2024 for Global Food Canada disclosing the following registrations by order of appearance:

<b>Registration No.</b>	<b>Registration Date</b>	<b>Jointly Registered with</b>	<b>Secured Party</b>	<b>Collateral</b>
502259058	29-Jan-2024		Siena Lending Group Canada LLC	Inventory, Equipment, Accounts, Other, Motor Vehicle
502259067	29-Jan-2024		Siena Lending Group Canada LLC	Inventory, Equipment, Accounts, Other, Motor Vehicle
502278309	29-Jan-2024		35 Oak Holdings Ltd.	Inventory, Equipment, Accounts, Other, Motor Vehicle
502444134	02-Feb-2024		JPMorgan Chase Bank, N.A., As Agent	Accounts, Other All cash maintained by the secured party as cash collateral and all deposit accounts held by the secured party containing such cash collateral and any replacements, amendments, renewals or substitutions made in respect of such amount and any accretions thereto or proceeds thereof from time to time, including any interest and income thereon
756524655	15-Oct-2019		Farm Credit Canada	Inventory, Equipment, Accounts, Other, Motor Vehicle
756524664	29-Jan-2024	GFI LP  GFI Brands Inc.	Farm Credit Canada	Inventory, Equipment, Accounts, Other, Motor Vehicle

756524673	15-Oct-2019	11567403 Canada Inc.	Farm Credit Canada	Inventory, Equipment, Accounts, Other, Motor Vehicle
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32. Attached as **Exhibit “IF”** is an Ontario Personal Property Registry search dated May 13, 2024 for GFI Brands disclosing the following registrations against GFI Brands by order of appearance:

Registration No.	Registration Date	Secured Party	Collateral
502259076	29-Jan-2024	Siena Lending Group Canada LLC	Inventory, Equipment, Accounts, Other, Motor Vehicle
75624664	15-Oct-2019	Farm Credit Canada	Inventory, Equipment, Accounts, Other, Motor Vehicle
756524673	14-Apr-2022	Farm Credit Canada	Inventory, Equipment, Accounts, Other, Motor Vehicle

**c) Saskatchewan Personal Property Registry**

33. Attached as **Exhibit “JJ”** is a Saskatchewan Personal Property Registry search dated May 13, 2024 for Global Food Canada disclosing the following registrations against Global Food Canada by order of appearance:

Registration No.	Registration Date	Jointly Registered with	Secured Party	Collateral
301965227	16-Oct-2019		Farm Credit Canada	All present and after-acquired personal property of the debtor.
302306859	22-Jun-2022		De Lage Landen Financial	All personal property of the debtor described herein by

			Services Canada Inc.	vehicle identification number or serial number, as applicable, wherever situated, together with all parts and accessories relating thereto, all attachments, accessories and accessions thereto or thereon, all replacements, substitutions, additions and improvements of all or any part of the foregoing and all proceeds in any form derived therefrom. Proceeds: all of the debtor's present and after acquired personal property which is derived, directly or indirectly, from any dealing with or disposition of the above-described collateral, including without limitation, all insurance and other payments payable as indemnity or compensation for loss or damage thereto, accounts, rents or other payments arising from the lease of the above-described collateral, goods, chattel paper, investment property, documents of title, instruments, money, cheques, deposits, securities and intangibles.
302510581	29-Jan-2024		Siena Lending Group Canada LLC	All of the debtor's present and after-acquired personal property
502444134	02-Feb-2024		JPMorgan Chase Bank, N.A., As Agent	Accounts, Other All cash maintained by the secured party as cash collateral and all deposit accounts held by the secured party containing such cash

				collateral and any replacements, amendments, renewals or substitutions made in respect of such amount and any accretions thereto or proceeds thereof from time to time, including any interest and income thereon
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34. Attached as **Exhibit “KK”** is a Saskatchewan Personal Property Registry search dated May 13, 2024 for GFI Brands disclosing the following registrations against GFI Brands by order of appearance:

<b>Registration No.</b>	<b>Registration Date</b>	<b>Secured Party</b>	<b>Collateral</b>
302288275	04-May-2022	Farm Credit Canada	All present and after-acquired personal property of the debtor and proceeds thereof.

**d) Alberta Personal Property Registry**

35. Attached as **Exhibit “LL”** is an Alberta Personal Property Registry search dated May 13, 2024 for Global Food Canada disclosing the following registrations against Global Food Canada by order of appearance:

<b>Registration No.</b>	<b>Registration Date</b>	<b>Secured Party</b>	<b>Collateral</b>
23031324805	2023-Mar-13	Farm Credit Canada	All present and after-acquired personal property of the debtor.
24012901702	2024-Jan-29	Siena Lending Group Canada LLC	All of the debtor’s present and after-acquired personal property

24013110312	2024-Jan-31	35 Oak Holdings Ltd.	All of the debtor's present and after-acquired personal property
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36. Attached hereto and marked as **Exhibit “MM”** is an Alberta Personal Property Registry search dated May 13, 2024 for GFI Brands which provides that Siena has an all present and after acquired personal property registration against GFI Brands and is the only secured party registered in the Alberta personal property registry as against GFI Brands.

#### **IV. THE SIENA CREDIT FACILITY**

37. On February 1, 2024, Global Food Canada and GFI Brands as borrowers, amongst other entities within the GFI Group, and Siena Lending Group Canada LLC (“**Siena**”), as operating lender for the GFI Group, entered into a credit agreement for a revolving operating credit facility with a limit of \$25,000,000 (the “**Siena Credit Agreement**”). Attached as **Exhibit “NN”** is the Siena Credit Agreement, excluding schedules.

38. I understand from records provided by the Debtors to FCC, that the Debtors were indebted to Siena as of February 29, 2024 in the principal amount of \$11,368,293. I understand from the records of FCC that Siena purchased the Debtors’ prior operating facilities from JP Morgan Chase Bank (“**JP Morgan**”) in or around February 2024.

39. I further understand from the records of the Debtors provided to FCC that the Debtors provided certain security to Siena in support of Siena’s loans, including security over all of the Debtors’ present and after acquired personal property, a second charge \$30,000,000 mortgage over the Mortgaged Lands, and a second charge leasehold mortgage for \$30,000,000 over the Leasehold Lands.

V. **THE FCC / SIENA INTERCREDITOR AGREEMENT**

40. Pursuant to an Intercreditor Agreement dated February 1, 2024 by between FCC and Siena (the “**Intercreditor Agreement**”), which is attached as **Exhibit “OO”**, FCC and Siena agreed to their respective priorities over the Debtors’ assets, with such assets defined in the Intercreditor Agreement as “Term Loan Priority Collateral” and “ABL Priority Collateral” (“**ABL Priority Collateral**”). FCC and Siena agreed that FCC would have senior priority over the Term Loan Priority Collateral and junior priority over all of the Debtors’ other assets, being the ABL Priority Collateral, which includes the Debtors’ accounts receivables and inventory.

41. The Term Loan Priority Collateral as set out in the Intercreditor Agreement means:

- a) all Equipment and fixtures (each as defined in the Intercreditor Agreement);
- b) all Intellectual Property (as defined in the Intercreditor Agreement) owned by any Loan Party (as defined in the Intercreditor Agreement and which includes the Debtors);
- c) all Real Property (as defined in the Intercreditor Agreement, and which includes the Mortgaged Lands and Leasehold Interest);
- d) the insurance policy with respect to the life of David Hanna in the amount of \$1,000,000;
- e) all books and records relating to the foregoing (including, without limitation, all books, databases, customer lists, engineer drawings, and records, whether tangible or electronic which contain any information relating to any of the foregoing), and all Proceeds (as defined in the Intercreditor Agreement) of the foregoing (including, without limitation, all insurance proceeds) and all collateral security and guarantees given by any Person (as defined in the Intercreditor Agreement) with respect to any of the foregoing;

(collectively the “**Term Loan Priority Collateral**”).



42. The Intercreditor Agreement also sets out FCC's and Siena's respective rights in an enforcement scenario, including that, unless consented to by Siena, FCC may only enforce its security against the Term Loan Priority Collateral and may not enforce its security against the ABL Priority Collateral.

43. The Intercreditor Agreement is governed by the laws of the Province of Ontario and provides that FCC and Siena shall attorn before the courts of the province of Ontario with respect to their relevant priorities provided under the Intercreditor Agreement.

## **VI. OTHER SECURED CREDITORS**

44. In addition to FCC and Siena, I understand that Global Food Canada entered into credit arrangements with 35 Oak Holdings Ltd. ("**35 Oak**") and in particular 35 Oak agreed to lend Global Food Canada \$500,000 pursuant to a promissory note (the "**GFI Note**") secured by a security interest in all of Global Food Canada's present and after acquired personal property. Attached as **Exhibit "PP"** is a Limited Subordination Agreement dated February 1, 2024 between 35 Oak, FCC, Global Food Canada and Big Sky Milling Inc., a related entity to the Borrower within the GFI Group ("**Limited Subordination Agreement**"). Amongst its other terms and conditions, the Limited Subordination Agreement provides that 35 Oak's security interest in the Borrower's personal property would be subordinate to FCC's security interest in same, and that 35 Oak could not accept any repayments under the GFI Note (i) until the Maturity Date (as defined in the GFI Note), and (ii) without the prior written consent of FCC.

45. Based on the above referenced personal property registry searches, Global Food Canada also appears to have the following additional secured creditors:

- a) De Lage Landen Financial Services Canada Inc. (“**De Lage**”) - Global Food Canada appears to have entered into a security agreement or lease agreement with De Lage for a serial numbered good. De Lage is registered in the Saskatchewan PPR;
- b) Meridian Onecap Credit Corp. (“**Meridian**”) - Global Food Canada appears to have entered into a security agreement for the benefit of Meridian with respect to the leasing of forklifts. Meridian is registered in the Ontario PPR;
- c) JP Morgan – Global Food Canada appears to have entered into a security agreement for the benefit of JP Morgan with respect to cash maintained on deposit by Global Food Canada with JP Morgan. Meridian is registered in the Ontario PPR.

## **VII. DEBTORS’ FINANCIAL DIFFICULTIES AND DEFAULTS**

46. The records of FCC provide that FCC’s field office staff had been working with the Borrower in early 2024 towards an eventual sale of the Borrower’s business to a third party. However, in April, 2024, the Borrower advised FCC’s field office staff that a deal could not close before the Borrower exhausted its remaining cash flow reserves, and the Borrower informed FCC of its intent to wind up its business. On April 22, 2024, FCC’s field office transferred management of the Borrower’s file to FCC’s Special Credit division wherein I have had conduct of the file since that time. FCC’s Special Credit division has been working with the Borrower, monitoring cash flow and financial reports as its performed an orderly liquidation to pay Siena’s operating facilities and reduce its payment obligations to farmers.

47. The records of FCC provide that the GFI Group has had significant financial difficulties since 2022. The Borrower’s audited consolidated year end 2023 financial statements, are attached as **Exhibit “QQ”** (the “**2023 YEFS**”). The 2023 YEFS are consolidated as between Parentco, the Borrower, GFI Brands, North Lily Foods Inc. and Global Food and Ingredients (USA) Inc. The 2023 YEFS provide that the GFI Group on a consolidated basis had \$9.12MM in working capital

in 2023, but had an accumulated deficit in retained earnings in the amount of \$17.5MM. Furthermore, the reporting provided by the Borrower to FCC indicates that the Borrower did not generate positive EBITDA for 2022, and the Borrower's 2023 year end financial statements and 2024 interim results reported to FCC provided for the same negative trend. Attached as **Exhibit "RR"** are the GFI Group's consolidated financial statements for the eleven months ending February 29, 2024 which provides negative adjusted EBITDA of (\$1,1776,176) for the eleven month period ending February 29, 2024.

48. Through my discussions with Management and based on the records of FCC, I understand that in around March 22, 2024, the Borrower began an orderly wind down and liquidation process to layoff employees, liquidate out its remaining inventory, including inventory located at the Mortgaged Lands and Leasehold Lands, and to collect all outstanding accounts receivables (the **"Wind down"**). The Wind down included the Borrower engaging Richter Consulting Inc. (**"Richter"**) for insolvency and restructuring advice, and reporting and working directly with FCC and Siena as its operating lender regarding the Wind down.

49. On May 7, 2024, Parentco issued a press release, attached as **Exhibit "SS"**, which is posted on the GFI Group's website (the **"Press Release"**). The Press Release includes the following statements:

Toronto, Ontario – May 7, 2024 – Global Food and Ingredients Ltd. (TSXV: PEAS) (**"GFI"** or the **"Company"**), today announced plans to commence an orderly wind-down of its business operations. The wind-down is a result of recent macro-economic events, which have caused GFI to experience challenges in purchasing adequate supplies of raw material inputs for its processing assets, which has resulted, and is expected to continue to, result in a material decline in the Company's sales and gross profit until new raw material supply becomes available from the fall 2024 Canadian harvest.

Management and the board of directors have determined that these challenges will make it near impossible for the Company to continue to operate and service its debts, leaving no

other option than to wind-down its operations. The board of directors of GFI and its financial advisors have conducted an extensive and exhaustive review of all available and credible alternatives for the Company to allow it to continue its business operations, including but not limited to, the refinancing or sale of existing processing facilities, bridge financing options and/or a sale of all or a material portion of GFI's assets/business, but was unsuccessful in securing a viable solution. The Company will be working with its lenders to sell its assets in an orderly fashion.

During the course of the wind-down of its operations, the Company will continue to comply with its continuous disclosure obligations in accordance with applicable laws. The Company remains in good standing with its transfer agent.

In light of the foregoing, each of the directors of the Company have resigned. There have been no changes to the officers of the Company.

50. Following the issuance of the Press Release and confirmation from Siena and the Borrower that farmers would no longer be able to be paid from the Borrower's operations, on May 7, 2024, FCC instructed its counsel Gowling WLG (Canada) LLP ("**Gowling**") to issue demand letters upon each of the Debtors (the "**Demand Letters**"), among other entities within the GFI Group which had provided guarantees to FCC but not security. With the Demand Letters to the Debtors, Gowling enclosed notices of intention to enforce its security pursuant to Section 244 of the BIA (the "**NITES**"). Attached as **Exhibit "TT"** are true copies of the Demand Letters with enclosed NITES.

51. On May 8, 2024, the Debtors executed waivers to the Demand Letters and NITES allowing FCC to immediately proceed with enforcement of the FCC Security. Attached as **Exhibits "UU"** are the waivers.

52. Prior to and following the issuance of the Demand Letters and NITES, I spoke to Management who confirmed to me that the Debtors intend to work cooperatively with FCC and Siena so that the Debtors' assets can be marketed and sold in an orderly manner. Management

further advised me that unless a receiver was appointed over the Borrower's assets by June 13, 2024, the Borrower would take steps to assign itself into bankruptcy.

53. I understand from speaking to Sam Gabor of Gowling that Mr. Gabor has been in discussions with counsel for Siena who has advised Mr. Gabor that Siena intends on appointing its own receiver over the ABL Priority Collateral in order to complete a liquidation of the Borrower's remaining inventory.

### **VIII. APPOINTMENT OF FTI AS RECEIVER IS JUST AND CONVENIENT**

54. I understand that the appointment of FTI as receiver of the Term Loan Priority Collateral is on the consent of the Debtors or alternatively the Debtors are taking no position to FTI's appointment.

55. As set out above, as of May 13, 2024, the aggregate outstanding Indebtedness owed by the Debtors is \$15,004,907.17, excluding professional fees, disbursements and accruing interest. The Debtors have failed to repay the Indebtedness. Costs and interest continue to accrue thereon.

56. Multiple events of default have occurred under the FCC Credit Agreement and Guarantee, which are ongoing and outstanding, including:

- a) Global Food Canada failing to make its monthly principal and interest payments on May 1, 2024, as required under the FCC Credit Agreement;
- b) Global Food Canada becoming insolvent;
- c) Global Food Canada being unable to pay its debts or meet its liabilities as the same become due;
- d) Global Food Canada admitting to FCC in writing and in the Press Release of its inability to pay its debts generally;

- e) Global Food Canada suffering a Material Adverse Change (as defined in the FCC Credit Agreement) by taking steps to cease its business and operations which change shall have a material adverse effect on the business, property, assets, liabilities, operations condition (financial or otherwise), affairs and prospects of the Debtor, and its ability to perform its obligations under the FCC Credit Agreement;
- f) FCC, in good faith and upon commercially reasonable grounds, believing that the prospect of repayment or performance of the Indebtedness is impaired;
- g) GFI Brands failing to repay the Indebtedness following demand by FCC under the Guarantee.

57. The statutory notice period provided for under the BIA and outlined in the NITES has been waived and has also expired.

58. If this Honourable Court sees fit to appoint FTI as receiver of the Term Loan Priority Collateral, FTI has consented to act as Court-appointed receiver. FTI is a licensed insolvency trustee and has significant experience in mandates of this nature, including with FCC.

59. FTI has take steps to understand the nature of the Debtors' business and assets.

60. FTI will be receiver over only the Term Loan Priority Collateral. FTI will only deal with the ABL Priority Collateral by way of agreement(s) with Siena and/or a receiver appointed upon application by Siena. FTI will coordinate with a receiver appointed by Siena over the ABL Priority Collateral.

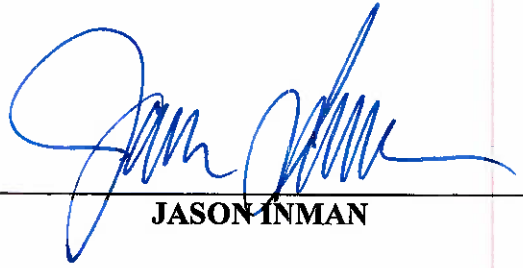
61. FTI has engaged in discussions with Siena and its counsel to promote cooperation between the Debtors' senior secured lenders.

62. This affidavit is sworn in support of FCC's application for the Appointment Order and for no other or improper purpose.

SWORN Before me in the city of  
Charlottetown, in the Province of  
Prince Edward Island, this 16<sup>th</sup> day of  
May, 2024.

*Sarah Wats.*

A Commissioner for Oaths in and for the  
Province of Prince Edward Island.



**JASON INMAN**

FARM CREDIT CANADA

-and- GLOBAL FOOD AND INGREDIENTS INC. and  
GFI BRANDS INC.

Applicant

Respondents

Court File No. CV-24-00720526-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**AFFIDAVIT**

**GOWLING WLG (CANADA) LLP**  
Suite 1600, 421 7<sup>th</sup> Avenue SW  
Calgary, AB T2P 4K9

**Sam Gabor**

Tel: 403-298-1946

Fax : 403-263-9193

Email: [sam.gabor@gowlingwlg.com](mailto:sam.gabor@gowlingwlg.com)

**Stephen Kroeger**

Tel: 403 298 1018

Fax : 403-263-9193

Email: [Stephen.Kroeger@gowlingwlg.com](mailto:Stephen.Kroeger@gowlingwlg.com)

**Heather Fisher (LSO#75006L)**

Tel: 416-369-7202

Fax: 416-862-7661

Email: [heather.fisher@gowlingwlg.com](mailto:heather.fisher@gowlingwlg.com)

*Lawyers for the Applicant*



**This is Exhibit "A" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watkins*

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**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Su Prince*



## Corporate Profile / Profil corporatif

<b>Date and time of Corporate Profile (YYYY-MM-DD)</b>	2024-04-25 3:53 PM	<b>(AAAA-MM-JJ) Date et heure du Profil corporatif</b>
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CORPORATE INFORMATION		RENSEIGNEMENTS CORPORATIFS
<b>Corporate name</b>	<b>Dénomination</b>	
	Global Food and Ingredients Inc.	
<b>Corporation number</b>	1411701-8	<b>Numéro de société ou d'organisation</b>
<b>Business number</b>	758326912RC0002	<b>Numéro d'entreprise</b>
<b>Governing legislation</b>	<b>Régime législatif</b>	
	<i>Canada Business Corporations Act (CBCA) - 2022-06-10</i> <i>Loi canadienne sur les sociétés par actions (LCSA) - 2022-06-10</i>	
<b>Status</b>	<b>Statut</b>	
	Active	
	Active	

REGISTERED OFFICE ADDRESS	ADRESSE DU SIÈGE
	43 Colborne Street, Suite 400 Toronto ON M5E 1E3 Canada

ANNUAL FILINGS	DÉPÔTS ANNUELS	
<b>Anniversary date (MM-DD)</b>	06-10	<b>(MM-JJ) Date anniversaire</b>
<b>Filing period (MM-DD)</b>	06-10 to/au 08-09	<b>(MM-JJ) Période de dépôt</b>
<b>Status of annual filings</b>	<b>Statut des dépôts annuels</b>	
	Not due 2024	N'est pas dû
	Filed 2023	Déposé
<b>Date of last annual meeting (YYYY-MM-DD)</b>	2022-10-06	<b>(AAAA-MM-JJ) Date de la dernière assemblée annuelle</b>
<b>Type</b>	<b>Type</b>	
	Non-distributing corporation with 50 or fewer shareholders	
	Société n'ayant pas fait appel au public et comptant 50 actionnaires ou moins	

DIRECTORS		ADMINISTRATEURS
<b>Minimum number</b>	1	<b>Nombre minimal</b>
<b>Maximum number</b>	10	<b>Nombre maximal</b>
<b>Current number</b>	2	<b>Nombre actuel</b>
Frank van Biesen	43 Colborne Street, Suite 400, Toronto ON M5E 1E3, Canada	
David Hanna	43 Colborne Street, Suite 400, Toronto ON M5E 1E3, Canada	

CORPORATE HISTORY		HISTORIQUE CORPORATIF
<b>Corporate name history (YYYY-MM-DD)</b>		<b>(AAAA-MM-JJ) Historique de la dénomination</b>
2022-06-10 to present / à maintenant	Global Food and Ingredients Inc.	
<b>Certificates issued (YYYY-MM-DD)</b>		<b>(AAAA-MM-JJ) Certificats émis</b>
Certificate of Amalgamation Corporations amalgamated	2022-06-10 Certificat de fusion Corporations amalgamated 13476669 13476669 Canada Inc. 10742317 Global Food and Ingredients Inc.	
Amendments details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed.	Seuls les renseignements concernant les modifications effectuées après 2010-03-20 sont disponibles. Certains certificats émis avant 2000 pourraient ne pas être listés.	
<b>Documents filed (YYYY-MM-DD)</b>		<b>(AAAA-MM-JJ) Documents déposés</b>

<b>The Corporate Profile sets out the most recent information filed with and accepted by Corporations Canada as of the date and time set out on the Profile.</b>	<b>Le Profil corporatif fait état des renseignements fournis et acceptés par Corporations Canada à la date et à l'heure indiquées dans le profil.</b>
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**This is Exhibit "B" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watt*

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**A commissioner for Oaths in and for the Province of Prince Edward Island**

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## Profile Report

GLOBAL FOOD AND INGREDIENTS INC. as of April 25, 2024

Act	Corporations Information Act
Type	Extra-Provincial Federal Corporation with Share
Name	GLOBAL FOOD AND INGREDIENTS INC.
Ontario Corporation Number (OCN)	1000245005
Governing Jurisdiction	Canada - Federal
Incorporation/Amalgamation Date	June 10, 2022
Registered or Head Office Address	43 Colborne Street, 400, Toronto, Ontario, M5E1E3, Canada
Status	Refer to Governing Jurisdiction
Date Commenced in Ontario	June 10, 2022
Principal Place of Business	43 Colborne Street, 400, Toronto, Ontario, M5E 1E3, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

**Chief Officer or Manager**

There are no chief officer or managers on file for this corporation.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

## Corporate Name History

Refer to Governing Jurisdiction

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

### Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.



### Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

## Document List

Filing Name	Effective Date
Other - Entity Formed by Amalgamation Including OCN(s) 3177020, 1000016102	June 28, 2022
CIA - Initial Return PAF: Bill MURRAY	June 28, 2022

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

**This is Exhibit "C" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

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**A commissioner for Oaths in and for the Province of ~~Prince~~ Edward Island**

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Entity Number: 102086313  
 Entity Name: GLOBAL FOOD AND INGREDIENTS INC.

Page 1 of 2  
 Report Date: 25-Apr-2024

## Entity Details

Entity Type	Business Corporation
Entity Subtype	MRAS Corporation
Entity Status	Active
Registration Date	10-Sep-2019
Entity Number in Home Jurisdiction	10742317
Entity Name in Home Jurisdiction	GLOBAL FOOD AND INGREDIENTS INC.
Home Jurisdiction	Canada
Incorporation/Amalgamation Date in Home Jurisdiction	19-Apr-2018
Annual Return Due Date	31-May-2024
Nature of Business	Oilseed and grain merchant wholesalers

## Registered Office Addresses

Physical Address	#400, 43 COLBORNE STREET, TORONTO, Ontario, Canada, M5E 1E3
Mailing Address	GLOBAL FOOD AND INGREDIENTS INC., 400-43 COLBORNE ST, TORONTO, Ontario, Canada, M5E 1E3

## Directors/Officers

<b>DAVID HANNA (Director)</b>	<b>Effective Date:</b>	<b>10-Sep-2019</b>
Physical Address:	43 DIXON AVENUE, TORONTO, Ontario, Canada, M4L 1N4	
Mailing Address:	43 DIXON AVENUE, TORONTO, Ontario, Canada, M4L 1N4	
<b>WILLIAM MURRAY (Director)</b>	<b>Effective Date:</b>	<b>05-Mar-2020</b>
Physical Address:	26 GLEN STEWART AVE, TORONTO, Ontario, Canada, M4E 1P7	
Mailing Address:	26 GLEN STEWART AVE, TORONTO, Ontario, Canada, M4E 1P7	

Entity Number: 102086313  
 Entity Name: GLOBAL FOOD AND INGREDIENTS INC.

**FRANK VAN BIESEN (Director)** **Effective Date:** **31-May-2021**  
 Physical Address: #400, 43 COLBORNE STREET,  
 TORONTO, Ontario, Canada, M5E 1E3  
 Mailing Address: #400, 43 COLBORNE STREET,  
 TORONTO, Ontario, Canada, M5E 1E3

**Power of Attorney**

**BRUCE HARRISON**  
 Physical Address: MCKERCHER LLP, 374 THIRD AVENUE SOUTH, SASKATOON, Saskatchewan, Canada, S7K 1M5  
 Mailing Address: MCKERCHER LLP, 374 THIRD AVENUE SOUTH, SASKATOON, Saskatchewan, Canada, S7K 1M5

**CHRISTOPHER J. MASICH**  
 Physical Address: MCKERCHER LLP, 374 THIRD AVENUE SOUTH, SASKATOON, Saskatchewan, Canada, S7K 1M5  
 Mailing Address: MCKERCHER LLP, 374 THIRD AVENUE SOUTH, SASKATOON, Saskatchewan, Canada, S7K 1M5

**Notes**

Date	Note
6/26/2020 5:11:34 PM	Entity type converted in June 2020 due to NWP/MRAS initiative.
7/21/2020 5:15:23 PM	The officers for this entity were ceased as part of the MRAS initiative.

**Event History**

Type	Date
Business Corporation - Annual Return	31-May-2023
Notice of Change of Registered Office/Mailing Address	31-May-2023
Business Corporation - Annual Return	31-May-2022
Business Corporation - Annual Return	31-May-2021
Notice of Change of Directors/Officers	31-May-2021
Business Corporation - Annual Return	23-Jun-2020
Notice of Change of Directors/Officers	23-Jun-2020
Notice of Change of Registered Office/Mailing Address	03-Feb-2020
Business Corporation - Extra-provincial Registration	10-Sep-2019

**This is Exhibit "D" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prince  
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# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2024/04/25  
 Time of Search: 01:52 PM  
 Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD  
 Service Request Number: 41995789  
 Customer Reference Number:

**Corporate Access Number:** 2125511895

**Business Number:**

**Legal Entity Name:** GLOBAL FOOD AND INGREDIENTS INC.

**Legal Entity Status:** Active  
**Extra-Provincial Type:** Federal Corporation  
**Method of Registration:** Amalgamation  
**Registration Date:** 2023/09/29 YYYY/MM/DD  
**Date Of Formation in Home Jurisdiction:** 2022/06/10 YYYY/MM/DD  
**Home Jurisdiction:** CANADA  
**Home Jurisdiction CAN:** 14117018

**Head Office Address:**

**Street:** 43 COLBORNE STREET, SUITE 400  
**City:** TORONTO  
**Province:** ONTARIO  
**Postal Code:** M5E1E3  
**Email Address:** ANNUAL.RETURNS@MCMILLAN.CA

**Primary Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
MCILWAIN	GREGORY		MCMILLAN LLP	1700, 421 - 7TH AVENUE SW	CALGARY	ALBERTA	T2P4K9	ANNUAL.RETURNS@MCMILLAN.CA

**Directors:**

**Last Name:** HANNA  
**First Name:** DAVID  
**Street/Box Number:** 42 COLBORNE STREET, SUITE 400  
**City:** TORONTO  
**Province:** ONTARIO  
**Postal Code:** M5E1E3

**Last Name:** VAN BIESEN  
**First Name:** FRANK  
**Street/Box Number:** 42 COLBORNE STREET, SUITE 400  
**City:** TORONTO

**Province:** ONTARIO  
**Postal Code:** M5E1E3

**Other Information:**

**Amalgamation Predecessors:**

Corporate Access Number	Legal Entity Name
2124236700	GLOBAL FOOD AND INGREDIENTS INC.

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2023/09/29	Register Extra-Provincial Amalgamation

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.





**This is Exhibit "E" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

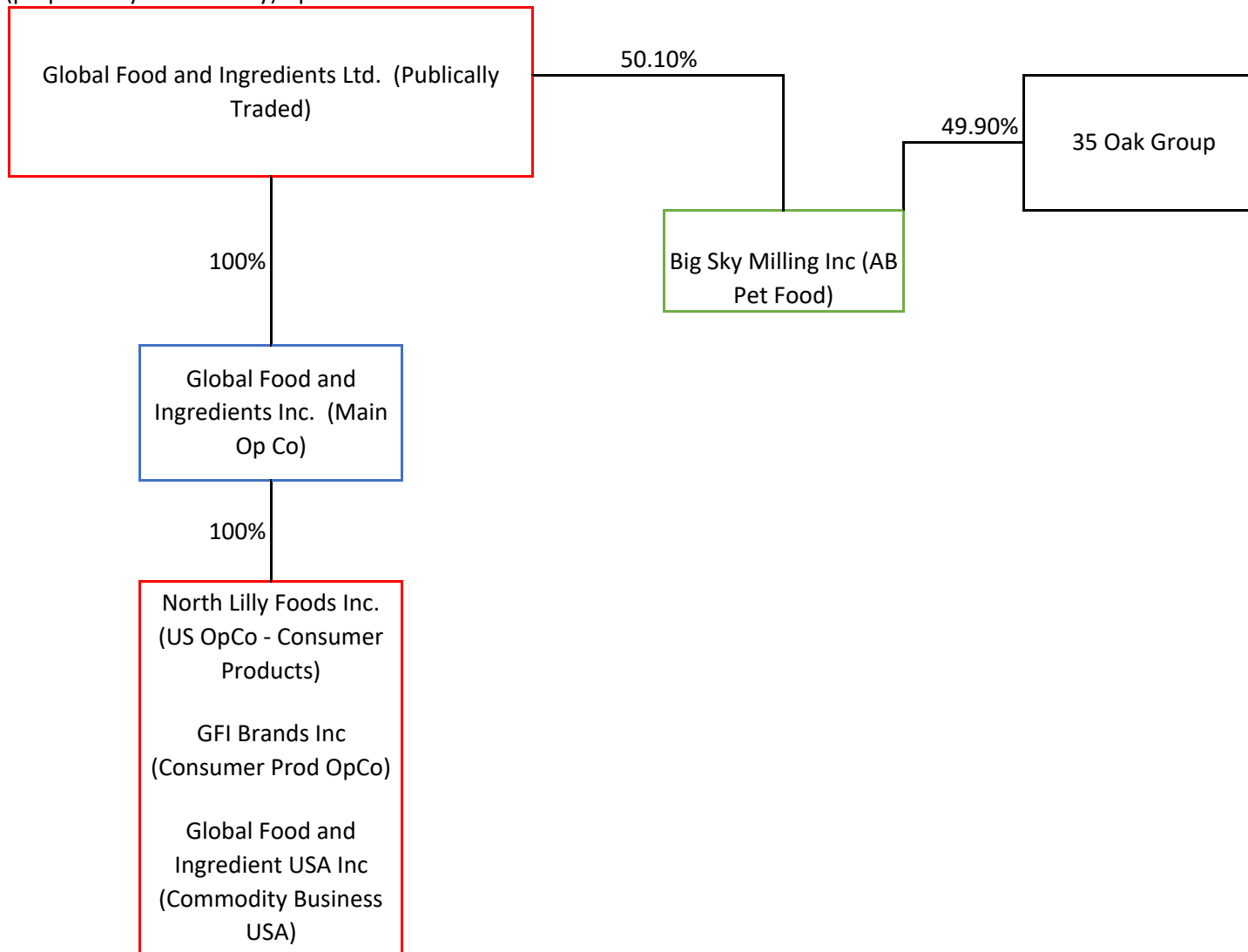
*Sarah Walsh*

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**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prince  
SW*

GFI Group (prepared by SLA J Coffey) April 23 2024



Blue Box FCC Borrower

Red Box FCC Guarantor

Green Box FCC Limited Guarantor, \$3M, secured by 2nd charge on bowden AB pet food (2nd position to 35 Oak) \$5M

**This is Exhibit "F" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watt*

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**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prince  
SW*

## LEASE AGREEMENT

This lease (the "**Lease**") is made effective this 1<sup>st</sup> day of October, 2015.

**BETWEEN:**

**STEWART SOUTHERN RAILWAY INC.**

a body corporate incorporated  
under the laws of Saskatchewan  
(hereinafter called the "**Landlord**")

-and-

**CANPULSE FOODS LTD.**

a body corporate incorporated  
under the laws of Canada  
(hereinafter called the "**Tenant**")

**WHEREAS** the Landlord is the registered owner, or is entitled to become the registered owner, of that land located in the Province of Saskatchewan, excepting all mines and minerals, and being composed of those lands legally described as:

Surface Parcel #203169775

Reference Land Description: SW Sec 09 Twp 15 Rge 16 W2 Plan B3490 Extension 4  
(referred to herein as the "**Lajord Station Grounds**");

**AND WHEREAS** the Lajord Station Grounds contain a main track and 25 car spot siding (the "**Siding**") on which the Landlord operates a short line railway all as more particularly set out on the Topography and Boundary Survey of SSR Lajord Station Grounds Plan attached as Schedule "A" hereto (the "**Plan**");

**AND WHEREAS** the Tenant wishes to lease a certain portion of the Lajord Station Grounds, being that portion comprised of those parcels identified as 197220 together with the most westerly 50ft in perpendicular width of parcel 197210, as such numbered parcels are more particularly delineated on the Plan (hereinafter, collectively, called the "**Leased Land**"). For greater certainty "Leased Land" does not include the Siding;

**AND WHEREAS** the Tenant wishes to construct, own and operate an approximately 10 tonne seed cleaning, storage and grain handling facility on the Leased Land for the purpose of cleaning, handling, storing and loading grains, pulse and specialty crops (the "**Grain Handling Facility**") subject to the terms, covenants and conditions of this Lease;

**NOW THEREFORE**, in consideration of the mutual covenants and promises herein contained, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Landlord and Tenant hereby agree as follows:

### **ARTICLE 1 – DEFINITIONS**

1.01 - In addition to words and phrases defined elsewhere in this Lease, for the purposes of this Lease the following words shall have the following meanings:

- (a) "**Additional Rent**" means any amount which becomes due and payable by the Tenant to the Landlord by any term in this Lease as more particularly identified in Article 4.02, but for the avoidance of doubt does not include Annual Rent;

- (b) **"Annual Rent"** means the rent for the Leased Land being the sum described in Article 4.01;
- (c) **"Environmental Laws"** means any and all common law and federal, provincial, municipal or local statutes, regulations, orders, by-laws, ordinances or other requirements relating to occupational health and safety, pollution or protection of the environment (including natural resource damages), including those relating to emissions, discharges or releases of Hazardous Substances, as hereinafter defined. ;
- (d) **"Hazardous Substances"** means any substance, waste, liquid, gaseous or solid matter, fuel, micro-organism, sound, vibration, ray, heat, odor, radiation, energy vector plasma, organic or inorganic matter which is or is deemed to be, alone or in any combination, hazardous, hazardous waste, solid or liquid waste, toxic, a pollutant, contaminant or a source of pollution or contamination, under any Environmental Laws;
- (e) **"Improvements"** means the Grain Handling Facility and any building, structure, or other work of a physical character which is placed or erected on, or which in any way alters the topography of, the Leased Land as such topography existed prior to the entering into of this Lease, and for the avoidance of doubt specifically excludes: i) the Quonset (and related yard) on the southwestern boundary of the parcel; and ii) the Siding;
- (f) **"Quonset"** means the metal quonset (and related yard access) owned by a third party that, with the acquiescence of the Landlord, encroaches onto the Lajord Station Grounds;
- (g) **"Rail Services"** means the Rail Services Unit of the Saskatchewan Ministry of Highways and Infrastructure;
- (h) **"rent" or "rents"** means the Annual Rent and Additional Rent collectively; and
- (i) **"Tenant's Property"** means the property of the Tenant more particularly described in Article 7.02 hereof.

## ARTICLE 2 - GRANT OF LEASE

### 2.01 - Grant

The Landlord hereby demises and leases the Leased Land to the Tenant, and the Tenant hereby leases and accepts the Leased Land from the Landlord, to have and to hold during the Term, subject to the terms and conditions of this Lease.

### 2.02 – Reservation of Rights

The Landlord reserves the right to construct and operate a track or tracks of railway over any part of the Leased Land not actually covered by any building or structure hereinafter mentioned, and the right of access to enter for such purposes the whole of the Leased Land, excluding the bins and Office trailer and any other locked structures comprising the Grain Handling Facility, without liability on the part of the Landlord to pay for compensation or damages respecting any damage resulting from the exercise of these rights, save and except for any damage arising out of the gross negligence or deliberate malfeasance on the part of the Landlord or anyone in law for whom the Landlord is responsible. The Landlord also reserves the right to allow the current owner of the Quonset to have unrestricted access to and exclusive use of the Quonset and immediately surrounding area upon which the Quonset sits, without interference by the Tenant.

## 2.03 – Restrictive Covenant

The Landlord covenants and agrees that so long as the Leased Land is being used by the Tenant in accordance with paragraph 7.01 and provided the Tenant continuously conducts such business on the Leased Land and substantially performs all of its material obligations under this Lease, it being acknowledged and agreed that repetitive delay in the payment of rent constitutes non-performance of a material obligation of this Lease, and unless otherwise agreed to in writing between the Landlord and the Tenant, the Landlord, during the initial Term of this Lease and any renewals thereof, will not permit, directly or indirectly, any portion of the Lajord Station Grounds to be used or leased by any person, other than the Tenant, for the purpose of operating a grain handling business in competition with the Tenant, nor permit any person, other than the Tenant, to use the Siding for the loading or unloading of grain cars, it being acknowledged that the Landlord reserves the right, in consultation with the Tenant, to periodically and temporarily store rail cars on such Siding in connection with the Landlord's short line railway operation provided always that the Landlord's concurrent use of such Siding will not materially deprive the Tenant of its intended use of such Siding, and provided further that the forgoing restrictive covenant shall not apply to any person who, with the consent of the Landlord, wishes to store grains grown from their own crops in storage bins leased or located on that portion of the Lajord Station Grounds not comprising the Leased Land.

It is expressly agreed and acknowledged that the benefit of this restrictive covenant is personal to the Tenant and that this restrictive covenant terminates upon the expiration, other termination of this Lease or by written agreement between the Landlord and the Tenant to such effect. The Tenant may register an interest protecting this restrictive covenant provided it is in form and content acceptable to the Landlord's solicitor acting reasonably in regard to ensuring that the interest can be discharged by the Tenant or lapsed by the Landlord, without the consent of any third party upon the termination or other expiration of this Lease and any renewals hereof.

## ARTICLE 3 – TERM

### 3.01 – Term

The initial term of this Lease shall be for a period of ten years commencing on the 1<sup>st</sup> day of October, 2015, and ending on the 30<sup>th</sup> day of September, 2025 (the "Term").

## ARTICLE 4 – RENT

### 4.01 – Annual Rent

Subject to Article 4.03, the Tenant shall pay the Landlord, without any deduction, set off, or abatement whatsoever, yearly and every year or portion thereof during the Term the sum of \$10,000 plus GST payable in advance on the first day of October in each year during the Term.

### 4.02 - Additional Rent

In addition to the Annual Rent, the Tenant agrees to pay to the Landlord such additional rent as the Landlord and Tenant may agree, it being acknowledged that, save as otherwise specifically provided for herein, the within Lease is to be a carefree net lease to the Landlord, and that all costs associated with the use or occupation of the Leased Land by the Tenant shall be paid by the Tenant to the Landlord at such times, and in such amounts, as the Landlord and Tenant may agree. For the avoidance of doubt, the Tenant agrees that, along with other expenses

comprising Additional Rent, it will pay to the Landlord, as and when due, the following expenses as Additional Rent:

- (a) The Tenant's proportionate share of any municipal property taxes associated with the Leased Land as more particularly contemplated under Article 10 hereof, it being acknowledged that the Grain Handling Facility will be a substantial improvement on the Lajord Station Grounds, and accordingly the Tenant shall pay or otherwise reimburse the Landlord for the municipal property taxes assessed to the Landlord in connection with the Grain Handling Facility and any other Improvements; and
- (b) The cost of any utilities used by the Tenant but for which the Landlord, as owner of the Leased Land, was invoiced..

#### 4.03 – Rent Free Fixturing Period

The parties acknowledge that the Tenant will need a period of time following the commencement of this Lease to prepare the Leased Land and construct the Grain Handling Facility. Accordingly, the parties agree that the Tenant shall not be responsible for Annual Rent under Article 4.01 hereof until 1 January 2017, with the amount of Annual Rent payable for the year in which operations commence to be prorated accordingly and paid on 1 January 2017. Notwithstanding the rent free fixturing period, the Tenant shall be responsible for any Additional Rent under Article 4.02 hereof from the commencement of this Lease.

#### 4.04 – Place of Payment of Rent

All Annual Rent, Additional Rent and charges payable hereunder shall be paid by the Tenant to the Landlord, at the offices of Stewart Southern Railway Inc., P.O. Box 12, Fillmore, Saskatchewan, or at such other place as the Landlord may designate in writing from time to time, without any prior demand, and shall be payable in lawful money of Canada.

#### 4.05 – Interest on late Payments

If the Tenant fails to pay, when due, any Annual Rent, Additional Rent or other sum required to be paid by the Tenant to the Landlord pursuant to this Lease, the unpaid amounts shall bear interest from the due date thereof to the date of payment at the rate of five percent (5%) per annum, payable monthly (or if such rate of interest shall become unlawful, at the maximum rate permitted by law).

### ARTICLE 5 – RENEWAL

#### 5.01 Renewal of Lease

Provided that the Tenant duly and regularly pays rent and substantially performs all of its other material obligations under this Lease and is not in default of any of the terms, covenants and conditions of this Lease at the relevant time, the Tenant shall have the right upon written notice to the Landlord, received at least four (4) months prior to the expiry date of the Term, to renew this Lease for a further term of ten (10) years (the "Renewal Term") on the same terms and condition other than those respecting Annual Rent payable during the Renewal Term and that there shall be only one right of renewal as set out in 5.02 hereof.

#### 5.02 Second Renewal of Lease

Provided that the Tenant duly and regularly pays Rent and substantially performs all of its other material obligations under this Lease and is not in default of any of the terms, covenants and conditions of this Lease at the relevant time, the Tenant shall have the right upon written notice to the Landlord, received at least four (4) months prior to the expiry date of the Renewal Term, to renew this Lease for a further term of five (5) years (the "**Second Renewal Term**") on the same terms and condition other than those respecting Annual Rent payable during the Renewal Term and that there shall be no rights of renewal.

#### 5.03 Annual Rent During Renewal Term

The Annual Rent payable during the Renewal Term shall be as negotiated and agreed in writing between the Landlord and Tenant, failing which, the matter of determining the Annual Rent for the Renewal Term may be submitted by either party to binding arbitration in accordance with the provision of this Lease but in no event shall the Annual Rent for the Renewal Term be less than the Annual Rent specified in Article 4.01 of this Lease. The Renewal Term shall be subject to all the other terms, covenants and conditions of this Lease, excluding this provision for renewal for the Renewal Term, and this Lease shall be construed during the Renewal Term as if the words "Renewal Term" were substituted for the word "Term".

#### 5.04 Annual Rent During Second Renewal Term

The Annual Rent payable during the Second Renewal Term shall be as negotiated and agreed in writing between the Landlord and Tenant, failing which, the matter of determining the Annual Rent for the Second Renewal Term may be submitted by either party to binding arbitration in accordance with the provision of this Lease but in no event shall the Annual Rent for the Second Renewal Term be less than the Annual Rent paid during the Renewal Term of this Lease. The Second Renewal Term shall be subject to all the other terms, covenants and conditions of this Lease except that there shall be no further right of renewal, and this Lease shall be construed during the Second Renewal Term as if the words "Second Renewal Term" were substituted for the word "Term".

### ARTICLE 6 – TERMINATION

#### 6.01 – Termination by Landlord

The Landlord may terminate this Lease at any time during the Term on giving the Tenant ninety (90) days' written notice, or such other period of time as the parties may agree upon in the circumstances, of the termination under the following circumstances only:

- (a) if the Landlord is ordered by the Canadian Transportation Agency or Rail Services or other authority having jurisdiction to carry out changes that necessitate terminating the Lease;
- (b) if the Tenant defaults in the payment of any rent or any fee reserved under this Lease or in the observance or performance of any of the covenants and agreements in this Lease to be observed or performed by the Tenant, and that default is not cured within 30 days of the Landlord giving the Tenant written notice of such default, or such further period of time as the Landlord may consent to in writing; or
- (c) if the Tenant fails to continuously, actively and diligently operate the Grain Handling Facility for a period of twelve months.



## ARTICLE 7 – USE OF LEASED LAND

### 7.01 – Permitted use

The Leased Land shall be used and occupied by the Tenant, in a lawful manner, solely for the purpose of constructing, owning and operating the proposed Grain Handling Facility which shall be used solely for the purposes of cleaning, handling, storing and loading grains, pulse and specialty crops. The Tenant shall not use the Leased Land for any other purpose whatsoever without the prior written consent of the Landlord, which consent may be withheld in the sole discretion of the Landlord. The Landlord acknowledges that the Tenant intends to construct a Grain Handling Facility on the Leased Land at an approximate cost to the Tenant of \$3 million, part of which cost may be financed by one or more commercial lenders who will, in all likelihood, want a security interest in the assets of the Grain Handling Facility as well as a conditional assignment of this Lease to secure repayment of such financing.

### 7.02 - Tenant's Property

Notwithstanding anything to the contrary herein contained, it is expressly understood and agreed that the Grain Handling Facility, and all of the equipment and components thereof or associated therewith, together with any other Improvements situate on the Leased Land, together with any signage affixed or located on the Leased Land, by the Tenant shall, at all times, be deemed to be personal property of the Tenant (collectively referred to herein as the "**Tenant's Property**"), notwithstanding their degree of affixation to the real property or that, at law, such improvements would otherwise be considered to be part of the real property comprising the Lajord Station Grounds.

### 7.03 – Tenant dealing with Tenant's Property during Term

Provided that the Tenant is not, at the relevant time, in default of any term or provision of this Lease and subject to the proviso that the Tenant shall not cease regular operations of a grain handling facility from the Leased Land for any period in excess of a year and subject to the other terms of this lease including, without limitation, section 11.01(2), the Tenant shall be at liberty during the Term to add to, remove, relocate, repair, alter or install any or all of the Tenant's Property from or on the Leased Land, provided always that the Tenant shall be responsible to repair or restore, as the case may be, the surface of the Leased Land to essentially the same condition as such lands were in prior to the entering into of this Lease, earthwork permitted or accepted by the Landlord excepted.

## ARTICLE 8-- FENCING

### 8.01 - Fencing

Where the Landlord directs, the Tenant shall erect and thereafter maintain during the Term, at the Tenant's own risk and expense, and to the satisfaction of the Landlord, a six (6) foot high page wire fence around the perimeter of the Leased Land for the purpose of restricting vehicle access to the Landlord's railway right of way. Upon the termination of this Lease by either party, the Tenant shall, at its own risk and expense, remove said fence from the Leased Land if requested by the Landlord to do so. Notwithstanding the forgoing, the Tenant shall provide the Landlord with keys to any and all locking mechanisms used to exclude the general public having access to the Leased Land or part thereof excluding the excluding the bins and Office trailer and any other locked structures comprising the Grain Handling Facility.

## ARTICLE 9 – ASSIGNMENT

### 9.01 - Assignment

The Tenant shall not assign this Lease, in whole or in part, nor sublet all or any part of the Leased Land without the express prior written consent of the Landlord, which consent will not be unreasonably withheld.

## ARTICLE 10 - TAXES

### 10.01 – Taxes in General

- (1) The Tenant shall pay the real property taxes attributable to the Leased Land when due, and the Tenant shall pay when due all other taxes, rates, duties, local improvements and assessments and other charges that may be levied, rated, charged or assessed against all improvements, equipment and facilities of the Tenant on or in the Leased Land, or in respect of any rents or other amounts payable to the Landlord by the Tenant in respect of the Leased Land, and every tax and license fee in respect of any and every business carried on or in respect of the use or occupancy thereof by the Tenant (and any and every subtenant or licensee), whether the taxes, rates, duties, local improvements, assessments and license fees are charged by a municipal, parliamentary, school or other body, during the Term.
- (2) The Tenant will indemnify and keep indemnified the Landlord from and against payment for all losses, costs, charges and expenses occasioned by, or arising from any and all such taxes, rates, duties, local improvements, assessments, license fees, and any and all taxes which may in future be levied in lieu of such taxes, and any such losses, costs, charges and expenses suffered by the Landlord may be collected by the Landlord as Additional Rent with all rights of distress and otherwise as reserved to the Landlord in respect of rents in arrears.

### 10.02 – Goods and Services Tax

The Tenant shall also be responsible for the payment of all goods and services taxes (and any similar or replacement taxes) in respect of any amounts payable, and any services provided hereunder and shall reimburse the Landlord immediately upon demand for all amounts payable or paid by the Landlord, according to the law in respect to such taxes.

## ARTICLE 11 – TENANT'S COVENANTS

### 11.01 – Tenant's Covenants

In addition to any other covenants on the part of the Tenant to the Landlord hereunder, the Tenant covenants and agrees with the Landlord as follows:

- (1) Utilities. To the fullest extent possible the Tenant shall cause all utilities including, for the avoidance of doubt, any water, sewer, electricity, natural gas, telephone, internet or cable services, to be used or consumed by the Tenant in relation to its use or occupation of the Leased Land to be separately metered and invoiced by such utility provider directly to the Tenant;
- (2) Improvements. Save for those Improvements contemplated by the Tenant and already specifically approved by the Landlord at the time of entering into of this Lease, if the Tenant, during the Term, desires to make any further material alterations or additions to the Leased Land where such alteration or addition requires the issuance of a building permit by the local municipal authority or where such alteration or additions materially

change the footprint of the improvements as they are located upon the Leased Land at the time the Tenant proposes such alteration or addition, the Tenant may, at its sole cost, risk and expense, undertake or perform such alteration or addition provided the following conditions are met:

- (a) the Tenant shall have submitted to the Landlord a detailed plan, description or outline explaining the proposed alterations or additions that the Tenant wishes to make to the Leased Land and the Tenant shall not proceed to make any such alterations or additions unless the Landlord has approved the proposed alteration or addition, such approval not to be unreasonably withheld (it being understood that it will not be unreasonable for the Landlord to withhold its approval where the location of a proposed improvement would interfere with the Landlord's rail line plans on the Leased Land); and
  - (b) any and all alterations or additions to the Leased Land made by the Tenant must comply with all applicable building code standards and by-laws of the municipality having jurisdiction over the Leased Land. The Tenant shall, on request therefor by the Landlord, provide the Landlord with copies of any building permits or licenses issued to the Tenant in respect of any such alteration or addition.
- (3) Damage to Improvements and the Leased Land. The Tenant shall be responsible for any damage to the Leased Land or any buildings or Improvements on the Leased Land that may occur during the Term of this Lease or during any renewal thereof save and except for any damage arising out of the gross negligence or deliberate malfeasance on the part of the Landlord or anyone in law for whom the Landlord is responsible.
- (4) Repair and Maintenance of Improvements and Leased Land. The Tenant shall, during the Term, at its sole cost and expense and without any compensation therefor from the Landlord, keep all Improvements in a good state of repair as would a reasonable owner of such property and, without limiting the generality of the forgoing, the Tenant shall maintain the Leased Land as would a reasonable person in the circumstances and not permit any waste, debris or noxious weeds to accumulate on the Leased Land where such accumulation might be considered by a reasonable person to constitute a nuisance.

#### 11.02 – Roadways on Leased Land

The Tenant understands and agrees that portions of the Leased Land may consist of roadways and rights-of-way used by third parties for the purpose of gaining access to adjoining land, and the Tenant agrees that such roadways or rights-of-way may be used for such purposes, jointly with the Tenant and in furtherance thereof, the Tenant hereby grants a full, free and non-exclusive right, liberty and easement which will run with and bind the Leased Land, as the servient tenement, for the Landlord and all other parties with the Landlord's consent, express or implied in common with the Tenant and all others now or hereafter having the like right, to enter into and upon such roadways and rights of way as may exist from time to time on the Leased Land, for going, returning, passing and re-passing on foot and with vehicles for the purpose of obtaining access, ingress and egress to and from other portions of the Lajord Station Grounds. The Landlord shall have the right to change the nature and configuration of such roadways and rights of way at any time and from time to time, at its sole expense, provided such change does not materially affect access to the Leased Land or, for periods in excess of 48 hours at a time, does not materially affect the business of the Tenant on the Leased Land and the Tenant hereby grants the Landlord, its agents and employees, the right to enter the Leased Land to effect such

roadway and right of way changes. The Landlord hereby imposes the obligation upon the Tenant to ensure that usage of the roadways or rights of way by the Tenant is reasonable at all times, and that the Tenant shall not use such roadways or rights-of-way for storage or parking but that same shall be kept clear at all times for vehicular traffic. The Tenant shall be solely responsible, at its own expense, for the maintenance and repair of such roadways and rights-of-way and shall:

- (a) at all times keep the roadways and/or rights-of-way clear of snow and ice;
- (b) maintain the roadways and/or rights-of-way as required by the Landlord, acting reasonably, and keep the same free of hazards that may cause injury to persons or damage to vehicles;
- (c) keep all ditches adjacent to the roadways and/or rights-of-way clear and free of any obstacles and debris and stagnated water; and
- (d) do all such other things to the roadways and/or rights-of-way as may be necessary from time to time in order to maintain the same in a safe and clear condition, and in compliance with any and all laws, rules, regulations, orders or by-laws governing the use, maintenance and repair thereof.

#### 11.03 - Roadways on the remainder of the Lajord Station Grounds

Portions of the Lajord Station Grounds may from time to time contain roadways and rights-of-way used for the purpose of gaining access to the Leased Land, and the Landlord hereby grants a full, free and non-exclusive right, liberty and easement which will run with and bind the Lajord Station Grounds, as the servient tenement, for the Tenant, its employees and invitees in common with the Landlord and all others now or hereafter having the like right, to enter into and upon such roadways and rights of way as may exist from time to time on the Lajord Station Grounds, for going, returning, passing and re-passing on foot and with vehicles for the purpose of obtaining access, ingress and egress to and from the Leased Land. The Landlord shall have the right to change the nature and configuration of such roadways and rights of way at any time and from time to time, at its sole expense, provided such change does not materially affect access to the Leased Land or, for periods in excess of 48 hours at a time, does not materially affect the business of the Tenant on the Leased Land. The Landlord hereby confers the right and authority and imposes the obligation upon the Tenant to ensure that such usage of the roadways or rights of way by the Tenant, its employees and invitees is reasonable at all times, and that the Tenant shall not use such roadways or rights-of-way for storage or parking but that same shall be kept clear at all times for vehicular traffic. The Tenant shall be solely responsible, at its own expense, for the maintenance and repair of such roadways and rights-of-way and shall:

- (a) at all times keep the roadways and/or rights-of-way clear of snow and ice;
- (b) maintain the roadways and/or rights-of-way as required by the Landlord, acting reasonably, and keep the same free of hazards that may cause injury to persons or damage to vehicles;
- (c) keep all ditches adjacent to the roadways and/or rights-of-way clear and free of any obstacles and debris and stagnated water; and
- (d) do all such other things to the roadways and/or rights-of-way as may be necessary from time to time in order to maintain the same in a safe and clear condition, and in compliance with any and all laws, rules, regulations, orders or by-laws governing the use, maintenance and repair thereof.

#### 11.04 – Easements

The Tenant further understands that all or a portion of the Leased Land may be subject to the existence of or may later become subject to the existence of easements for power, telephone or other utility lines or railway facilities or easements for drains, sewers, pipes and subsurface structures, or any other type of easement, and the Tenant agrees to allow any and all personnel to enter upon the Leased Land for the purpose of repairing and maintaining such power, telephone or other utility lines, railway facilities, drains, sewers, pipes and subsurface structures or for the purpose of doing those things which may arise from the granting of an easement which burdens the Leased Land. The Tenant agrees that this Lease shall be subject to all such easements whether heretofore or hereafter granted by the Landlord and shall not require the consent of the Tenant.

#### 11.05 – Clearances and Spacing

- (1) The Tenant shall in the location, use and operation of any Improvement on the Leased Land, observe and fully comply with all laws and orders in force, or which may hereafter come into force, relating to the space between any such Improvement or any part thereof and the rail of any railway track or siding or spur track constructed or to be constructed on the Leased Land or lands adjoining the same, and the space between the overhead beams, members or portions of any such improvement and the rail level of any such railway track or siding or spur track.
- (2) The Tenant shall not erect, or permit to be erected, or permit to remain if erected, any Improvement over four feet in height, or permit any material over four feet in height to be placed within six feet from the gauge side of the nearest rail of any railway track or siding or spur track constructed or to be constructed on the Leased Land or lands adjoining the same, and will not erect or permit to be erected or permit to remain if erected on the Leased Land any Improvement with a space of less than twenty-two feet and six inches between the overhead beams, members or portions of any such Improvements and the rail level of any such railway track or siding or spur track, and in all respects shall comply with the orders, decisions and directives of the Canadian Transportation Agency or Rail Services and any successor body thereto, and with *The Railway Act* (Saskatchewan) or any applicable legislation and amendments thereto or substitutions thereof.
- (3) The Tenant shall indemnify and save harmless the Landlord from and against any and all loss, costs or damages caused by, or contributed to, on account of noncompliance by the Tenant with such laws and orders, decisions and directives or on account of the clearance from any such railway track or siding or spur track of any Improvement or any part thereof or material four feet in height being less, at any time, than the standard distances aforesaid, and the Tenant will operate the Leased Land in accordance with, and subject to the orders, decisions and directives of the Canadian Transportation Agency or Rail Services and any successor body thereto which may from time to time govern the same.

### ARTICLE 12 - SURRENDER OF LEASED LAND ON TERMINATION

#### 12.01 – Responsibilities upon Surrender

On expiration or termination of this Lease, and subject to any agreement to the contrary arrived at between the Landlord and Tenant under Article 12.02 hereof, the Tenant shall:

- (a) Upon the written request of the Landlord and as soon as reasonably possible and in any event within six (6) months of the latter of the expiration or termination of this Lease and the date upon which such Landlord's written request is given, demolish and remove (in accordance with the written request of the Landlord) from the Leased Land all

Improvements as well as any chattels located thereon, and fill and compact all excavations thereon, and at the expiration or other termination of the Term, peaceably surrender and yield up to the Landlord the Leased Land in a neat, clean and level condition, free and clear of all waste material, concrete, debris and garbage, all to the reasonable satisfaction of the Landlord, and the Tenant shall make good any and all damages caused by such demolition, removal, filling and compacting;

- (b) Until such time as the Tenant has removed the Improvements and any chattels of the Tenant from the Leased Land and restored the surface of the Leased Land as contemplated in Article 12.01(a) above, the Tenant shall pay rent to Landlord in the amount of \$X per month, plus GST (where X is equal to ten percent of the annual rent paid during the most recent year of the Lease), for each month, or part thereof, of continued occupation of the Leased Land by the Tenant together with any Additional Rent attributed to the Tenant for such period of time; and
- (c) If the Tenant fails to demolish and remove the Improvements and any chattels of the Tenant from the Leased Land and restored the surface of the Leased Land as contemplated in Article 12.01(a) above, then the Landlord, in its sole discretion, may carry out such work and the Tenant shall pay to the Landlord all costs incurred in so doing and the Landlord shall be entitled to recover from the Tenant the costs thereof and also a fee for supervision of carrying out such work in an amount equal to five (5%) percent of the costs of such work. The Tenant's obligations to observe and perform this covenant shall survive the expiration or other termination of the Lease.

#### 12.02 – Surrender of Tenant's Property to Landlord on Termination of Lease

Upon the expiration of the 6 month period described in Article 12.01(a) above and in the event the Landlord has agreed to release the Tenant from any specific obligation to remove some or all of the Improvements and restore the surface of the Leased Land as contemplated in Article 12.01, and subject to any other written agreement between the Landlord and Tenant respecting the disposition of the Improvements on termination of this Lease, any Improvements situate on the Leased Land following the termination of the Lease shall devolve to and become the sole property of the Landlord without payment of any compensation therefor by the Landlord to the Tenant.

### ARTICLE 13 - ENVIRONMENTAL CONCERNS

#### 13.01 – No Representation by Landlord

The Tenant acknowledges and agrees that it is leasing the Leased Land on an "as is" "where is" basis, that it has had the opportunity to inspect the Leased Land, that the Leased Land may have defects, that it has satisfied itself as to the condition of the Leased Land for the use intended, and that the Leased Land are at the risk of the Tenant. The Tenant further acknowledges and agrees that the Landlord has not made any representations with respect to the condition of the Leased Land, or their fitness for any particular use or purpose, or regarding the presence or absence of any Hazardous or potentially Hazardous Substances on, under or adjacent to the Leased Land.

#### 13.02 – Tenant's Responsibilities

The Tenant shall throughout the Term:

- (a) use the Leased Land only in compliance with all Environmental Laws;
- (b) not dispose or release Hazardous Substances on or from the Leased Land;

- (c) promptly remove any Hazardous Substances discharged by the Tenant from the Leased Land in a manner which conforms to Environmental Laws governing their removal; and
- (d) notify the Landlord in writing of:
  - (i) any enforcement, clean-up, removal, litigation, or other governmental, regulatory, judicial, or administrative action instituted, contemplated, or threatened against the Tenant or the Leased Land pursuant to any Environmental Laws;
  - (ii) all claims, actions, orders, or investigations instituted, contemplated, or threatened by any third party against the Tenant, or the Leased Land relating to damage, contribution, cost recovery, compensation, loss, or injuries resulting from any Hazardous Substances or any breach of the Environmental Laws; and
  - (iii) the discovery of any Hazardous Substances or any occurrence or condition on the Leased Land which could subject the Tenant or the Leased Land to any fines, penalties, orders, or proceedings under any Environmental Laws.

#### 13.03 – Continued Responsibility

Upon termination of this Lease, the Tenant shall leave the Leased Land free of any environmental contamination resulting from the Tenant's occupation or use of the Leased Land. The Tenant shall have the burden of proving that any environmental contamination has not resulted from its occupation or use of the Leased Land. If requested by the Landlord, the Tenant shall obtain, at the Tenant's sole cost and expense, a report from an independent consultant approved by the Landlord, verifying that the Leased Land have been left free of any environmental contaminants, and that any Hazardous Substance deposited or spilled in, under or upon the Leased Land has been removed, or if that is not the case, reporting the extent and nature of failure to comply with the provisions of this Article. If the Tenant fails to retrieve any such Hazardous Substance, the Landlord may remove any Hazardous Substances which have been deposited or spilled in, under or upon the Leased Land, and the Tenant agrees to immediately pay to the Landlord all costs and expenses incurred by the landlord in doing so. The responsibility of the Tenant to the Landlord with respect to the environmental obligations contained herein shall continue to be enforceable by the Landlord notwithstanding the termination or expiration of this Lease.

### ARTICLE 14 – SIDING AGREEMENT AND COVENANTS

#### 14.01 – Siding Agreement

Whereas the Leased Land under this Lease does not include the Siding, in addition to, and notwithstanding any term or Article of the rest of this Lease, the Landlord and Tenant covenant and agree to the following:

- (a) The Tenant shall only use the Siding for the purpose of trans-loading hopper cars and with the assistance of the Landlord, for the additional purpose of switching, shunting and storing hopper cars and for no other purpose whatsoever. Subject to the provisions hereof, including without limitation, those respecting general rail operation, clearances and safety, the Tenant is hereby granted access to the Siding to the extent reasonably necessary to be able to load and unload hopper cars in the immediate proximity of the Leased Land and to reasonably acquit its obligations as set out herein;
- (b) The Landlord shall inspect the Siding at least monthly. The Landlord shall use only a qualified track inspector for such inspection. Records of inspections, with defects found, and repairs made, shall be maintained by the Landlord but shall be available to the Tenant for inspection on reasonable request therefor by the Tenant;

- (c) The Landlord shall, at all times, and at its own cost, maintain the Siding in good repair and condition, including without limitation, maintaining and replacing any track materials, ballast and ensuring proper drainage, provided that the cost of any materials and labour to effect a repair or maintenance necessitated or arising out of the use or occupation of the Siding by the Tenant may, on reasonable notice to the Tenant, be invoiced by the Landlord to the Tenant and shall be payable and collected as Additional Rent hereunder;
- (d) If, for safety or operational reasons, the Landlord is concerned with the condition or maintenance of the Siding, the Landlord may, on written notice to the Tenant, suspend or discontinue rail service to the Siding unless and until such repairs or maintenance are effected;
- (e) The Landlord acknowledges that the Tenant maintains certain facilities above the Siding used to load railcars. Except changes, alterations and modifications made to such loading facilities which are reasonably acceptable to the Landlord and which comply with all applicable regulations, the Tenant shall not make any changes, alterations or modifications to the Siding or build, erect or maintain on or under the Siding any Improvement, excavation, construction or installation;
- (f) The Landlord shall provide, install and maintain, at the Landlord's expense, any protective appliances including, but not limited to, signals and crossing arms, as desired by the Landlord in its sole discretion;
- (g) The Tenant shall keep the Siding and any adjacent lands and premises, to a distance of 6 meters, on either side of the centre line of any track located within the Siding free and clear of obstructions, materials, vehicles, equipment, combustible matter or any other property of any nature or kind whatsoever to ensure the safe operation of the Siding; and
- (h) The Tenant shall maintain all Siding clearances in accordance with the Provincial Railway Technical Standards, RTS 6000, dated January 1, 2008, and the *Transport Canada Standard Respecting Railway Clearance*, TC E-05, dated May 14, 1992, as amended from time to time; and
- (i) The Tenant hereby indemnifies and saves the Landlord harmless from and against any and all injury to persons or damage to property arising out of the use or occupation of the Siding by the Tenant or anyone in law for whom the Tenant is responsible.

#### 14.02 – General Liability Insurance

In addition, the Tenant shall acquire and maintain throughout the Term, a policy of comprehensive general liability insurance, covering and protecting both the Tenant and Landlord against liability for bodily injury and death and for damage to or destruction of property by reason of any occurrence on or about the Siding, with liability coverage of not less than Five Million (\$5,000,000.00) Dollars. Unless otherwise agreed to by the Tenant and the Landlord in writing, the Tenant shall ensure that:

- (i) The Landlord is included as an additional insured; and
- (ii) A waiver of subrogation, cross liability clause and innocent insured clause is included which shall have the effect of insuring each named insured in the same manner and to the same extent as if a separate policy had been issued to each but subject to the aggregate policy limits.

#### 14.03 – Use of Siding by Landlord

The Landlord is free to use the Siding for railway and all other purposes, including the storage of all types of rail cars so long as such use does not unreasonably interfere with the Tenant's use.



#### 14.04 – Use of Siding by Third Parties

The Tenant shall not permit the use of the Siding by or for the account of third parties. Without limiting the generality of the foregoing, in no event shall the Tenant assign, sublease or permit the use of the Siding to any third party for any purpose, including without limitation, storage of rail cars.

### ARTICLE 15 – GENERAL COMPLIANCE

#### 15.01 – Tenant to Comply

The Tenant shall, in the construction, location and operation of any Improvements erected or to be erected on the Leased Land, and in the use of the Leased Land, observe and fully comply with any and all applicable federal, provincial or municipal statutes, regulations, orders or by-laws, now or hereafter in force, including without limitation, the provisions of *The Railway Safety Act* (Canada) and *The Railway Act* (Saskatchewan), as amended from time to time, and any successor statutes and the orders, decisions and directives of the Canadian Transportation Agency and Rail Services, and any successor body thereto.

### ARTICLE 16- LANDLORD'S RIGHTS AND REMEDIES

#### 16.01 – Failure to Perform

If the Tenant fails to perform any of the covenants or obligations of the Tenant under this Lease, the Landlord, in addition to its rights under this Lease, may from time to time at its discretion perform or cause to be performed any of the covenants, or obligations, and for that purpose may do such things as may be requisite, including, without limitation, entering upon the Leased Land on not less than Five (5) days' prior notice to the Tenant or without notice in the case of an emergency, and doing such things upon or in respect of the Leased Land as the Landlord may consider requisite or necessary. All expenses incurred and expenditures made by or on behalf of the Landlord under this Article, plus ten (10%) percent for overhead, will be paid by the Tenant upon presentation of a bill therefore, as Additional Rent. The Landlord will have no liability to the Tenant for loss or damages resulting from such action by the Landlord.

#### 16.02 – Right to Reenter

If the Tenant fails to pay Annual Rent when due, or fails to perform any other of the terms, conditions or covenants of this Lease to be observed or performed by the Tenant, or if reentry is permitted under any other terms of this Lease, then the Landlord, in addition to any other right or remedy it may have, will have the right of immediate reentry and may remove all persons and property from the Leased Land, all without service of notice or resort to legal process, and without being deemed guilty of trespass, or becoming liable for loss or damage occasioned thereby. In addition, the Landlord, its agents or servants, may at all times enter upon the Leased Land, or enter any Improvement situate thereon for the purpose of viewing the state of repair, conditions, and use of the Leased Land, or to perform any work or repair thereon, or to show the Leased Land to prospective purchasers, mortgagees, or tenants, or to exercise any of the rights or obligations of the Landlord under this Lease.

#### 16.03 - Distress

Notwithstanding any term or Article of this Lease or any provision of any applicable legislation, none of the goods, chattels, and Improvements of the Tenant on the Leased Land at any time during the Term shall be exempt from levy by distress for any rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods, chattels, and Improvements of the Tenant by way of distress, this provision may be pleaded as an estoppel

against the Tenant in any action brought to test the right of the Landlord to levy such distress.

#### 16.04 – Bankruptcy of Tenant

If during the Term, any of the goods, chattels, or Improvements of the Tenant on the Leased Land are, at any time, seized or taken in execution or attachment by a creditor of the Tenant; or if the Tenant or a guarantor or indemnifier of the Lease, makes an assignment for the benefit of creditors or a bulk sale from the Leased Land or becomes bankrupt or insolvent; or if an order is made for the winding-up of the Tenant; or if the Tenant abandons or vacates or attempts to abandon or vacate the Leased Land or sells or disposes of goods or chattels, or the Improvements, if any, of the Tenant or removes them or any of them from the Leased Land so that there would not, in the event of an abandonment, vacating, sale or disposal, be sufficient assets on the Leased Land subject to distress to satisfy all rents due or accruing due hereunder; then and in every such case, in addition to the remedies herein provided, the Landlord may re-enter and take possession of the Leased Land as though the Tenant or the servants of the Tenant or any other occupant of the Leased Land were holding over after the expiration of the Term and the Lease, at the option of the Landlord, will forthwith become forfeited and terminated.

#### 16.05 - Damages

Should the Landlord at any time terminate this Lease for any breach by the Tenant, in addition to any other remedies it may have, it may recover from the Tenant all damages it may incur by reason of the breach, including the cost of recovering the Leased Land and reasonable legal fees, all of which amounts will be immediately due and payable from the Tenant to the Landlord.

#### 16.06 – Legal Expenses

If the Landlord brings action to recover possession of the Leased Land or to recover rents or other money due under this Lease, or to enforce any covenant or condition of this Lease, and the action is successful, or if a breach of any covenant on the part of the Tenant to be kept or performed is established, the Tenant will pay to the Landlord all expenses incurred therefore, including the Landlord's reasonable legal fees.

### **ARTICLE 17- BUILDERS' LIEN**

#### 17.01 – Builders' Lien

- (1) The Tenant shall not suffer or permit any builders' lien or similar lien to be filed or registered against the Leased Land. If such lien shall at any time be filed or registered, the Tenant shall procure its discharge within twenty (20) days, or such further period of time as the Landlord may permit in its sole discretion, after the lien has come to the notice of the Tenant.
- (2) Provided, however, that if the Tenant desires to contest in good faith the amount or validity of the lien, and shall have so notified the Landlord, and if the Tenant shall have deposited with the Landlord or paid into the Court, to the credit of any lien action, the amount of the lien claimed plus a reasonable amount for costs, then the Tenant may defer payment of such lien action for a period of time sufficient to enable the Tenant to contest the claim with due diligence, provided always that neither the Leased Land nor the Tenant's leasehold interest therein shall become liable to forfeiture or sale.
- (3) The Landlord may, in its sole discretion, discharge any lien filed or registered at any time against the Leased Land, and any amount paid by the Landlord in so doing together with all reasonable costs and expenses of the Landlord including its legal fees shall be paid to the Landlord by the Tenant, on demand.

**ARTICLE 18 – INDEMNITY****18.01 - Indemnity**

The Tenant shall indemnify the Landlord and save it harmless from and against any and all claims, actions, damages, liabilities and expenses in connection with loss of life, personal injury, damage to, and loss of property arising from or out of any occurrence in, upon or at the Leased Land, or the occupancy or use by the Tenant, its employees or invitees of any portion of the Lajord Station Grounds or occasioned wholly or in part by an act or omission of the Tenant, its agents, contactors, employees, servants, licensees or assigns, or by anyone permitted by the Tenant to be on the Lajord Station Grounds. In the event that the Landlord is made a party to litigation commenced by or against the Tenant, or otherwise, the Tenant will protect and hold the Landlord harmless and will pay all costs, expenses and reasonable legal fees incurred or paid by the Landlord in connection with the litigation. The indemnification contained herein shall survive the termination of this Lease.

**18.02 – Landlord not Liable for Loss or Damage**

The Landlord is not and shall not be liable for death, injury, or damage to, or loss of property of the Tenant or of others invited on the Lajord Station Grounds, nor the loss of or damage to any property of the Tenant or of others by theft or otherwise, from any cause whatsoever, it being expressly agreed that this excludes damages, loss, injury, or death resulting from the gross negligence of the Landlord, its agents, servants or employees or other persons for whom it may be responsible in law.

**ARTICLE 19 – INSURANCE****19.01 – Tenant to have Insurance**

The Tenant shall, in addition to the general comprehensive liability insurance required in relation to the use or occupation of the Siding under Article 14.02 above, throughout the Term and during such other time as the Tenant occupies the Leased Land, or part thereof, at its sole cost and expense, take out and keep in full force and effect the following insurance:

- (a) "Comprehensive General Liability/Comprehensive Farmers Liability" insurance including but not limited to bodily injury, death and property damage, personal injury liability, tenant's legal liability, and contractual liability coverage with respect to the Leased Land and the operation of the Tenant and any other person on the Leased Land and by the Tenant and those for whom the Tenant is in law responsible in any other part of the Leased Land. Such policy shall be written with inclusive limits of not less than five million (\$5,000,000.00) Dollars for each occurrence involving bodily injury, death or property damage, or for such higher limits as the Landlord may reasonably require from time to time. Unless otherwise agreed to by the Tenant and the Landlord in writing, the Tenant shall ensure that:
  - (i) The Landlord is included as an additional insured; and
  - (ii) A waiver of subrogation, cross liability clause and innocent insured clause is included which shall have the effect of insuring each named insured in the same manner and to the same extent as if a separate policy had been issued to each but subject to the aggregate policy limits.
- (b) Where applicable, "Environmental Impairment" insurance in respect to the Leased Land and the operations of the Tenant thereon against claims for personal injury, death or property damage or loss, indemnifying and protecting the Landlord and the Tenant, their respective employees, servants, agents, contractors, invitees or licensees, to the

inclusive limit of not less than five million dollars (\$5,000,000.00) for each occurrence or for such higher limits as the Landlord may reasonably require from time to time. Unless otherwise agreed to by the Tenant and the Landlord in writing, the Tenant shall ensure that:

- (i) The Landlord is included as an additional insured; and
  - (ii) A waiver of subrogation, cross liability clause and an innocent insured clause is included which shall have the effect of insuring each named insured in the same manner and to the same extent as if a separate policy had been issued to each but subject to the aggregate policy limits.
- (c) Any other form of insurance, in such amounts and against such risks, as the Landlord may from time to time reasonably require of the Tenant.

#### 19.02 – No Cancellation without Notice

Such policies shall not be terminated, cancelled or materially altered unless written notice of such termination, cancellation or material alteration is given by the insurers to the Landlord at least thirty (30) days' notice before the effective date thereof.

#### 19.03 – Insurance Does Not Limit Liability

Any insurance coverage taken out by the Tenant hereunder will in no manner restrict or limit the liabilities assumed by the Tenant under this Lease.

### **ARTICLE 20 – EXPROPRIATION**

#### 20.01 - Expropriation

- (1) If at any time during the Term, the whole or any part of the Leased Land shall be taken by any lawful power or authority by the right of expropriation, the Landlord may, at its option, give notice to the Tenant terminating this Lease in its entirety or only in so far as it affects the part of the Leased Land taken by the lawful power or authority by the right of expropriation, on the date when the Tenant or Landlord is required to yield up possession thereof to the expropriating authority.
- (2) Upon such termination, or upon termination by operation of law, as the case may be, the Tenant shall immediately surrender the Leased Land or the part of the Leased Land taken by the expropriating authority, as the case may be, and all its interest therein, and the Annual Rent shall abate and be apportioned to the date of termination and the Tenant shall forthwith pay to the Landlord the apportioned Annual Rent and all other amounts which may be due to the Landlord up to the date of termination.
- (3) The Tenant shall have no claim upon the Landlord for the value of its property or the unexpired portion of the Term of this Lease, but the parties shall each be entitled to separately advance their claims for compensation for the loss of their respective interests in the Leased Land taken and the parties shall each be entitled to receive and retain such compensation as may be awarded to each respectively.

### **ARTICLE 21 - GENERAL**

#### 21.01 –Registration or Encumbrances

The Tenant shall not, without the prior written consent of the Landlord, which consent shall not be unreasonably withheld, file, register, or permit or cause to be filed or registered, a copy of, or notice of the existence of, this Lease, or any interest in respect thereof, as defined in the

legislation or laws governing such, against the title to the Leased Land. If approved, such notice shall not contain any financial terms and shall only contain such language as is reasonably necessary to identify legal interests in land to such degree as is reasonably necessary to be enforceable against third parties.

21.02 – Entire Agreement

This Lease constitutes the entire agreement of the parties relative to the subject matter hereof and supersedes and cancels all previous agreements, negotiations, commitments and representations in respect thereto. The parties agree that there are no oral or other representations or warranties in respect of the subject matter hereof other than as set out in this Lease. This Lease contains all of the terms, covenants, conditions and agreements between the parties hereto and any addition to or alteration of or changes in this Lease to be binding must be made in writing and signed by both parties.

21.03- Time

Time shall be of the essence of this Lease.

21.04 – Applicable Law

This Lease shall be construed pursuant to the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein.

21.05 – Successors and Assigns

This Lease extends to and binds the respective successors and approved assignees of the parties hereto as the case may be, and any approved subsequent purchaser or transferee of the Leased Land or buildings (for so long as the buildings are situate on the Leased Land) or Improvements shall be required, as a condition of any sale, transfer or other disposition, to assume all of the obligations herein contained.

21.06 - Waiver

The waiver by the Landlord of a breach of a term, covenant or condition herein contained will not be deemed to be a waiver of a subsequent breach of the same or another term, covenant or condition herein contained. The subsequent acceptance of Annual Rent by the Landlord will not be deemed to be a waiver of a preceding breach by the Tenant of a term, covenant or condition of this Lease, regardless of the Landlord's knowledge of the preceding breach at the time of acceptance of the Annual Rent. No covenant, term or condition of this Lease will be deemed to have been waived by the Landlord unless the waiver is in writing and signed by the Landlord.

21.07 – Headings, Gender, Numbers

The captions and headings are inserted only as a matter of convenience and for reference only, and do not form part of the Lease. Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and *vice versa*.

21.08 - Notice

Any notice required to be given by either party under this Lease shall be sufficiently given if mailed by registered letter, sent by email, facsimile or other generally accepted electronic communication or personally delivered to the parties at their respective addresses as follows:

- (a) Landlord:  
Stewart Southern Railway Inc.,  
P.O. Box 12

Fillmore, Saskatchewan S0G 1N0  
Attention: Blair Stewart, CEO  
Email: [blair@ssrailway.com](mailto:blair@ssrailway.com)  
Facsimile: 306-722-1200  
Office: 306-722-0000

- (b) Tenant:  
Canpulse Foods Vigro Division Inc.  
100-318 Wellman Lane  
Saskatoon, SK S7T 0J1  
Attention: Dave Nobbs  
Email: [david@canpulsefoods.com](mailto:david@canpulsefoods.com)  
Office: 306-931-7775:

Such notice shall be deemed to have been given to and received by the addressee in the case of mailing, five (5) business days following the mailing thereof, and in the case of email, facsimile, other generally accepted electronic transmission or personal delivery, the day on which notice was delivered, unless such deliver occurred outside of normal business hours in which event the notice is deemed to be delivered effective as of the next business day.

#### 21.09 – Severability

If any provision of this Lease is determined to be invalid, illegal or unenforceable in whole or in part, such invalidity, illegality or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

#### 21.10 - Arbitration

- (1) If the Landlord and the Tenant fail to agree as to any issue, including the amount of Annual Rent payable on a renewal or any rent payable any Additional Rent as hereinbefore set forth, then, the determination of the same shall be referred to a single arbitrator under the provisions of *The Arbitration Act, 1992* (Saskatchewan). In the event that the Landlord and Tenant cannot agree on the arbitrator within ten (10) days of a written notice by either party proposing an arbitrator then the arbitrator shall be selected by a court of competent jurisdiction on the application of a party. The determination by the arbitrator shall be final and binding upon the Landlord and the Tenant.
- (2) The fees and expenses of the arbitrator shall be borne equally by the Tenant and the Landlord. The provisions of this section shall be deemed to be a submission to arbitration within the provisions of *The Arbitration Act, 1992* (Saskatchewan), and any statutory modification or re-enactment thereof, provided that any limitations on the remuneration of the arbitrators imposed by such legislation shall not apply. The arbitration shall be held in the City of Regina, Saskatchewan, unless otherwise agreed in writing by the Landlord and the Tenant.

### 21.11 – Acceptance of Lease

The Tenant hereby accepts this Lease of the Leased Land to be held by it as Tenant subject to the terms, covenants and conditions above set forth.

### 21.12 – *The Planning and Development Act, 2007* (Saskatchewan) and Subdivision

- (1) It is acknowledged by the parties that at the time of entering into of this Lease no Certificate of Approval has been obtained from the relevant approving authority with respect to this lease and accordingly the Lease, as written, is deemed to be a subdividing instrument under Sections 120 and 121 of *The Planning and Development Act, 2007* (Saskatchewan).
- (2) If deemed necessary by the Tenant, the Tenant may apply for a Certificate of Approval from the relevant approving authority respecting this Lease and the Landlord shall, at the sole expense of the Tenant, do all things reasonably necessary to assist the Tenant in obtaining the Certificate of Approval. It is hereby agreed to by the parties that until this Lease complies with section 121 of *The Planning and Development Act, 2007* (or its successor legislation), the term of this Lease shall be ten (10) years with no rights of renewal.

### 21.13 – Right of First Refusal

In the event that the during the term of this Lease, the Landlord receives (from someone other than a person who is also buying all or a part of the Landlord's rail operations, including the Leased Lands and the railway right of way adjacent thereto), a written offer to purchase the Lajord Station Grounds or, in the event the Leased Land has been subdivided out of the Lajord Station Grounds, to purchase the Leased Land, (the "Offer") and provided the Landlord is willing to accept such Offer, then before the Landlord is entitled to accept the Offer the Landlord shall first give written notice of the Offer to the Tenant by sending to the Tenant a true copy of the Offer, including any terms or conditions relating thereto, and the Tenant shall have the right, during the next fourteen (14) days after receiving a copy of the Offer, by written notice given to the Landlord along with payment of the deposit set out in the Offer, to elect to purchase the Lajord Station Grounds or Leased Land, as the case may be, for the purchase price and subject to the terms and conditions expressed in the Offer, reasonable deviations only excepted (which reasonable deviation would include a standard waiver of *The Limitation of Civil Rights Act* (Saskatchewan) and *The Land Contracts (Actions) Act* (Saskatchewan)).

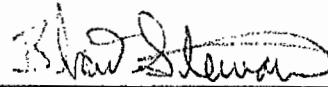
If the Tenant elects to purchase the Lajord Station Grounds or Leased Land, as the case may be, pursuant to the forgoing paragraph, the written notice and deposit given by the Tenant shall constitute a binding agreement of purchase and sale for the price and on the terms set out in the Offer along with the waivers set out above, and subject to such additional terms and conditions as the Landlord and Tenant may have agreed upon. If the Tenant does not so elect or does not provide notice of its election prior to the expiry of the above referred to fourteen (14) day period, the Landlord shall be free to sell the Lajord Station Grounds, or Leased Land as the case may be, to any purchaser on the terms and conditions no more favourable to the purchaser than those set forth in the Offer, and subject only to the terms and conditions contained in the Offer. If the Lajord Station Grounds, or Leased Land as the case may be, is not sold under those terms and conditions contained in the Offer within one year of the closing date set out in the Offer, the Landlord shall be obliged to submit any further Offer which it is willing to accept to the Tenant by giving written notice thereof to the Tenant in the manner hereinbefore provided.

21.13 – Counterpart Execution

This Lease may be executed by one or more of the parties to this Lease on any number of separate counterparts (including by facsimile or other electronic imaging means), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Lease by facsimile or other electronic transmission (e.g. "pdf" or "tif" format) shall be effective as delivery of a manually executed counterpart hereof.

**IN WITNESS WHEREOF** the parties hereto have executed these presents as of the day and year first above written.

**STEWART SOUTHERN RAILWAY INC.**

Per: 

Blair Stewart, CEO

**CANPULSE FOODS VIGRO DIVISON INC.**

Per: \_\_\_\_\_

Dave Nobbs, Managing Partner



21.13 – Counterpart Execution

This Lease may be executed by one or more of the parties to this Lease on any number of separate counterparts (including by facsimile or other electronic imaging means), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Lease by facsimile or other electronic transmission (e.g. "pdf" or "tif" format) shall be effective as delivery of a manually executed counterpart hereof.

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**STEWART SOUTHERN RAILWAY INC.**

Per: 

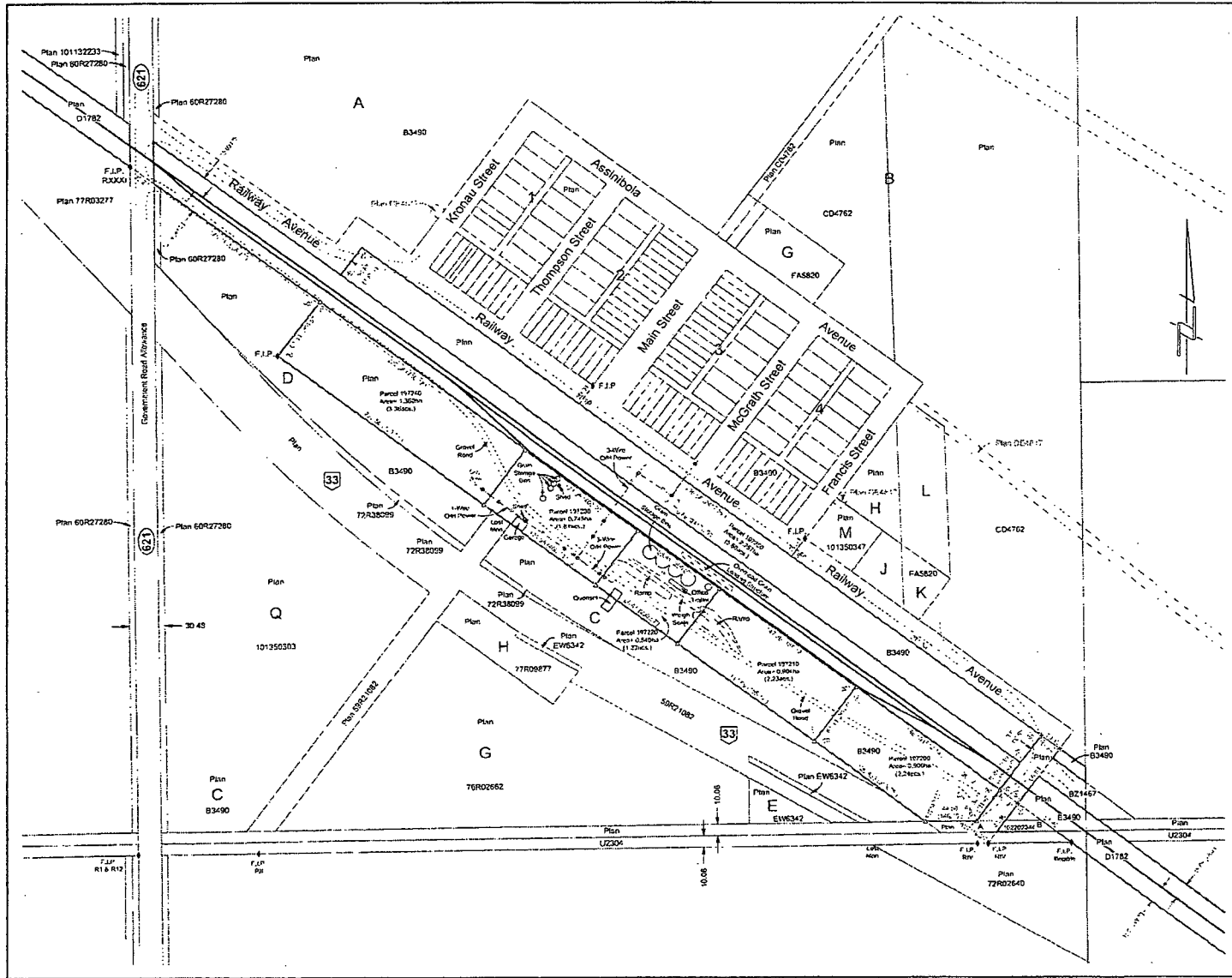
Blair Stewart, CEO

**CANPULSE FOODS VIGRO DIVISON INC.**

Per: 

Dave Nobbs, Managing Partner

SCHEDULE "A"



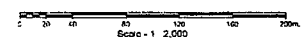
**LEGEND**

- Survey monument found
- Plotted 6" Spikes
- Area of Survey (Property Line)
- Power Pole
- Anchor
- OH Power Line
- Edge of Gravel Road

NO.	ISSUE REVISIONS	INITIALS	DATE

**Stewart Southern Railway Inc.**

**TOPOGRAPHY AND BOUNDARY SURVEY**  
of  
**SSR Lajord Station Grounds**  
**Plan B3490**  
**S.W. ¼ Section 9**  
**Twp. 15 - Rge. 16 - W.2Mer.**  
**Lajord, Saskatchewan**



 Altus Geomatics <small>Geomatics &amp; Surveying</small>	Client File No.: File: 157619241
	Survey Date: November 5, 2016

**This is Exhibit "G" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prince  
SW*

**ASSET PURCHASE AGREEMENT**

**CANPULSE FOODS LTD.**

**- and -**

**GFI LP**

Nov 26, 2019

## ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made effective as of the 26 day of November, 2019.

### BETWEEN:

**GFI LP**, a limited partnership formed under the laws of Ontario,

(the "**Buyer**")

**GLOBAL FOOD AND INGREDIENTS INC.** a corporation incorporated under the laws of Canada,

("GFI")

- and -

**CANPULSE FOODS LTD.**, a corporation incorporated under the laws of the Province of Saskatchewan,

(the "**Seller**")

- and -

**HAKAN AGRO DMCC**, company registered under the laws of Dubai, ("**Hakan**")

- and -

**GLOBEWAYS CANADA INC.**, corporation incorporated under the laws of the Province of Ontario, ("**Globeways**" and together with Hakan, the "**Guarantors**")

WHEREAS, the Seller carries on the business of crop processing and exportation (collectively, the "**Business**");

AND WHEREAS, the Seller wishes to sell and assign to the Buyer, and Buyer wishes to purchase and assume from Seller, the Purchased Assets and the Assumed Liabilities, subject to the terms and conditions set forth herein;

AND WHEREAS, the Seller owns 2 facilities in Saskatchewan (the "**Real Properties**") which the Seller shall sell, and the Buyer shall acquire;

AND WHEREAS, Stewart Southern Railway Inc. is the landlord (the "**Landlord**") of a facility in Saskatchewan (the "**Leased Premises**") and shall assign the Leased Premises to a related party of the Buyer or, if requested by the Buyer, the Landlord shall enter into a new lease with a related party of the Buyer as the lessee;

AND WHEREAS, as a condition to Closing, the Buyer, as processor, will enter into a toll processing agreement (the "**Toll Processing Agreement**") with the Seller and Globeways, acting together as the exporter (the "**Exporter**"), with a full and unconditional guarantee of the obligations of the Exporter from Hakan, pursuant to which the Exporter will provide Product to the Buyer on a consignment basis and commit to overall volumes of Product processing and processing rates under a "take-or-pay" arrangement as set out therein;

NOW THEREFORE, in consideration of the premises and the mutual respective agreements in this Agreement, and of other consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

In this Agreement,

(a) "**Affiliate**" has the meaning ascribed to it in the *Business Corporations Act* (Ontario) and shall also include any Person directly or indirectly controlling, controlled by, or under common control with, any such Person and any officer, manager, director or controlling person of such Person. The term "**Affiliate**" also includes any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, of such Person;

(b) "**Agreement**" means this asset purchase agreement and all Schedules attached hereto, as amended from time to time;

(c) "**Applicable Laws**" means any applicable domestic or foreign statute or law (including the common and civil law and equity), any constitution, code, ordinance, rule, regulation, restriction, regulatory policy or guideline having the force of law, any by-law (zoning or otherwise) or Order, binding on or affecting the Person referred to in the context in which the word is used;

(d) "**Applicable Licence**" has the meaning set forth in in Section 4.1(w);

(e) "**Assignment and Assumption Agreement**" has the meaning set forth in Section 16.3(d);

(f) "**Assumed Contracts**" has the meaning set out in Section 3.5;

(g) "**Assumed Liabilities**" has the meaning set out in Section 3.5;

(h) “**Benefit Plans**” means all employee benefit plans, agreements and arrangements (whether oral or written, formal or informal, funded or unfunded) maintained for, available to or otherwise relating to any Employees or in respect of which the Seller is obligated to contribute, whether or not insured and whether or not subject to any Applicable Laws, including bonus, deferred compensation, incentive compensation, share purchase, share appreciation, share option, severance and termination pay, hospitalization, health and other medical benefits, life and other insurance, dental, vision, legal, long-term and short-term disability, salary continuation, vacation, supplemental unemployment benefits, education assistance, profit-sharing, mortgage assistance, employee loan, employee assistance and pension, retirement and supplemental retirement plans, programs and agreements (including any defined benefit or defined contribution pension plan and any group registered retirement savings plan), except that the term “**Benefit Plans**” shall not include any statutory plans with which the Seller is required to comply, including the Canada Pension Plan and plans administered pursuant to applicable provincial health tax, workers’ compensation and workers’ safety and employment insurance legislation;

(i) “**Bill of Sale**” has the meaning set out in Section 16.3(b);

(j) “**Buildings**” means all plants, buildings, structures, erections, improvements, appurtenances and fixtures (including applicable Purchased Assets) situated on or forming part of the Leased Premises or Real Properties including those under construction;

(k) “**Business**” has the meaning set forth in the Recitals to this Agreement;

(l) “**Business Day**” means any day of the week other than a Saturday, Sunday or day on which Canadian chartered banks in Toronto, Ontario are authorized or obligated by law to close or are generally closed;

(m) “**Buyer**” has the meaning set forth in the Recitals to this Agreement;

(n) “**Calculation Method**” has the meaning set forth in Section 11.1(a);

(o) “**Claim**” has the meaning set forth in Section 11.1(b);

(p) “**Closing**” means the completion of the sale to, and the purchase by, the Buyer of the Purchased Assets and the completion of all other transactions contemplated by this Agreement or any Closing Documents that are to occur contemporaneously with the purchase and sale of the Purchased Assets and assignment of the Assumed Liabilities;

(q) “**Closing Cash Payment**” has the meaning set forth in Section 3.2(b);

(r) “**Closing Date**” means August 31, 2019 or such other date as the Parties may agree subject to the Buyer’s right to extend the closing date until September 30, 2019 or a later date if the final Purchase Price has not been determined by September 30, 2019;

(s) “**Closing Document**” means any document delivered at or subsequent to the Closing Time as provided in or pursuant to this Agreement (excluding any notice provided pursuant to ARTICLE 11);

(t) “**Closing Time**” means 11:59 p.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as the Parties agree in writing;

(u) “**Condition of the Business**” means the condition of the Purchased Assets and Assumed Liabilities;

(v) “**Confidential Information**” means any and all information, ideas and concepts exclusively pertaining to the Purchased Assets and Assumed Liabilities, including any and all, as may be applicable:

- (i) Intellectual Property;
- (ii) data, databases, results, analyses, procedures, formulae, specifications, techniques, methodology and technical and scientific expertise which relate to the Seller’s products or services;
- (iii) business, financial, marketing, manufacturing, sales, distribution, customer, licensor, licensee and supply information;
- (iv) information related to the Seller’s internal organization, personnel, methods and procedures, pricing, credit, Technology, computer software, facilities, capabilities, research, development, planning and work in process;
- (v) Personal Information; and
- (vi) information which would reasonably be considered to be confidential information of such Person, whether in written, oral or electronic form; but does not include any:
  - (A) information which is in the public domain or becomes publicly available through no act or failure to act by the Seller;
  - (B) information which is required to be disclosed by Applicable Laws, provided that the Seller immediately notifies the Buyer of such disclosure requirement and the Buyer has the opportunity to contest or obtain a court order preventing such disclosure; or
  - (C) information which following Closing is or becomes available to the Seller on a non-confidential basis from a third party not bound by a confidentiality agreement, or any legal obligation restricting disclosure;

(w) “**Contracts**” means all written contracts, agreements, commitments, entitlements and engagements, and “**Contract**” means any one of them;



(x) “**Contractor**” means any Person, excluding Employees, providing goods or services to, for or on behalf of the Seller in respect of the Business at the Facilities, whether remunerated by the Seller, a third party or at all and which are listed in Schedule 1.1(x);

(y) “**Defence Notice**” has the meaning set forth in Section 13.4;

(z) “**Defence Period**” has the meaning set forth in Section 13.4;

(aa) “**Defending Party**” has the meaning set forth in Section 13.6;

(bb) “**Diligence Deadline**” means August 2, 2019;

(cc) “**Disposal**” means any disposal by any means including dumping, incineration, spraying, pumping, injecting, depositing or burying;

(dd) “**Employee List**” has the meaning set forth in Section 4.1(j);

(ee) “**Employees**” means those individuals who are employed on a full-time, part-time or seasonal basis by the Seller at the Facilities;

(ff) “**Encumbrance**” means any encumbrance of any kind whatsoever (registered or unregistered) and includes any security interest, mortgage, lien, hypothec, pledge, hypothecation, assignment, charge, security under the *Bank Act* (Canada), trust or deemed trust (whether contractual, statutory or otherwise arising), a voting trust or pooling agreement with respect to securities, any adverse claim or joint ownership interest, grant of any exclusive license or sole license, or any other right, option or claim of others of any kind whatsoever, affecting any of the Purchased Assets, any covenant or other agreement, restriction or limitation on the transfer of any of the Purchased Assets or the use thereof, or an easement, restrictive covenant, limitation, agreement or right of way, restriction, encroachment, burden or title reservation of any kind, or any other rights or privileges capable of becoming any of the foregoing;

(gg) “**Environment**” means the air, surface water, groundwater, body of water, any land, soil or underground space even if submerged under water or covered by a structure, all living organisms and the interacting natural systems that include components of air, land, water, organic and inorganic matters and living organisms and the environment or natural environment as defined in any Environmental Law and “**Environmental**” shall have a similar extended meaning;

(hh) “**Environmental Compliance Review**” means all reports, studies or evaluations including, without limitation, Environmental audits, and Environmental site assessments, related in any way to Environmental conditions, status, or Hazardous Substances in, at, on, or under the Facilities or the Purchased Assets;

(ii) “**Environmental Laws**” means all Applicable Laws relating in whole or in part to the Environment including those relating to the storage, generation, use, handling, manufacture, processing, transportation, import, export, treatment, Release or Disposal of any Hazardous Substance and all Applicable Laws relating to asbestos or asbestos containing materials in the Environment, in the workplace or in any Building with respect to the Facilities;

(jj) “**Environmental Loss**” has the meaning set forth in Section 11.1(f);

(kk) “**Environmental Request**” has the meaning set forth in Section 11.1(g);

(ll) “**Environmental Notice**” means any directive, Order, claim, litigation, investigation, proceeding, judgment, letter or other communication, written or oral, actual or implied, from any Person, relating to non-compliance with or breach of any Environmental Laws or Environmental Permits;

(mm) “**Environmental Permits**” means all permits, certificates, approvals, consents, authorizations, registrations and licenses issued, granted, conferred, created or required by any Governmental Authority pursuant to any Environmental Laws possessed by the Seller or otherwise related to, necessary or desirable for the ownership of the Purchased Assets or the operation of the Business;

(nn) “**Excluded Assets**” means any and all assets not located at the Facilities or any assets not used directly and exclusively at the Facilities including but not limited to the following assets of the Seller which are not part of the purchase and sale contemplated hereunder, are excluded from the Purchased Assets and will remain the property of the Seller:

- (i) cash or monies in any bank accounts and cash equivalents of the Seller;
- (ii) bank lines of credit and credit card agreements and letter of credit security;
- (iii) insurance policies;
- (iv) any Product remaining in the Facilities as of the Closing Date and any Product purchased by the Seller whether delivered to the Facilities or not;
- (v) the benefit of any credits or recoveries of any Taxes, duties or other governmental charges of any nature paid or payable by the Seller in respect of any matter or period prior to the Closing Time;
- (vi) the assets at the Facilities listed in Schedule 1.1(nn);
- (vii) Contracts (other than the Assumed Contracts) and Benefit Plans; and
- (viii) other than as expressly stated in this Agreement, any Licenses, Intellectual Property and Prepaid Expenses.

(oo) “**Excluded Liabilities**” has the meaning set forth in Section 3.6(b);

(pp) “**Existing Lease**” means the lease between the Landlord and the Seller dated October 1, 2015;

- (qq) “**Exporter**” has the meaning set forth in the Recitals;
- (rr) “**Facilities**” means together, the Leased Premises and the Real Properties;
- (ss) “**Final Decision**” has the meaning set forth in Section 11.1(h);
- (tt) “**General Security Agreement**” has the meaning set forth in Section 3.2(a) and 16.3(h);
- (uu) “**Governmental Authority**” means:
- (i) any court, judicial body or arbitral body;
  - (ii) any domestic or foreign government whether multinational, national, federal, provincial, territorial, state, municipal or local and any governmental agency, governmental authority, governmental tribunal or governmental commission of any kind whatsoever;
  - (iii) any subdivision or authority of any of the foregoing;
  - (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;
  - (v) any supranational or regional body; and
  - (vi) any stock exchange;
- (vv) “**Guarantors**” has the meaning set forth in the Recitals to this Agreement;
- (ww) “**GST**” means all taxes exigible pursuant to Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder;
- (xx) “**Hazardous Substance**” means any pollutant, contaminant, waste, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Laws;
- (yy) “**Hired Employees**” means those Employees and Contractors who accept offers of employment from the Buyer made pursuant to Section 9.1;
- (zz) “**including**” means “**including without limitation**” and the term “**including**” shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it;
- (aaa) “**Indebtedness**” means all amounts owed to each person or entity (i) with an Encumbrance on any of the Purchased Assets and (ii) to whom the Seller owes any monies relating to the Purchased Assets, including trade creditors;

(bbb) "**Indemnification Claim**" has the meaning set forth in Section 11.1(i);

(ccc) "**Indemnifier**" has the meaning set forth in Section 11.1(j);

(ddd) "**Indemnified Party**" has the meaning set forth in Section 11.1(k);

(eee) "**Indemnity Payment**" has the meaning set forth in Section 11.1(l);

(fff) "**Intellectual Property**" means any and all of the following used or held for use by the Seller in the Business:

- (i) industrial designs;
- (ii) Technology;
- (iii) rights in or to processes, know-how, show-how, methods, trade secrets;
- (iv) other industrial or intellectual property rights, anywhere in the world, whether or not registered or registrable, including any reissues, divisions, continuations, continuations-in-part, renewals, improvements, translations, derivatives, modifications and extensions of any of the foregoing;
- (v) enforcement rights, benefits, title, interests, remedies, including rights of priority, right to file, defend, prosecute, bring causes of action, make claims, settle, receive damages, maintain, renew, assign, license and enforce, and rights to indemnities, warranties, royalties, profits, income and proceeds, anywhere in the world in or with respect to any of the foregoing; and
- (vi) other rights, covenants, licenses, sub-licenses, franchises, leases, pledges, Encumbrances, benefits, trusts or escrows granted to the Seller in respect of any of the foregoing;

(ggg) "**Interim Period**" means the period between, and commencing on, the date of this Agreement to and including the Closing Time;

(hhh) "**Landlord**" has the meaning set forth in the Recitals;

(iii) "**Leased Premises**" means the real property described in the Recitals and listed in Schedule 4.1(s) and currently subject to the Existing Lease;

(jjj) "**Liabilities**" means any indebtedness, obligations or liabilities of any kind, whether direct or indirect, accrued, absolute or contingent, liquidated or unliquidated, secured or unsecured and whether or not reflected or required to be reflected in a balance sheet;

(kkk) "**Licence**" means any Material license, permit, approval, right, privilege, concession or franchise issued, granted, conferred or otherwise created by a Governmental Authority, including any elevator license or zoning permits with respect to the Purchased Assets or Facilities;

(lll) "**Loss**" has the meaning set forth in Section 11.1(m);

(mmm) "**Mortgage**" has the meaning set forth in Section 3.2(a);

(nnn) "**Non-Active Employees**" means Employees who are absent from work by reason of short or long term disability or by reason of authorized leave of absence or seasonal employment, but for greater certainty does not include Employees who are absent from work by reason of holiday, parental leave, pregnancy or scheduled day off;

(ooo) "**Occupational Health and Safety Acts**" means *The Occupational Health and Safety Regulations, 1996* and all other legislation of any jurisdiction dealing with any of the subject matter of that Act or with any aspect of the health or safety of employees;

(ppp) "**Order**" means any order, judgment, injunction, decree, stipulation, determination, award, decision or writ of any court, tribunal, arbitrator or Governmental Authority or other Person;

(qqq) "**Ordinary course**" or "**normal course**", when used in relation to the conduct by the Seller in relation to the Purchased Assets, means any action taken by the Seller which is consistent in nature, scope and magnitude with the past practices of the Seller in its sole discretion and is taken in the Ordinary course of the normal, day-to-day operations of the Seller;

(rrr) "**Parties**" means collectively, each of the signatories to this Agreement, and "**Party**" means any of them;

(sss) "**Pension Plan**" means any Benefit Plan that is a "**registered pension plan**" as that term is defined in subsection 248(1) of the *Income Tax Act* (Canada) on the date hereof;

(ttt) "**Permitted Encumbrances**" means:

- (i) statutory liens incurred in the Ordinary course of the Business in connection with workers' compensation, employment insurance and similar legislation, but only to the extent that each such statutory lien relates to amounts not yet due, and only if the amount thereof at the Closing Time is adjusted in favour of the Buyer at Closing;
- (ii) security given by the Seller to a public utility or any Governmental Authority when required in the Ordinary course of the Business;
- (iii) undetermined or inchoate construction or repair or storage liens arising in the Ordinary course of the Business but only if the amount

thereof at the Closing Time is adjusted in favour of the Buyer at the Closing Time;

- (iv) any reservations or exceptions contained in the original grants from the Crown;
- (v) easements, including rights of way for, or reservations or rights of others relating to, sewers, water lines, gas lines, pipelines, electric lines and telephone lines and other similar products or services and any registered restrictions or covenants that run with the land, provided that they do not materially and adversely affect the ability of the Seller to carry on the Business as it has been carried on in the past and there has been compliance with the provisions thereof; and
- (vi) zoning by laws, ordinances or other restrictions as to the use of real property, provided that they do not materially and adversely affect the ability of the Seller to carry on the Business as it has been carried on in the past and there has been compliance with the provisions thereof;
- (vii) the reservations, limitations, provisos and conditions in any original grants or transfers from the Crown and all qualifications and exceptions to title under Applicable Laws;
- (viii) any Encumbrance or trust arising in connection with workers' compensation, unemployment insurance, pension or employment laws or regulations;
- (ix) rights of general application reserved to or vested in any Governmental Authority to levy taxes on the Seller or the income therefrom;
- (x) any Encumbrance in respect of which the Seller delivers to the Buyer a release, discharge or withdrawal (in registrable form where applicable) or no interest letter at or prior to Closing;
- (xi) the following encumbrances against the Real Properties:
  - A. In respect of Surface Parcel #145169185:
    - 1. Easement registered as Interest Register #104537336;
    - 2. Easement registered as Interest Register #112863900;
    - 3. Easement registered as Interest Register #119014781;
  - B. In respect of Surface Parcel #202892519:

1. Easement registered as Interest Register #104537314;

2. Easement registered as Interest Register #119711303;

C. In respect of Surface Parcel #111788219:

1. Easement registered as Interest Register #101506441;

(uuu) "**Person**" means an individual, body corporate, partnership, joint venture, trust, association, unincorporated organization, the Crown, any Governmental Authority, the executors, administrators or other legal representatives of an individual or any other entity recognized by law;

(vvv) "**Personal Information**" means information about an identifiable individual which is protected by any Privacy Law;

(www) "**Prepaid Expenses**" means all deposits and prepaid expenses with any public utility or any Governmental Authority relating to the Purchased Assets or other deposits and prepaid expenses relating to the Purchased Assets;

(xxx) "**Pre-Existing Environmental Contamination**" has the meaning set forth in Section 11.1(n);

(yyy) "**Prime Rate**" for any day means the rate of interest expressed as a rate per annum that the Buyer's principal Canadian bank publishes as the reference rate of interest that it will charge on that day for Canadian dollar demand loans to its customers in Canada;

(zzz) "**Privacy Law**" means any Applicable Laws relating to the protection of Personal Information including the *Personal Information Protection and Electronic Documents Act* (Canada) and similar legislation in Saskatchewan;

(aaaa) "**Products**" means any red lentils, green lentils, yellow peas, green peas, flax, canary seed, oil seeds or any other similar products;

(bbbb) "**Purchase Price**" has the meaning set forth in Section 3.1;

(cccc) "**Purchased Assets**" means all of the tangible assets located at the Facilities, other than the Excluded Assets, and each of the following assets:

(i) the assets as set forth in Schedule 4.1(d);

(ii) the right, title and interest of the Seller in the Leased Premises under and pursuant to the Existing Lease, all leasehold improvements pertaining to the Leased Premises, all fixtures located in, on or about the Leased Premises and all appurtenances thereto pursuant to the lease assigned to the Buyer (or a related party of the Buyer) or a new lease, as directed by the Buyer;

- (iii) the right, title and interest of the Seller in the Real Properties, all improvements pertaining to the Real Properties, all fixtures located in, on or about the Real Properties and all appurtenances thereto;
- (iv) all operating software related to the Purchased Assets, to the extent transferable and subject to the terms of their licenses;
- (v) all rights and benefits existing or arising under the Assumed Contracts at and after the Closing Time;
- (vi) equipment, whether installed or uninstalled;
- (vii) rolling stock;
- (viii) the Warranty Rights, if any and subject to the terms thereof;
- (ix) all claims of Seller against third parties relating to the Purchased Assets, whether choate or inchoate, known or unknown, contingent or non-contingent;
- (x) all rights of the Seller relating to Prepaid Expenses, claims for refunds and rights to offset in respect thereof;
- (xi) all signs, facia, merchandising units, exhibits and packaging; and
- (xii) all proceeds of any or all of the foregoing;

(dddd) "**Representative**" has the meaning set forth in Section 11.1(o);

(eeee) "**Real Properties**" means the properties as described in the Recitals and listed in Schedule 4.1(r);

(ffff) "**Release**" includes releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, migrating, escaping, leaching, disposing, dumping, depositing, spraying, burying, abandoning, incinerating, seeping or placing, or any similar action defined in any Environmental Laws and when used as a verb, shall have a like meaning;

(gggg) "**Remedial Order**" means any Order issued, filed or imposed pursuant to any Environmental Laws and includes any Order requiring investigation, monitoring, remediation or clean-up of any Hazardous Substance, or requiring that any Release, Disposal or other activity be reduced, modified or eliminated;

(hhhh) "**Sales Tax**" has the meaning set forth in Section 3.4(c);

(iiii) "**Seller**" has the meaning set forth in the Recitals to this Agreement;

(jjjj) "**Statement of Adjustments**" has the meaning set forth in Section 3.1;



(kkkk) "**Taxes**" means all taxes, surtaxes, duties, levies, imposts, fees, assessments, withholdings, dues and other charges of any nature, including interest, additions to tax and penalties applicable thereto, imposed or collected by any Governmental Authority, whether disputed or not, including Canadian federal, provincial, territorial, municipal and local, foreign and other income, franchise, gross receipts, capital, capital gains, real property, personal property, withholding, payroll, health, employee health, transfer, goods and services and other value added, sales, use, consumption, land transfer, *ad valorem*, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment, education, business, school, local improvement, development and occupation taxes, duties, levies, imposts, fees, assessments and withholdings and Canada pension plan contributions, employment insurance premiums and all other taxes and similar governmental charges of any kind for which the Seller may have any Liabilities imposed by any Governmental Authority;

(llll) "**Tax Gross-Up**" has the meaning set forth in Section 11.1(p);

(mmmm) "**Tax Returns**" means all reports, returns, elections, designations, declarations, statements, bills, slips, forms and other documents including any schedule or attachments thereto, filed by the Seller in respect of Taxes and including any amendment thereof;

(nnnn) "**Technology**" means any and all computer software, data, databases, compilations, files, hardware, websites, domain names website content, user interfaces, algorithms, architecture, structure, display screens, layouts, instructions, templates, moulds, tooling, systems, servers, switches, routers, printers, peripheral equipment, cabling, networks, telecommunications, circuits, mask works, chips, flowcharts, spreadsheets, formulae, equipment, drawings and manuals, programmers' notes, processes, methods, know how, show how, trade secrets, analysis, designs, lab journals, notebooks, blue prints, schematics, research and development, reports, technical and functional information, specifications, manufacturing and engineering information, and other technology used or held for use by the Seller in relation to the Purchased Assets;

(oooo) "**Third Party Claim**" has the meaning set forth in Section 11.1(q);

(pppp) "**Third Party Claim Notice**" has the meaning set forth in Section 13.3;

(qqqq) "**Toll Processing Agreement**" has the meaning set forth in the Recitals;

(rrrr) "**Transfer Authorizations**" means the conveyances for the Real Properties to be executed by the Seller prior to Closing;

(ssss) "**Undertakings to Readjust**" has the meaning set forth in Section 3.1;

(tttt) "**Vendor Take-Back Note**" has the meaning set for in Section 3.2(a);

(uuuu) "**Vendor Take-Back Amount**" has the meaning set for in Section 3.2(a);

(vvvv) "**Wages**" has the meaning set forth in Section 9.3; and

(www) **“Warranty Rights”** means the benefit of all warranties, warranty rights, guarantees, indemnities, undertakings and similar covenants (implied, express or otherwise) against manufacturers or sellers in favour of the Seller which apply to any of the Purchased Assets and all security received by the Seller therefor to the extent transferable and subject to their terms.

## 1.2 **Statutes**

Unless specified otherwise, reference in this Agreement to a statute or statutory provision refers to that statute or statutory provision as it may be amended, or to any restated or successor statute or statutory provision of comparable effect. A reference to a statute includes any statutory instruments, rules and regulations made under such statute.

## 1.3 **Headings and References**

The division of this Agreement into recitals, articles, sections and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The article, section and schedule headings in this Agreement are not intended to be full or precise descriptions of the text to which they refer and are not to be considered part of this Agreement. All uses of the words “hereto”, “herein”, “hereof”, “hereby” and “hereunder” and similar expressions refer to this Agreement as a whole and not to any particular section or portion of it. References to a Recital, Article, Section or Schedule refer to the applicable recital, article, section or schedule of this Agreement unless otherwise specifically provided.

## 1.4 **Number and Gender**

In this Agreement, words in the singular include the plural and vice-versa and words in one gender include all genders.

## 1.5 **Schedules**

The following Schedules form part of this Agreement:

<u>Schedule</u>	<u>Description of Schedule</u>
1.1(x)	Contractors
1.1(rr)	Facilities
1.1(nn)	Excluded Assets at the Facilities
3.2(a)	Form of Vendor Take-Back Note
3.3	Allocation of Purchase Price
3.5	Assumed Contracts
3.8	Form of Toll Processing Agreement
4.1(c)	List of Consents, Approvals
4.1(d)	Purchased Assets
4.1(g)	Litigation
4.1(i)	Unusual Transactions
4.1(j)	Employee List
4.1(l)	Benefit Plans or Pension Plans

4.1(n)	Insurance
4.1(o)	Environmental Matters
4.1(r)	Real Property & Encumbrances
4.1(s)	Leased Premises
4.1(w)	Licences
17.1(a)	UAE – Form of Guarantee – Asset Purchase Agreement
17.1(b)	UAE – Form of Guarantee – Toll Processing Agreement
17.2(a)	ON – Form of Guarantee – Asset Purchase Agreement
17.2(b)	ON – Form of Guarantee – Toll Processing Agreement
17.3(a)	GFI – Form of Guarantee – Asset Purchase Agreement
17.3(b)	GFI – Form of Guarantee – Vendor Take-Back Note

1.6 **Applicable Laws**

This Agreement is governed by, and interpreted and enforced in accordance with, the laws in force in the Province of Ontario and the federal laws of Canada applicable therein. Each Party irrevocably submits to the non-exclusive jurisdiction of the courts of Ontario with respect to any matter arising hereunder or related hereto.

1.7 **Currency**

Unless specified otherwise, all statements of or references to dollar amounts in this Agreement are to Canadian dollars.

1.8 **Consent**

Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

1.9 **Performance on Holidays**

If any action is required to be taken pursuant to this Agreement on or by a specified date which is not a Business Day, then such action will be valid if taken on or by the next Business Day.

1.10 **Calculation of Time**

In this Agreement, a period of days will be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Toronto time) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period will terminate at 5:00 p.m. (Toronto time) on the next Business Day.

1.11 **Knowledge**

Wherever so qualified in this Agreement, a Person will be deemed to have “**Knowledge**” of a particular fact or other matter if:

(a) such Person, if an individual, is actually aware of that fact or matter without personal liability for any such knowledge;

(b) such Person, if not an individual, would be expected to be aware of that fact or matter after reasonable inquiry if an individual who is serving as a director or officer of that Person has knowledge of the fact or matter or would be expected to be aware of that fact or matter after reasonable inquiry consistent with the relevant title and responsibility;

#### 1.12 **Third Party Beneficiaries**

Nothing in this Agreement or in any Closing Document is intended to or shall confer upon any Person (other than the Parties) any rights or remedies of any kind, except as provided in Section 13.2.

#### 1.13 **Materiality**

In this Agreement "Material" or "material" means, when used as an adjective, that any breach, default or deficiency in the satisfaction of any covenant, representation or warranty so described might reasonably give rise to an aggregate remedial cost (including consequential loss and loss of profit) of more than \$50,000 in any individual instance or in the aggregate or where there are instances of multiple breaches of the same covenant, representation or warranty. "Material Adverse Effect" or "material adverse effect" means any change, effect, event or condition that is materially adverse to the business, results of operations or financial condition of the Purchased Assets taken as a whole (after taking into account any coverage in respect thereof under existing insurance policies), except that none of the following, either alone or in combination, shall be considered in determining whether there has been a "material adverse effect" or a breach of a representation, warranty, covenant or agreement that is qualified by the term "material adverse effect"

- (a) changes, effects, events or conditions in worldwide, national or local conditions or circumstances (political, economic, financial, regulatory or otherwise, including changes in the credit, interest rate and currency markets);
- (b) an outbreak or escalation of war (whether or not declared), armed hostilities, acts of terrorism, political instability or other national calamity, crisis or emergency, or any governmental response to any of the foregoing, in each case, whether occurring within or outside of Canada or the United States or elsewhere;
- (c) the execution, announcement or performance of this Agreement or the identity of the Buyer or the consummation of the transactions contemplated hereby, including any loss or threatened loss of, or adverse change or threatened adverse change in,
  - (i) any actions of competitors or
  - (ii) the relationship of the Seller with any Governmental Authority or any of its customers, employees, shareholders, limited partners, financing sources, distributors or suppliers arising as a consequence of the same;

- (d) any change in Applicable Laws or International Financial Reporting Standards or the interpretation thereof applicable to any industry in which the Parties operate (and any changes resulting therefrom);
- (e) any action taken by or omission of the Seller, Guarantors or one or more of their Affiliates in accordance with this Agreement or with the prior written consent of the Buyer;
- (f) any action taken by the Buyer or one or more of its Affiliates prior to the Closing;
- (g) any change generally affecting the financial services industry;
- (h) the failure of the Seller to meet or achieve the results set forth in any internal projection; and
- (i) any action taken in connection with obtaining any regulatory consent or approval in connection with the transactions contemplated hereby.

ARTICLE 2  
**PURCHASE AND SALE OF PURCHASED ASSETS**

2.1 **Purchase and Sale of Purchased Assets**

Upon the terms and subject to the conditions set forth in this Agreement, at the Closing and effective as of the Closing Time, the Seller will sell, convey, assign, transfer and deliver to the Buyer, and the Buyer will purchase and acquire from the Seller, free and clear of any Encumbrances other than Permitted Encumbrances, all of the Purchased Assets and the Assumed Liabilities.

2.2 **Place of Closing**

The Closing will take place remotely via the exchange of documents and signatures in PDF format or by facsimile between counsel to the respective Parties. The Closing shall be deemed to occur at the Closing Time, at which time the Buyer shall have and shall be deemed to have possession and control of the Purchased Assets and have assumed the Assumed Liabilities.

ARTICLE 3  
**CONSIDERATION FOR PURCHASED ASSETS**

3.1 **Purchase Price**

The consideration for the Purchased Assets shall be \$15,000,000 (the “**Purchase Price**”) subject to the usual and customary adjustments to allocate expenses as of the Closing Time (including adjustments for Prepaid Expenses, rents, municipal taxes, assessments or levies for local improvements in respect of the Real Properties, water and unmetered utility charges, and similar types of expenses), as set out in a statement of adjustments prepared and delivered by the Seller

and approved by the Buyer on the Closing Date (the "**Statement of Adjustments**"). The amounts adjusted in the Statement of Adjustments shall be subject to readjustment and to further readjustment from time to time thereafter under mutual undertakings to readjust (the "**Undertakings to Readjust**") to be executed and delivered by the Parties on the Closing Date.

### 3.2 Payment of the Purchase Price

The Purchase Price shall be paid and satisfied as follows:

- (a) as a condition to Closing, the Parties shall enter into a secured promissory note substantially on the terms and conditions as set out in the form of promissory note attached in Schedule 3.2(a) (the "**Vendor Take-Back Note**"). At the Closing Time, the Buyer shall pay \$3,000,000 (the "**Vendor Take Back Amount**") by way of delivery of the Vendor Take-Back Note to the Seller to be secured by the following security documents, such documents to be delivered to the Seller in accordance with Section 16.3(g):
  - (i) a third-ranking collateral mortgage over the Real Properties to the Seller as security for the Vendor Take-Back Note (the "**Mortgage**");
  - (ii) a general security agreement over the Purchased Assets (the "**General Security Agreement**");
  - (iii) a guarantee of GFI in accordance with Section 17.3(b); and
  - (iv) Saskatchewan counsel of the Buyer's title opinion in form and content reasonably satisfactory to the Seller's solicitor.
- (b) at the Closing Time, the Buyer shall pay the Purchase Price less the Vendor Take Back Amount (the "**Closing Cash Payment**") by bank wire transfer of immediately available funds in accordance with Section 15.2.

### 3.3 Allocation of Purchase Price

The Purchase Price shall be allocated among the Purchased Assets as set out by the Buyer in Schedule 3.3.

### 3.4 Tax Matters

(a) The Seller and the Buyer agree to prepare and file their respective tax returns in a manner consistent with such elections and the allocation of the Purchase Price set out in this Agreement. The Seller agrees to indemnify and save harmless the Buyer, and the Buyer agrees to indemnify and save harmless the Seller, in respect of any liability, loss, cost, expense, additional tax, interest, penalty or legal or accounting fees paid or incurred by the indemnified party as a result of the failure of the Seller or the Buyer, as the case may be, to perform its obligations pursuant to this Section 3.4.

(b) The Seller and the Buyer shall make the joint election in prescribed form pursuant to Section 167 of the *Excise Tax Act* (Canada) such that no GST is payable by the Buyer in respect of the purchase of the Purchased Assets.

(c) All amounts payable by the Buyer to the Seller pursuant to this Agreement do not include any value-added, sales, use, consumption, multi-staged, personal property, customs, excise, stamp, transfer, or similar taxes, duties, or charges, (collectively "**Sales Taxes**") and all Sales Taxes are the responsibility, and for the account, of the Buyer. Subject to Section 3.4(b) of this Agreement, if the Seller is required by Applicable Laws or by administration thereof to collect any applicable Sales Taxes from the Buyer, the Buyer shall pay such Sales Taxes to the Seller concurrent with the payment of the consideration on which such Sales Taxes are calculated, unless the Buyer qualifies for an exemption from any such applicable Sales Taxes, in which case the Seller shall accept, in lieu of payment of such applicable Sales Taxes, delivery by the Buyer of such certificates, elections, or other documentation required by law or the administration thereof to substantiate and effect the exemption claimed by the Buyer. Where the Seller is not required by law or by administration thereof to collect applicable Sales Taxes, the Buyer shall be entitled to pay such Sales Taxes directly to the appropriate taxing authority.

### 3.5 Assumed Contracts and Assumed Liabilities

(a) The "**Assumed Contracts**" are only those Contracts listed in Schedule 3.5.

(b) From and after the Closing, the Buyer covenants to the Seller that it shall assume and thereafter fully pay, discharge, perform and fulfill when due only the Liabilities that arise or accrue after the Closing Time under the Assumed Contracts (the "**Assumed Liabilities**").

(c) From and after the Closing, all costs and expenses related to the Purchased Assets shall be borne by the Buyer at its sole cost and expense except as otherwise provided in this Agreement.

### 3.6 Transfer of Purchased Assets

(a) The Seller shall transfer the Purchased Assets at the sole cost of the Seller, (including the costs set out in Section 7.13(b)), with the exception of the costs in respect of the registration of the transfer of the Real Properties, which will be borne by the Buyer.

(b) All fees payable in respect of an assignment or transfer of any Licenses, Warranty Rights, Existing Lease, operating software or any other Purchased Assets as may be applicable, that accrue after Closing shall be borne by the Buyer at its sole cost and expense, including, without limitation, ongoing license fees, and any other costs associated with the operating software or the transfer thereof (including costs in connection with using the operating software independently of the Seller or costs to be paid in connection with the transfer of the Licenses pertaining to the operating software to the Buyer).

**Excluded Liabilities**

Other than the Assumed Liabilities, the Buyer will not have, and does not assume, agree to perform or discharge, indemnify the Seller against or otherwise have, any responsibility for any Liabilities, costs or expenses, claims or losses of the Seller, whether or not disclosed to the Buyer and whether arising before or after the Closing Time (collectively, the “**Excluded Liabilities**”), including the following, all of which remain the sole obligation of the Seller after the Closing and are deemed to be Excluded Liabilities:

- (a) the accounts payable and accrued trade liabilities of the Seller, whether arising in the Ordinary course of business or not;
- (b) any Liabilities of the Seller for or relating to any Taxes relating to the Business or the Purchased Assets;
- (c) with respect to any litigation, action or proceeding, including those listed in Schedule 4.1(g) whether or not now ongoing, pending or threatened, to the extent based on events occurring or a state of facts existing on or prior to the Closing Date, whether or not the Seller has been notified of any existing or potential claims with respect to products sold or services rendered by the Seller prior to the Closing Date;
- (d) any Liabilities relating to employee injuries or any third party bodily injury or property damage arising from accidents occurring prior to the Closing Date, whether or not covered by insurance;
- (e) any Liabilities of the Seller arising out of the conduct of the Business or the operation of the Seller’s assets prior to the Closing Date, whether known or unknown at the Closing Time;
- (f) any Liabilities of the Seller accruing before, on or after the Closing Date relating to any Contract other than the Assumed Contracts;
- (g) any Liabilities of the Seller under the Assumed Contracts accruing before or on the Closing Date;
- (h) any Liabilities of the Seller accruing before, on or after the Closing Date in respect of any Employee who is not a Hired Employee;
- (i) the full amount of any severance payable to those Employees who reject the offer of employment made by Buyer in accordance with Section 9.1;
- (j) any Liabilities of the Seller for any borrowed monies; and
- (k) any Liabilities of the Seller pursuant to any agreement, commitment, understanding or otherwise to the Seller or any party that is not dealing at arm’s length with any of them.



3.8 **Toll Processing Agreement**

(a) As a condition to Closing, the Buyer and the Seller shall enter into the Toll Processing Agreement substantially on the terms and conditions as set out in the form of the Toll Processing Agreement attached in Schedule 3.8 and pursuant to which Seller will commit to overall volumes of Product processing and processing rates. Globeways and Hakan will guarantee the obligations of the Seller under the Toll Processing Agreement on the terms set out therein.

(b) The Seller shall use commercially reasonable efforts to ensure that there are no Products at the Facilities upon Closing. If the Seller expects to have any Products at the Facilities on the Closing Date, the Seller will notify the Buyer at least 10 Business Days prior to the Closing Date and permit a third party inspector, hired by the Buyer, to perform an inspection.

(c) The Products identified by the third party inspector and located at the Facilities will remain the Seller's property in accordance with the Toll Processing Agreement.

ARTICLE 4

**REPRESENTATIONS AND WARRANTIES OF THE SELLER AND GUARANTORS**

4.1 **Representations and Warranties of Seller and Guarantors**

As of the date hereof and as of the Closing Date (unless otherwise specified), the Seller makes the following representations and warranties to the Buyer, and each Guarantor makes the representations in Sections 4.1(a) (Corporate Matters), 4.1(b) (Absence of Conflicting Agreements), 4.1(c)(Consents, Approvals) and 4.1(aa) (Solvency) to the extent such representations apply to such Guarantor, and the Seller and the Guarantors acknowledge that the Buyer is relying upon such representations and warranties in entering into this Agreement.

Except as expressly otherwise provided in this Agreement, the Buyer acknowledges that the Purchased Assets are being purchased on an "as is, where is" basis and that it has inspected the Purchased Assets and is relying entirely upon its own investigations and inspections heretofore and hereafter conducted in proceeding with the transaction contemplated hereunder. Without limiting the foregoing, the Buyer acknowledges that there are no representations, warranties, terms, conditions, understandings or collateral agreements, express or implied, statutory or otherwise, with respect to the Purchased Assets or in respect of any other matter or thing whatsoever except as otherwise expressly stated herein. The Buyer further acknowledges that all written and oral information obtained by the Buyer from the Seller, the Guarantors or their Affiliates, or any such entity's directors, officers, employees, professional consultants or advisors with respect to the Purchased Assets or otherwise relating to the transaction contemplated in this Agreement has been obtained for the convenience of the Buyer only and is not warranted to be accurate or complete.

(a) **Corporate Matters**

(i) The Seller and each Guarantor is a corporation duly incorporated, organized and validly existing under the laws of its jurisdiction of

incorporation. No proceedings have been taken or authorized by the Seller, the Guarantors or by any other Person, with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of the Seller or the Guarantors.

- (ii) The Seller and each Guarantor has all necessary corporate power and capacity to execute and deliver, and to observe and perform its covenants and obligations under, this Agreement and the Closing Documents to which it is a party.
- (iii) The Seller and each Guarantor has taken all corporate action necessary to authorize the execution and delivery of, and the observance and performance of its covenants and obligations under, this Agreement and the Closing Documents to which it is a party.
- (iv) The Seller has all necessary corporate power and capacity to own or lease the Purchased Assets and to carry on the Business as it is presently carried on.
- (v) This Agreement has been, and each Closing Document to which the Seller or any Guarantor is a party will on Closing be, duly executed and delivered by the Seller and such Guarantor, as applicable, and this Agreement constitutes, and each Closing Document to which the Seller or any Guarantor are a party will on Closing constitute, a valid and binding obligation of the Seller and such Guarantor, as applicable, enforceable against each of them in accordance with its terms subject to:
  - A. bankruptcy, insolvency, moratorium, reorganization, and other laws relating to or affecting the enforcement of creditors' rights generally; and
  - B. the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court of competent jurisdiction.

(b) Absence of Conflicting Agreements

- (i) None of the execution and delivery of, or the observance and performance by the Seller and each Guarantor of, any covenant or obligation under this Agreement or any Closing Document to which it is a party, or the Closing contravenes or results in, or will contravene or result in, a Material violation of or a default under or in the acceleration of any obligation under (with or without the giving of notice or lapse of time, or both):
  - A. any Applicable Laws;

- B. any Applicable Licence or Environmental Permit;
- C. the certificate and articles of incorporation, articles of amendment and by-laws or other equivalent documents or instruments of a similar nature governing the Seller or such Guarantor;
- D. any directors' resolutions or shareholders' resolutions of the Seller or a Guarantor;
- E. the provisions of any Contract (except for consent under the Existing Lease as set out in Schedule 4.1(c)); or
- F. results or will result in the creation or imposition of any Encumbrance on the Seller or any of the Purchased Assets.

(c) Consents, Approvals

To the Knowledge of the Seller, no consent, approval, authorization, registration, declaration or filing with any Governmental Authority is required by the Seller or either Guarantor in connection with the execution and delivery by the Seller or such Guarantor of this Agreement or any Closing Documents to which it is a party or the observance and performance by the Seller or such Guarantor of its obligations under this Agreement or any Closing Documents to which it is a party (except for consent under the Assumed Contracts and as set out on Schedule 4.1(c)).

(d) Purchased Assets

Schedule 4.1(d) contains a complete and accurate list of all Purchased Assets as of the date of this Agreement. None of the Purchased Assets are leased other than the Leased Premises. The Purchased Assets constitute all of the tangible assets used by the Seller at the Facilities for the purpose of carrying on the Business at the Facilities. The Purchased Assets include all of the assets identified in the appraisals obtained by the Buyer and provided to the Seller.

(e) Title to and Location of Purchased Assets

The Seller is the registered, legal and beneficial owner of the Purchased Assets, in each case with good and marketable title thereto, free and clear of all Material title defects and Encumbrances, except for Permitted Encumbrances. The tangible Purchased Assets are located in the Facilities.

(f) No Options

No Person other than the Buyer has any oral or written agreement, option, warrant, privilege or right, or any right capable of becoming any of the foregoing (whether legal, equitable, contractual or otherwise) for the purchase of any of the Purchased Assets.

(g) Litigation

Other than as listed in Schedule 4.1(g), there is no Order, claim, demand, suit, action, cause of action, dispute, proceeding, litigation, investigation, grievance, arbitration, governmental proceeding or other proceeding including appeals and applications for review, in progress against, by or relating to, or which could have an impact on, the Purchased Assets, the Seller's ability to sell the Purchased Assets, nor are any of the same pending or threatened, to the Knowledge of the Seller.

The litigation claim listed in Schedule 4.1(g) does not have any effect on the Purchased Assets or the Seller's ability to sell the Purchased Assets to the Buyer.

(h) Absence of Changes

(i) Since the Diligence Deadline, to the Knowledge of the Seller:

- A. the Seller has conducted the Business in the Ordinary course and has used commercially reasonable efforts to preserve the Purchased Assets, subject to wear and tear in the Ordinary course;
- B. there has not been any Material damage, destruction, loss, labour dispute or other event (whether or not covered by insurance), which has had a material adverse effect on the Purchased Assets.

(i) Absence of Unusual Transactions

Since the Diligence Deadline, and except as disclosed elsewhere in this Agreement, the Seller has not:

- (i) except as disclosed in the Employee List, increased the compensation paid or payable to the Employees or created any Benefit Plan;
- (ii) created any Encumbrance on any of the Purchased Assets or suffered or permitted any such Encumbrance that has arisen on the Purchased Assets since that date to remain, other than Permitted Encumbrances;
- (iii) modified, amended or terminated any Assumed Contract;
- (iv) transferred, assigned, sold or otherwise disposed of, or agreed to sell, transfer or dispose of, any of the tangible assets located at the Facilities except in the Ordinary course of business and except as set out in Schedule 4.1(i);
- (v) authorized, agreed or otherwise committed, whether or not in writing, to do any of the foregoing.

(j) Employees, etc.

- (i) Schedule 4.1(j) contains a complete and accurate list of all Employees (the "**Employee List**") as of the date of this Agreement, including:
- A. the names and titles of each Employee together with the location of their employment and whether the Employee is employed on a full-time or part-time basis;
  - B. the date each Employee was hired;
  - C. details of any written employment contracts between the Seller and any Employees;
  - D. the rate of annual remuneration of each Employee as of the date hereof, any bonuses paid since the end of the Seller's last completed financial year and all other bonuses, incentive schemes and benefits to which each Employee is entitled, including any post-retirement benefits;
  - E. the annual vacation entitlement and the amount of vacation pay to which each Employee is entitled as of the date hereof;
  - F. Schedule 4.1(j) also identifies the names of all Employees who are now on disability, maternity or other authorized leave or who are receiving workers' compensation or short-term or long-term disability benefits, along with the general details of such benefits;
  - G. a list of any permits issued to the Seller under employment standards legislation; and
- (ii) Except as set forth in the Employee List, with respect to the Employees as of the date hereof:
- A. the Seller has been and is in compliance with all Applicable Laws respecting employment and employment practices in all Material respects, including all employment standards, human rights, labour relations, occupational health and safety, workers' compensation or workplace safety and insurance legislation, employee privacy and pay equity and to the actual knowledge of the Seller there are no outstanding claims, complaints, investigations, prosecutions or orders under such legislation;

B. all amounts due or accruing due for all salary, wages, bonuses, commissions, pension benefits, vacation pay or other employee benefits or compensation are reflected in the Schedule 4.1(j); and

C. there is no authorized commitment or agreement to increase wages or modify the terms and conditions of employment of any Employee.

(iii) The Seller shall within 14 days of the Closing date pay all Employees all amounts due or accruing due to the Employees for accumulated salary and wages, healthcare allowances, vacation pay and any and all bonuses for which the Employees have a claim up to the Closing Date.

(k) Collective Agreements

(i) The Seller is not a party, nor subject to, either directly or by operation of law, any collective agreement and no trade union, employee association, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the Employees by way of certification, interim certification, voluntary recognition, related employer or successor rights, or has applied or threatened to apply to be certified as the bargaining agent of any of such employees and the Seller has not made any commitment to or conducted negotiations with any labour union, employee association, council of trade unions, employee bargaining agency or affiliated bargaining agent.

(ii) No material work stoppage or other material labour dispute in respect of the Seller or the Business as operated at the Facilities has occurred or is threatened.

(iii) To the actual knowledge of the Seller, there have been no union organizing efforts conducted by any of the Employees.

(l) Benefit Plans or Pension Plans

Other than as listed in Schedule 4.1(l), the Seller does not have any Benefit Plans or Pension Plans.

(m) Residence of the Seller

The Seller is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

(n) Insurance

The Seller has caused its assets to be insured through reputable insurers against loss or damage as is appropriate to the Purchased Assets in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses, properties and assets, and such insurance coverage will be continued in full force and effect to, and including, the Closing Date. All such policies of insurance are in full force and effect and the Seller is not in default, whether as to the payment of premium or otherwise, under the terms of any such policies. Schedule 4.1(n) contains a complete and accurate list of all insurance policies, letters of credit and surety bonds covering or relating to the Purchased Assets.

(o) Environmental Matters

- (i) **Compliance.** All operations of the Seller in respect of the Facilities are now and always have been in compliance in all respects with all applicable Environmental Laws and all Environmental Permits. The representations and warranties in this paragraph (i) are not limited by any of the other representations and warranties set out in the subsequent paragraphs of this Section 4.1(o).
- (ii) **Environmental Permits.** There are no permits, certificates, approvals, consents, authorizations, registrations or licenses issued, granted, conferred, created or required by any Governmental Authority pursuant to any Environmental Laws necessary or desirable for the ownership of the Purchased Assets or the operation of the Business, other than the Environmental Permits. The Environmental Permits are listed on Schedule 4.1(o) and are in full force and effect unamended as of the date of this Agreement. The Seller has delivered to the Buyer true and complete copies of all such Environmental Permits. The Seller is in compliance in all respects with the provisions of all such Environmental Permits and there are no proceedings, inquiries, investigations, surveys, work orders, directions, evaluations, or site assessments in progress, pending or threatened which may result in the cancellation, revocation, suspension or modification of any such Environmental Permit and there are no facts or circumstances that may result in the cancellation, revocation, suspension or modification of any such Environmental Permit. No Environmental Permit will become void or voidable as a result of the completion of the transactions contemplated hereby or by the Closing Documents nor is any consent or approval of any Person required in connection with the transactions contemplated hereby or by the Closing Documents in order to maintain any Environmental Permit in full force and effect.
- (iii) **Remedial Orders.** Neither the Seller nor the Purchased Assets are the subject of any Remedial Order or any request from any Governmental Authority that may result in any Remedial Order, nor has any investigation, evaluation, survey, site assessment or other

proceeding been commenced to determine whether any such Remedial Order is necessary. The Seller has not received any notice that it is potentially responsible for a clean up or corrective action under any Environmental Laws in respect of the Purchased Assets.

(iv) **No Offences.**

- A. The Seller has not been charged with or convicted of an offence for non-compliance with or breach of any Environmental Laws or Environmental Permits nor has the Seller been fined, ticketed, or otherwise sentenced for non-compliance with or breach of any Environmental Laws nor has the Seller settled any prosecution short of conviction, nor has the Seller received any administrative penalty, pertaining, in either case, to non-compliance with or breach of any Environmental Laws or Environmental Permits.
- B. The Seller has not received any notice of judgment or commencement of proceedings of any nature, or experienced any search and seizure, nor is the Seller under investigation related to, any breach or alleged breach of or non-compliance with any Environmental Laws or Environmental Permits.
- C. There are no facts or circumstances that could give rise to breach or alleged breach of or non-compliance with any Environmental Laws or Environmental Permits.

(v) **Reporting.** The Seller has provided all reports and information to the appropriate Governmental Authority in a timely fashion as required by such Governmental Authority pursuant to all applicable Environmental Laws and Environmental Permits. The Seller has fully disclosed to the Buyer the circumstances in which such reports have been filed. True and complete copies of such reports and any supporting material have been provided to the Buyer.

(vi) **No Release or Disposal of Hazardous Substances.**

- A. The Seller has not caused or permitted the Release or Disposal of any Hazardous Substance in or from the Facilities during its operations, including the Release or Disposal of any Hazardous Substance on, from, under or to the Facilities or of any Release or Disposal from a facility owned or operated by any other Person, including previously owned or occupied properties, or any Release or Disposal during transportation, at any location, on the Facilities or off, for which the Seller has or may have Liability.



- B. There are no Hazardous Substances in, on, at or under the Facilities in amounts or concentrations which could result in the issue of a Remedial Order to an owner or occupant, or a Person having management or control of the Facilities.
- C. All Hazardous Substances generated, handled, treated, processed, transported or disposed of on or off the Facilities by or on behalf of the Seller have been generated, handled, treated, processed, transported or disposed of in compliance with all applicable Environmental Laws and Environmental Permits.
- D. Schedule 4.1(o) identifies all the locations where Hazardous Substances used in whole or in part by the Seller or resulting from the Business at the Facilities have been or are being handled, treated, processed, transported or disposed of.

(vii) **Documents, Records and Environmental Compliance Reviews.**  
The Seller has maintained all documents and records concerning the Environment in the manner and for the time periods required by Environmental Laws. True and complete copies of all Environmental Compliance Reviews done by or on behalf of the Seller or any other Person in respect of the Facilities or the Purchased Assets have been provided to the Buyer.

(viii) **Specific Issues.**

- A. The Seller has not received any Environmental Notice that the Seller is, or is potentially, responsible for any clean-up, remediation or corrective or preventative action under any Environmental Laws and to the Knowledge of the Seller there are no facts or circumstances which could give rise to any such Environmental Notice.
- B. The Seller has not received any request for information with respect to the Disposal of any Hazardous Substance on, at or under any of the Leased Premises or the existence of a Hazardous Substance or waste disposal site on, at or under any of the Leased Premises.
- C. No part of the Leased Premises has been used by any Person for the Disposal of Hazardous Substances or as a waste management site, either temporarily or permanently.
- D. No polychlorinated biphenyls, asbestos, asbestos-containing materials or urea formaldehyde or radioactive substances are

or have ever been on or at the Facilities or in or forming part of any other Purchased Assets.

- (ix) **Limitation.** The Buyer acknowledges that it has obtained a Phase I environmental report and has and is relying upon that report. To the extent that any matter disclosed in that report is not consistent with this Section 4.1(o) the representations and warranties shall not apply and the Seller shall not be liable to the Buyer in respect of matters disclosed in such Phase I environmental report notwithstanding the terms in this Section 4.1(o) or elsewhere in this Agreement.

(p) Occupational Health and Safety

The Seller has provided the Buyer with true and complete copies of all inspection reports under the Occupational Health and Safety Acts relating to the Purchased Assets or Facilities. There are no outstanding, pending or threatened Orders or charges made under the Occupational Health and Safety Acts relating to the Purchased Assets or the Facilities. To the Knowledge of the Seller, there have been no fatal or critical accidents within the last five years which might lead to charges under the Occupational Health and Safety Acts. The Seller has complied in all respects with any Orders issued under the Occupational Health and Safety Acts. There are no outstanding appeals of any Orders under the Occupational Health and Safety Acts relating to the Purchased Assets or Facilities.

(q) Workers' Compensation

There are no notices of assessment, provisional assessment, reassessment, supplementary assessment, penalty assessment or increased assessment or any other communications related thereto that the Seller has received from any workers' compensation or workplace safety and insurance board or similar authorities in any jurisdictions where the Business is carried on and there are no assessments that are unpaid on the date hereof. To the Knowledge of the Seller there are no facts or circumstances which may result in an increase in Liability to the Seller under any applicable workers' compensation or workplace safety and insurance legislation, regulations or rules after the Closing Time. The Seller's accident cost experience relating to the Business is such that there are no outstanding, pending or potential assessments or claims which may adversely affect the Seller's accident cost experience.

(r) Real Property

- (i) Schedule 4.1(r) attached hereto lists all real properties included in the Purchased Assets and sets forth the legal description thereof. There are no agreements, options, contracts or commitments to sell, transfer or otherwise dispose of the Real Properties or which would restrict the ability of the Seller to transfer the Real Properties. There are no leases, tenancies, licenses or other rights of occupancy or use for any portion of the Real Properties, and no person other than the Seller occupies or uses any portion of the Real Properties.

- (ii) The Seller is the beneficial owner of, and has good and marketable title in fee simple to, the Real Properties, free and clear of any and all Encumbrances, except for:
  - A. Permitted Encumbrances;
  - B. the Encumbrances described in Schedule 4.1(r);
  - C. liens for current taxes not yet due; and
  - D. rights of parties in possession, zoning restrictions, easements, encroachments, rights-of-way, reservations and restrictions that run with the land and minor title defects (if any) which do not, in the aggregate, materially adversely affect the validity of title to or the value or marketability of the Real Properties or materially adversely affect the use of the Real Properties as they are presently used by the Seller in connection with the Business. Complete and correct copies of all documents creating the Encumbrances described in Schedule 4.1(r) attached hereto have been provided to the Buyer.
- (iii) The Real Properties described in Schedule 4.1(r) and all Buildings located thereon and the conduct of the Business as presently conducted do not violate, and the use thereof in the manner in which presently used is not adversely affected by, any zoning or building laws, ordinances, regulations, covenants or official plans. The Seller has not received any notification alleging any such violation. Such Buildings do not encroach upon any lands not owned by the Seller. There are no expropriation, condemnation or similar proceedings pending or threatened, with respect to any of the Real Properties or any part thereof.

(s) Leased Premises

- (i) The Seller is not a party to any contract to sell, transfer, encumber or otherwise dispose of or impair the Leased Premises, other than pursuant to this Agreement.
- (ii) Schedule 4.1(s) describes the Leased Premises. A true and complete copy of the Existing Lease has been provided to the Buyer. The Existing Lease is in full force and effect, unamended as of the date of this Agreement. The Seller has not sublet, assigned, licensed or otherwise conveyed any of its rights under the Existing Lease. The Existing Lease is a valid, binding and enforceable lease instrument, save and except under *The Planning and Development Act, 2007* (Saskatchewan).

- (iii) All rental and other payments required to be paid and performed by the Seller under the Existing Lease have been duly paid. To the Knowledge of the Seller, (A) the Seller is not in default of any of its obligations under the Existing Lease as confirmed by the Landlord and has not received any notice from the Landlord in respect of any default or potential default under the Lease, and (B) the Landlord is not in Material default of any of its obligations thereunder. No waiver, indulgence or postponement of the Seller's obligations under the Existing Lease has been granted by the Landlord thereunder. The Seller has not waived, or omitted to take any action in respect of, any of its rights under the Existing Lease. To the Knowledge of the Seller, there exists no event of default under the Existing Lease as confirmed by the Landlord or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default under the Existing Lease. None of the terms and conditions of the Existing Lease will be affected by, nor will the Existing Lease be in default as a result of, the completion of the transactions contemplated by this Agreement or any Closing Documents provided that the consent of the Landlord is obtained to the transfer and assignment to the Buyer of the Existing Lease and the rights thereunder, and all notices or consents (which are set out in Schedule 4.1(c) of the Landlord or other parties to the Existing Lease is required in order to complete such transactions have been obtained, or will have been obtained by the Closing Time, and are, or once obtained will be, in full force and effect. There are no non-disturbance agreements, lessor forbearance agreements, lessor waiver agreements or similar agreements affecting the Existing Lease.
- (iv) To the Knowledge of the Seller, the use by the Seller of the Leased Premises in carrying on the Business as currently conducted does not and will not Materially breach any Applicable Laws, including any building or zoning permits or other statutes or any official plan, or any covenants, restrictions, rights or easements, affecting any such Leased Premises. The Seller does not have outstanding or pending any application for a re-zoning of any of the Leased Premises, nor to the Knowledge of the Seller are there any proposed or pending changes to any zoning affecting the Leased Premises. All Buildings situated on any of the Leased Premises are located wholly within the boundaries of such Leased Premises and to the Knowledge of the Seller comply with all Applicable Laws, covenants, restrictions, rights and easements affecting the same. There are no outstanding work orders, non-compliance orders, deficiency notices or other such notices relative to any of the Leased Premises. No part of any of the Leased Premises has been

condemned nor has any notice or proceeding in respect thereof been given, commenced or threatened to the Seller. The Leased Premises are fully serviced by utilities having adequate capacities for the normal operations of the Business. The Leased Premises have adequate rights of access to and from public streets or highways for the normal operations of the Business and to the Knowledge of the Seller there is no fact or circumstance which could result in the termination or restriction of such access. There is to the Knowledge of the Seller no defect or condition affecting any of the Leased Premises (or the soil or subsoil thereof) or any adjoining property, which would impair the current use of such Leased Premises.

- (v) No amounts including municipal property Taxes, local improvement Taxes, levies or assessments, are owing by the Seller in respect of any of the Leased Premises to any Governmental Authority or public utility, other than current accounts in the Ordinary course of business which are not in arrears. There are no outstanding assessments or appeals on assessments which have been issued or raised by any Governmental Authority or by the Seller concerning any realty, business or other Taxes with respect to the Leased Premises. All amounts for labour or materials supplied to or on behalf of the Seller relating to the construction, alteration or repair of or on any of the Leased Premises have been paid in full and no Person has filed or has a right to file any construction, builders', mechanics' or similar liens in respect thereof.
- (vi) To the Knowledge of the Seller, the Buildings on the Leased Premises are free of any structural defect and comply in all material respects with the by-laws and building codes of each municipality in which they are situated. The heating, ventilating, plumbing, drainage, electrical and air conditioning systems and all other systems used in any of the Leased Premises are in good operating condition, repair and proper working order, having regard to their use and age, except only for reasonable wear and tear, and comply in all material respects with, and are being operated and otherwise used by the Seller in material compliance with, all Applicable Laws.
- (vii) There are no matters affecting the right, title and interest of the Seller in and to the Leased Premises which, in the aggregate, would adversely affect the ability to carry on the Business as currently conducted.

(t) No Expropriation

The Seller has not received any notice of expropriation of all or any part of the Purchased Assets and there are no such expropriation proceedings pending or threatened against

or affecting the Purchased Assets and there are no discussions or negotiations which could lead to any such expropriation.

(u) GST Registration

The Seller is registered for purposes of Part IX of the *Excise Tax Act* (Canada). The GST registration number for the Seller is 89557 2618 RT0001.

(v) PST Registration

To the extent that it may be required to do so, the Seller is registered in Saskatchewan in respect of any provincial sales taxes which it is required to pay in respect of the Business.

(w) Licences

The Licences possessed by the Seller with respect to the Purchased Assets are listed in Schedule 4.1(w) (the "**Applicable Licenses**") and to the Knowledge of the Seller there are no other Licences necessary for the ownership of the Purchased Assets.

(x) Condition of Purchased Assets

The Purchased Assets are in reasonable operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put in Ordinary course.

(y) Compliance with Laws

The operations of the Seller at the Facilities (including operations conducted by Contractors) have been, and are being, conducted in all respects in compliance with all Applicable Laws except for breaches prior to the Closing Date which are not in the aggregate Material to the ability of the Seller to sell the Purchased Assets and which would not be reasonably likely to impose Material Liability on the Purchaser after the Closing Date. The Seller has not received any notice of any alleged breach or investigation under any such Applicable Laws in respect of the operations of the Seller at the Facilities.

(z) Taxes

- (i) The Seller has paid, has made arrangements for or will pay all Taxes in respect of the Business and the Purchased Assets, as well as all professional fees incurred in connection with such Taxes, which are capable of forming or resulting in a lien on the Purchased Assets or becoming a Liability or obligation of the Buyer, and there are no inquiries, audits, investigations, disputes, objections, appeals or other proceedings either in progress, pending or threatened in connection with any Taxes in respect of the Business or the Purchased Assets.

- (ii) The Seller has withheld or collected all amounts required to be withheld or collected by it in respect of Taxes, and has remitted such amounts to the applicable Governmental Authority when required to do so. Without limiting the generality of the foregoing, the Seller has fulfilled all material requirements under the Income Tax Act (Canada), the Canada Pension Plan, the Employment Insurance Act (Canada) and any applicable provincial legislation for withholding of amounts from Employees and other Persons and has remitted all amounts withheld to the appropriate authorities within the prescribed periods.
- (iii) For purposes of, and within the meaning of, Section 167 of the Excise Tax Act (Canada), pursuant to this Agreement the Seller is making a supply of a business or part of a business that was established or carried on by the Seller and the Seller is transferring ownership, possession or use of all or substantially all of the property that can reasonably be regarded as being necessary for the Buyer to be capable of carrying on each business or part as a business.

(aa) Solvency

- (i) Seller and each Guarantor is not now insolvent and the Seller will not be rendered insolvent by any of the transactions contemplated by this Agreement or any Closing Documents. As used in this Section, "**insolvent**" means with respect to the Seller or Guarantor as applicable that the sum of the debts and other probable Liabilities of the Seller exceeds the present fair saleable value of the Seller's assets.
- (ii) Immediately after giving effect to the consummation of the transactions which are the subject matter of this Agreement:
  - A. the Seller will be able to pay its Liabilities as they become due in the usual course of its business;
  - B. the Seller will have assets (calculated at fair market value) that exceed its Liabilities; and
  - C. taking into account all pending and threatened litigation, final judgments against the Seller in actions for money damages are not reasonably anticipated to be rendered at a time when, or in amounts such that, the Seller will be unable to satisfy any such judgments promptly in accordance with their terms (taking into account the maximum probable amount of such judgments in any such actions and the earliest reasonable time at which such judgments might be

rendered) as well as all other obligations of the Seller. The cash available to the Seller, after taking into account all other anticipated uses of the cash, will be sufficient to pay all such debts and judgments promptly in accordance with their terms.

(bb) Protection of Confidentiality

The Seller has taken commercially reasonable precautions and made commercially reasonable efforts to protect the Confidential Information from disclosure to, or use by, unauthorized Persons, as well as from harm, theft, tampering, sabotage and unauthorized transmission. There are no security or confidentiality agreements related to the Purchased Assets having been breached by any Person. To the Knowledge of the Seller, the Confidential Information has not been disclosed, and shall not be disclosed, to any Person other than the Buyer and the Buyer's authorized agents and the Seller's authorized agents, and the Seller has the right to make such disclosure.

(cc) Commission

Seller represents and warrants to the Buyer that the Buyer will not be liable for any brokerage commission, finder's fee or other like payment in connection with the transactions contemplated hereby because of any action taken by, or agreement or understanding reached by, the Seller.

ARTICLE 5  
**REPRESENTATIONS AND WARRANTIES OF BUYER**

5.1 **Representations and Warranties of Buyer**

As of the date hereof and as of the Closing Date (unless otherwise specified), the Buyer hereby makes the following representations and warranties to the Seller and acknowledges that the Seller is relying upon such representations and warranties in entering into this Agreement.

(a) Corporate Matters

- (i) The Buyer is a limited partnership formed and validly existing under the laws of Ontario. No proceedings have been taken or authorized by the Buyer or, to the Buyer's Knowledge, by any other Person with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of the Buyer.
- (ii) The Buyer has all necessary power and capacity to execute and deliver, and to observe and perform its covenants and obligations under, this Agreement and the Closing Documents to which it is a party.



- (iii) The Buyer has taken all action necessary to authorize the execution and delivery of, and the observance and performance of its covenants and obligations under, this Agreement and the Closing Documents to which it is a party.
- (iv) This Agreement has been, and each Closing Document to which the Buyer is a party will on Closing be, duly executed and delivered by the Buyer, and this Agreement constitutes, and each Closing Document to which the Buyer is a party will on Closing constitute, a valid and binding obligation of the Buyer enforceable against the Buyer in accordance with its terms.

(b) Absence of Conflicting Agreements

None of the execution and delivery of, or the observance and performance by the Buyer of any covenant or obligation under, this Agreement and the Closing Documents to which it is a party or the Closing contravenes or results in, or will contravene or result in, a material violation of or a default under or in the acceleration of any obligation under (with or without the giving of notice or lapse of time, or both):

- (i) any Applicable Laws;
- (ii) the articles, by-laws, directors' or shareholder's resolutions of the Buyer; or
- (iii) any agreement, obligation or instrument to which the Buyer is a party or by which the Buyer is affected or bound.

(c) Consents and Approvals

No consent, approval, License, Order, authorization, registration or declaration of, or filing with, any Governmental Authority is required by the Buyer in connection with:

- (i) the Closing;
- (ii) the execution and delivery by the Buyer of this Agreement or any Closing Document to which it is a party; or
- (iii) the observance and performance by the Buyer of its obligations under this Agreement or any Closing Document to which it is a party.

(d) Commission

Buyer represents and warrants to the Seller that the Seller will not be liable for any brokerage commission, finder's fee or other like payment in connection with the transactions contemplated hereby because of any action taken by, or agreement or understanding reached by, the Buyer.

(e) Non-Waiver

No investigations made by or on behalf of the Buyer or any fact or other matter of which the Buyer has Knowledge at any time shall waive, diminish the scope of or otherwise affect any representation or warranty made by the Seller or the Guarantors in this Agreement or in any Closing Document. No waiver by the Buyer of any condition or provision of this Agreement, in whole or in part, shall operate as a waiver of any other condition or provision of this Agreement or affect the right to indemnification pursuant to ARTICLE 11.

(f) Financing

The Buyer has, and will have at Closing, all funds on hand necessary to pay the Purchase Price referred to in Section 3.1.

(g) GST Registration

The Buyer is registered for purposes of Part IX of the *Excise Tax Act* (Canada). The GST registration number for the Buyer is []

(h) Representation and Warranty of GFI

Buyer and GFI represent, warrant and confirm that:

- (i) Export Trading Co. Ltd. will not be, directly or indirectly, financing or taking any equity or other registered or beneficial ownership interest in the Buyer or GFI in respect of the Closing; and
- (ii) Jayesh Patel, Rajesh Jain, David Nobbs will not be, directly or indirectly, financing or taking any equity or other registered or beneficial ownership interest in the Buyer or GFI for a period of five (5) years after the Closing. The Buyer and GFI shall sign a covenant agreement to this effect on Closing.

ARTICLE 6  
SURVIVAL

6.1 Survival of Representations and Warranties and Covenants of Seller and Guarantors

All representations and warranties, covenants and agreements made by the Seller and the Guarantors, as applicable, in this Agreement shall survive the Closing as follows:

- (a) all of the representations and warranties made by the Seller and the Guarantors, as applicable, in this Agreement or any Closing Document shall survive for a period of one year from the Closing Date. After such period, neither the Seller nor the Guarantors will have any further Liability hereunder with respect to such

representation and warranties except with respect to claims properly made within such period; and

- (b) all of the covenants (including indemnification obligations) and agreements of the Seller and the Guarantors, as applicable, in this Agreement or any Closing Document shall survive the Closing until performed or waived in writing by the Buyer.

Notwithstanding the foregoing, there shall be no limitation on the right of the Buyer to bring any claim, action or proceeding based on any fraud or intentional misrepresentation on the part of the Seller or the Guarantors.

#### 6.2 Survival of Representations and Warranties and Covenants of Buyer

All representations and warranties, covenants and agreements made by the Buyer in this Agreement or any Closing Document shall survive the Closing as follows:

- (a) all of the representations and warranties made by the Buyer in this Agreement or any Closing Document shall survive for a period of one year from the Closing Date. After such period, the Buyer will have no further Liability hereunder with respect to such representations and warranties except with respect to claims properly made within such period; and
- (b) all covenants and agreements of the Buyer contained in this Agreement or any Closing Document shall survive the Closing and continue until performed or waived in writing by the Seller.

Notwithstanding the foregoing, there shall be no limitation on the right of the Seller to bring any claim, action or proceeding based on any fraud or intentional misrepresentation on the part of the Buyer.

### ARTICLE 7

#### INTERIM COVENANTS OF THE SELLER AND GUARANTORS

During the Interim Period, without in any way limiting any other obligations of the Seller and the Guarantors in this Agreement, the Seller and Guarantors covenant to act as set out below.

#### 7.1 Conduct of Business in Ordinary course

Except as otherwise contemplated or permitted by this Agreement, the Seller and the Guarantors, as applicable, shall:

- (a) preserve and protect the Purchased Assets and retain in its service the Employees and Contractors necessary to the operation of the Purchased Assets, and maintain good business relationships with its non-grain suppliers and distributors; and

- (b) not, without the prior written consent of the Buyer, take any action or enter into any transaction which, if taken or entered into before the date of this Agreement, could cause any representation or warranty of the Seller or the Guarantors in this Agreement or any Closing Documents to be incorrect or constitute a breach of any covenant or agreement of the Seller or the Guarantors contained herein or therein.

Without limiting the generality of the foregoing, during the Interim Period the Seller shall not, and the Guarantors shall ensure that the Seller does not, buy, acquire, transfer, lease, license, sell or otherwise dispose of any of the Purchased Assets unless the Seller obtains the prior written consent of the Buyer.

7.2 **Assumed Contracts**

The Seller shall not, without the prior written consent of the Buyer, terminate or exercise or fail to exercise any rights of renewal or other rights or options contained in any Assumed Contracts. However, if the Buyer fails to respond in writing within 10 Business Days to a request by the Seller, to consent to the termination of, or the exercise or failure to exercise, such rights, the Seller may act in its discretion in terminating, exercising or failing to exercise such rights. The Seller shall observe and perform in a timely manner all of its covenants and obligations under all Assumed Contracts up to the Closing Time and in the case of a default by another party thereto, it will forthwith advise the Buyer of such default and shall, if requested by the Buyer, enforce all of its rights under the Assumed Contracts in respect of such default.

7.3 **Insurance**

The Seller shall continue in force and in good standing all policies of insurance maintained by the Seller in respect of the Business and Purchased Assets and shall present all claims under such policies in a due and timely manner.

7.4 **Compliance with Laws**

The Seller shall comply with all Applicable Laws affecting the Purchased Assets.

7.5 **Taxes**

The Seller shall prepare and file all Tax Returns required to be filed prior to the Closing Time and, if requested by the Buyer, shall forthwith provide a copy of each such Tax Return to the Buyer, and shall pay all Taxes relating to the Purchased Assets which arise prior to or are related to a period of time prior to the Closing Time.

7.6 **Employees and Contractors**

The Seller shall not hire nor terminate any Employee or Contractor without the prior written consent of the Buyer. The Seller shall not implement any Benefit Plan without the prior written consent of the Buyer. The Seller shall not make any general or specific increase in the remuneration of the Employees, officers, directors, Contractors and service agents of the Seller, nor grant to them any additional benefits except for normal salary increases at normal review dates

in accordance with the normal policy of the Business. The Seller shall provide to the Buyer on the third (3<sup>rd</sup>) Business Day prior to the Closing Date an up-to-date Employee List which is accurate as of that time and which indicates, to the Sellers' Knowledge at that time, which Employees will be Non-Active Employees as of the Closing Time. For those Employees who will be Non-Active Employees as of the Closing Time, the Sellers will indicate the reason for each Non-Active Employee's absence and the expected duration of such absence.

**7.7 Certificate**

At or before the Closing Time, the Seller shall deliver a purchase certificate issued by the workers' compensation or workplace safety and insurance board or similar authorities in Saskatchewan, including a good standing letter issued by the Saskatchewan Workers Compensation Board, which will certify to the Buyer that there are no assessments which are unpaid at the Closing Time.

**7.8 Material Changes**

The Seller shall not effect or permit any material adverse change in the Purchased Assets. The Seller shall not sell, transfer or dispose of any of the Purchased Assets not in the Ordinary course.

**7.9 Encumbrances**

The Seller shall neither effect nor permit any new Encumbrance to attach to or affect any of the Purchased Assets.

**7.10 Action by Seller and Guarantors**

The Seller and the Guarantors shall, at their expense, take all action which may be necessary to ensure that:

- (a) the representations and warranties made by the Seller and the Guarantors contained herein will be true and correct at the Closing Time; and
- (b) all corporate action is taken by the Seller and the Guarantors to approve the transactions and satisfy their covenants and agreements contemplated herein.

**7.11 Discharge Liabilities**

The Seller shall obtain pay off letters/consents/release or partial release agreement (which pay off letters shall include irrevocable authorizations or undertakings to discharge related Encumbrances) from each of the creditors having security interests relating to the Purchased Assets. The Buyer and GFI shall provide reasonable cooperation and assistance to the Seller in connection with the Seller obtaining any consents from any of its creditors providing releases.

7.12 **Financing Matters**

Upon request of the Buyer, the Seller and the Guarantors shall provide reasonable cooperation and assistance to the Buyer in connection with the Buyer's arrangements for financing of the transactions contemplated under this Agreement and of the operation of the contemplated business at the Facilities after closing at no cost to the Seller.

7.13 **Consents and Waivers**

If applicable, any Landlord consents to transfer the Existing Lease (the "**Landlord Consents**") must be on terms which are acceptable to each of the Seller and the Buyer, acting reasonably.

The Buyer acknowledges that:

- (i) it is not entitled to request any amendments to the terms of the Existing Lease in connection with obtaining any Landlord Consent;
- (ii) nothing herein shall prohibit the Seller from seeking a reasonable release from the Landlord in respect of its obligations that accrue or arise following Closing under the Existing Lease; and
- (iii) it shall cooperate with and assist the Seller in pursuing the Landlord Consents (including providing any reasonable information requested by the Landlord (including reasonable financial information, financing structure and proposed management team for the business), providing certificates of insurance and executing and delivering any necessary acknowledgements and assumption agreements which are acceptable to the Buyer, acting reasonably, and are required by the Landlord as a condition to the issuance of the Landlord Consents that are commercially reasonable or otherwise contemplated by the Existing Lease.

(b) The Seller shall be responsible for any reasonable legal fees of the Landlord. Any other costs relating to obtaining the Landlord Consent, including payments to the Landlord or the fees of counsel to the Seller, shall be borne by the Seller.

7.14 **Access for Investigation**

During the Interim Period, the Seller shall permit the Buyer and its employees, agents, counsel and accountants or other representatives and prospective lenders and their representatives to have access during normal business hours to the Purchased Assets on the condition that no Person given access materially interferes with the ordinary conduct of the Business by the Seller. The Seller agrees that the Buyer may conduct such environmental investigations and tests as the Buyer, acting reasonably, considers necessary, at the Buyer's expense. The Seller shall deliver to the Buyer, within 3 Business Days after a request therefor, letters of authorization directed to the usual Governmental Authorities having jurisdiction,

authorizing such Governmental Authorities to undertake the applicable inspection and to advise the Buyer of any defects or non-compliance with matters under the jurisdiction of such Governmental Authorities.

7.15            **Disclosure**

During the Interim Period, the Seller and the Guarantors shall immediately disclose in writing to the Buyer any matter inconsistent in any material respect with any of the representations or warranties of the Seller or the Guarantors contained herein. If the Seller takes any action permitted by this Agreement which would affect the accuracy or completeness of any Schedule, the Seller shall forthwith deliver to the Buyer an updated Schedule which will be deemed to replace the prior Schedule. 3 Business Days prior to the Closing Date, the Seller shall deliver to the Buyer updated Schedules, only if acceptable in accordance with Section 14.10 to this Agreement and such updated Schedules will be deemed to replace the relevant Schedules which were previously delivered.

ARTICLE 8  
**POST-CLOSING COVENANTS OF THE SELLER AND GUARANTORS**

The Seller and Guarantors covenant to act as set out below.

8.1            **Removing Excluded Assets**

On or before the Closing Date, the Seller shall remove all Excluded Assets from the Facilities. Such removal will be done in a manner as to avoid any damage to the Facilities and any disruption of the business operations to be conducted by the Buyer after the Closing Date. Any damage to the Purchased Assets, Facilities or Buildings resulting from such removal will be paid by the Seller to the Buyer on the Closing Date or, if not so paid shall be deducted by the Buyer from the funds paid by the Buyer to the Seller on the Closing Date. Should the Seller fail to remove the Excluded Assets as required by this Section (other than the Products), the Buyer will have the right, but not the obligation:

- (a) to remove the Excluded Assets at the Seller's sole cost and expense;
- (b) to store the Excluded Assets and to charge the Seller all storage costs associated therewith;
- (c) to treat the Excluded Assets as unclaimed and to proceed to dispose of the same under the laws governing unclaimed property; or
- (d) to exercise any other right or remedy conferred by this Agreement or otherwise available at law or in equity. The Seller will promptly reimburse the Buyer for all costs and expenses incurred by the Buyer in connection with any Excluded Assets not removed by the Seller on or before the Closing Date.

8.2            **Confidential Information**

After Closing, the Parties shall not use or disclose any Confidential Information.

8.3            **Customer and Other Business Relationships**

After the Closing, the Seller shall, for a period not to exceed one year after the Closing Date, cooperate with the Buyer in its efforts to continue and maintain for the benefit of the Buyer those business relationships of the Seller existing prior to the Closing and relating to the business to be operated by Buyer after the Closing and pursuant to the Toll Processing Agreement, including relationships with non-grain suppliers, lessors, employees, regulatory authorities, licensors, and others. Seller will cooperate with Buyer to negotiate the assignment of Assumed Contracts. Neither the Seller nor any of its officers, employees, agents or shareholders will take any action that, assessed reasonably, could materially diminish the value of the Purchased Assets after the Closing.

8.4            **Collection of Mail**

As of the Closing Date, the Seller hereby authorizes the Buyer to open any and all mail addressed to the Seller relating to the Purchased Assets and the Seller shall deliver such mail to the offices of the Buyer if received on or after the Closing Time.

8.5            **Non-Solicitation of Employees**

Seller and the Guarantors shall not, for a period of one year from the Closing Date, directly or indirectly solicit for employment, hire or otherwise contract for the services of, or aid in the solicitation, hiring or contracting for, the services of any (i) Employee or (ii) employee of the Buyer or its Affiliates which the Seller has been working with in respect of the transactions hereunder; *provided that* nothing in this Section 8.5 shall prohibit Seller or the Guarantors from making general solicitation advertisements that are not targeted at any Employee or employee of the Buyer or its Affiliates and from hiring any such employee that responds to a general solicitation advertisement or whose employment has been terminated by the Buyer or its Affiliates.

8.6            **Benefit Plans**

The Seller shall remain responsible for, and shall pay when due to each Employee and Non-Active Employee, all amounts to which such Employee or such Non-Active Employee was entitled as of the Closing Time under any Benefit Plan of the Seller.

8.7            **Workers' Compensation**

At or before the Closing Date, the Seller shall deliver to the Buyer status letters (in the event the Buyer has not obtained such status letters directly) dated as of the nearest date to the Closing Date at which such status letters are available under the Saskatchewan Workers Compensation legislation stating respectively that the Seller is in good standing in respect of that legislation in respect of all payments required to be made in respect of the Employees as of such date under applicable Saskatchewan Workers Compensation legislation.



8.8 **Health Savings Account**

The Seller shall:

- (a) make arrangements with the Seller's current benefits provider for any Health Savings Accounts to remain active for enrolled Employees or Non-Active Employees as of the Closing Time for covered expenses incurred for a minimum period of 60 days after the Closing Time while also providing the normal 90-day reimbursement period for claims incurred prior to end of the end of such minimum period; or
- (b) provide payment to enrolled Employees or Non-Active Employees of an amount equal to the final Health Savings Account balances remaining after termination of any Benefit Plan and the expiration of the 90-day reimbursement period for claims incurred prior to Closing Time.

8.9 **Assistance by Seller and Guarantors**

The Seller and the Guarantors will use commercially reasonable efforts to assist the Buyer in securing the consent of Employees to employ such employees on terms and conditions substantially similar in the aggregate to the terms and conditions of their current employment with the Seller and to the satisfaction of the Buyer. The Seller and the Guarantors shall have no Liability to the Buyer for their actions in providing such assistance, whether or not the Employees become Hired Employees.

8.10 **Notice of Potential Claim**

The Seller or the Guarantors shall promptly notify the Buyer in writing if the Seller or any of the Guarantors becomes aware of any Claim or potential Claim against the Seller or any of the Guarantors that may materially adversely affect the Purchased Assets.

8.11 **Discharge of Liabilities**

All Excluded Liabilities will remain the responsibility of the Seller.

ARTICLE 9  
**BUYER'S COVENANTS**

9.1 **Employees**

(a) Conditional upon the Closing, and subject to Section 9.1(b), the Buyer shall offer continued employment to each Employee identified on the Employee List and each Contractor to be offered employment with the Buyer from and after the Closing Time on terms and conditions which are substantially similar in the aggregate to those upon which such Employee is employed by the Seller at the Closing Time.

(b) The obligations of the Buyer with respect to any Employee or Contractor who accepts such offer of employment (each a "**Hired Employee**") shall commence on (and not before) the date such Hired Employee becomes employed by the Buyer; provided that any liability as a result of a termination of the Employee's employment with the Buyer after Closing, shall be for the sole account of the Buyer, notwithstanding that some or all of such Employee's employment had previously been with the Seller.

9.2 **Non-Solicitation of Employees**

Buyer shall not, for a period of one year from the Closing Date, directly or indirectly solicit for employment, hire or otherwise contract for the services of, or aid in the solicitation, hiring or contracting for, the services of any employee (other than those on the Employee List) of the Seller, either Guarantor or their Affiliates *provided that* nothing in this Section 9.2 shall prohibit Buyer from making general solicitation advertisements that are not targeted at any employee of the Seller, the Guarantors or any of their Affiliates and from hiring any such employee that responds to a general solicitation advertisement or whose employment has been terminated by the Seller, the Guarantors or their Affiliates.

9.3 **Wages etc.**

Except as otherwise provided herein, the Seller shall be responsible for all wages, bonuses, vacations, sick leave, vacation pay, termination and severance pay and other remuneration benefits (collectively "**Wages**") for all of the Employees earned or accrued up to Closing Time, whether or not paid or payable before or after Closing. The Buyer shall be responsible for all Wages with respect to the Hired Employees accrued and earned after Closing. The Seller shall be responsible for all Wages of all Non-Active Employees. The Seller shall be responsible for all Liabilities including notice of termination, termination pay, severance pay and other obligations owing to an Employee who does not accept employment with the Buyer. The Buyer shall be responsible for any severance payable to any Hired Employee as a result of termination of such Hired Employee's employment with the Buyer after Closing.

9.4 **Inaccurate Seller Representations.**

The Buyer shall promptly notify the Seller if at any time before the Closing the Buyer acquires Knowledge, from any source other than the Seller or its representatives, of any inaccuracy in any of the representations made by the Seller in Article 4.

ARTICLE 10  
**MUTUAL COVENANTS**

10.1 **Actions to Satisfy Closing Conditions**

Subject to the provisions of this Section 10.1, each Party will take all such action as is within its power to control, and will use its reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all conditions which are for the benefit of any Party. Subject to the provisions of this Section 10.1, the Parties

will cooperate in exchanging such information and providing such assistance as may be reasonably required in connection with the foregoing.

10.2 **Filings with Governmental Agencies**

As soon as practicable, the Parties shall make all filings, notices or requests for approval required to be given or made to any Governmental Authority in connection with the sale and transfer of the Purchased Assets. Each Party shall furnish or cause to be furnished to the other such information and assistance as it may reasonably request in order to prepare any filings or submissions or notices to be made or given by it but neither the Buyer nor the Seller shall be obligated to provide to any Governmental Authority any undertakings or commitments other than those that are not unduly onerous or which are commonly provided in transactions of the nature and size contemplated by this Agreement.

10.3 **Injunctions**

If any court having jurisdiction over any of the Parties issues any injunction, decree or similar order before the Closing Time which would prohibit or materially restrict or hinder the Closing, the Party against whom the injunction has been issued shall use its commercially reasonable efforts to have such injunction, decree or order dissolved or otherwise eliminated as promptly as possible and, in any event, prior to the Closing Time.

ARTICLE 11  
**INDEMNIFICATION**

11.1 **Definitions**

As used in ARTICLE 11, ARTICLE 12, and ARTICLE 13 and elsewhere in this Agreement,

- (a) **“Calculation Method”** with respect to the calculation of any Tax Gross-Up on an Indemnity Payment payable to an Indemnified Party, means that such Tax Gross-Up shall be calculated by using a combined federal and provincial/territorial income tax rate applicable to the Indemnified Party in respect of the Indemnity Payment at the time of payment and without regard to any losses, credits, refunds or deductions that the Indemnified Party may have which could affect the amount of tax payable on any such Indemnity Payment;
- (b) **“Claim”** means any demand, action, suit, proceeding, claim (other than contractual claims in the Ordinary course of the Business that are not in dispute), grievance, arbitration, assessment, reassessment, judgment or settlement or compromise relating thereto;
- (c) **“Defence Notice”** has the meaning set out in Section 13.4;
- (d) **“Defence Period”** has the meaning set forth in Section 13.4;

- (e) **“Defending Party”** has the meaning set forth in Section 13.6;
- (f) **“Environmental Loss”** means:
  - (i) any Loss suffered or incurred by the Buyer as a result of any Order, Environmental Request or Third Party Claim made against the Buyer or the Seller in respect of any Pre-Existing Environmental Contamination, including solicitor and own client full indemnity costs; or
  - (ii) any costs incurred by the Buyer which are necessary to remedy any Pre-Existing Environmental Contamination, so that the Buyer or its Affiliates can make and continue to make commercial use of any portion of the Purchased Assets;
- (g) **“Environmental Request”** means a written request made by any Governmental Authority to the Buyer or the Seller pursuant to Environmental Laws which relates to any Pre-Existing Environmental Contamination and requires that some investigation, monitoring, remedial or preventative measure be conducted;
- (h) **“Final Decision”** means a decision by an arbitrator from which no appeal lies or in respect of which all appeal rights have been exhausted and all time periods for appeal have expired without appeals having been taken;
- (i) **“Indemnification Claim”** means any act, omission or state of facts or Claim which may give rise to a right to indemnification under ARTICLE 12 or ARTICLE 13;
- (j) **“Indemnifier”** means any Party or Parties obligated to provide indemnification under this Agreement;
- (k) **“Indemnified Party”** means any Person entitled to indemnification under this Agreement;
- (l) **“Indemnity Payment”** means any amount of Loss required to be paid pursuant to ARTICLE 12 or ARTICLE 13;
- (m) **“Loss”** means any and all loss, Liability, damage, cost or expense, including the costs and expenses of any action, suit, proceeding, demand, assessment, reassessment, judgment, appeal, settlement or compromise relating thereto and all interest, punitive damages, fines and penalties and reasonable legal fees and expenses incurred in connection therewith, including loss of profits and consequential damages;
- (n) **“Pre-Existing Environmental Contamination”** means any Hazardous Substance which is present in, at, on or under, any place at the Facilities or elsewhere and which has, resulted from the operations of the Seller or the Business prior to the

Closing Time, or from the operations or activities at those locations by predecessors to the Seller;

- (o) “**Representative**” means each director, officer, employee, agent, solicitor, accountant, professional advisor and other representative of an Indemnified Party;
- (p) “**Tax Gross-Up**” means with respect to any particular Indemnity Payment, such additional amount (calculated in accordance with the Calculation Method) as is necessary to place the Indemnified Party in the same after-tax position as it would have been in had such amount been received tax free;
- (q) “**Third Party Claim**” means any Indemnification Claim asserted against an Indemnified Party, that relates to a Liability paid or payable to, or claimed by, any Person who is not a Party or an Affiliate of a Party; and
- (a) “**Third Party Claim Notice**” has the meaning set forth in Section 13.3.

## ARTICLE 12

### INDEMNIFICATION BY SELLER AND GUARANTORS

#### 12.1 Indemnity for Breach of Warranty or Covenant of the Seller

The Seller shall indemnify, defend and save harmless the Buyer and GFI from and against any and all Loss suffered or incurred by them as a direct result of, or arising in connection with or related in any manner whatsoever to:

- (a) notwithstanding any disclosure in the Schedules hereto but subject to Section 6.1, any misrepresentation or breach of any representation or warranty made or given by the Seller in this Agreement, in any Closing Document or in any other document delivered pursuant to this Agreement or any Closing Document; or
- (b) any failure by the Seller to observe or perform any covenant or obligation contained in this Agreement, any Closing Document or any document delivered pursuant to this Agreement or any Closing Document.

#### 12.2 Indemnity for Breach of Warranty or Covenant of the Guarantors

Each Guarantor shall indemnify, defend and save harmless the Buyer and GFI from and against any and all Loss suffered or incurred by them as a direct result of, or arising in connection with or related in any manner whatsoever to:

- (a) notwithstanding any disclosure in the Schedules hereto but subject to Section 6.1, any misrepresentation or breach of any representation or warranty made or given by such Guarantor in this Agreement, in any Closing Document or in any other document delivered pursuant to this Agreement or any Closing Document; or

- (b) any failure by such Guarantor to observe or perform any covenant or obligation contained in this Agreement, any Closing Document or any document delivered pursuant to this Agreement or any Closing Document.

12.3 **Other Indemnities**

Notwithstanding any disclosure in the Schedules hereto but subject to Section 6.1, the Seller shall indemnify, defend and save harmless the Buyer and GFI from and against any and all Loss suffered or incurred by them as a direct result of, or arising in connection with or related in any manner whatsoever to:

- (a) any Environmental Loss;
- (b) any Liability for Taxes of the Seller relating to any taxation year or other period ending on or prior to the Closing Date, or the portion of any liability for Taxes relating to any taxation period ending after the Closing Date that is attributable to the portion of that period ending on the Closing Date;
- (c) notwithstanding any disclosure in the Schedules hereto, any Liabilities of the Seller accrued or relating to any time prior to the Closing Time;
- (d) any equipment rented, sold or leased by, or any services provided by, the Seller prior to the Closing Time;
- (e) any Claim against the Seller instituted prior to or after the Closing Time and whether or not disclosed to the Buyer which is based on an act or omission of the Seller prior to the Closing Time;
- (f) any Claim against the Seller instituted prior to or after the Closing Time and whether or not disclosed to the Buyer which may be asserted by any Employee or former Employee, (including any Employee who does not accept employment with the Buyer), Hired Employee, Non-Active Employee or Contractor against the Buyer and which arise by reason of the employment with the Seller of such Employee, former Employee, any Employee who does not accept employment with the Buyer, Non-Active Employee or the engagement of any Contractor, or the termination of the employment of such Employee, former Employee, Employee who does not accept employment with the Buyer, Non-Active Employee or Contractor by the Seller; or
- (g) any Claim related to the Excluded Assets or Excluded Liabilities.

ARTICLE 13  
**INDEMNIFICATION BY THE BUYER**

13.1 **Buyer Indemnity**

The Buyer and GFI shall, jointly and severally, indemnify, defend and save harmless the Seller, Guarantors and each of their respective Representatives from and against any and all Loss suffered or incurred by them, as a direct or indirect result of, or arising in connection with or related in any manner whatsoever to:

- (a) subject to Section 6.2, any misrepresentation or breach of any representation or warranty made or given by the Buyer in this Agreement, in any Closing Document or in any document delivered pursuant to this Agreement or any Closing Document;
- (b) any failure by the Buyer to observe or perform any covenant or obligation contained in this Agreement, any Closing Document or any document delivered pursuant to this Agreement or any Closing Document;
- (c) any Claim related to the Assumed Liabilities after the Closing Time; or
- (d) any Claim against the Seller instituted after the Closing Time which is based on an act or omission of the Buyer subsequent to the Closing Time.

Where any Claim is made that partially relates to the Liabilities of the Seller and partially relates to the Assumed Liabilities, the Buyer should only indemnify that part which relates to the Assumed Liabilities after Closing Time.

13.2 **Agency for Representatives**

Each Indemnified Party agrees that it accepts each indemnity in favour of any of its Representatives as agent and trustee of that Representative. Each Party agrees that an Indemnified Party may enforce an indemnity in favour of any of such Indemnified Party's Representatives on behalf of that Representative.

13.3 **Notice of Third Party Claims**

If an Indemnified Party receives notice of the commencement or assertion of any Third Party Claim, the Indemnified Party shall give the Indemnifier reasonably prompt notice thereof (a "**Third Party Claim Notice**"), but in any event no later than 30 days after receipt of written notice of such Third Party Claim. The Third Party Claim Notice shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount of the Loss that has been or may be sustained by the Indemnified Party. The omission so to notify the Indemnifier shall not relieve the Indemnifier from any duty to indemnify and hold harmless the Indemnified Party which otherwise might exist with respect to such cause, except as provided for in Section 13.8.

13.4            **Defence of Third Party Claims**

The Indemnifier may participate in or assume the defence of any Third Party Claim by giving notice (a "**Defence Notice**") to that effect to the Indemnified Party not later than 30 days after receiving the Third Party Claim Notice (the "**Defence Period**"). The Indemnifier's right to do so shall be subject to the rights of any insurer or other third party who has potential Liability in respect of such Third Party Claim. The Indemnifier shall pay all of its own expenses of participating in or assuming such defence. The Indemnified Party shall co-operate in good faith, at the Indemnifier's expense, in the defence of such Third Party Claim. The Indemnifier, in the case of the Seller, shall use the same efforts to settle such Third Party Claim as the Seller would use if the Seller continued to own the Business with a view to preserving the goodwill relating to the Business and the relationships with customers and suppliers of the Business. If the Third Party Claim involves a Claim by a Governmental Authority requiring the payment of any Taxes and the failure to make such payment by a particular time would result in the imposition of any fine or penalty or would impair the ability to defend such Claim and the Indemnified Party gives notice thereof to the Indemnifier, the Indemnifier shall make the required payment on behalf of the Indemnified Party prior to the required time and the Indemnified Party shall reimburse the Indemnifier (together with interest equal to such interest paid, if any, by the taxing authority to the Indemnified Party net of any Taxes payable by the Indemnified Party on such interest) in the event it is subsequently determined that the payment made by the Indemnifier on behalf of the Indemnified Party was not required as an Indemnity Payment.

13.5            **Advances for Third Party Claims**

The Indemnifier shall make advances to the Indemnified Party of all reasonable costs and expenses incurred in connection with any Third Party Claim, including reasonable legal fees and expenses, promptly following receipt of notice by the Indemnified Party with sufficient particulars of such costs and expenses to be advanced; provided that the Indemnified Party shall reimburse the Indemnifier in the event it is subsequently determined that the advance made by the Indemnifier to the Indemnified Party was not required as an Indemnity Payment.

13.6            **Assistance for Third Party Claims**

The Buyer or the Guarantors, as the case may be, shall use all reasonable efforts to make available to whichever of them is undertaking and controlling the defence of any Third Party Claim (the "**Defending Party**"),

- (a) those employees whose assistance, testimony or presence is necessary to assist the Defending Party in evaluating and in defending such Third Party Claim; and
- (b) all documents, records and other materials in the possession of such Party reasonably required by the Defending Party for its use in defending such Third Party Claim, subject to confidentiality and solicitor-client privilege,

and shall otherwise co-operate with the Defending Party. The Indemnifier shall be responsible for all reasonable expenses associated with making such documents, records and materials available, and for all reasonable expenses of any employees made available by the



Indemnified Party to the Indemnifier hereunder, which expense shall not exceed the actual cost to the Indemnified Party associated with such employees.

13.7 **Settlement of Third Party Claims**

If an Indemnifier elects to assume the defence of any Third Party Claim as provided in Section 13.4, the Indemnifier shall not be liable for any legal expenses subsequently incurred by the Indemnified Party in connection with the defence of such Third Party Claim. However, if the Indemnifier fails to take reasonable steps necessary to defend diligently such Third Party Claim within 30 days after receiving notice from the Indemnified Party that the Indemnified Party bona fide believes on reasonable grounds that the Indemnifier has failed to take such steps, the Indemnified Party may, at its option, elect to assume the defence of and to compromise or settle the Third Party Claim, assisted by counsel of its own choosing, and the Indemnifier shall be liable for all reasonable costs and expenses paid or incurred in connection therewith. Without the prior written consent of the Indemnified Party, the Indemnifier shall not enter into or cause any compromise or settlement of any Third Party Claim unless:

- (a) the Indemnified Party receives, as part of the compromise and settlement, a legally binding and enforceable unconditional satisfaction or release of the Claim, which is in form and substance satisfactory to the Indemnified Party; and
- (b) the Third Party Claim and any Claim or Liability of the Indemnified Party with respect thereto is being fully satisfied because of the compromise and settlement and the Indemnified Party is being released from any and all obligations or liabilities it may have with respect to the Third Party Claim and any Claim or Liability which may arise in respect thereof to other Persons as a result of the Claim being asserted against such other Persons by the Person making the Third Party Claim.

13.8 **Failure to Give Timely Notice**

A failure or omission to give timely notice as provided in this ARTICLE 13 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure or omission, any Party which was entitled to receive such notice was deprived of its right to recover any payment under its applicable insurance coverage or its ability to exercise its right to defend as provided in this ARTICLE 13 was materially prejudiced.

13.9 **Reductions and Subrogation**

(a) Upon making a full Indemnity Payment, the Indemnifier shall, to the extent of such Indemnity Payment, be subrogated to all rights of the Indemnified Party against any third party that is not an Affiliate of the Indemnified Party in respect of the Loss to which the Indemnity Payment relates, but only if the Indemnifier shall then be in compliance with its obligations under this Agreement in respect of such Loss.

(b) If the amount of any Loss incurred by an Indemnified Party at any time subsequent to the making of an Indemnity Payment is reduced by any recovery, settlement or otherwise under

or pursuant to any insurance coverage, or pursuant to any claim, recovery, settlement or payment by or against any other Person, the amount of such reduction (less any costs, expenses (including taxes) or premiums incurred in connection therewith), together with interest thereon from the date of payment thereof at the Prime Rate, shall promptly be repaid by the Indemnified Party to the Indemnifier.

13.10            **Effect of Investigation.**

The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Indemnified Party's waiver of any condition in ARTICLE 14 or ARTICLE 15.

13.11            **Tax Effect**

To the extent permitted by Applicable Laws, the Parties agree to treat any Indemnity Payment pursuant to Section 12.1(a) as a reduction in the Purchase Price.

13.12            **Payment and Interest**

(a) All amounts to be paid by an Indemnifier pursuant to ARTICLE 12 or ARTICLE 13 shall bear interest at a rate per annum equal to the Prime Rate, calculated and payable monthly, both before and after judgment, with interest on overdue interest at the same rate, from the date that the Indemnified Party disbursed funds, suffered damages or losses or incurred a loss, Liability or expense in respect of a Loss for which the Indemnifier is liable to make payment pursuant to ARTICLE 12 or ARTICLE 13, to the date of payment by the Indemnifier to the Indemnified Party.

(b) An Indemnifier shall pay the amount of any Loss with all accrued interest thereon within 10 Business Days of (i) the Indemnifier and the Indemnified Party agreeing to the amount of such Loss payable by the Indemnifier or (ii) a Final Decision that the Indemnifier is liable for the Loss.

(c) If the amount of a Claim to which either the Buyer or the Seller seeks indemnification from an Indemnifier has finally been determined in accordance with the terms of this Agreement to be an Indemnity Payment, the amount of such Indemnity Payment may be set off from the amount owing under a Statement of Adjustments or, in the case of an Indemnity Payment payable by the Seller to the Buyer, from the amount owing by the Buyer to the Seller under the Vendor Take-Back Note, so long and provided that that Indemnity Payment has been confirmed in writing by the Seller or a Final Decision that the Indemnifier is liable for the Loss.

13.13 **Survival, Non-Waiver**

The rights, remedies and recourses of the Buyer and the Seller or the Guarantors hereunder shall not be affected by the Closing having occurred, by any investigation made by or on behalf of the Buyer, the Seller or the Guarantors, as applicable, by the Buyer, the Seller or the Guarantors, as applicable, lawfully terminating or failing to terminate this Agreement or by any other event or matter whatsoever except a specific and duly authorized written waiver or release executed by the Buyer, the Seller or the Guarantors, as applicable.

13.14 **Indemnity Limitations**

(a) Notwithstanding anything in ARTICLE 12 or ARTICLE 13 to the contrary, other than indemnification based on a breach of the representations and warranties given by the Seller or the Guarantors based on fraud or intentional misrepresentation, the aggregate Liability of the Seller and the Guarantors to the Buyer for indemnification, to defend or to hold harmless or for the Guarantors to guarantee pursuant to ARTICLE 12 or ARTICLE 13 shall be limited to \$4,000,000. The aggregate Liability of the Buyer to the Seller for indemnification pursuant to ARTICLE 13 shall be limited to \$4,000,000.

(b) Notwithstanding anything to the contrary set forth herein, no Party shall be entitled to indemnification under ARTICLE 12 or ARTICLE 13 to the extent that any Claim results from the fraud or intentional misrepresentation of the Party seeking indemnification.

(c) Each Party seeking indemnification under ARTICLE 12 or ARTICLE 13 shall use commercially reasonable efforts to correct or mitigate any Losses suffered by such Party for which indemnification is claimed hereunder, provided that such Party shall not be required to expend funds in connection therewith.

(d) Following the Closing, the provisions of ARTICLE 12 and ARTICLE 13 and the guarantees provided under ARTICLE 17 shall constitute the sole remedies available to an Indemnified Party against an Indemnifier and an Indemnifier's guarantors with respect to any and all breaches of any covenant, representation or warranty made by an Indemnifier in this Agreement except for claims for specific performance or other equitable remedies.

ARTICLE 14  
**BUYER'S CLOSING CONDITIONS**

The Buyer will be obliged to complete the Closing only if each of the conditions precedent set out in the following sections have been satisfied in full at or before the Closing Time. Each of such conditions precedent is for the exclusive benefit of the Buyer and the Buyer may waive any of them in whole or in part in writing.

14.1 **Accuracy of Representations and Performance of Covenants**

All information in the Schedules hereto shall be true and correct and the representations and warranties of the Seller and the Guarantors contained in this Agreement shall be true and correct on and as of the Closing Date with the same effect as though such

representations and warranties had been made on and as of the Closing Date. The covenants and agreements of the Seller to be performed or complied with on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed or complied with, except to the extent a continuing obligation imposed by a covenant herein extends beyond the Closing Date. The Buyer shall have received immediately prior to the Closing Time a certificate from a senior officer of the Seller certifying, to the best of such officer's knowledge, information and belief (after due enquiry), that the conditions in this ARTICLE 14 have been satisfied.

14.2            **Actual Possession**

The Seller shall have delivered actual possession of the Purchased Assets to the Buyer subject to customary escrow terms and release of the Purchase Price.

14.3            **Receipt of Closing Documentation**

All documentation relating to the purchase and sale of the Purchased Assets, including the Closing Documents and all actions and proceedings taken on or prior to the Closing in connection with the performance by the Seller of their obligations under this Agreement, will be satisfactory to the Buyer and its counsel, acting reasonably. On or before the Closing Date, the Buyer will have received copies of the Closing Documents required to be executed and delivered by the Seller and Guarantors, as the case may be, to the Buyer and all such documentation or other evidence as it may reasonably request in order to establish compliance with the terms and conditions of this Agreement, the consummation of the transactions contemplated hereby and the taking of all corporate proceedings in connection therewith, all in form (as to certification and otherwise) and substance satisfactory to the Buyer and its counsel, acting reasonably.

14.4            **Consents to Assignment**

All consents and approvals of Governmental Authorities and third parties required in connection with the sale, assignment and transfer at Closing of the Purchased Assets, including the Licences, Environmental Permits and Assumed Contracts and the assumption of the Assumed Liabilities, shall have been obtained on terms and conditions satisfactory to the Buyer and its counsel, acting reasonably.

14.5            **Consents, Authorizations and Registrations**

All consents, approvals, Orders and authorizations of any Person or Governmental Authority (or registrations, declarations, filings or recordings with any of them) required for the Closing (other than routine post-closing notifications or filings) pertaining to the Purchased Assets shall have been obtained or made on terms and conditions satisfactory to the Buyer and its counsel, acting reasonably. Buyer shall have received any required Licences to operate the Business as of the Closing Date, including a License from the Canadian Grain Commission.

14.6 **Intentionally deleted.**

14.7 **No Adverse Change**

No material adverse change shall have occurred since the Diligence Deadline with respect to the Purchased Assets or Assumed Liabilities and the Buyer will have received immediately prior to Closing a certificate from a senior officer of the Seller certifying, the information and belief, that no such material adverse change has occurred to the Knowledge of the Seller.

14.8 **Litigation**

No Material Order shall have been entered that prohibits or restricts the Closing.

14.9 **Hired Employees**

The Employees shall have accepted the Buyer's offer of continued or new employment pursuant to ARTICLE 9, or, in the case of Contractors, consented in writing to the assignment to the Buyer of their agreement to act as a Contractor to the Seller or entered into a new agreement with the Buyer to act as a Contractor, in each case on terms and conditions satisfactory to the Buyer, acting reasonably, and the Employees have not become Non-Active Employees at the Closing Time. Any stock option or equity incentive arrangement with any of the Employees shall have been terminated without any future liability in respect thereof.

14.10 **Updated Schedules**

The Buyer shall be satisfied, in its sole discretion, with the disclosure contained in all updated Schedules hereto delivered pursuant to Section 7.15.

14.11 **Discharge of Encumbrances**

All Encumbrances on the Purchased Assets that are not Permitted Encumbrances shall have been discharged or the creditors shall have irrevocably authorized (pursuant to pay off letters delivered pursuant to Section 16.1(f)) the discharge thereof upon receipt of payment of the related Indebtedness.

ARTICLE 15  
**SELLER'S CLOSING CONDITIONS**

The Seller will be obliged to complete the Closing only if each of the conditions precedent set out in the following Sections has been satisfied in full at or before the Closing Time. Each of such conditions precedent is for the exclusive benefit of the Seller and the Seller may waive any of them in whole or in part in writing.

15.1 **Accuracy of Representations and Performance of Covenants**

The representations and warranties of the Buyer contained in this Agreement shall be true and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date. The covenants and agreements of the Buyer to be performed or complied with on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed or complied with, except to the extent a continuing obligation imposed by a covenant herein extends beyond the Closing Date.

15.2 **Receipt of Closing Documentation**

The Seller shall have received the Purchase Price and Closing Documents required by Section 16.2 of this Agreement to be delivered by the Buyer to the Seller at or before the Closing Time by way of wire transfer from the law firm trust account of the Buyer's counsel or the counsel of the Buyer's lender to the law firm trust account of the Seller's Saskatchewan counsel or the Seller's creditor, The Toronto-Dominion Bank, or as otherwise agreed between the Buyer and the Seller.

15.3 **Litigation**

No Order will have been entered that prohibits or restricts the Closing. Neither the Seller, the Guarantors nor the Buyer, or any of their respective directors, officers, employees or agents, as applicable, shall be a defendant or third party to or threatened with any litigation or proceedings before any court or Governmental Authority which, in the opinion of the Seller and its counsel, acting reasonably, could prevent or restrict that Party from performing any of its obligations in this Agreement or any Closing Document.

15.4 **GST**

The Buyer shall have delivered all prescribed forms with respect to the elections required in Section 3.4.

15.5 **Consents**

All consents and approvals of Government Authorities required in connection with the sale, assignment and transfer of the Purchased Assets shall have been obtained on terms satisfactory to the Seller and its counsel, acting reasonably.

15.6 **Termination on Failure to Satisfy Conditions**

If any condition set forth in ARTICLE 14 or ARTICLE 15 is not satisfied or waived at or before the Closing Time, or if it becomes apparent that any such condition cannot be satisfied at the Closing Time, the Party entitled to the benefit of such condition (in this Section 15.6, the "First Party") may terminate this Agreement by notice in writing to the other Parties and in such event:

- (a) unless the other Parties can show that the condition or conditions which have not been satisfied and for which the First Party has terminated this Agreement have not been satisfied by reason of a default by the First Party of its obligations hereunder, the First Party will be released from all obligations hereunder; and
- (b) unless the First Party can show that the condition or conditions which have not been satisfied and for which the First Party has terminated this Agreement are reasonably capable of being performed or caused to be performed by any of the other Parties or have not been satisfied by reason of a default by any of the other Parties hereunder, then the other Parties will also be released from all obligations hereunder.

For the purposes of this Section 15.6 and Section 15.7, the Seller and the Guarantors, together, shall be considered to be one Party.

15.7 **Waiver**

Any Party may waive, by notice in writing to the other Party, any condition set forth in this Section 15.7 which is for its benefit. No waiver by a Party of any condition, in whole or in part, will operate as a waiver of any other condition.

15.8 **Destruction or Expropriation**

Up to the Closing Time, all risk of loss or damage by fire or other cause or hazard to the Purchased Assets will remain with the Seller and the Seller will hold all insurance policies and any proceeds thereof in trust for the Seller and the Buyer. If, prior to the Closing Time, there occurs any destruction or damage by fire or other cause or hazard to any of the Purchased Assets, or if the Purchased Assets or any material part of them are expropriated or forcefully taken by any Governmental Authority or if notice of intention to expropriate a part of the Purchased Assets has been filed in accordance with Applicable Laws, then the Buyer may, in its sole discretion,

- (a) terminate this Agreement by notice to the Seller, in which case all obligations of the Buyer hereunder will terminate on the giving of such notice and the Buyer will have no Liability to any other Party hereto; or
- (b) elect to complete the purchase and sale of the Purchased Assets, in which case all insurance proceeds or expropriation proceeds or rights thereto, as the case may be, will be assigned or paid by the Seller to the Buyer, in form and substance satisfactory to the Buyer.

ARTICLE 16  
CLOSING DELIVERIES

16.1 Closing Deliveries of the Seller and Guarantors

In addition to any other documents to be delivered under other provisions of this Agreement, at or before the Closing Time the Seller shall deliver to Buyer, each in form and substance satisfactory to Buyer and its counsel, acting reasonably:

- (a) the Statement of Adjustments;
- (b) such other deeds, bills of sale, assignments, transfer authorizations, documents and other instruments of transfer and conveyance as may reasonably be requested by the Buyer, executed by the Seller and such other Persons as may be necessary to convey good and marketable title to the Purchased Assets free and clear of all Encumbrances other than Permitted Encumbrances;
- (c) a written assignment of the Lease from the Landlord (unless the Buyer has executed a new lease for the Leased Premises);
- (d) transfer authorizations and affidavits of value as required to transfer the Real Properties to the Buyer;
- (e) Assignment, postponement and subordination agreements with the Buyer's senior lenders and such other documents as may be reasonably required by the Buyer's senior lenders.
- (f) pay off letters (which pay off letters shall include irrevocable authorizations or undertakings to discharge related Encumbrances) from the creditors of the Seller under and in respect of the Indebtedness as required by the Buyer pursuant to Section 7.11; and
- (g) such other documents as may be otherwise contemplated in this Agreement or may be reasonably required by the Seller or its counsel.

16.2 Closing Deliveries of the Buyer

In addition to any other documents to be delivered under other provisions of this Agreement, at the Closing Time the Buyer shall deliver to the Seller, each in form and substance satisfactory to the Seller and its counsel, acting reasonably:

- (a) the Employment Agreements executed by each Employee who accepts an offer of employment made pursuant to ARTICLE 9;
- (b) copies of all assignments of agreements with Contractors that have agreed to the assignment of their contracts to the Buyer;



- (c) execution of the lease assigned by the Landlord for the Leased Premises or the execution of a new lease for the Leased Premises;
- (d) the Closing Cash Payment payable at the Closing Time pursuant to Section 3.1 by delivery of a wire transfer to an account specified by the Seller (which account must be specified in writing delivered to the Buyer at least 3 Business Days prior to the Closing Date);
- (e) a customary legal opinion of counsel to the Buyer and GFI addressed to Seller dated the Closing Date, together with supporting officers' certificates, confirming the corporate or legal existence of the Buyer and GFI and the due execution and delivery and the enforceability of this Agreement and the Closing Documents (which term includes the Vendor Take-Back Note and related security); and
- (f) such other documents as may be otherwise contemplated in this Agreement or may be reasonably required by the Seller or its counsel.

16.3 **Mutual Closing Deliveries**

In addition to any other documents to be delivered under other provisions of this Agreement, at or before the Closing Time the parties set forth below shall provide its own duly executed counterpart, each in form and substance satisfactory to each of the other parties and their counsel, acting reasonably:

- (a) Undertakings to Readjust;
- (b) a bill of sale for all of the Purchased Assets that are tangible personal property (the "**Bill of Sale**") executed by the Seller and the Buyer;
- (c) Transfer Authorizations for all of the Real Properties;
- (d) an assignment of all of the Purchased Assets that are intangible personal property which assignment will also contain the Buyer's undertaking and assumption of the Assumed Liabilities (the "**Assignment and Assumption Agreement**") executed by the Seller and the Buyer dated the Closing Date;
- (e) Transfer authorizations in respect of the Real Properties executed by the Seller and a related party of the Buyer, as directed by the Buyer in its sole discretion;
- (f) the Toll Processing Agreement executed by the Seller, the Guarantors and the Buyer;
- (g) the Vendor Take-Back Note and the Mortgage executed by the Buyer;
- (h) a general security agreement (the "**General Security Agreement**") executed by the Buyer;
- (i) a guarantee of the Vendor Take-Back Note from GFI;

- (j) bring-down certificates confirming that the representations and warranties of Seller, Guarantors and the Buyer contained in this Agreement are true and correct in all respects on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects); and
- (k) A partial release agreement amongst the Parties of this Agreement and The Toronto-Dominion Bank.

## ARTICLE 17 GUARANTEE

### 17.1 Guarantee by Hakan

(a) Hakan covenants and agrees to fully guarantee and hereby fully guarantees the obligations and Liabilities of the Seller in this Agreement in the jurisdiction of the United Arab Emirates substantially on the terms and conditions as set out in the form of the Guarantee attached in Schedule 17.1(a).

(b) Hakan covenants and agrees to fully guarantee and hereby fully guarantees the obligations and liabilities of the Seller under the Toll Processing Agreement in the jurisdiction of the United Arab Emirates substantially on the terms and conditions as set out in the form of the Guarantee attached in Schedule 17.1(b).

### 17.2 Guarantee by Globeways

(a) Globeways covenants and agrees to fully guarantee and hereby fully guarantees the obligations and Liabilities of the Seller in this Agreement in the jurisdiction of Ontario substantially on the terms and conditions as set out in the form of the Guarantee attached in Schedule 17.2(a).

(b) Globeways covenants and agrees to fully guarantee and hereby fully guarantees the obligations and liabilities of the Seller under the Toll Processing Agreement in the jurisdiction of the Ontario substantially on the terms and conditions as set out in the form of the Guarantee attached in Schedule 17.2(b).

### 17.3 Guarantee by GFI

(a) GFI covenants and agrees to fully guarantee and hereby fully guarantees the obligations and Liabilities of the Buyer in this Agreement in the jurisdiction of Ontario substantially on the terms and conditions as set out in the form of the Guarantee attached in Schedule 17.3(a).

(b) GFI covenants and agrees to fully guarantee and hereby fully guarantees the obligations and Liabilities of the Buyer under the Vendor Take-Back Note in the jurisdiction of

Saskatchewan substantially on the terms and conditions as set out in the form of the Guarantee attached in Schedule 17.3(b).

ARTICLE 18  
DISPUTES

18.1            Arbitration

(a) Subject to the other provisions of this Agreement, if at any time during the continuance of this Agreement or after the termination thereof any dispute, difference or question shall arise between the Parties hereto or their successors or permitted assigns concerning any matter under this Agreement, then every such dispute, difference or question shall be submitted to and settled by arbitration.

(b) The arbitration award will be given in writing with reasons. The award is final and binding on the parties, not subject to any appeal except that alleged errors of law of the arbitrator may be appealed to an Ontario court. For clarity, the arbitrator will be required to be correct on any matter of law. To the extent there is more than one dispute outstanding between the Parties, the Parties covenant and agree to consolidate any arbitration proceedings in accordance with this Section 18.1 into a single proceeding, to the extent that such consolidation is reasonably practicable.

(c) The arbitration shall be conducted by a single arbitrator agreed upon by the Parties to the matter. If, within 5 Business Days after notice of the matter has been given by one Party to the other relevant Parties, the Parties cannot agree upon a single arbitrator, then the arbitrator shall be selected in accordance with the provisions of the Arbitration Act, 1991, SO. The law to be applied in connection with the arbitration shall be the law of Ontario, excluding its conflicts of law rules. Any arbitration hereunder shall be held in Toronto, Ontario, unless the parties thereto otherwise agree in writing.

(d) The prevailing Party or Parties shall be entitled to an award of arbitration costs determined by the arbitrator.

(e) If the decision of the arbitrator is subject to an appeal, such dispute shall not be made the subject matter of an action in a court by any Party unless the dispute has first been submitted to arbitration and finally determined in accordance with this Section 18.1.

(f) By agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction or other order in aid of the arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies in aid of arbitration as may be available under the jurisdiction of a legal court, the arbitrator shall have full authority to grant provisional remedies, statutory remedies and to award damages for the failure of the disputing Parties to respect the arbitrator's orders to that effect.

(g) Nothing in this ARTICLE 18 shall apply in respect of the enforcement of the rights of the Seller under the Vendor Take-Back Note and its security including the Mortgage, the General Security Agreement and the guarantee of GFI contemplated in Section 17.3(b).

ARTICLE 19  
GENERAL

19.1 Expenses

Each Party shall pay all expenses it incurs in authorizing, preparing, executing and performing this Agreement and the transactions contemplated hereunder, whether or not the Closing occurs, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants, financial advisors, cost of appraisers or other representatives or consultants.

19.2 Time

Time is of the essence of each provision of this Agreement.

19.3 Notices

**Method of Delivery.** Any notice, demand or other communication (in this Section, a “notice”) required or permitted to be given or made hereunder shall be in writing and shall be sufficiently given or made if:

- (i) delivered in person during normal business hours on a Business Day and left with a receptionist or other responsible employee of the recipient at the applicable address set forth below;
- (ii) overnight courier or registered mail postage prepaid; or
- (iii) sent by fax or by e-mail, provided the original is sent promptly by overnight courier or registered mail postage prepaid;

in the case of a notice to the Seller addressed to it at:

Canpulse Foods Ltd.  
110 – 2570 Matheson Blvd. E  
Mississauga ON L4W 4Z3  
Attention: Tanvir Zaidi  
Email: tanvir@globeways.com

in the case of a notice to Hakan addressed to it at:

Hakan Agro DMCC  
34th Floor, Mazaya Business Avenue, BB2 Tower  
Jumeirah Lakes Towers,  
Sheikh Zayed Road, P.O. Box 31489  
Dubai, United Arab Emirates

in the case of a notice to Globeways addressed to it at:

Globeways Canada Inc.  
110 – 2570 Matheson Blvd. E  
Mississauga ON L4W 4Z3  
Attention: Tanvir Zaidi  
Email: [tanvir@globeways.com](mailto:tanvir@globeways.com)

with a copy in each of the above three cases to (which shall not constitute notice):

Miller Thomson LLP  
600 - 2103 11th Avenue  
Regina SK S4P 3Z8  
Attention: Rick M. Vanbeselaere, Q.C.  
E-mail: [rvanbeselaere@millerthomson.com](mailto:rvanbeselaere@millerthomson.com)

in the case of a notice to the Buyer addressed to it at:

David Hanna  
43 Colborne Street, Suite 400  
Toronto, ON M5E 1E3

with a copy to (which shall not constitute notice):

SkyLaw Professional Corporation  
3 Bridgman Avenue, Suite 204  
Toronto, ON M5R 3V4

Attention: Kevin R. West  
Fax No.: (866) 832-0623  
E-mail: [kevin.west@skylaw.ca](mailto:kevin.west@skylaw.ca)

(b) **Deemed Delivery.** Each notice sent in accordance with this Section shall be deemed to have been received:

- (i) in the case of personal delivery, if delivered before 5:00 p.m., on the day it was delivered; otherwise, on the first Business Day thereafter;
- (ii) in the case of a courier or registered mail, the earlier of the day that it was received and the date that is five days following the date that it is sent; or
- (iii) in the case of a fax or e-mail, on the same day that it was sent if sent on a Business Day and an acknowledgement of receipt is received by the sender before 5:00 p.m. (recipient's time) on such day, and otherwise on the first Business Day thereafter.

Any Party may change its address for notice by written notice delivered to the other Parties in accordance with this Section 19.3.

19.4 **Assignment**

(a) The Buyer may, without the consent of the Seller, assign this Agreement and its rights hereunder to an Affiliate of the Buyer.

(b) Subject to paragraph (a) above:

- (i) no Party may assign any rights or benefits under this Agreement to any Person;
- (ii) each Party agrees to perform its obligations under this Agreement itself, and not to arrange in any way for any other Person to perform those obligations; and
- (iii) no assignment of benefits or arrangement for substituted performance by one Party will be of any effect against the other Parties except to the extent that the other Parties have consented to it in writing.

(c) Subject to paragraphs (a) and (a) above, this Agreement will enure to the benefit of and be binding upon the Parties and their respective successors (including any successor by reason of amalgamation or statutory arrangement of any Party), heirs, personal legal representatives and permitted assigns.

19.5 **Further Assurances**

Each Party shall do such acts and will execute such further documents, conveyances, deeds, assignments, transfers and the like, and will cause the doing of such acts and will cause the execution of such further documents as are within its power as any other Party may in writing at any time and from time to time reasonably request be done or executed, in order to give full effect to the provisions of this Agreement and the Closing Documents.

19.6 **Remedies Cumulative**

Except as otherwise expressly provided herein, the rights and remedies of the Parties under this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

19.7 **Public Announcements**

Subject to Applicable Laws and to any applicable stock exchange requirements, neither the Seller nor any Guarantor shall:

- (a) issue any press release or otherwise make public announcements with respect to this Agreement or the transactions contemplated hereby without the consent of the Buyer or
- (b) make any filing with any Governmental Authority with respect thereto without prior consultation with the Buyer.

19.8        **Entire Agreement**

This Agreement and the Closing Documents constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersedes the letter of intent dated April 30, 2019 between the Parties and any and all other prior agreements, negotiations, discussions and understandings, undertakings, statements, arrangements, promises, representations and agreements, whether written or oral, between the Parties. There are no representations, warranties, conditions, undertakings, commitments, other agreements or acknowledgements, whether direct or collateral, express or implied, that form part of or affect this Agreement, or which induced any Party to enter into this Agreement or on which reliance is placed by any Party, except as specifically set forth in this Agreement or in the Closing Documents. The Parties acknowledge and agree that the confidentiality agreement dated April 30, 2019 between the Buyer and the Seller remains in full force and effect in accordance with its terms until the Closing.

19.9        **Amendment**

This Agreement may be amended, modified or supplemented only by a written agreement signed by each Party.

19.10       **Waiver of Rights**

Any waiver of, or consent to depart from, the requirements of any provision of this Agreement will be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement will operate as a waiver of such right. No single or partial exercise of any such right will preclude any other or further exercise of such right or the exercise of any other right.

19.11       **Tender**

Any tender of documents or money hereunder may be made upon the Parties or their respective counsel and money shall be tendered in Canadian currency by official bank draft drawn upon a Canadian chartered bank or by negotiable cheque and certified by a Canadian chartered bank or by confirmed wire transfer of immediately available funds to a bank account at a Canadian chartered bank designated by the Party entitled to receive such funds. All payments due on a particular day must be received in immediately available funds not later than 4:00 p.m. (Toronto time) on such day and any payment made after that time on such day will be deemed to have been made and received on the next Business Day.

19.12      **Counterparts**

This Agreement may be executed in any number of counterparts. Each executed counterpart will be deemed to be an original. All executed counterparts taken together will constitute one agreement.

19.13      **Electronic Execution**

To evidence the fact that a Party has executed this Agreement, such Party may send a copy of its executed counterpart to the other Parties or their counsel by fax or by email, in PDF format, with the original to follow promptly by courier or mail.

19.14      **Severability**

If any term or other provision of this Agreement is invalid, illegal or unenforceable, such term or other provision shall be ineffective to the extent of such invalidity, illegality or unenforceability without rendering invalid, illegal or unenforceable any other terms or provisions of this Agreement.

[The remainder of this page intentionally left blank.]



TO WITNESS THEIR AGREEMENT, the Parties have duly executed this Agreement as of the date first written above.

**GFI LP**  
by its general partner, 11567403 Canada Inc.

By \_\_\_\_\_  
Name:  
Title:

**CANPULSE FOODS LTD.**

By \_\_\_\_\_  
Name:  
Title:

**HAKAN AGRO DMCC**

By \_\_\_\_\_  
Name:  
Title:

**GLOBEWAYS CANADA INC.**

By \_\_\_\_\_  
Name:  
Title:

**GLOBAL FOOD AND INGREDIENTS INC.**

By \_\_\_\_\_  
Name:  
Title:

lxx

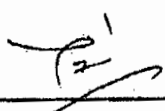
Asset Purchase Agreement

TO WITNESS THEIR AGREEMENT, the Parties have duly executed this Agreement as of the date first written above.

**GFI LP**  
by its general partner, 11567403 Canada Inc.

By \_\_\_\_\_  
Name:  
Title:

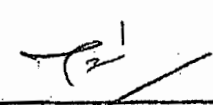
**CANPULSE FOODS LTD.**

By  \_\_\_\_\_  
Name:  
Title:

**HAKAN AGRO DMCC**

By \_\_\_\_\_  
Name:  
Title:

**GLOBEWAYS CANADA INC.**

By  \_\_\_\_\_  
Name:  
Title:

**GLOBAL FOOD AND INGREDIENTS INC.**

By \_\_\_\_\_  
Name:  
Title:

lxx

TO WITNESS THEIR AGREEMENT, the Parties have duly executed this Agreement as of the date first written above.

**GFI LP**

by its general partner, 11567403 Canada Inc.

By David Hanna  
Name: David Hanna  
Title: President

**CANPULSE FOODS LTD.**

By \_\_\_\_\_  
Name:  
Title:

**HAKAN AGRO DMCC**

By \_\_\_\_\_  
Name:  
Title:

**GLOBEWAYS CANADA INC.**

By \_\_\_\_\_  
Name:  
Title:

**GLOBAL FOOD AND INGREDIENTS INC.**

By David Hanna  
Name: David Hanna  
Title: President

Schedule 1.1(x)  
Contractors

None.

**Schedule 1.1(rr)**  
**Facilities**

- (a) Facility located at Zealandia, Saskatchewan (legally described as Surface Parcel #202892519, Blk/Par K Plan No 102144046 Ext 0 and Surface Parcel #145169185, Blk/Par A Plan No 98MW19933 Extension 1, As described on Certificate of Title 99MW02348).
- (b) Facility located at R.M. of Lajord No. 128, Saskatchewan (referred to as "**Lajord Plant**") {legally described as Leased Portion of SW-09-15-16-02 PLAN: B3490 Ext: 4, Lease # BHMK3050010 on Surface Parcel #203169775.
- (c) Facility located at R.M. of Lajord No. 128, Saskatchewan (referred to as "**Sedley Plant**") {legally described as Surface Parcel #111788219, Blk/Par A; Plan No 101331425; Extension 10 As described on Certificate of Title 99SE01294, description 10}.

**Schedule 1.1(nn)**  
Excluded Assets

1. Carter Day 5151 Air and Screen Machine;
2. De-huller Unit -Model DAZ/CFR-6000 SI-R10 Huller and stand with hopper;
3. Satake Alpha Scan 2 Color Sorter, SN 01908;
4. Aspirator;
5. Grader rolls (stacks of 6);
6. Indent (single indent cylinder); and
7. E100 single bagging unit.

**Schedule 3.2(a)**  
Form of Vendor Take-Back Note

See attached.

**Schedule 3.3**  
Allocation of Purchase Price

**Vigro**

Land	198,000
Buildings	790,000
Plant Equipment	3,368,882
Automotive	36,166
Computer Equipment	3,995
Office Furniture & Equip	2,957
	<hr/> 4,400,000

**Lajord**

Buildings	600,000
Plant Equipment	3,996,382
Office Furniture & Equip	231
Yard Upgrades	3,387
	<hr/> 4,600,000

**Zealandia**

Land	300,000
Buildings	757,316
Plant Equipment	3,472,512
Computer Equipment	3,589
Office Furniture & Equip	42,382
Yard Upgrades	24,200
WIP (Splitting Plant)	1,400,000
	<hr/> 6,000,000

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15,000,000



**Schedule 3.5**  
Assumed Contracts

The Existing Lease.

**Schedule 3.8**  
Form of Toll Processing Agreement

See attached.

**Schedule 4.1(c)**  
List of Consents, Approvals

None.

**Schedule 4.1(d)**  
**Purchased Assets**

**Lajord**

<b>Truck Scale</b>	Age & Size:  Built in 2016 Truck scale – 100' long x 12' wide wood deck with truck dump. access to control panel via the office area.
<b>Office Trailer</b>	Built in 2016 Approximately 12' x 60= 720 sf

**Grain Storage & Handling**

Storage	Number	Capacity	Total
2016 Built grain storage facility 4 1,500 M/T Westeel bins	4	1,500	6,000
Additional hopper bottomed Screening bins	1	150	150
New RAD Ultra 2 100' Bucket Elevator with Conveyors	1		
Used Law Marot Grain pre-cleaner with 100 M/T hr capacity	1		

## Vigro

### Seed Cleaning Facility

<b>Lentil Cleaning Plant (overhead rack for grain storage)</b>	
Age & Size:	Built in 2004; app. 1008 sq.ft. (plant) and app. 1,000 sq.ft. (overhead rack)
Foundation:	Concrete slab; pilings/piers assumed
Exterior Walls:	Open steel frame – no walls or roof
Interior Walls:	N/A
Windows and doors:	N/A
Roofing:	N/A
Flooring:	Ground level: Finished concrete Upper Levels: Metal grating over metal joists
Ceilings:	None
Heating & cooling:	None
Plumbing:	None
Electrical:	1-phase 480 volt entrance
Cleaning Equipment:	Aspirator; 2 x 6-roll indent; aspirator; 2 x Garrett screen machine; 2 x gravity table integral legs for elevating grain, 2 drags for retrieving grain from storage

<b>Canary Seed Cleaning Plant</b>	
Age & Size:	Built in 1988; app. 784 sq.ft.
Foundation:	Concrete slab; pilings/piers assumed
Exterior Walls:	Wood frame – metal clad
Interior Walls:	Plywood
Windows and doors:	Steel people access doors
Roofing:	Wood frame – metal clad
Flooring:	Ground level: Finished concrete; Upper Levels: Plywood over wood joists
Ceilings:	None
Heating & cooling:	None
Plumbing:	None
Electrical:	Single-phase 480 volt entrance
Cleaning Equipment:	Aspirator; 6-roll indent; aspirator; 360-degree sifting deck, integral legs for elevating grain

<b>Small Green Lentil &amp; Canary Seed line</b>	
Age & Size:	Built in 2016; 30' x 40' = 1,200 sq.ft.
Foundation:	Concrete slab; pilings/piers assumed
Exterior Walls:	Steel frame, metal siding
Interior Walls:	uninsulated
Windows and doors:	Steel people access doors
Roofing:	metal frame, metal clad
Flooring:	Ground level: Finished concrete Upper Levels: steel grating over steel joists
Ceilings:	Unfinished
Heating & cooling:	None
Plumbing:	None
Electrical:	3-phase 600 amp mail with multiple subs
Cleaning Equipment:	Aspirator; 3-roll indent; screen machine; gravity table integral legs for elevating grain, 2 drags for retrieving grain from storage. Large bucket elevator and new truck dump

	<b>Age &amp; Size</b>
<b>Bagging Warehouse</b>	Built in 1987; app. 4,128 sq.ft. (Heated area: approx. 800 sq.ft.)
<b>Office and Staff Room</b>	Original structure (farm house) built in 1912; with two additions, additional office in 1995 and
<b>Workshop (Quonset)</b>	Built in 1970s; app. 1,600 sq.ft
<b>Wood Working Shop</b>	Built in 2006; app. 336 sq.ft
<b>Pole-Frame Machine Shed</b>	Built in 2002; app. 3,840 sq.ft
<b>Open Shed</b>	Built in 1960s; app. 864 sq.ft
<b>Lean-to Shed</b>	Built in 1950s; app. 576 sq.ft

	<b>Capacity (MT)</b>
<b>Grain Storage</b>	7,209 MT

## Zealandia

<b>Red Lentil Cleaning Plant</b>	
Age & Size:	Built in 1996 Approximately 960 sf in size
Foundation:	Poured concrete (piles assumed)
Exterior Walls:	Wood frame metal clad
Interior Walls:	None (other than electrical room which is lined with painted drywall)
Windows and doors:	Overhead door providing access to cleaning equipment
Roofing:	Pitch roof, metal clad
Storage:	4,925 MT
Electrical:	3-phase 400 V service entrance Includes switches to control cleaning equipment
Cleaning Equipment:	Damas Air & Screen Machine  Carter Day Indents

<b>Green Lentil Cleaning Plant (&amp; Bagging Line)</b>	
Age & Size:	Built in 1996 Approximately 240 sf in size
Foundation:	Poured concrete (piles assumed)
Exterior Walls:	Wood frame, metal clad
Interior Walls:	None (other than electrical room which is lined with painted drywall)
Windows and doors:	Overhead door providing access to cleaning equipment
Roofing:	Pitch roof, metal clad
Storage:	1,150 MT
Electrical:	3-phase 400 V service entrance Includes switches to control cleaning equipment
Cleaning Equipment:	Polco – prescreen /aspirate Garratt – Air & Screen Machine Carter Day – indents Forsberg – Gravity Sortex – Color Sorter

<b>Lentil Splitting Plant</b> ("As Complete")	
Age & Size:	Built in 2007 Approximately 5,920 sf in size (80' x 74') with 40' side walls
Foundation:	Poured concrete (piles assumed)
Exterior Walls:	Engineered steel frame; metal clad
Interior Walls:	Fabric backed fiberglass insulation
Windows and doors:	OHD (16' x 16') & access doors
Roofing:	Shallow pitch roof; metal clad
Flooring:	Finished concrete on main level; expanded metal elsewhere
Ceilings:	Fabric backed fiberglass insulation
Heating & cooling:	Natural gas suspended space heater
Storage:	975 MT
Electrical:	575 volt 3-phase entrance with segregated switching room
Cleaning Equipment:	Pre-cleaner De-Stoner Gravity Table Flat Screen Grader Bagging Equipment

	<b>Age &amp; Size</b>
<b>Office and Shop</b>	Built in 1996 Approximately 4,470 sf in size
<b>Warehouse and Bagging Area</b>	Built in 1996 Approximately 4,000 sf in size



**Schedule 4.1(g)**  
Litigation

Seller v. J. J. Winny Holdings Ltd. – Court of Queen’s Bench for Saskatchewan Court File No. 1373 of 2016.

Surtidora Abarrotera de Guadalajara, S.A. de C.V. v. Globeways and the Seller – Court of Queen’s Bench for Saskatchewan Court File No. 2511 of 2019.

**Schedule 4.1(i)**  
Unusual Transactions

None.

[XXXX]

Schedule 4.1(G)  
Employee List

See attached.

**Schedule 4.1(I)**  
**Benefit Plans or Pension Plans**

<b>Plan</b>	<b>Employees Subject to Plan</b>	<b>Description of Plan</b>
Medavie Blue Cross	All	Group benefits including life, disability, health and dental.

**Schedule 4.1(n)**  
Insurance

Wawanesa Mutual Ins. Co Inc. Property Insurance effective September 13, 2019.

**Schedule 4.1(o)**  
Environmental Matters

Environmental Permits

None.

Hazardous Substances

None.

**Schedule 4.1(r)**  
Real Property & Encumbrances

Real Property:

- (a) Facility located at Zealandia, Saskatchewan (legally described as Surface Parcel #202892519, Blk/Par K Plan No 102144046 Ext 0 and Surface Parcel #145169185, Blk/Par A Plan No 98MW19933 Extension 1, As described on Certificate of Title 99MW02348).
- (b) Facility located at R.M. of Lajord No. 128, Saskatchewan (referred to as "**Sedley Plant**") {legally described as Surface Parcel #111788219, Blk/Par A; Plan No 101331425; Extension 10 As described on Certificate of Title 99SE01294, description 10}.

Encumbrances:

- A. In respect of Surface Parcel #145169185:
  - 2. Easement registered as Interest Register #104537336;
  - 3. Easement registered as Interest Register #112863900;
  - 4. Easement registered as Interest Register #119014781;
- B. In respect of Surface Parcel #202892519:
  - 5. Easement registered as Interest Register #104537314;
  - 6. Easement registered as Interest Register #119711303;
- C. In respect of Surface Parcel #111788219:
  - 7. Easement registered as Interest Register #101506441;

**Schedule 4.1(s)**  
Leased Premises

Facility located at R.M. of Lajord No. 128, Saskatchewan (referred to as "**Lajord Plant**")  
{legally described as Leased Portion of SW-09-15-16-02 PLAN: B3490 Ext: 4, Lease #  
BHMK3050010 on Surface Parcel #203169775.



**Schedule 4.1(w)**

Licences

License No. PE014896 to operate a primary elevator at Zealandia 1, Saskatchewan from the Canadian Grain Commission in the name of Canpulse Foods Ltd. issued on March 1, 2019 and expiring on December 31, 2019.

License No. PE014895 to operate a primary elevator at Sedley 1, Saskatchewan from the Canadian Grain Commission in the name of Canpulse Foods Ltd. issued on March 1, 2019 and expiring on December 31, 2019.

License No. PE014894 to operate a primary elevator at Lajord 1, Saskatchewan from the Canadian Grain Commission in the name of Canpulse Foods Ltd. issued on March 1, 2019 and expiring on December 31, 2019.

**Schedule 17.1(a)**  
UAE Form of Guarantee – Asset Purchase Agreement

See attached.

**Schedule 17.1(b)**  
UAE Form of Guarantee – Toll Processing Agreement

*[NTD: To come.]*

**Schedule 17.2(a)**  
Saskatchewan Form of Guarantee – Asset Purchase Agreement

See attached.

**Schedule 17.2(b)**  
Ontario Form of Guarantee – Toll Processing Agreement

See attached.

**Schedule 17.3(a)**  
Ontario Form of Guarantee – Asset Purchase Agreement

See attached.

**Schedule 17.3(b)**  
Form of Guarantee – Vendor Take-Back Note

See attached.

**This is Exhibit "H" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watt*

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**A commissioner for Oaths in and for the Province of Prince Edward Island**

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## ASSIGNMENT OF LEASE

This Agreement made as of the 31<sup>st</sup> day of March, 2022.

BETWEEN:

**11567403 CANADA INC., in its capacity a general partner  
on behalf of GFI LP**  
(hereinafter called the "Assignor")

- and -

**GLOBAL FOOD AND INGREDIENTS INC.**  
(hereinafter called the "Assignee")

### WHEREAS:

A. By a lease made effective October 1, 2015 (the "**Lease**"), a copy of which is attached hereto as Schedule A, Stewart Southern Railway Inc. (the "**Landlord**") leased to Canpulse Foods Ltd. that certain portion of the following lands owned by the Landlord:

Surface Parcel #203169775

Reference Land Description: SW Sec 9, Twp 15 Rge 16 W2 Plan B3490 Extension 4

as more particularly described in the Lease and being comprised of those parcels identified as 197220 together with the most westerly 50 feet in perpendicular width of parcel 197210, as such numbered parcels are delineated on the Plan attached to the Lease, and generally referred to as the Lajord Station Grounds and hereinafter referred to as the "**Leased Premises**";

B. The Lease was assigned by Canpulse Foods Ltd. to the Assignor, pursuant to an Assignment of Lease in November of 2019; and

C. The Assignor wishes to assign the Lease to the Assignee to be effective from and after the 31<sup>st</sup> day of March, 2022 (the "**Assignment Date**").

**NOW, THEREFORE**, in consideration of the mutual covenants and premises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party, the parties agree as follows:

### ARTICLE 1 ASSIGNMENT OF LEASE

1.01. **ASSIGNMENT.** The Assignor hereby assigns, transfers and sets over unto the Assignee the Leases, all of the Assignor's right, title, estate and interest in the Lease and in the Leased Premises, including the unexpired portion of the term of the Lease and all advantages, benefits and obligations to be derived therefrom, to have and to hold the same absolutely, from and after the Assignment Date.

1.02. **ASSUMPTION.** The Assignee hereby accepts the assignment set forth in Section 1.01 hereof and covenants and agrees with the Assignor to assume and thereafter pay, perform,

discharge and satisfy all covenants, agreements, liabilities and obligations of the Assignor under the Lease accruing from or after the Assignment Date, in a due and proper manner, and to the same extent as if the Assignee had been a party to the Lease in the place and stead of the Assignor from the Assignment Date.

## **ARTICLE 2 REPRESENTATIONS**

2.01 **ASSIGNOR REPRESENTATIONS.** The Assignor represents to the Assignee that:

- (a) the Lease is in full force and effect and binding upon the Assignor;
- (b) the Assignor is not in default under the Lease including but not limited to the obligation of the Assignor for payment of rent;
- (c) to the knowledge of the Assignor, the Landlord is not in default of its obligations under the Lease;
- (d) the Assignor has not surrendered the Lease nor has it abandoned the Leased Premises;
- (e) the Assignor has the right, power and authority to assign the Lease and all of its rights as tenant thereunder free and clear of all liens, charges or other encumbrances.

2.01 **ASSIGNEE REPRESENTATIONS.** The Assignee represents to the Assignor that it has the right, power and authority to enter into this Assignment.

## **ARTICLE 3 COVENANTS**

3.01 **ASSIGNOR COVENANTS.** The Assignor covenants that it shall:

- (a) remain liable for and shall duly and punctually pay all rent, additional rent and other amounts payable on the part of the Assignor as tenant under the Lease that accrue or are otherwise payable under the Lease up to the Assignment Date; and
- (b) completely and punctually perform and observe all the terms, covenants, conditions and agreements contained on the part of the tenant under the Lease that accrue or are otherwise arise under the Lease up to the Assignment Date.

3.02 **ASSIGNEE COVENANTS.** The Assignee covenants that:

- (a) it will duly and punctually pay all rent, additional rent and other amounts payable by the tenant pursuant to the terms of the Lease that accrue from and after the Assignment Date; and
- (b) completely and punctually perform and observe all the terms, covenants, conditions and agreements contained on the part of the tenant under the Lease that accrue or are otherwise arise under the Lease from and after the Assignment

Date.

#### **ARTICLE 4 INDEMNITIES**

4.01 **ASSIGNOR INDEMNITY.** The Assignor hereby indemnifies and agrees to save harmless the Assignee from all actions, suits, costs, losses, charges, demands and expenses for and in respect of any non-fulfilment of the obligations of the tenant under the Lease that accrue or occur up to the Assignment Date including any costs or expenses in respect thereof.

4.01 **ASSIGNEE INDEMNITY.** The Assignee hereby indemnifies and agrees to save harmless the Assignor from all actions, suits, costs, losses, charges, demands and expenses for and in respect of any non-fulfilment of the obligations of the tenant under the Lease that may occur from and after the Assignment Date including any costs or expenses in respect thereof.

#### **ARTICLE 5 GENERAL PROVISIONS**

5.01. **TIME.** Time shall be of the essence of this Assignment.

5.02. **ENUREMENT.** This Assignment shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

5.03. **CHOICE OF LAW.** This Assignment shall be governed by and construed and interpreted in accordance with the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein.

5.04. **NOTICES.** Any notice, request or demand given hereunder shall be sufficiently given if personally delivered or if mailed by registered mail, return receipt requested, addressed as follows:

Assignor: 11567403 Canada Inc., as general partner for GFI LP  
43 Colborne Street, Suite 400,  
Toronto, ON, M5E 1E3, Canada

Assignee: Global Food and Ingredients Inc.  
374 Third Avenue South  
Saskatoon, SK S7K 1M5

Attention: Corporate Department

5.05 **FURTHER ASSURANCES.** Each party shall promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things in connection with this Assignment that the other party may reasonably require for the purpose of giving effect to this Assignment and carrying out its provisions and completing the transactions contemplated by this Assignment.

5.06 **COUNTERPARTS.** This Assignment may be executed by the parties in one or more counterparts, each of which when so executed and delivered shall be an original, and such

counterparts shall together constitute one and the same instrument. Any faxed copy of a signature will be deemed to be an original signature until such time as an original signature has been received by the other party or parties to this Assignment.

**[signature page continues on the following page]**

**IN WITNESS WHEREOF** the parties have duly executed this Assignment as of the day and year first above written.

**ASSIGNOR:**

**11567403 CANADA INC.**, in its capacity as general partner on behalf of **GFI LP**

Per: Bill Murray  
Name: Bill Murray  
Title: President

I have the authority to bind the Corporation

**ASSIGNEE:**

**GLOBAL FOOD AND INGREDIENTS INC.**

Per: Bill Murray  
Name: Bill Murray  
Title: President

I have the authority to bind the Corporation

**This is Exhibit "I" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

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**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Sarah  
8/2*



## Corporate Profile / Profil corporatif

<b>Date and time of Corporate Profile (YYYY-MM-DD)</b>	2024-04-25 4:02 PM	<b>(AAAA-MM-JJ) Date et heure du Profil corporatif</b>
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CORPORATE INFORMATION		RENSEIGNEMENTS CORPORATIFS
<b>Corporate name</b>	<b>Dénomination</b>	
	GFI Brands Inc.	
<b>Corporation number</b>	1376071-5	<b>Numéro de société ou d'organisation</b>
<b>Business number</b>	836659367RC0002	<b>Numéro d'entreprise</b>
<b>Governing legislation</b>	<b>Régime législatif</b>	
	Canada Business Corporations Act (CBCA) - 2022-02-09 Loi canadienne sur les sociétés par actions (LCSA) - 2022-02-09	
<b>Status</b>	<b>Statut</b>	
	Active Active	

REGISTERED OFFICE ADDRESS	ADRESSE DU SIÈGE
	43 Colborne Street, Suite 400 Toronto ON M5E 1E3 Canada

ANNUAL FILINGS	DÉPÔTS ANNUELS	
<b>Anniversary date (MM-DD)</b>	02-09	<b>(MM-JJ) Date anniversaire</b>
<b>Filing period (MM-DD)</b>	02-09 to/au 04-10	<b>(MM-JJ) Période de dépôt</b>
<b>Status of annual filings</b>	<b>Statut des dépôts annuels</b>	
	Filed 2024	Déposé
	Filed 2023	Déposé
<b>Date of last annual meeting (YYYY-MM-DD)</b>	2023-10-25	<b>(AAAA-MM-JJ) Date de la dernière assemblée annuelle</b>
<b>Type</b>	<b>Type</b>	
	Non-distributing corporation with 50 or fewer shareholders Société n'ayant pas fait appel au public et comptant 50 actionnaires ou moins	

DIRECTORS		ADMINISTRATEURS
<b>Minimum number</b>	1	<b>Nombre minimal</b>
<b>Maximum number</b>	10	<b>Nombre maximal</b>
<b>Current number</b>	2	<b>Nombre actuel</b>
William Murray	43 Colborne Street, Suite 400, Toronto ON M5E 1E3, Canada	
David Hanna	43 Colborne Street, Suite 400, Toronto ON M5E 1E3, Canada	

CORPORATE HISTORY		HISTORIQUE CORPORATIF
<b>Corporate name history (YYYY-MM-DD)</b>		<b>(AAAA-MM-JJ) Historique de la dénomination</b>
2022-02-09 to present / à maintenant	GFI Brands Inc.	
<b>Certificates issued (YYYY-MM-DD)</b>		<b>(AAAA-MM-JJ) Certificats émis</b>
Certificate of Amalgamation Corporations amalgamated	2022-02-09 13635619 GFI Brands Inc. 6644732 Your fitness dish Inc.	Certificat de fusion Corporations amalgamated
Amendments details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed.	Seuls les renseignements concernant les modifications effectuées après 2010-03-20 sont disponibles. Certains certificats émis avant 2000 pourraient ne pas être listés.	
<b>Documents filed (YYYY-MM-DD)</b>		<b>(AAAA-MM-JJ) Documents déposés</b>

<b>The Corporate Profile sets out the most recent information filed with and accepted by Corporations Canada as of the date and time set out on the Profile.</b>	<b>Le Profil corporatif fait état des renseignements fournis et acceptés par Corporations Canada à la date et à l'heure indiquées dans le profil.</b>
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**This is Exhibit "J" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

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**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prince  
Edward*



## Profile Report

GFI BRANDS INC. as of April 25, 2024

Act	Corporations Information Act
Type	Extra-Provincial Federal Corporation with Share
Name	GFI BRANDS INC.
Ontario Corporation Number (OCN)	1000112298
Governing Jurisdiction	Canada - Federal
Incorporation/Amalgamation Date	February 09, 2022
Registered or Head Office Address	43 Colborne, 400, Toronto, Ontario, M5E 1E3, Canada
Status	Refer to Governing Jurisdiction
Date Commenced in Ontario	February 09, 2022
Principal Place of Business	[Not Provided]

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

**Chief Officer or Manager**

There are no chief officer or managers on file for this corporation.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

## Corporate Name History

Refer to Governing Jurisdiction

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

### Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

### Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

## Document List

Filing Name	Effective Date
Other - ENTITY FORMED BY AMALGAMATION INCLUDING OCN(S) 1000071804, 3023487	February 15, 2022
CIA - Initial Return PAF: William MURRAY	February 15, 2022

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

**This is Exhibit "K" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Saraal Watts*

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**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prince  
SW*





Customer Number:

200839292

November 22, 2019

Private and Confidential

Global Food and Ingredients Inc.  
GFI LP  
11567403 Canada Inc.  
David Hanna  
43 Dixon Avenue  
Toronto, ON M3L 1N4

Dear Sir/Madam:

Farm Credit Canada ("FCC") agrees to establish the credit facilities described below in favour of **Global Food and Ingredients Inc.** and **GFI LP** (collectively, the "**Borrowers**" and each, the "**Borrower**") subject to the terms and conditions set out below and in the attached Schedules (as such agreement and schedules may be amended, restated, modified, supplemented, renewed or replaced from time to time, collectively, the "**Agreement**"). All amounts are in Canadian currency.

Any and all Security Documents that have been delivered to FCC and are set out in Section 3 below, shall remain in full force and effect, are expressly reserved by FCC, and unless expressly indicated otherwise, shall apply in respect of all Outstanding Obligations.

1. Credit Parties

Borrower:	Name:	Global Food and Ingredients Inc.
	Chief Executive Office:	43 Dixon Avenue Toronto, ON M3L 1N4
	Principal Place of Business:	Same
Borrower:	Name:	GFI LP
	Chief Executive Office:	43 Dixon Avenue Toronto, ON M3L 1N4
	Principal Place of Business:	Same
Guarantor:	Name:	11567403 Canada Inc.
	Chief Executive Office:	43 Dixon Avenue Toronto, ON M3L 1N4
	Principal Place of Business:	Same
Guarantor:	Name:	David Hanna
	Address:	43 Dixon Avenue Toronto, ON M3L 1N4
	Address for Notice:	Same

**2. Credit Facilities**

**2.1 Real Property Loan - \$12,000,000.00**

<b>Credit Facility Details</b>	
Loan number	712591001
Principal amount	\$12,000,000.00
Credit facility type	Real Property Loan
Interest type	Variable
Product type	Variable Rate Loan
Term	5 years
Amortization period	15 years
Interest rate	FCC Variable Mortgage Rate plus 2.75%*
Loan Approval Expiry Date	TBC
Balance Due Date	2024-10-01
Special Provisions / Purpose	To assist in financing the Purchase Price of the Purchased Assets under the CanPulse Asset Purchase Agreement (as each such term is defined in Schedule C hereto)

\*As of the date of this Agreement, the current FCC Variable Mortgage Rate is 4.95%, therefore, the current applicable interest rate is 7.70%

<b>Subsequent Payment Schedule Details</b>	
<b>First Payment type details</b>	
First Payment type	Interest Payment
Start date	2020-01-01
Payment frequency	Monthly
Payment month(s)	January 2020 to October 2020
Payment amount	Interest only
End date	2020-10-01
<b>Second Payment type details</b>	
Second Payment type	Fixed Principal plus Interest
Start date	2020-11-01
Payment frequency	Monthly
Payment month(s)	All
Payment amount	\$66,666.67 plus Interest
End date	2024-10-01

*Any change to the date(s) of disbursement, the amount disbursed or the payment date(s) will affect the amount of your required payment(s).*

## 2.2 Payee Details

The Borrowers authorize and direct that FCC pay the Credit Facility funds to:

Payee Name	Purpose	Amount
Gowling WLG (Canada) LLP	Land Purchase	\$12,000,000.00

The Borrowers acknowledge that FCC retains the discretion to advance all Credit Facility funds to Gowling WLG (Canada) LLP's trust account or to the Borrowers' solicitor's trust account despite the above authorization and direction.

## 3. Security

The Credit Parties have executed and delivered, or shall execute and deliver, to FCC each of the following agreements, documents and instruments to secure the payment and performance of the Outstanding Obligations (collectively, the "**Security Documents**"):

### 3.1 Guarantees

- (a) A new unlimited guarantee from 11567403 Canada Inc. in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrowers.
- (b) A new guarantee limited to a principal amount of \$1,000,000.00 from David Hanna in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrowers.

### 3.2 Real Property Security

- (a) A new continuing collateral mortgage in the principal amount of \$15,000,000.00 from 11567403 Canada Inc. on behalf of GFI LP in favour of FCC to be registered as a first charge against the following properties owned by 11567403 Canada Inc. on behalf of GFI LP (the "**Sedley/Zealandia Mortgage**"):
  - (i) Surface Parcel #111788219  
Reference Land Description: Blk/Par A Plan No. 101331425 Extension 10 As described on Certificate of Title 99SE01294, description 10.  
  
(collectively, the "**Sedley Plant**" or the "**Sedley Facility**"); and
  - (ii) Surface Parcel #145169185  
Reference Land Description: Blk/Par A Plan No. 98MW19933 Extension 1  
As described on Certificate of Title 99MW02348.  
  
Surface Parcel #202892519  
Reference Land Description: Blk/Par K Plan No. 102144046 Extension 0  
  
(collectively, the "**Zealandia Plant**" or the "**Zealandia Facility**");
- (b) A new continuing collateral leasehold mortgage in the principal amount of \$15,000,000.00 from 11567403 Canada Inc. on behalf of GFI LP in favour of FCC to be registered as a first leasehold charge against the following property leased by 11567403 Canada Inc. on behalf of GFI LP following an assignment to it of the Lajord Lease (the "**Lajord Leasehold Mortgage**"):
  - (i) Surface Parcel #203169775

Reference Land Description: SW Sec 9, Twp 15, Rge 16 W2 Plan No. B3490 Extension 4.

(collectively, the "Lajord Plant" or the "Lajord Facility");

The Sedley Facility, the Zealandia Facility and the Lajord Facility may be collectively referred to herein as the "**Properties**" or the "**Mortgaged Properties**".

- (c) An acknowledgement of standard charge terms from 11567403 Canada Inc. on behalf of GFI LP in respect of the Sedley/Zealandia Mortgage to the extent not already included in the Sedley/Zealandia Mortgage.
- (d) An acknowledgement of standard leasehold charge terms from 11567403 Canada Inc. on behalf of GFI LP in respect of the Lajord Leasehold Mortgage to the extent not already included in the Lajord Leasehold Mortgage.

### 3.3 **Personal Property Security**

- (a) A new general security agreement from Global Food and Ingredients Inc. in favour of FCC creating a first ranking security interest in all present and after-acquired personal property of Global Food and Ingredients Inc.
- (b) A new general security agreement from GFI LP in favour of FCC creating a first ranking security interest in all present and after-acquired personal property of GFI LP.
- (c) A new general security agreement from 11567403 Canada Inc. in favour of FCC creating a first ranking security interest in all present and after-acquired personal property of 11567403 Canada Inc.
- (d) A new assignment of insurance executed by Global Food and Ingredients Inc., GFI LP and 11567403 Canada Inc. in favour of FCC assigning to FCC by way of security the proceeds of all present and future acquired general insurance policies maintained by them on any collateral charged by the Security Documents;
- (e) A new assignment of material contracts executed by Global Food and Ingredients Inc., GFI LP and 11567403 Canada Inc. in favour of FCC creating a first ranking security interest in all present and after-acquired material contracts, including the CanPulse Asset Purchase Agreement, the Toll Processing Agreement and the guarantees delivered by Globeways Canada Inc. and Hakan Agro DMCC under the CanPulse Asset Purchase Agreement and the Toll Processing Agreement, duly acknowledged by CanPulse and the CanPulse guarantors under those agreements (the "**CanPulseAcknowledgment**");

### 3.4 **Assignment, Postponement, Subordination and Standstill Agreements**

- (a) A new postponement, subordination and standstill agreement from CanPulse Foods Ltd. (the "**VTB Lender**") in favour of FCC (the "**VTB Subordination Agreement**") in respect of the indebtedness, liabilities and obligations owed by the Borrowers and 11567403 Canada Inc. to the VTB Lender under the VTB Agreement or otherwise (collectively, the "**VTB Indebtedness**").

The VTB Subordination Agreement shall contain the following provisions, among others:

(i) the only permitted payments on account of the VTB Indebtedness are payments of \$1,000,000 on each of the fourth, fifth and sixth anniversaries of the Closing Date (the "**VTB Permitted Payments**") provided that, at the time of and immediately after making a VTB Permitted Payment, (A) no Default or Event of Default shall have occurred; and (B) the Borrowers shall be in compliance with the financial covenants set out in this Agreement;

(ii) if with the making of any VTB Permitted Payment the Borrowers will not be in compliance with the financial covenants set out in this Agreement, then the amounts of such VTB Permitted Payments shall be reduced to the maximum amount that might be paid by the Borrowers for them to still remain in compliance with the financial covenants set out in this Agreement (the "**VTB Reduced Permitted Payments**"). For greater clarity, the VTB Lender shall be permitted to allocate a portion of any VTB Reduced Permitted Payment to the payment of accrued interest provided that the aggregate amount of such VTB Reduced Permitted Payment does not increase as a result thereof;

(iii) the VTB Lender shall be subject to an enforcement standstill period of not less than 120 days in connection with any enforcement of any security held by the VTB Lender for the VTB Indebtedness in the event of any non-payment or partial payment of any VTB Permitted Payment or VTB Reduced Permitted Payment or other VTB Indebtedness;

(iv) the Borrowers shall be required to deliver a Compliance Certificate to the Lender immediately prior to the making of any such payment; and

(v) no interest shall accrue or be payable on or in respect of the VTB Indebtedness until such time as a default or event of default shall have occurred under the VTB Agreement, and no such interest shall be paid by the Borrowers or received by the VTB Lender without the prior written consent of the Lender except as permitted under paragraph (ii) immediately above.

The Toronto-Dominion Bank, in its capacity as assignee (by way of security), of the VTB Lender, shall execute and deliver an acknowledgment of the terms and conditions of the VTB Subordination Agreement and agree to be bound thereby (the "**TD Bank VTB Acknowledgment**").

- (b) A new assignment, postponement, subordination and standstill agreement from each of the Subordinate Investors in favour of FCC (collectively, the "**Subordinate Investors Subordination Agreements**") in respect of the indebtedness, liabilities and obligations owed by the Borrowers and 11567403 Canada Inc. to each such Subordinate Investor under the Convertible Promissory Notes or otherwise, (collectively, the "**Subordinate Investors Indebtedness**").

The Subordinate Investors Subordination Agreements shall contain the following provisions, among others:

(i) the only permitted payments on account of the Subordinate Investors Indebtedness are regularly scheduled payments of interest (the "**Investor Permitted Payments**") provided that, at the time of and immediately after making an Investor Permitted Payment, (A) no Default or Event of Default shall have occurred; and (B) the Borrowers shall be in compliance with the financial covenants set out in this Agreement; and

(ii) the Subordinate Investor shall be subject to a complete enforcement standstill in connection with any enforcement of any security held by the Subordinate Investor for the Subordinate Investors Indebtedness in the event of any non-payment or partial payment of any Subordinate Investors Indebtedness, and may not take any enforcement proceedings without the prior written consent of FCC.

- (c) a new assignment, postponement, subordination and standstill agreement from each of the GFI Shareholders in favour of FCC (collectively, the "**GFI Shareholders Subordination Agreements**") in respect of the indebtedness, liabilities and obligations owed by the Borrowers and 11567403 Canada Inc. to each such GFI Shareholder, including any indebtedness arising from the exercise of such GFI Shareholder's retraction rights relating to any Equity Securities of GFI (collectively, the "**GFI Shareholders Indebtedness**").

The GFI Shareholders Subordination Agreements shall contain the following provisions, among others:

(i) Restricted Payments (as defined herein) can only be made to such GFI Shareholder provided that, at the time of and immediately after making any such Restricted Payment (A) no Default or Event of Default shall have occurred; and (B) the Borrowers shall be in compliance with the financial covenants set out in this Agreement; and

(ii) the GFI Shareholder shall be subject to a complete enforcement standstill in connection with any enforcement of any security held by the GFI Shareholder for the GFI Shareholders Indebtedness in the event of any non-payment or partial payment of any GFI Shareholders Indebtedness, and may not take any enforcement proceedings without the prior written consent of FCC.

- (d) A new assignment, postponement, subordination and standstill agreement from GFI in favour of FCC (the "**GFI Subordination Agreement**") in respect of the indebtedness, liabilities and obligations owed by GFI LP and 11567403 Canada Inc. to GFI under the \$4,000,000 promissory note dated on or about the date hereof or otherwise (collectively, the "**GFI-GFI LP Indebtedness**").

The GFI Subordination Agreement shall contain the following provisions, among others:

(i) the only permitted payments on account of the GFI-GFI LP Indebtedness are those made with the prior written consent of FCC, provided that, at the time of and immediately after making such payment, (A) no Default or Event of Default shall have occurred; and (B) the Borrowers shall be in compliance with the financial covenants set out in this Agreement; and

(ii) the Subordinate Investor shall be subject to a complete enforcement standstill in connection with any enforcement of any security held by GFI for the GFI-GFI LP Indebtedness in the event of any non-payment or partial payment of any GFI-GFI LP Indebtedness, and may not take any enforcement proceedings without the prior written consent of FCC.

### 3.5 **Assignment of Life Insurance/Special Credit Insurance**

- (a) A first ranking collateral assignment of life insurance from Global Food and Ingredients Inc. in favour of FCC on the life of David Hanna in an amount of not less than \$1,000,000.00, being policy #FA0091261L dated July 19, 2019 issued by The Empire Life Insurance Company ("**Empire Life**").
- (b) An acknowledgement from the life insurer addressed to FCC confirming the receipt and recording of the collateral assignment of life insurance on the life of David Hanna to FCC on terms acceptable to FCC.
- (c) A first ranking collateral assignment of its credit insurance policy from Global Food and Ingredients Inc. in favour of FCC in respect of Policy No. 2033 issued by The Guarantee Company of North America, which such assignment being prepared and delivered on both the standard forms used by The Guarantee Company of North America and FCC.
- (d) An acknowledgement from The Guarantee Company of North America addressed to FCC confirming the receipt and recording of the collateral assignment of such credit insurance to FCC on terms acceptable to FCC.

### 3.6 **Inter-Creditor Arrangements**

- (a) A new inter-creditor agreement between FCC, Conexus Credit Union 2006 (the "**Operating Lender**" or "**Conexus**") Global Food and Ingredients Inc., GFI LP, 11567403 Canada Inc., David Hanna and Samira Sharezay establishing first priority for the Operating Lender in respect of all of the Inventory and Accounts Receivable (as each term is defined therein) of Global Food and Ingredients Inc., GFI LP and 11567403 Canada Inc., and first priority for FCC in respect of all of the real property and all of the personal property of Global Food and Ingredients Inc., GFI LP and 11567403 Canada Inc. (other than Accounts Receivable and Inventory) (the "**Conexus Inter-creditor Agreement**"). The Conexus Inter-creditor Agreement shall (i) preclude Conexus from acquiring any security over the real property of the Credit Parties without the prior written consent of FCC, and (ii) include provisions that address claims and recovery by Conexus and FCC under their respective guarantees, if any, obtained from David Hanna on a pro rata basis.
- (b) A new landlord's waiver and consent from Stewart Southern Railway Inc. (the "**Lajord Landlord**") in favour of FCC in respect of the Lajord Lease of the Lajord Facility assigned by CanPulse to 11567403 Canada Inc. on behalf of GFI LP on such terms as may be acceptable to FCC in its sole discretion (the "**Lajord Landlord Waiver and Consent**").
- (c) Partial Release Agreements or No Interest Letters from all applicable secured creditors of CanPulse Foods Ltd. and its predecessors by way of amalgamation, including, without limitation, (i) The Toronto-Dominion Bank, (ii) TD Equipment Finance Canada, a division of The Toronto-Dominion Bank, (iii) CanWest Trading Co. Ltd., and (iv) GATX Rail Canada Corporation, in respect of conveyance of the Purchased Assets under the CanPulse Asset Purchase Agreement to Global Food and Ingredients Inc., GFI LP and 11567403 Canada Inc. free and clear of their security interests (collectively, the "**CanPulse No Interest Letters**").
- (d) PPSA acknowledgment letters or estoppel letters from other secured creditors of Global Food and Ingredients Inc., GFI LP and 11567403 Canada Inc. as may be identified by FCC (collectively, the "**GFI Estoppel Letters**").

- (e) A fixtures filing to be registered on title to the Lajord Facility, in respect of all assets of the Credit Parties that might be considered to be fixtures at that location.

### **3.7 Cross Collateralization**

Each of the Credit Parties agrees, acknowledges and confirms to FCC that all Security Documents (including, without limitation, all new Security Documents delivered in connection with this Agreement) and the Liens created and constituted thereby in favour of FCC shall secure, and constitute general continuing collateral security for, the payment and performance of (i) the Outstanding Obligations, and (ii) all other indebtedness, liabilities and obligations of each Credit Party under or in connection with any and all other existing or future credit facilities or loans that any such Credit Party has with FCC from time to time. Each of the Credit Parties agrees to do, execute, acknowledge or deliver (or cause to be done, executed, acknowledged or delivered) any and all such acts, documents, agreements, deeds, assurances, information and other matters and things upon the request of FCC as may be necessary or desirable to give effect to the provisions of this Section.

## **4. Financial Statements and Other Information**

Each of the Credit Parties covenants and agrees with FCC that until (i) the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, each of the Credit Parties shall deliver, or cause to be delivered, to FCC:

- (a) within 120 days after the end of each Financial Year of Global Food and Ingredients Inc., annual audited financial statements for Global Food and Ingredients Inc., prepared on a consolidated basis, as of the end of and for each such Financial Year;
- (b) within 45 days after the end of each semi-annual period of each Financial Year of Global Food and Ingredients Inc., semi-annual in-house financial statements for Global Food and Ingredients Inc., as of the end of and for each such semi-annual period, prepared on a consolidated basis by the accountants or financial controller of Global Food and Ingredients Inc.;
- (c) within 120 days after the end of each Financial Year of GFI LP, annual notice to reader financial statements for GFI LP, prepared on a standalone basis, as of the end of and for each such Financial Year;
- (d) within 120 days after the end of each Financial Year of 11567403 Canada Inc., annual notice to reader financial statements for 11567403 Canada Inc., prepared on a standalone basis, as of the end of and for each such Financial Year;
- (e) Intentionally Deleted;
- (f) within 120 days after the end of each Financial Year of Global Food and Ingredients Inc., a Compliance Certificate (the form of which is attached hereto as Schedule E) for such Financial Year calculated based upon the annual audited financial statements and confirming compliance with all financial covenants, reporting and monitoring covenants and other covenants under this Agreement; and
- (g) such other financial statements or financial reporting for any of the Credit Parties as FCC may request from time to time.

All financial statements required to be delivered by the Credit Parties pursuant to this Section (i) shall include a statement of cash flow, and (ii) shall not include Related Party transactions and/or



accounts. All consolidated financial statements required to be delivered by the Credit Parties pursuant to this Section shall extend to and include Global Food and Ingredients Inc., GFI LP, 11567403 Canada Inc. and their respective operations.

## 5. Financial Covenants

The Borrowers covenant and agree with FCC that (i) until the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, the Borrowers shall observe and comply with the following financial covenants:

### 5.1 Fixed Charge Coverage Ratio

Global Food and Ingredients Inc. shall maintain at all times a Fixed Charge Coverage Ratio, calculated on a consolidated basis, as at the last day of each Financial Year of Global Food and Ingredients Inc., of not less than 1.25:1.00 for the Financial Year ending March 31, 2020 and for each Financial Year thereafter.

"Fixed Charge Coverage Ratio" is defined as the ratio of:

- (a) EBITDA of Global Food and Ingredients Inc. on a consolidated basis for the applicable Financial Year, minus the aggregate of: (i) all Unfunded Capital Expenditures of Global Food and Ingredients Inc. on a consolidated basis for the applicable Financial Year, and (ii) all dividends, distributions, capital withdrawals, payments in respect of the purchase, redemption or return of capital and increases in shareholder loans made to any Affiliate of Global Food and Ingredients Inc. on a consolidated basis during the applicable Financial Year, plus the aggregate of: (iii) any capital injections into Global Food and Ingredients Inc. by its shareholders or related companies during the applicable Financial Year, and (iv) any decreases in shareholder loans made to any Affiliate of Global Food and Ingredients Inc. on a consolidated basis during the applicable Financial Year,

divided by:

- (b) the aggregate of: (i) the current portion of long term debt of Global Food and Ingredients Inc. on a consolidated basis for the upcoming Financial Year, plus (ii) all Interest Expense of Global Food and Ingredients Inc. on a consolidated basis for the applicable Financial Year.

"EBITDA" is defined as, for any period, Global Food and Ingredients Inc.'s earnings, on a consolidated basis, for such period before interest, taxes, depreciation and amortization for such period.

"Interest Expense" means, for any period, the aggregate amount accrued (whether or not payable or paid) during such period on account of interest expense, bank charges, capitalized interest, standby fees, commissions and other fees and charges relating to letters of credit, including the interest expense components of all capitalized lease obligations.

"Unfunded Capital Expenditures" is defined as, for any period for which EBITDA of Global Food and Ingredients Inc. is calculated, the aggregate of all Capital Expenditures incurred by Global Food and Ingredients Inc. on a consolidated basis which have been financed by cash flow or working capital lines (other than those provided by FCC).

## **5.2 General**

All financial covenants shall be calculated in accordance with the Accounting Standard. To the extent the Borrowers are indebted to FCC under this Agreement or any other loan or credit agreement with FCC, the Borrowers shall maintain, or cause to be maintained, the above financial covenants. The above financial covenants replace all previous financial covenants contained in any other credit or loan agreement entered into between the Borrowers and FCC and any amendments thereto. If a conflict arises between any of the above financial covenants and those contained in any previous loan or credit agreement with FCC, compliance by the Borrowers with the above financial covenants shall be required. This provision shall survive the termination or expiry of this Agreement and remain in full force and effect unless and until replaced in a future credit or loan agreement or other agreement signed by FCC and the Credit Parties in writing.

## **6. Repayment, Prepayment and Maturity**

### **6.1 Repayment**

Except for an Advancer Loan, a FCC Credit Line or a Cash Flow Optimizer Loan which are repayable on demand, all outstanding Advances and all other Outstanding Obligations shall be repaid in full and the Credit Facilities shall be cancelled on the applicable Balance Due Date, unless extended in writing by FCC on or before that date, in which case that extended date shall become the new Balance Due Date. Extensions may be requested by the Borrowers. Extensions will be granted at the discretion of FCC. Prior to the applicable Balance Due Date, all amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement.

### **6.2 Payment on Demand**

All outstanding Advances and all other Outstanding Obligations shall be repaid in full and the Credit Facilities shall be cancelled (i) if any Credit Party has made any material misrepresentation to FCC, or has committed fraud against FCC, (ii) if FCC becomes aware that any Credit Party has acted in a manner that calls into question their integrity and as a result, FCC determines that such action or actions will negatively impact FCC's reputation if FCC were to continue to do business with the Credit Party, or (iii) if any Credit Party ceases to operate or operate materially in its Core Business, in each case as determined by FCC in its sole discretion acting reasonably. Also, if any Credit Facility involves an Advancer Loan or a Cash Flow Optimizer Loan which has not been converted to a term loan, each of the Borrowers and each other Credit Party acknowledges and agrees that such loans are demand loans and are to be repaid in full upon FCC's demand.

### **6.3 Time and Place of Payment by Borrowers**

Each payment or prepayment required or permitted to be made by the Borrowers under this Agreement (whether on account of principal, interest, costs, or any other amount) shall be made to FCC at its corporate office in Regina, Saskatchewan not later than 11:00 a.m. (Regina time) or at FCC's local office on the date for payment of the same in immediately available funds, and if any payment made by the Borrowers hereunder is made after 11:00 a.m., such payment will be deemed to have been made on the immediately following Banking Day and interest will continue to accrue on the amount of such payment until such following Banking Day.

#### 6.4 ***Payments to be Made on Banking Days***

Whenever any payment to be made under this Agreement is due on a day that is not a Banking Day, such payment shall be made on the immediately following Banking Day unless the following Banking Day falls in another calendar month, in which case payment shall be made on the immediately preceding Banking Day.

#### 6.5 ***Manner of Payment; No Set Off / Right of Compensation***

All payments to be made pursuant to this Agreement including principal, interest and costs will, except as otherwise expressly provided herein, be payable in Canadian dollars and all payments to be made pursuant to this Agreement are to be made in immediately available funds and without set-off, right of compensation, withholding or deduction of any kind whatsoever. If any Borrower is not in default under this Agreement, FCC will apply each payment to the appropriate Loan first to pay outstanding fees and other charges, second to pay the interest due, and third to reduce the outstanding principal. If any Borrower is in default on any Loan, FCC can apply each loan payment as FCC sees fit.

#### 6.6 ***Mandatory Prepayments***

- (a) **Debt and Equity Issuance.** The Borrowers shall, within five (5) Banking Days from the date on which any Credit Party receives any cash proceeds from (i) any sale or issuance of Indebtedness by any Credit Party (excluding, for certainty, any Permitted Indebtedness, vendor-take-back or other deferred payment arrangement entered into by any Credit Party with respect to payment of the purchase price for any Permitted Acquisition), and (ii) any equity raised from an initial public or private offering undertaken by any Credit Party, prepay all outstanding Advances (until repaid in full) in an aggregate principal amount equal to 100% of the cash proceeds of any such issuance of Indebtedness or equity sale (less the reasonable out-of-pocket costs, expenses and fees incurred by such Credit Party in connection with such issuance of Indebtedness or equity sale) unless FCC has consented and agreed in writing to forego any such mandatory payment, such consent not to be unreasonably withheld provided the Borrowers are otherwise in compliance with all of the terms and conditions of this Agreement.
- (b) **Insurance Proceeds.** The Borrowers shall, within five (5) Banking Days from the date on which any Credit Party receives any cash proceeds from or relating to any expropriation, condemnation, destruction, business interruption or other loss of its property, prepay all outstanding Advances (until repaid in full) in an aggregate principal amount equal to 100% of such proceeds less the reasonable out-of-pocket costs and expenses incurred by such Credit Party in connection with such expropriation, condemnation, destruction, business interruption or loss to obtain such proceeds, unless such proceeds are to be used by the applicable Credit Party to repair the damaged asset or acquire a replacement asset within one hundred and eighty (180) days of the date of such receipt of such net cash proceeds and a senior officer of the Borrower certifies in writing to FCC at the time of such receipt that any such subsequent repair or acquisition shall be made within such one hundred and eighty (180) day time period.
- (c) **Asset Dispositions.** The Borrowers shall, within five (5) Banking Days from the date on which any Credit Party receives any cash proceeds from any Asset Disposition by any Credit Party (other than Permitted Asset Dispositions), prepay all outstanding Advances (until repaid in full) in an aggregate principal amount equal to 100% of the cash proceeds of each such Asset Disposition less the reasonable out-of-pocket costs, expenses and fees incurred by such Credit Party in connection with such

Asset Disposition, unless such proceeds are used by the applicable Credit Party to acquire a replacement asset within one hundred and eighty (180) days of the date of such disposition and a senior officer of the Borrower certifies in writing to FCC at the time of such Asset Disposition that any such subsequent acquisition shall be made within such one hundred and eighty (180) day time period.

- (d) **Purchase Price Adjustments and Indemnity Payments.** The Borrowers shall, within five (5) Banking Days from the date on which any Credit Party receives any amount representing a purchase price adjustment or a payment on account of an indemnity in its favour under the CanPulse Asset Purchase Agreement, prepay all outstanding Advances (until repaid in full) in an aggregate principal amount equal to 100% of such purchase price adjustments or indemnity payments.
- (e) **Inverse Order of Maturity.** Amounts prepaid pursuant to this Section shall be applied (i) firstly to permanently prepay all scheduled principal payments in inverse order of maturity for all Credit Facilities that constitute a term facility until all such Credit Facilities have been permanently repaid in full and such Credit Facilities are reduced to nil, (ii) secondly to repay all Credit Facilities that constitute a revolving or operating facility, and (iii) thirdly to repay any other Outstanding Obligations.

## 6.7 **Extensions**

An extension to the maturity date of each Credit Facility may be requested by the Borrowers. An extension may be granted at the discretion of FCC. In the event that no written agreement is entered into by the Borrowers and FCC which extends and/or alters the terms of this Agreement on the applicable Balance Due Date and FCC is not in the process of taking enforcement steps to realize against the Security and recover the Outstanding Obligations or any part thereof or FCC has not advised the Borrowers that the applicable Loan will not be extended, then such applicable Loan may be automatically extended on the following terms:

- (a) the applicable Loan extension fee will be charged to the applicable Borrower's loan account;
- (b) the payment periods will be the same as prior to the extension;
- (c) the interest rate and term will be those stated in a written communication that FCC will send to the Borrowers prior to the Balance Due Date; and
- (d) FCC will advise the Borrowers of the new interest rate and required payment amounts.

## 7. **Interest Rates, Fees and Costs**

### 7.1 **Interest Rates**

Subject to the provisions of this Agreement, interest shall accrue on the aggregate principal amount of all Advances outstanding from time to time commencing on and including the day on which such Advance is advanced and ending on, but excluding, the day on which it is repaid, such interest to be calculated daily and payable monthly, in arrears, on the first Banking Day of each and every month during which such Advances remain unpaid, based upon a year of 365 or 366 days as the case may be, at the variable or fixed rate of interest per annum specified and calculated in the manner set out in Section 2 above and in Schedule B.

## 7.2 **Expenses and Legal Fees**

Regardless of whether any or all of the transactions contemplated in this Agreement shall be consummated, the Borrowers shall pay to FCC all reasonable legal fees and disbursements and all fees, costs and out-of-pocket expenses incurred by FCC with respect to the negotiation, preparation and registration of the Loan Documents including, without limitation, amendments of the Loan Documents and their registration. In addition, the Borrowers shall reimburse FCC on demand for all fees, cost and out-of-pocket expenses including, without limitation, legal fees and disbursements (on a solicitor and own client or full indemnity basis) incurred by FCC following the Closing Date in connection with the exercising or defending of any or all of the rights, recourses, remedies and powers of FCC under any of the Loan Documents or the realization on any Collateral, or the taking of any proceedings for the purpose of enforcing its rights and remedies provided in the Loan Documents or available at law.

## 7.3 **Fees**

In addition to the obligations of the Borrowers to pay interest, costs and expenses as set out in this Agreement, the Borrowers shall also pay the following non-refundable fees:

- (a) **Processing Fee.** The Borrowers shall pay a non-refundable loan processing fee in the aggregate amount of \$42,000.00, which fee has been fully earned by FCC. FCC acknowledges receipt of the amount of \$42,000.00 to date on account of this fee.
- (b) **Reporting and Monitoring Default Fee.** In the event of a late submission of financial reporting requirements set out in this Agreement, FCC may, in its sole and absolute discretion, charge the Borrower a reporting and monitoring default fee of \$1,000.00 per instance per reporting period.
- (c) **Annual Review.** The Borrowers shall pay to FCC in each year an annual review fee of \$1,000.00 no later than 120 days after Global Food and Ingredients Inc.'s Financial Year end, which fee shall be fully earned by FCC on the date of such Financial Year end. The Borrowers acknowledge and agree that FCC may, at any time, in its discretion and acting reasonably and in good faith, increase the amount of such annual review fee upon reasonable prior written notice to the Borrowers having regard to the complexity of the Borrowers' corporate structure, the number of Subsidiaries, and the number and scope of its financial statements, Compliance Certificates and other financial reports to be reviewed from time to time.
- (d) **Non-Compliance Risk Adjustment Fee.** If the Borrowers breach a financial covenant or financial ratio under this Agreement, FCC shall assess a risk adjustment fee equal to 10 basis points (0.10%) of the aggregate outstanding principal amount of all Credit Facilities determined as at the end of the applicable Financial Year of Global Food and Ingredients Inc.

The amount of this fee shall be added to the Outstanding Obligations. Each of the Borrower acknowledges, agrees and confirms that this fee is a reasonable charge for FCC's costs incurred in connection with the protection and preservation of FCC's security interest in the Collateral after a financial covenant breach. As an example, based on an aggregate outstanding principal amount of all Credit Facilities of \$12,000,000.00, this fee would be \$12,000.00.

The risk adjustment fee set out in this Section represents FCC's liquidated damages, not penalties, to compensate FCC for the higher than forecasted risk and/or non-performance of a covenant. Each of the Borrowers acknowledges, agrees and

confirms that this fee is a reasonable estimation of the actual damages suffered by FCC upon a breach of a financial covenant contemplated by this Section, and that the Borrowers shall pay such fee to FCC upon an Event of Default. Each of the Borrowers acknowledges, agrees and confirms that the precise amount of FCC's actual damages would be extremely difficult to calculate and that the fee set out in this Section represents a reasonable estimate of the actual damages and efforts incurred by FCC in responding to a financial covenant breach. Such fee is due and payable on demand by FCC and in any event not later than one hundred and twenty (120) days following the last day of each Financial Year. Payment of a fee does not cure the applicable financial covenant breach nor does it affect any of FCC's rights under this Agreement or any other Loan Document.

## 8. **Conditions Precedent**

### 8.1 **Conditions Precedent to the Initial Advance**

The obligation of FCC to make available the initial Advance under this Agreement is subject to the terms and conditions of this Agreement and is conditional upon receipt of the documents listed below and satisfactory evidence being given to FCC and its counsel as to compliance with the following conditions:

- (a) **Loan Documents.** This Agreement and all other Loan Documents have been executed and delivered to FCC (including, without limitation, all new Security Documents).
- (b) **Registration and Perfection.** All Security Documents have been registered, recorded, filed or perfected in all jurisdictions deemed necessary by FCC and its counsel.
- (c) **Certificates, Resolutions and Legal Opinions.** FCC shall have received, duly executed and in form and substance satisfactory to it:
  - (i) a copy of the constating documents, by-laws, shareholders agreements and partnership agreements, as applicable, of each Credit Party and a copy of the resolutions of the board of directors of each Credit Party authorizing the execution, delivery and performance of this Agreement and the other Loan Documents, in each case, certified by a senior officer of each Credit Party;
  - (ii) a certificate of incumbency for each Credit Party showing the names, offices and specimen signatures of the officers authorized to execute this Agreement and the other Loan Documents;
  - (iii) such legal opinions from both Ontario and Saskatchewan counsel to the Credit Parties addressed to FCC covering matters relating to the Credit Parties, this Agreement and the other Loan Documents as FCC may require;
  - (iv) a certified copy of the share register or unit register of each Credit Party; and
  - (v) such additional supporting documents as FCC or its counsel may reasonably request.
- (d) **Good Standing.** Each of the Credit Parties is in possession of, and in good standing or compliance with, all necessary permits, licenses, authorizations and other approvals required to legally undertake and carry on its business in the Provinces where such Credit Party carries on its business.

- (e) **Payment of Fees.** FCC shall have received payment in full from the Borrowers of all fees, out of pocket expenses and other amounts due and payable to FCC (including, without limitation, all legal fees and disbursements of legal counsel to FCC).
- (f) **Consents and Approvals.** All necessary or desirable approvals, clearances and consents from any Governmental Authority or other Person necessary to complete the transactions contemplated by the Loan Documents shall have been received by the Borrowers.
- (g) **Due Diligence.** FCC shall have completed and be satisfied with the results of its financial, business, accounting, tax, environmental, legal and other due diligence with respect to the Credit Parties including, without limitation, the corporate, capital, tax, legal and management structure and cash management systems of the Credit Parties, and shall be satisfied, in its sole judgment, with the nature and status of all securities, labour, tax, employee benefit (including pension plan), environmental, health and safety matters, organizational and capital structure matters involving or affecting any Credit Party. FCC shall have received and be satisfied with the results of all personal property, litigation, judgment, bankruptcy, bulk sale, execution and other searches conducted on behalf of FCC with respect to the Credit Parties in all applicable jurisdictions.
- (h) **Repayments of Indebtedness and Discharge of Liens.** All Indebtedness owing to any creditor by any Credit Party as determined by FCC shall have been repaid in full on the Closing Date other than Permitted Indebtedness. All Liens held by any creditor charging any Collateral shall have been discharged, or where applicable, partially discharged, other than Permitted Liens.
- (i) **Inter-creditor Arrangements.** All such comfort letters, estoppel certificates, subordination and postponement agreements and inter-creditor agreements from other secured creditors of the Credit Parties as FCC may require, in its sole discretion (including the VTB Subordination Agreement, the Subordinate Investors Subordination Agreements, the GFI Shareholders Subordination Agreements, the Conexus Inter-creditor Agreement, the Lajord Landlord Waiver and Consent, the CanPulse No Interest Letters, the GFI Estoppel Letters, the TD Bank VTB Acknowledgment and the CanPulse Acknowledgment), shall have been duly executed and unconditionally delivered by all parties thereto.
- (j) **Title Insurance.** In respect of the Sedley/Zealandia Mortgage and the Lajord Leasehold Mortgage, FCC shall have received a commitment to title insure from a reputable title insurer confirming that a lender's title insurance policy is in effect in such amounts and such endorsements as required by FCC.
- (k) **Certificate of General Insurance.** FCC shall have received a certificate of insurance in respect of all policies of insurance maintained by the Credit Parties confirming:
  - (i) compliance with section 1.1(k) of Schedule A;
  - (ii) property insurance on an "all-risks" full insurable value basis (including extended perils coverage, boiler and pressure value coverage, and a rider during construction) on the Mortgaged Properties and all buildings, equipment and other property used in the operation of the Borrowers' business in an amount and on terms acceptable to FCC;

- (iii) comprehensive commercial general liability insurance against claims for personal injury, bodily injury, and property damage occurring on, in, or about the lands and buildings and covering all of the Borrowers' operations in an amount acceptable to FCC per occurrence; and
  - (iv) business interruption insurance with FCC listed as loss payee in amounts and on terms acceptable to FCC.
- (l) **Certificate of Life Insurance.** FCC shall have received confirmation in the form of a certificate of insurance or other documentation acceptable to FCC confirming the issuance to Global Food and Ingredients Inc. and continued effectiveness of the life insurance coverage from Empire Life referred to in Section 3.5, and its assignment to FCC by way of security as first loss payee.
- (m) **Certificate of Credit Insurance.** FCC shall have received confirmation in the form of a certificate of insurance or other documentation acceptable to FCC confirming the issuance to Global Food and Ingredients Inc. and continued effectiveness of the credit insurance coverage from The Guarantee Insurance Company of America referred to in Section 3.5, and its assignment to FCC by way of security as first loss payee.
- (n) **Financial Statements.** FCC shall have received and be satisfied with all financial statements as may be requested by FCC from the Credit Parties.
- (o) **Environmental Compliance.** FCC must be satisfied in its sole discretion, that all regulatory agency requirements relating directly or indirectly to environmental impacts, potential environmental hazards, environmental, health or safety risks or environmental issues related to any Credit Party's current or projected business operations have been met or related to any Credit Party's past operations that may have caused or contributed to a breach of regulatory requirements have been rectified.
- (p) **Environmental Assessment.** FCC shall have completed and be satisfied with its environmental risk assessment process. FCC shall have received and be satisfied with a Phase 1 or Phase 2 environmental report for each of the Zealandia Facility, the Sedley Facility and the Lajord Facility.
- (q) **Appraisals.** FCC shall have received and be satisfied with an appraisal, in form and substance satisfactory to FCC, in respect of each of the Zealandia Facility, the Sedley Facility and the Lajord Facility and such other assets comprising FCC's security as it may determine, in its sole discretion.
- (r) **Tax Certificates for the Mortgaged Properties.** The Borrowers shall have delivered to FCC a current tax certificate from the relevant municipality for each Mortgaged Property, or shall have provided other evidence of payment, confirming that there are no real property tax arrears for such Mortgaged Property.
- (s) **Statutory Declaration as to Possession/Compliance with Agreements.** FCC shall have received a statutory declaration from an officer of the applicable Borrower in connection with all applicable matters relating to its title to each of the Mortgaged Properties, including its possession and occupation and compliance with all development agreements.
- (t) **Personal Identification for PPSA Searches/Registrations.** FCC shall have received and be satisfied with copies of two pieces of personal identification for David



Hanna and Samira Sharezay (one of which shall be a valid passport or birth certificate) so as to permit the completion of PPSA and other searches and registrations.

- (u) **Certified Copies of Documents.** FCC shall have received copies of each of the following documents, certified by an officer of the Borrowers: (i) the CanPulse Asset Purchase Agreement; (ii) the Toll Processing Agreement; (iii) the VTB Agreement and any security granted thereunder; (iv) the Lajord Lease, the Lajord Lease Assignment Agreement, and any documents evidencing the consent of the Lajord Landlord to such assignment; (v) all material loan and security documents entered into by the Credit Parties with Conexus as may be requested by FCC; (vi) the unanimous shareholders agreement dated as of September 30, 2019 entered into between GFI and the GFI Shareholders; (vii) all Convertible Promissory Notes and all such other material loan, promissory notes and security documents, if any, entered into by the Credit Parties with the Subordinate Investors or the GFI Shareholders as may be requested by FCC and (viii) such other Material Contracts as may be requested by FCC, and shall have approved all of the terms of each such document.
- (v) **Permanent Shareholder Equity.** FCC shall have received and be satisfied with written evidence confirming the investment of not less than \$3,000,000 in permanent shareholder equity in Global Food and Ingredients Inc. that can be used for general corporate purposes (collectively, the "Equity Injection").
- (w) **Conexus Credit Facilities.** FCC shall have received and be satisfied with written evidence that Global Food and Ingredients Inc. has been approved for loans in the form of an operating line of credit in an aggregate amount not less than \$3,000,000 with Conexus on terms and conditions acceptable to FCC in its discretion and that, contemporaneously with the first Advance by FCC, Conexus shall make an advance to Global Food and Ingredients Inc.
- (x) **Transfer/Consents/Direction Re Funds.** FCC shall have received and be satisfied with (i) a copy of the transfer of each Mortgaged Property from CanPulse Foods Ltd. to 11567403 Canada Inc. on behalf of GFI LP, and any direction as to title relating thereto, together with the bill of sale issued under the CanPulse Asset Purchase Agreement relating to the Purchased Assets constituting personal property, (ii) copies of the Partial Release Agreement entered into by the Credit Parties, CanPulse and TD Bank evidencing the amount required to be paid to TD Bank to release its security interest in the Purchased Assets (the "TD Bank Partial Release Agreement"), and copies of all other payout letters from secured creditors of CanPulse evidencing the amount required to be paid to each for it to release its security interest in the Purchased Assets, (iii) copies of all consents of the applicable Governmental Authorities, if any, required under the CanPulse Asset Purchase Agreement, and (iv) a copy of the Direction Re Funds issued by CanPulse to GFI LP and 11567403 Canada Inc. in connection with the payment of the remaining portion of the Purchase Price under the CanPulse Asset Purchase Agreement payable on the closing date thereof directly to TD Bank.
- (y) **Closing Confirmation Certificate.** A closing confirmation certificate from a senior officer of GFI LP and 11567403 Canada Inc. confirming, among other things, that (i) the purchase of the assets has or will be completed in accordance with the CanPulse Asset Purchase Agreement, (ii) payments in accordance with the TD Bank Partial Release Agreement and the other payout letters will be made and all other conditions precedent set out in the CanPulse Asset Purchase Agreement have been satisfied and that no conditions precedent have been waived by GFI LP and 11567403

Canada Inc., and (iii) GFI LP and 11567403 Canada Inc. has made or will make payment concurrent with the initial Advance under the Credit Facilities of an amount which, together with the initial Advance under the Credit Facilities and all deposits previously made on account of the purchase price, represents payment in full of the purchase price less the CanPulse Vendor Take-Back Amount).

- (z) **Document Registration Agreement/Trust Conditions.** The solicitors for the Borrowers, CanPulse and FCC have entered into a document registration agreement in form satisfactory to FCC or other trust conditions or arrangements acceptable to FCC in connection with the registration of the transfer documents for the Mortgaged Properties under CanPulse Asset Purchase Agreement and the Sedley/Zealandia Charge and the Lajord Leasehold Charge, and the advance of funds to TD Bank in escrow prior to the closing of the CanPulse Asset Purchase Agreement.
- (aa) **ILA Certificate.** FCC shall have received a Certificate of Independent Legal Advice in respect of the execution and delivery of the GFI Shareholder Subordination Agreements and the Conexus Inter-creditor Agreement by Samira Sharezay.
- (bb) **Notice of Interest and Lease Particulars.** FCC shall have received evidence of the registration on title to the Lajord Facility of a Notice of Interest and Lease Particulars in form satisfactory to FCC.
- (cc) **35 Oak Holdings.** FCC shall have received a Certificate of Status and such other corporate documentation as it may consider to be necessary or advisable in respect of the execution and delivery of any GFI Shareholder Subordination Agreement or Subordinate Investors Subordination Agreement by 35 Oak Holdings Ltd.
- (dd) **Other Documents.** FCC shall have received such other documents and agreements as are customary in transactions of this type or as FCC may request.

## 8.2 **Conditions Precedent to All Advances**

The obligation of FCC to make available the initial Advance under this Agreement and any other Advance subsequent to the initial Advance and to perform its other obligations under this Agreement is subject to the terms and conditions of this Agreement and is conditional upon FCC's receipt of the documents listed below and satisfactory evidence being given to FCC and its counsel as to compliance with the following conditions:

- (a) **Notice of Borrowing.** FCC shall have received a duly executed notice of borrowing in respect of the requested Advance.
- (b) **Representations and Warranties.** The representations and warranties of the Credit Parties in each of the Loan Documents are true and correct in all material respects as if made on and as of each such date unless specifically made as of a certain date.
- (c) **No Material Adverse Change.** No Material Adverse Change has occurred since the date of the most recent Compliance Certificate or other financial reporting delivered by the Borrower to FCC.
- (d) **Loan Documents.** All Loan Documents are in full force and effect.
- (e) **No Default.** No Default or Event of Default shall have occurred and be continuing or would result after giving effect to the Advance.

- (f) **Priority Payables.** There are no priority payables outstanding in respect of which payments are overdue.
- (g) **Bring-Down Certificate.** A bring-down certificate executed by a senior officer of the Borrowers on the applicable Advance date confirming that all of the terms and conditions set out in this Section are true and correct as of the date of the Advance.
- (h) **Consents and Approvals.** All necessary or desirable approvals, clearances and consents from any Governmental Authority or other Person necessary to complete the transactions contemplated by the Loan Documents shall have been received by the Credit Parties.
- (i) **Pre-Authorized Payments.** FCC shall have received all information and documentation duly executed by the Borrowers which is required for purposes of establishing payments under this Agreement to be made by way of pre-authorized payments (including, without limitation, a void cheque).
- (j) **Title Search and other Due Diligence Searches.** FCC has conducted a title search of the Mortgaged Properties and confirmed that there are no builders, mechanics, construction or other Liens registered on title to either property, and has conducted such other due diligence searches as it deems necessary or appropriate to confirm the absence of Liens.

### 8.3 **Waiver of Conditions Precedent**

The conditions precedent provided for in this Section are for the sole and exclusive benefit of FCC. FCC may waive such conditions precedent, in whole or in part, with or without conditions, without prejudice to any other or future rights that it may have against the Credit Parties and any other Person.

## 9. **General Provisions**

### 9.1 **Conflict**

The terms and conditions contained in the attached Schedules are incorporated into and form an integral part of this Agreement. In the event of a conflict between the terms of this Agreement and the terms of the Schedules, the terms of this Agreement shall prevail.

### 9.2 **Replacement**

This Agreement supersedes and replaces all prior discussions, letters and credit agreements (if any) describing the terms and conditions of any credit facilities established by FCC in favour of the Credit Parties.

### 9.3 **Confidential**

The Credit Parties shall keep the terms of this Agreement, including specifically the interest rate, strictly confidential and will not disclose the terms of this Agreement to any Person without FCC's prior consent. The Credit Parties may, however, disclose the terms of this Agreement to their legal, banking, accounting and business advisors on a need to know basis. The Credit Parties authorize FCC to obtain credit or other information about the Credit Parties, and the Collateral from, and to allow FCC to, during the term of the Credit Facility, exchange such information with:

- (a) any financial institution, credit reporting agency, rating agency, credit bureau, governmental body or regulatory authority; and
- (b) anyone with whom the Credit Parties may have or propose to have financial dealings.

The Credit Parties agree that FCC may use Loan information for FCC's internal research and marketing purposes and that FCC may contact the Credit Parties regarding FCC's other products and services.

**9.4 *Governing Law***

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. The Credit Parties irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of such Province and of Saskatchewan and acknowledge the competence of such courts and irrevocably agree to be bound by a judgement of such court.

**9.5 *Language***

The parties have requested that this Agreement and all other Loan Documents be drafted in English. Les parties ont requis que cette convention et tous les autres documents soient rédigés en anglais.

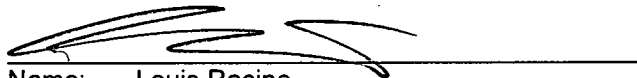
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**Acceptance**

This Agreement may be accepted by signing, dating and returning to FCC on or before November 30, 2019 the enclosed copy of this Agreement executed by the Credit Parties as set out below. Failing such acceptance, this offer shall be of no further force or effect.

**FARM CREDIT CANADA**

Per:



Name: Louis Racine

Title: Legal Counsel / Avocat-conseil

DATED this 22 day of November, 2019.

**GLOBAL FOOD AND INGREDIENTS INC.**

Per:

David Hanna

Name: David Hanna

Title: President

I have the authority to bind the Corporation.

**GFI LP,  
By its General Partner,  
11567403 CANADA INC.**

Per:

David Hanna

Name: David Hanna

Title: President

I have the authority to bind the General Partner and the Limited Partnership.

**11567403 CANADA INC.**

Per:

David Hanna

Name: David Hanna

Title: President

I have the authority to bind the Corporation.

David Hanna  
(Witness signature)

David Hanna  
(Signature)

DIANA PERAZZO  
(Print witness name)

DAVID HANNA  
(Name)

## SCHEDULE A - Standard Terms and Conditions

### 1. Covenants of the Credit Parties

#### 1.1 *Affirmative Covenants*

The Credit Parties covenant and agree with FCC that (i) until the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, the Credit Parties will observe and perform, or will cause the observance and performance of, each of the following covenants:

- (a) **Payment of Principal, Interest and Expenses.** The Borrowers shall duly and punctually pay or cause to be paid to FCC, the Outstanding Obligations at the times and places and in the manner provided for in this Agreement.
- (b) **Use of Funds.** The Borrowers shall use and employ the funds received from FCC pursuant to this Agreement solely for agricultural purposes including the uses set out in Section 2.1 of this Agreement with respect to the initial Advance and thereafter only for the Core Business, the Borrowers' working capital and Permitted Acquisitions.
- (c) **Books and Records.** The Credit Parties shall maintain at all times, a system of accounting established and administered in accordance with the Accounting Standard, consistently applied and in accordance with sound business practices and shall therein make complete, true and correct entries of all dealings and transactions relating to its business. All financial statements furnished to FCC shall fairly present the financial condition and the results of the operations of the Credit Parties and all other information, certificates, schedules, reports and other papers and data furnished to FCC by the Credit Parties will be accurate, complete and correct in all material respects.
- (d) **Access and Information.** The Credit Parties shall (i) discuss and review with FCC and its authorized representatives any matters directly relevant to this Agreement and relating to the business of the Credit Parties or pertaining to all or any part of its or their respective properties as FCC may reasonably request, (ii) permit any authorized representative of FCC to visit, inspect and have access to its or their respective property and assets at any and all reasonable times during normal business hours with reasonable prior notice, and (iii) permit, at any and all reasonable times during normal business hours with reasonable prior notice, FCC and its authorized representatives to examine all of its books of account, records, reports, documents, papers and data and to make copies and take extracts thereof, and to discuss respective business, affairs, finances and accounts with its and their executive officers, senior financial officers, accountants and other financial advisors.
- (e) **Notices.** The Credit Parties shall promptly, after any responsible officer obtains actual knowledge thereof, give notice to FCC of:
  - (i) any event which constitutes a Default or Event of Default, together with particulars in reasonable detail specifying the nature thereof and the steps being taken to cure such Default or Event of Default;
  - (ii) any notice of expropriation of any Collateral;
  - (iii) any claim, proceeding or litigation in respect of any Credit Party which, if adversely determined, could reasonably be expected to have a Material

Adverse Effect, whether or not any such claim, proceeding or litigation is covered by insurance;

- (iv) any official notice of any violation, non compliance or claim made by any Governmental Authority pertaining to: (A) the operations of any Credit Party or any of its Affiliates, or (B) all or any part of the property and assets of any Credit Party or any of its Affiliates, in each case, which if adversely determined, could reasonably be expected to have a Material Adverse Effect;
  - (v) any Lien other than Permitted Liens registered against any Collateral;
  - (vi) particulars in reasonable detail of: (A) any event or condition, or (B) assertion of any environmental matter by any Person against or with respect to the activities and operations of any Credit Party, in each case, not previously disclosed to FCC, which violates or results in non-compliance with any Environmental Law other than any event, condition or environmental matter that, if adversely determined, would not (either individually or in the aggregate) have a Material Adverse Effect;
  - (vii) any event, development or condition which may reasonably be expected to have a Material Adverse Effect;
  - (viii) any changes in the composition of any Borrower's or any other Credit Party's executive management team; and
  - (ix) any notice received under the CanPulse Asset Purchase Agreement in connection with an adjustment to the Purchase Price thereunder or an indemnity claim or payment.
- (f) **Corporate Status and Qualification.** Each Credit Party shall do or cause to be done all such things as are necessary to (i) maintain its existence in good standing, and (ii) to ensure that it has at all times the right and is duly qualified to conduct its business where such qualification is necessary and to obtain and maintain all rights, privileges, licences, permits, contracts, agreements and franchises necessary for the conduct of its business, except in each case under this clause (ii), to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (g) **Conduct of Business.** Each Credit Party shall (i) continuously carry on and conduct the Core Business in a proper and efficient manner, (ii) not make any Material Adverse Change to the Core Business, (iii) maintain its properties and assets in good working order and condition (ordinary wear and tear excepted) and operate such properties and assets in a prudent manner, and (iii) take all necessary steps to maintain, protect and preserve its assets and properties and its title thereto.
- (h) **Compliance with Laws.** Each Credit Party shall comply with all Applicable Laws and orders of any Governmental Authority having jurisdiction applicable to it or its property and obtain and maintain in good standing all licences, permits and approvals required (as and when same are, by law, required) from any and all Governmental Authorities, and ensure that the Core Business and its operations are at all times in compliance in all respects with all Applicable Laws, building codes, ordinances and zoning requirements.
- (i) **Further Assurances.** Each Credit Party shall, and shall cause every other Credit Party, to cure promptly any defects in the execution and delivery of the Loan Documents. Upon reasonable request of FCC, each Credit Party shall, at the



Borrowers' expense, as promptly as practical, execute and deliver to FCC, all such other and further documents, agreements and instruments (and cause every other Credit Party to take such action) in compliance with or performance of the covenants and agreements of each Credit Party in any of the Loan Documents, or to further evidence and more fully describe the Collateral, or to correct any manifest errors in any of the Loan Documents, or to more fully state the security obligations set out in any of the Loan Documents, or to perfect, protect or preserve any Liens created pursuant to any of the Loan Documents, or to make any recordings, to file any notices, or obtain any consents, all as may be necessary or appropriate in connection therewith.

- (j) **Taxes.** Each Credit Party shall cause to be paid all Taxes lawfully levied, assessed or imposed upon it or in respect of its property as and when the same shall become due and payable, and exhibit or cause to be exhibited to FCC when required, the receipts and vouchers establishing such payment, and duly observe and conform to all valid requirements of any Governmental Authority relative to its property or rights and relative to all covenants, terms and conditions upon or under which any such property or rights are held; provided, however, that it shall have the right to Contest any such Taxes or other amounts and, upon such Contest, may delay or defer payment or discharge thereof if such contestation will involve no forfeiture of Collateral or the subordination of the Liens created by the Security Documents to such Taxes unless collateral or other security satisfactory to FCC have been deposited with FCC in respect thereof. All Taxes relating to the Mortgaged Properties relating to the period prior to the completion of the CanPulse Asset Purchase Agreement shall be paid by the Credit Parties on the Closing Date.

(k) **Insurance.**

- (i) Each Borrower shall, and shall cause every other Borrower to, maintain or cause to be maintained, insurance with respect to the Collateral against such liabilities, casualties, risks and contingencies, of such types and in such amounts as is customary in the case of Persons engaged in the same or similar businesses and similarly situated and in accordance with any other specified requirements of any Governmental Authority or FCC including but not limited to: (i) property insurance on an "all-risks" full insurable value basis (including extended perils coverage) on the Mortgaged Properties and all buildings, equipment and other property used in the operation of the Borrowers' business; (ii) broad-form boiler and machinery insurance for all of the Borrowers' boilers, pressure valves and vessels, machinery and air conditioning equipment; (iii) comprehensive commercial general liability insurance against claims for personal injury, bodily injury, and property damage occurring on, in, or about the lands and buildings and covering all of the Borrowers' operations, such insurance shall be in an amount acceptable to FCC per occurrence; (iv) a rider for construction insurance during the construction of any project, if applicable; (v) business interruption insurance in an amount approved by FCC; (vi) crop insurance; (vii) course of construction insurance, commercial general liability insurance and property insurance and have it in effect to protect the Credit Parties from loss and liability during and after completion of any project; and (viii) any other insurance required by this Agreement (the "**Insurance**").
- (ii) The Credit Parties shall maintain or cause to be maintained with reputable insurers, over the insurable Collateral, coverage against risks of loss or damage to its properties, assets and business (including fire and extended perils, public liability, and damage to property of third parties) of such types

as are customary in the case of persons with established reputation engaged in the same or similar businesses, to the full insurable value of such properties and assets, such policies (except third-party liability insurance) to contain standard mortgage/hypothec clauses or other mortgage/hypothec clauses satisfactory to FCC and shall, otherwise than in respect of damage to or destruction of leased assets, assets secured by purchase money liens (where applicable) and such other assets as FCC may in writing agree to exclude, be assigned to and endorsed in favour of FCC, as first mortgagee/beneficiary and first loss payee subject to ranking *pari passu* with holders of debt secured by the same collateral pursuant to any intercreditor agreement entered into by FCC with the holders of such debt.

- (iii) In the case of any fire, accident or other casualty causing loss or damage to any assets or properties of any Borrower used in generating cash flow or required by Applicable Law, all proceeds of the Insurance shall be dealt with in accordance with the mandatory prepayment provisions of this Agreement; provided that, if an Event of Default has occurred and is continuing, all proceeds of such Insurance shall only be used as directed by FCC in its sole discretion.
- (iv) All Insurance with respect to the assets and property of the Borrowers shall be endorsed in favour of FCC as first mortgagee and as first loss payee, and shall be in an amount no less than the full insurable value of the assets and property insured. FCC shall be named as an additional insured in respect of all liability policies and such policies shall contain cross liability and severability of interest provisions. FCC shall be designated as beneficiary on the course of construction insurance and property insurance in amounts and on terms acceptable to FCC.
- (v) Each Borrower shall use reasonable best efforts to ensure that the Insurance shall contain provisions that the insurer shall provide at least thirty (30) days prior notice to FCC of any changes to the Insurance and that the Insurance shall not be cancelled without at least thirty (30) days prior notice being given by the insurer(s) to FCC, evidence of the giving of such notice to be the responsibility of the insurer(s) in each case, and shall contain the Insurance Bureau of Canada's standard mortgage clause or an alternative appropriate form of mortgage clause satisfactory to FCC.
- (vi) If any Borrower defaults in so insuring its real or personal property and assets as are required under this Section to be insured or, in so delivering the certificates or policies of Insurance within the time period required under this Agreement, FCC may, at its option, immediately effect and pay the premiums for such Insurance and such Borrower shall reimburse FCC for any premiums so paid with interest thereon at the then applicable interest rate with respect to any FCC Credit Line and Advancer Loan.
- (vii) As soon as practicable following the happening of any loss or damage in respect of any Borrower's real or personal property and assets subject to any Insurance, the Borrower shall, at its expense, furnish or cause to be furnished all necessary proof and do all necessary acts to enable the Person entitled to receipt of the proceeds of such insurance pursuant to this Section to obtain payment thereof.

- (viii) All policies of Insurance will, where applicable, contain a release of any subrogation rights which any Credit Party's insurers may have against FCC or those for whom any of them are in law responsible.
  - (ix) Each Borrower agrees to deliver in writing to FCC, from time to time, upon reasonable request by FCC, all information relating to the Insurance and all monies payable to such Borrower thereunder. FCC shall be entitled, from time to time, to inspect any books, papers, documents or records evidencing or relating to such Insurance and make copies thereof.
  - (x) Each Borrower agrees that it shall provide FCC with a certified copy of each policy of Insurance as soon as practical but no later than 180 days from the Closing Date, together with a certified copy of each policy of Insurance issued in replacement of or in substitution for any policy of Insurance or policies of Insurance or as a renewal of any policy of Insurance or policies of Insurance.
- (l) **Repairs.** Each Credit Party shall at all times, make or cause to be made such expenditures, replacements, repairs, and maintenance as shall be necessary to maintain, preserve and keep at all times the Collateral in good repair, physical condition, working order and a state of good operating efficiency, as would a prudent owner of comparable property conducting a similar business.
- (m) **Environmental Compliance.** Each Credit Party shall:
- (i) use and operate all of its facilities and properties in compliance with all Environmental Laws, keep all necessary permits, approvals, certificates, licences and other authorizations relating to environmental matters in effect and remain in compliance therewith, and handle all Contaminants in compliance with all applicable Environmental Laws, except in the case, where failure to do so would not reasonably be expected to have a Material Adverse Effect;
  - (ii) immediately notify FCC and provide copies upon receipt of any written claim, complaint, notice or inquiry to such Credit Party relating to the release of Contaminants at any facility or property which would result in such Credit Party being in material non-compliance with any Environmental Law;
  - (iii) at all times maintain a reserve on its books for environmental liabilities in accordance with the requirements of the Accounting Standard, and
  - (iv) provide such information and certifications which FCC may reasonably and specifically request from time to time to evidence of compliance with this Section.
- (n) **Observance of Agreements.** Each Credit Party shall observe, perform and enforce in a timely fashion all of its contractual obligations and rights, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.
- (o) **Additional Subsidiaries; Additional Liens.** Upon written request by FCC, if, at any time on or after the Closing Date, any Credit Party directly or indirectly (i) creates or acquires an additional Subsidiary, or (ii) in some other manner becomes the holder of any Equity Securities of a Subsidiary by any means whatsoever, in each case, the Credit Party will, or will cause such new Subsidiary, to execute and deliver to FCC

subject only to those Permitted Liens which are senior to the Security Documents by operation of law and which have not been contractually subordinated, within 30 days of such creation, acquisition or qualification, a guarantee, security agreements (creating a first priority Lien against all property, assets and undertaking of such Subsidiary in favour of FCC), and other agreements, instruments, documents, certificates, resolutions and legal opinions similar in type, scope and form as those delivered by the Credit Parties pursuant this Agreement and otherwise satisfactory to FCC. Each guarantee, pledge agreement, mortgage, security agreement and other related document delivered pursuant to this Section shall be deemed to be a Security Document from and after the date of execution thereof.

- (p) **After-Acquired Property.** Upon written request by FCC, following the acquisition by any Credit Party after the Closing Date of any after-acquired property that forms part of the Collateral and is not automatically subject to a perfected Lien under the Security Documents, such Credit Party (other than David Hanna) shall execute and deliver, any Security Documents and cause to be filed such financing statements or other registrations as may be necessary to vest in FCC a first ranking perfected security interest (subject only to those Permitted Liens which are senior to the Security Documents by operation of law and which have not been contractually subordinated) in such after-acquired property and to have such after-acquired property added to the Collateral, together with supporting documents, including opinions and third party estoppel letters consistent with the type delivered on the Closing Date, and thereupon all provisions of this Agreement relating to the Collateral shall be deemed to relate to such after-acquired property to the same extent and with the same force and effect. Such actions shall be taken within the timeframe specified in the relevant Security Documents or, if no timeframe is specified, within (i) sixty (60) days of acquisition of the relevant real property, and (ii) ten (10) days of acquisition of the relevant personal property.
- (q) **Pension and Benefit Plans.** For each existing Pension Plan and Benefit Plan, each Borrower shall, in a timely fashion, comply with and perform in all respects all of its obligations under and in respect of each such Pension Plan or Benefit Plan, including under any funding agreements and all Applicable Laws (including any fiduciary, funding, investment and administration obligations), in each case, in respect of which the failure to comply or perform could reasonably be expected to have a Material Adverse Effect. All employer or employee payments, contributions or premiums required to be remitted, paid to or in respect of each existing Pension Plan or Benefit Plan shall be paid or remitted by each applicable Borrower in a timely fashion in accordance with the terms thereof (including any funding agreements and all Applicable Laws), in each case, in respect of which the failure to pay or remit would reasonably be expected to have a Material Adverse Effect. Each Borrower shall deliver to FCC (i) if requested by FCC, copies of each annual and other return, report or valuation with respect to each existing Pension Plan or Benefit Plan as filed with any applicable Governmental Authority by any Borrower, (ii) promptly after receipt thereof, a copy of any direction, order, notice, ruling or opinion that any Borrower may receive from any applicable Governmental Authority with respect to any Pension Plan or Benefit Plan relating to any matter that would reasonably be expected to have a Material Adverse Effect, and (iii) notification within thirty (30) days of any increases having a cost to any Borrower in excess of \$100,000 per annum in the aggregate, in the benefits of any existing Pension Plan or Benefit Plan.
- (r) **Material Commercial Leases.** Each Borrower shall obtain FCC's prior written consent to enter into, modify in any material respect, or renew, extend or terminate any lease (excluding any lease where such Borrower is the tenant and any residential lease, but including any ground lease or head lease for residential or any

other purposes) for premises of more than 10,000 square feet for a term (inclusive of all renewal and extension options, whether or not exercised) of 5 years or more which form part of the Collateral (a "**Material Commercial Lease**"), which consent shall not be unreasonably withheld or delayed by the Lender provided such Material Commercial Lease, or the material modification, renewal, extension or termination thereof is made in the ordinary course of business and is commercially reasonable and consistent with prudent property management and leasing standards and practices.

- (s) **Rectification of Defaults by FCC.** In the event that FCC receives any notice of default or breach by any Credit Party of any term, covenant or condition in an agreement which default or breach, in the reasonable opinion of FCC, is likely to have a Material Adverse Effect or upon a material portion of the Collateral, the applicable Credit Party shall permit or cause to be permitted FCC to take any action as FCC in its reasonable opinion may deem necessary or desirable to rectify or prevent such default or breach notwithstanding that the existence of such default or breach or the nature or extent thereof may be questioned or denied by such Credit Party, including the absolute and immediate right to enter onto the property of such Credit Party or any part thereof to the extent that FCC deems necessary or desirable, but without taking possession thereof, to enable FCC to rectify or prevent any such default or breach, provided always that FCC shall not incur or be subject to any liability under any lease or contract by reason of having taken such action nor shall FCC have any obligation to take any action referred to in this Section.
- (t) **Post-Closing Copies of Documents.** The Credit Parties shall provide FCC with (i) copies of all such post-closing documents relating to the CanPulse Asset Purchase Agreement as may be reasonably requested by FCC, and (ii) copies of all material documents and correspondence exchanged with the applicable Governmental Authorities in connection with the CanPulse Asset Purchase Agreement as may be reasonably requested by FCC, in each case promptly following its request for the same.
- (u) **CanPulse Asset Purchase Agreement Payments.** In the event that GFI LP and 11567403 Canada Inc. shall be required to make after the Closing Date any payment under the CanPulse Asset Purchase Agreement on account of (i) any adjustment in the Purchase Price (as defined in the CanPulse Asset Purchase Agreement), or (ii) any indemnification obligation to the seller, then the Borrowers shall be required to fund such payment from their own resources or by way of an additional equity injection, and shall not borrow those funds from FCC or any other lender.
- (v) **ETG Commodities Toll Processing Agreement.** The Credit Parties shall use all commercially reasonable efforts to promptly conclude a satisfactory toll processing agreement with ETG Commodities after the Closing Date. In the event that no such agreement can be promptly concluded, the Credit Parties shall use all commercially reasonable efforts to identify and obtain replacement revenue sources to ensure that the Borrowers have sufficient debt servicing with respect to the VTB Indebtedness.
- (w) **Change in Registered Office.** The Credit Parties shall, within 90 days of the Closing Date, file the necessary documents to reflect a change in their respective registered offices to 43 Colborne Street, Suite 400, Toronto, ON M5E 1E3, and provide FCC with written evidence of such change.
- (x) **Lajord Lease.** The Credit Parties shall promptly make application to the relevant Governmental Authorities under *The Planning and Development Act* (Saskatchewan) to approve the renewal terms under the Lajord Lease and shall

diligently pursue such application in conjunction with the Lajord Landlord to obtain a certificate of approval from the local planning authority. The Credit Parties shall provide FCC with copies of such certificate of approval forthwith following their receipt of the same.

- (y) **Post-Closing Undertaking.** Notwithstanding the requirements set out in Section 3.5 (b) and 8.1 for the delivery of the Acknowledgment of Empire Life in connection with the collateral assignment of life insurance as a condition precedent to the effectiveness of this Agreement, such delivery will not be required as at the Closing Date, provided, that the Borrowers shall obtain that acknowledgment from Empire Life and deliver it to FCC in form satisfactory to FCC within 90 days of the Closing Date.

## 1.2 **Negative Covenants**

The Credit Parties covenant and agree with FCC that (i) until the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, the Credit Parties will observe and perform, or will cause the observance and performance of, each of the following covenants:

- (a) **No Amalgamation.** No Credit Party shall enter into any transaction or series of related transactions (whether by way of amalgamation, merger, winding-up, consolidation, reorganization, reconstruction, continuance, transfer, sale, lease or otherwise) whereby all or substantially all of its undertaking, properties, rights or assets would become the property of any other Person or, in the case of amalgamation or continuance, of the continuing corporation resulting therefrom without the prior written consent of FCC.
- (b) **Indebtedness.** No Credit Party shall create, assume, issue or permit to exist, directly or indirectly, any Indebtedness except for Permitted Indebtedness.
- (c) **No Liens.** No Credit Party shall create, assume, incur or suffer to exist any Lien in or upon any of its undertaking, property, rights or assets except for Permitted Liens.
- (d) **No Guarantees.** No Credit Party shall be or become liable, directly or indirectly, contingently or otherwise, for any obligation of any other Person by Guarantee except for any Guarantee which constitutes Permitted Indebtedness.
- (e) **Limitation on Investments and Loans.** No Credit Party shall make or permit to exist, directly or indirectly, any Investment or any other interest in any other Person (whether in one transaction or a series of transactions) except: (i) Investments in cash equivalents, (ii) Investments which constitute Permitted Acquisitions, and (iii) Investments for which the applicable Credit Party has obtained the prior written consent of FCC. No Credit Party shall make any loans, advances or other forms of Indebtedness to any Person other than loans, advances or other forms of Indebtedness which constitute Permitted Indebtedness.
- (f) **Limitation on Acquisitions.** No Credit Party shall make, directly or indirectly, any Acquisition (whether in one transaction or a series of transactions) unless: (i) such Acquisition constitutes a Permitted Acquisition or has been approved by FCC in writing, or (ii) is an Acquisition of real property which exceeds any Net Capital Expenditure limits set out in this Agreement, and upon written request from FCC, the Credit Parties shall grant FCC security and a Lien over all such personal property, Persons or real property so acquired, together with supporting registrations and legal opinions, in each case, all in form and substance satisfactory to FCC.

- (g) **Limitation on Asset Dispositions.** No Credit Party shall effect an Asset Disposition except for Permitted Asset Dispositions.
- (h) **Change of Jurisdiction or Chief Executive Office; Relocation of Assets.** No Credit Party shall (i) change the jurisdiction of organization or move its registered office, principal place of business or chief executive office or its location for purposes of the PPSA outside of the jurisdiction in which it was located as at the Closing Date or the date of its acquisition or creation, as the case may be, and (ii) maintain, store or relocate Collateral at any location having a value in excess of \$100,000 in the aggregate for all locations in any jurisdiction other than as disclosed in this Agreement as at the Closing Date, in each case, without the prior written consent of FCC and, in each case, until FCC shall have (A) taken all such steps necessary, if any, by FCC to ensure that the Liens created by the Security Documents to which any Credit Party is a party continue to constitute valid, enforceable and perfected Liens, and (B) received such third party estoppel letters and opinions of counsel with respect thereto as FCC may reasonably require.
- (i) **Organizational Documents.** No Credit Party shall (i) change its corporate name, or (ii) amend its articles of incorporation, amalgamation or continuance, partnership agreement, limited partnership agreement, shareholders agreement or similar document without the prior written consent of FCC.
- (j) **Restricted Payments.** No Credit Party shall declare, pay or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except each Credit Party may make Restricted Payments:
  - (i) with respect to (A) salaries, bonuses, commissions, indemnities or other employment remuneration to employees, officers or directors of the Credit Parties in the ordinary course, and (B) reimbursement for reasonable out-of-pocket costs and expenses incurred by such employees, officers or directors in the ordinary course of carrying out their duties, paid in accordance with a reimbursement policy that is commercially reasonable;
  - (ii) with respect to the VTB Indebtedness, regular scheduled payments of principal made in accordance with the terms of the VTB Subordination Agreement;
  - (iii) with respect to the Subordinate Investors Indebtedness, payments of interest and principal made in accordance with the terms of the Subordinate Investors Subordination Agreements;
  - (iv) with respect to the GFI Shareholders Indebtedness, Restricted Payments made in accordance with the terms of the GFI Shareholders Subordination Agreements;
  - (v) with respect to regular scheduled payments of interest in respect of Subordinated Debt (other than the VTB Indebtedness, the Subordinate Investors Indebtedness and the GFI Shareholders Indebtedness); and
  - (vi) as otherwise consented to in writing by FCC,

provided that, at the time of and immediately after making a Restricted Payment in respect of subsections (ii), (iii), (iv), (v) and (vi) immediately above, (A) no Default or Event of Default shall have occurred; and (B) the Borrowers shall be in compliance with the financial covenants set out in this Agreement. If requested by FCC at any

time prior to the delivery of Global Food and Ingredients Inc.'s audited financial statements for the Financial Year ending on March 31, 2020, Global Food and Ingredients Inc. shall provide interim financial statements to support the position that they are in compliance with their financial covenants so as to permit any such Restricted Payment made. For greater certainty, the Restricted Payments permitted in this Section shall not be construed as authorizing any unusual capital withdrawals or payments to Affiliates in any year prior to the commencement of bankruptcy or insolvency proceedings in respect of any Credit Party.

- (k) **Material Contracts.** No Credit Party shall: (i) cancel, terminate, amend or otherwise modify in any manner adverse to FCC any material terms of any Subordinated Debt, (ii) cancel or terminate any Material Contract, or permit any Material Contract to be cancelled or terminated, or (iii) amend or otherwise modify any Material Contract in any manner adverse to FCC, or waive any default or breach under any other Material Contract, in each case, without the prior written consent of FCC.
- (l) **Change in Control.** No Credit Party shall cause, give effect to, consent to, participate in, process, register or record any Change in Control.
- (m) **Financial Year; Accounting Changes.** No Credit Party shall (i) change its Financial Year end, or (ii) accounting treatment or reporting practices, except as required by the Accounting Standard or any Applicable Law.
- (n) **Transactions with Affiliates.** No Credit Party will, directly or indirectly, purchase, acquire or lease any property or assets from, or sell, transfer or lease any property or assets to, or enter into any other transactions with, any officer, director, agent or other Person affiliated with or related to such Credit Party, except in the ordinary course of, and under the reasonable requirements of, the Credit Party's business, and upon fair and reasonable terms no less favourable to the Credit Party than they would obtain in a comparable arm's length transaction with an unaffiliated Person.
- (o) **Sales and Leasebacks.** No Credit Party shall enter into any Sale/Leaseback Transaction without the prior written consent of FCC.
- (p) **Creation of Subsidiaries.** No Credit Party shall, directly or indirectly, acquire or form any Subsidiary without the prior written consent of FCC.
- (q) **Repayment of Indebtedness.** No Credit Party shall repay, prepay, redeem, repurchase, defease or otherwise make any payment on account of any Indebtedness except for: (i) payment on account of Indebtedness under this Agreement, (ii) any payment consented to in writing by FCC, and (iii) payment of Permitted Indebtedness; provided that, such payment is specifically permitted by Section 1.2(j).
- (r) **Changes in Nature of Business.** No Credit Party shall (i) make any changes in any of its business objectives, purposes, or operations that could reasonably be expected to adversely affect repayment of the Outstanding Obligations or could reasonably be expected to have a Material Adverse Effect, or (ii) engage in any business other than the Core Business and activities or businesses incidental, complimentary or ancillary thereto.
- (s) **Pension and Benefit Plans.** No Credit Party shall: (i) establish or assume an obligation to contribute to, maintain, participate or sponsor a Pension Plan or Benefit Plan and shall not provide or promise a pension benefit for its employees pursuant to a Pension Plan or Benefit Plan, and (ii) acquire an interest in any person if such



person contributes to, maintains, participates in or sponsors, or at any time in the six year period proceeding each acquisition has contributed to, maintained, participated in or sponsored any Pension Plan or Benefit Plan.

- (t) **Limitation on Hedging.** No Credit Party shall enter into any interest rate, foreign exchange, commodity or other hedging program for speculative purposes.
- (u) **Limitation on Hostile Take-Over Bids.** No Credit Party shall use the proceeds of any Advance to finance any hostile or unfriendly Take-Over Bid.
- (v) **Limitation on Shareholder Loans.** No Borrower shall obtain any loans and advances from any shareholder or other Person who does not deal at arm's length with that Borrower, other than a shareholder or other Person who has executed and delivered an Assignment, Postponement and Subordination Agreement in favour of FCC.
- (w) **Restrictions on General Partner.** 11567403 Canada Inc. shall not conduct any business other than for and on behalf of, and as the general partner of, GFI LP. 11567403 Canada Inc. shall not own or hold any assets other than for and on behalf of, and as the general partner of, GFI LP.

### 1.3 **Provisions Not Applicable to Individual Guarantor**

The provisions of Section 1.2 (a), (b), (c), (e), (f), (g), (i), (m), (p), (q), (s) and (t) shall not apply to David Hanna.

## 2. **Demand and Acceleration**

### 2.1 **Events of Default**

Each of the following events shall constitute an event of default under this Agreement (each an "Event of Default"):

- (a) **Failure to Pay Principal.** If any Borrower fails to make payment when due of any principal amount of the Outstanding Obligations.
- (b) **Failure to Pay Interest or Fees.** If any Credit Party shall fail to pay any Outstanding Obligations (other than principal referenced in subsection (a) above), when and as the same shall become due and payable and such failure shall continue unremedied for a period of five (5) Banking Days.
- (c) **False Representations.** If any representation or warranty made or given by any Credit Party in or in connection with any Loan Document, or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, is materially false or incorrect, or lacking in any material facts, at the time that it is made or given, so as to make it materially misleading.
- (d) **Non-Curable Defaults.** If any Credit Party shall fail to observe or perform any covenant, condition or agreement contained in Section 1.1(b) (use of proceeds), Section 1.1(f) (corporate existence), Section 1.2 (negative covenants) or any financial covenant set out in this Agreement.

- (e) **Curable Defaults.** If any Credit Party fails in the observance or performance of any of the terms, conditions, provisions or covenants to be performed or observed by it under this Agreement (other than those specified in Sections 2.1 (a), (b), (c) and (d) above) or contained in any other Loan Document, and such failure shall continue unremedied for a period of fifteen (15) Banking Days following the earlier of (i) the date upon which a senior officer of any Credit Party had knowledge or becomes aware of any such failure, and (ii) the date that FCC delivers notice of such failure to the Borrower.
  
- (f) **Cross-Default.** If (i) any default or breach shall occur, which is not cured within any applicable grace period, in the payment when due, whether by acceleration or otherwise, of any Indebtedness for borrowed money (other than the Outstanding Obligations) of any Credit Party, having a principal amount, individually in excess of \$100,000 or the equivalent amount thereof in any other currency or in the aggregate for all such Indebtedness for borrowed money of the Credit Parties, in excess of \$250,000 or the equivalent amount thereof in any other currency, or (ii) if any other default or breach shall occur under any agreement, document or instrument to which any Credit Party is a party governing such Indebtedness which is not cured within any applicable grace period, and such default or breach causes or permits any holder of such Indebtedness or a trustee or agent to cause such Indebtedness to become due prior to its stated maturity or prior to its scheduled date of payment, regardless of whether such right is exercised by such holder, trustee or agent.
  
- (g) **Cross-Default with FCC.** If any Credit Party shall default under any other credit facility, loan or security agreement with FCC.
  
- (h) **Voluntary Insolvency and Bankruptcy Proceedings.** If any Credit Party:
  - (i) becomes insolvent, or generally does not or becomes unable to pay its debts or meet its liabilities as the same become due, or admits in writing its inability to pay its debts generally, or declares any general moratorium on its indebtedness, or proposes a compromise or arrangement between it and any class of its creditors;
  
  - (ii) makes an assignment of its property and assets for the general benefit of its creditors under the *Bankruptcy and Insolvency Act* (Canada), or makes a proposal (or files a notice of its intention to do so) under such Act;
  
  - (iii) institutes any proceeding seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts or any other relief, under any federal, provincial or foreign Applicable Law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) and any applicable corporations legislation) or at common law or in equity, or files an answer admitting the material allegations of a petition filed against it in any such proceeding, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it;

- (iv) applies for the appointment of, or the taking of possession by, a Receiver, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official for it or any substantial part of its property; or
  - (v) threatens to do any of the foregoing, or takes any action, corporate or otherwise, to approve, effect, consent to or authorize any of the actions described in this Section 2.1(h) or in Section 2.1(i), or otherwise acts in furtherance thereof or fails to act in a timely and appropriate manner in defence thereof.
- (i) **Involuntary Insolvency and Bankruptcy Proceedings.** If any petition is filed, application made or other proceeding instituted against or in respect of any Credit Party:
- (i) seeking to adjudicate it a bankrupt or insolvent;
  - (ii) seeking a bankruptcy order against it under the *Bankruptcy and Insolvency Act* (Canada);
  - (iii) seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts or any other relief under any federal, provincial or foreign Applicable Law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) and any applicable corporations legislation at common law or in equity; or
  - (iv) seeking the entry of an order for relief or the appointment of, or the taking of possession by, a Receiver, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official for it or any substantial part of its property, and
  - (v) such petition, application or proceeding continues undismissed, or unstayed and in effect, for a period of forty-five (45) days after the institution thereof, provided that if an order, decree or judgment is granted or entered (whether or not entered or subject to appeal) against such Credit Party thereunder in the interim, such grace period will cease to apply, and provided further that if such Credit Party files an answer admitting the material allegations of a petition filed against it in any such proceeding, such grace period will cease to apply.
- (j) **Winding-up, Liquidation or Dissolution.** If an order is made or an effective resolution passed for the winding-up, liquidation or dissolution of any Credit Party.
- (k) **Loan Documents.** If this Agreement or any other Loan Document at any time for any reason terminates or ceases to be in full force and effect and a legally valid, binding and enforceable obligation of any Credit Party (except, for certainty, where any such agreement is terminated unilaterally by FCC), is declared to be void or voidable or is repudiated, or the validity, binding effect, legality or enforceability hereof or thereof is at any time contested by any Credit Party, or any Credit Party denies that it has any or any further liability or obligation hereunder or thereunder or any action or proceeding is commenced to enjoin or restrain the performance or observance by any Credit Party of any material terms hereof or thereof or to question the validity or

enforceability hereof or thereof, or at any time it is unlawful or impossible for any Credit Party to perform any of its material obligations hereunder or thereunder.

- (l) **Adverse Judgments.** If (i) one or more judgments for the payment of money in a cumulative amount in excess of \$100,000 (or its then equivalent amount in any other currency) is rendered against any Credit Party or any combination of the Credit Parties, and (ii) the applicable Credit Party or Credit Parties have not provided for its or their discharge in accordance with its terms within sixty (60) days from the date of entry thereof, provided that, if enforcement and/or realization proceedings are lawfully commenced in respect thereof in the interim, such grace period will cease to apply except where the same is being Contested and the enforcement or levy has been stayed.
- (m) **Execution, Distress.** If any writ, attachment, execution, sequestration, extent, distress or any other similar process becomes enforceable against any Credit Party or if a distress or any analogous process is levied against any of the properties or assets of any Credit Party having a fair market value in excess of \$100,000, except where the same is being Contested and the enforcement or levy has been stayed.
- (n) **Unperfected Lien.** If any Lien purported to be created by any Security Document shall cease to be, or shall be asserted by any Credit Party not to be, a valid, perfected, first priority (except as otherwise expressly provided in this Agreement or such Security Document) Lien in Collateral (other than as a result of an act or omission of FCC).
- (o) **Change of Control.** If there is a Change in Control.
- (p) **Material Adverse Change.** If a Material Adverse Change shall occur.
- (q) **Environmental Liability.** If any Credit Party violates any Environmental Law which results in an action request, violation notice or other notice or control order, cancellation of any license or certificate or approval that results in any material disruption of any Credit Party's business or that could reasonably be expected to have a Material Adverse Effect, save and except where the action request, violation notice or other notice or control order or cancellation is being Contested and the enforcement thereof has been stayed.
- (r) **Environmental Order.** If any legally binding order relating to any Environmental Activity is issued by any Governmental Authority against any Credit Party and such order has not been satisfied or discharged within the time allowed for in such order or, if no time is specified in such order, within ninety (90) days after the date such order was received by any Credit Party or such longer period as FCC may agree to, acting reasonably, provided that such Credit Party is at all times acting diligently and in good faith to satisfy the order, save and except where the action request, violation, notice or other notice or control order or cancellation is being Contested and the enforcement thereof has been stayed.
- (s) **Suspension of Business.** If any Credit Party ceases the Core Business or a substantial part thereof or suspends the Core Business.
- (t) **Assignment.** If any Credit Party assigns or purposes to assign any of its rights under this Agreement or any of the other Loan Documents, or any interest herein or therein, to a third party.

- (u) **Sale.** If any Credit Party sells or otherwise disposes of, or agrees to sell or otherwise dispose of, all or a substantial part of its property, assets and undertaking whether in one transaction or a series of related transactions.
- (v) **Insurance Lapse.** If any material amount of insurance on the assets, properties or undertaking of any Credit Party lapses and such coverage shall not be reinstated within five (5) Banking Days of such lapse.
- (w) **Fraud/Misrepresentation.** The Credit Party has made any material misrepresentation to FCC, has committed fraud against FCC, if FCC becomes aware that any Credit Party has acted in a manner that calls into question its integrity and as a result will negatively impact FCC's reputation if FCC were to continue to do business with such Credit Party or if any Credit Party ceases to operate or operate materially in its Core Business, as determined by FCC in its sole discretion.
- (x) **Impairment.** If FCC, in good faith and upon commercially reasonable grounds, believes that the prospect of repayment or performance of the Outstanding Obligations is, or is about to be, impaired or any Collateral is, or is about to be, in jeopardy.

## 2.2 **Rights and Remedies**

Upon the occurrence of any Event of Default, and at any time thereafter if the Event of Default shall then be continuing, FCC may take any or all of the following actions:

- (a) by written notice to the Borrowers declare all principal amounts of all Advances and all accrued interest, fees and other Outstanding Obligations owing to be, whereupon the same shall become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrowers;
- (b) by written notice to the Borrowers declare the Credit Facilities to be terminated, whereupon the same shall terminate immediately and FCC shall have no further obligation to make any Advances available to the Borrowers under any of the Credit Facilities;
- (c) realize upon the Liens constituted by the Security Documents and any other security applicable to the liability of any Credit Party under the Loan Documents;
- (d) may by instrument in writing appoint any Person as a Receiver of all or any part of the Collateral. FCC may from time to time remove or replace a Receiver, or make application to any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by FCC will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the Borrowers' agent as the case may be. FCC may from time to time fix the Receiver's remuneration and the Borrowers will pay FCC the amount of such remuneration. FCC will not be liable to the Borrowers or any other Person in connection with appointing or not appointing a Receiver or in connection with the Receiver's actions or omissions;
- (e) appoint by instrument in writing one or more Receivers of any or all of the property, assets and undertaking of any Credit Party or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of FCC under this Agreement and the Security Documents) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time;

- (f) apply to a court of competent jurisdiction for the appointment of a Receiver of any or all of the property, assets and undertaking of any Credit Party or of any or all of the Collateral; and
- (g) without limitation, exercise any other action, suit, remedy or proceeding authorized or permitted by the Loan Documents or by law or by equity.

Upon an Event of Default occurring under Section 2.1(h), Section 2.1(i) or Section 2.1(j) or in the event of an actual or deemed entry of an order for relief with respect to any Credit Party under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), or similar Applicable Laws in other jurisdictions:

- (a) the obligation of FCC to make any further Advances available to the Borrowers shall automatically be terminated;
- (b) all Outstanding Obligations shall automatically become due and payable; and
- (c) the Security Documents shall become immediately enforceable, subject to the terms and conditions of the Security Documents and Applicable Law, and FCC may realize upon the Security Documents.

### **2.3 Application of Proceeds After Default**

Notwithstanding any other provision of this Agreement, the proceeds of any realization under the Security Documents or any portion thereof shall be distributed in the following order:

- (a) firstly, in payment of all costs and expenses incurred by FCC in connection with such realization including legal, accounting and receivers' fees and disbursements and in payment of all Liens or claims ranking prior to the Lien of the Security Documents;
- (b) secondly, against the Outstanding Obligations in such manner and at such times as FCC consider appropriate; and
- (c) thirdly, if all obligations of the Borrowers listed above have been paid and satisfied in full, any surplus proceeds shall be paid in accordance with Applicable Law.

### **2.4 Rights Under PPSA**

Before and after an Event of Default, FCC or a Receiver will have, in addition to the rights specifically provided in this Agreement or any other Loan Document, the rights and remedies of a secured party under the PPSA as well as the rights and remedies recognized at law and in equity.

### **2.5 Appropriation of Funds**

Each Credit Party agrees that FCC may from time to time appropriate all monies realized by FCC from the enforcement of any Security Document on or towards the payment of the Outstanding Obligations or such part thereof as FCC in its sole discretion may determine, and each such Credit Party shall have no right to require or enforce any appropriation inconsistent therewith, and FCC shall have the right to change the application of any such proceeds and re-apply the same to any part or parts of the Outstanding Obligations as FCC may see fit notwithstanding any previous application.

**2.6 Non-Merger**

The taking of a judgment or judgments (other than a final order of foreclosure) or any other action or dealing whatsoever by FCC in respect of any Lien created by the Security Documents shall not operate as a merger of any indebtedness or liability of any Credit Party or in any way suspend payment or affect or prejudice the rights, remedies and powers, legal or equitable, which FCC may have in connection with such liabilities, and the surrender, cancellation or any other dealings with any security for such liabilities shall not release or affect the liability of the Credit Parties under this Agreement or under any other Loan Document held by FCC.

**2.7 Deficiency**

Each Credit Party shall remain liable to FCC for payment of any Outstanding Obligations that remains outstanding following realization of all or any part of the Collateral.

**2.8 FCC not Liable**

Neither FCC nor any Receiver will be liable to any Credit Party or any other Person for any failure or delay in exercising any of its rights under this Agreement or under any Security Document (including among other things any failure to take possession of, collect, or sell, lease or otherwise dispose of, any Collateral). Neither FCC, any Receiver or any agent of FCC (including, in Alberta, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any chattel paper, securities or instrument (as those terms are respectively defined in the PPSA) in possession of FCC, a Receiver or their respective agents.

**2.9 Remedies Cumulative**

It is expressly understood and agreed that the rights and remedies of FCC under the Loan Documents are cumulative and are in addition to and not in substitution of any rights or remedies provided by law and any single or partial exercise by FCC of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained shall not be deemed to be a waiver of or to alter, affect, or prejudice any other right or remedy or other rights or remedies to which FCC may be lawfully entitled for the same default or breach, and any waiver by FCC of the strict observance, performance or compliance with any term, covenant, condition or agreement which contained and any indulgence granted by FCC shall be deemed not to be a waiver of any subsequent default. In the event that FCC shall have proceeded to enforce any such right, remedy or power contained in the Loan Documents and such proceedings shall have been discontinued or abandoned for any reason by written agreement between FCC and any Credit Party, then in each such event such Credit Party and FCC shall be restored to their former positions and the rights, remedies and powers of FCC shall continue as if no such proceedings have been taken.

**3. Representations and Warranties**

**3.1 Representations and Warranties**

Each Credit Party makes and gives the following representations and warranties to FCC, upon each of which FCC has relied in entering into this Agreement, and each of which will be deemed to be repeated on each Advance:

- (a) **Due Incorporation.** Each Credit Party is duly incorporated, organized or formed pursuant to the laws of its organization or formation, is properly registered in every

jurisdiction it does business and is current in all of its corporate filings, except to the extent any failure to have such registration would not be reasonably expected to have a Material Adverse Effect. Each Credit Party has all necessary corporate power and authority to own its properties and assets and to carry on its business as now conducted by it and, in the case of any corporation that is a general partner of any Credit Party that is a limited partnership, has all requisite power and authority to act as general partner of such Credit Party, as the case may be. Each Credit Party is or will be duly licensed or registered or otherwise qualified in all jurisdictions wherein the nature of its assets or the business transacted by it makes such licensing, registration or qualification necessary.

- (b) **Corporate Power; Authorization.** Each Credit Party has the power and authority to enter into and perform its obligations under each of the Loan Documents to which it is a party and the execution, delivery and performance of each of the Loan Documents to which it is a party has been duly authorized by all necessary action of such Credit Party (and, in the case of any Credit Party that is a limited partnership, its general partner).
- (c) **Licences.** Each Credit Party has obtained all licences, orders, consents, permits, registrations, and approvals necessary (i) to own its properties and assets, (ii) for the conduct and operation of the Core Business, and (iii) to carry on its business in each jurisdiction in which it does so.
- (d) **No Conflicts.** The execution, delivery and performance by each of the Credit Parties of the Loan Documents (to which such Credit Party is a party) and the consummation of the transactions contemplated therein:
  - (i) do not and will not violate any Applicable Law or the constating documents, by-laws, shareholders agreement, limited partnership agreement or other organizational documents of any Credit Party or any order of any Governmental Authority;
  - (ii) do not require the consent or approval of, or registration or filing with, any Governmental Authority or any other Person;
  - (iii) do not and will not violate, conflict or result in a default under any Material Contract or any indenture, agreement or other instrument binding upon any Credit Party or its respective assets, or give rise to a right thereunder to require any payment to be made by any Credit Party, except any such violations or defaults that individually or in the aggregate, do not, and could not reasonably be expected to, result in a Material Adverse Effect;
  - (iv) do not require the consent or approval of, or registration or filing with, any Governmental Authority or any other Person; and
  - (v) will not result in the creation or imposition of any Lien on any property or asset of any Credit Party, except for any Lien arising in favour FCC under the Loan Documents.
- (e) **Enforceability.** Each Loan Document constitutes a legal, valid and binding obligation of each Credit Party (and, in the case of any Credit Party that is a limited partnership, its general partner), enforceable in accordance with its terms, except to the extent that the enforceability thereof may be subject to applicable bankruptcy, insolvency, equity, reorganization, moratorium or other similar laws generally affecting creditor rights.



- (f) **Compliance with Law.** Each Credit Party is in compliance: (i) with all Applicable Laws applicable to it or its property and assets, and (ii) with all indentures, agreements and other instruments binding upon it or its property and assets, except any such non-compliance that individually or in the aggregate, do not, and could not reasonably be expected to, result in a Material Adverse Effect.
- (g) **Business.** The Credit Parties do not carry on any material business, activity or operation of any kind whatsoever other than the Core Business.
- (h) **Taxes.** Each Credit Party has filed all tax returns required to be filed by it with any Governmental Authority and has paid all Taxes which were due and payable and all assessments and reassessments, and all other Taxes, governmental charges, penalties, interest and fines due and payable by it on or before the date of this Agreement, and there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any tax return by it or the payment of any tax, governmental charges, penalties, interest or fines against it other than waivers of the normal reassessment period; there are no material actions, suits, proceedings, investigations or claims now threatened or pending against any Credit Party which, not resolved in favour of such Credit Party, would result in a material liability of such Credit Party, in respect of taxes, governmental charges, penalties, interest, fines, assessments and reassessments or any matters under discussion with any Governmental Authority relating to Taxes, governmental charges, penalties, interest, fines, or assessments and reassessments asserted by any such authority which, if not resolved in favour of such Credit Party, would result in a material liability of such Credit Party, and each Credit Party has withheld from each payment to each of its present and former officers, directors, and employees the amount of all Taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving officers within the time required under the applicable tax legislation.
- (i) **Validity and Priority of Security.** The Security Documents constitute assignments, fixed and specific mortgages and charges, floating charges or security interests, as applicable, on the property and assets of each Credit Party purported to be assigned, mortgaged, charged or subjected to a security interest thereby and ranks in priority to any other Liens upon such property and assets (subject only to Permitted Liens which are senior by operation of law and have not been contractually subordinated).
- (j) **No Litigation.** There are no actions, suits, proceedings, litigation claims, inquiries or investigations existing, pending or, to the knowledge of any Credit Party, threatened against or adversely affecting any Credit Party in any court or before any federal, provincial, municipal or governmental department, commission, board, tribunal, bureau or agency, whether Canadian or foreign, or before any arbitrator, which might, if not resolved in favour of such Credit Party have a Material Adverse Effect.
- (k) **No Judgments.** No Credit Party is subject to any judgment, order, writ, injunction, decree, award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) which could reasonably be expected to have a Material Adverse Effect.
- (l) **No Defaults.** No Default or Event of Default has occurred and is continuing. No default or event of default has occurred and is continuing in respect of any Material Contract to which any Credit Party is now a party or is otherwise bound, entitling any other party thereto to accelerate the maturity of amounts of principal owing

thereunder, or terminate any such Material Contract, which would result in a Material Adverse Change.

- (m) **Financial Statements.** The financial statements of the Credit Parties which have been furnished to FCC have been duly prepared in accordance with the Accounting Standard and fairly present the financial condition and the results of the operations of the Credit Parties and disclose all liabilities, contingent, absolute or otherwise, required to be disclosed therein, in all material respects.
- (n) **Title.** Each Credit Party has good and marketable title to all of its property and assets including, without limitation, the real property owned by it subject to the Security Documents (other than property leased or licensed to it) free and clear of any Lien, subject only to Permitted Liens and no Person has any agreement or right to acquire its interest in any of such properties, including leased or licensed properties, out of the ordinary course of business.
- (o) **Environmental Compliance**
  - (i) All facilities and property owned or leased by any Credit Party including, without limitation, the properties subject to the Security Documents have been maintained in material compliance with all Environmental Laws;
  - (ii) there have been no past, and there are no pending and, to the best of the knowledge of any Credit Party, there are no (A) written claims, complaints, notices of violation or requests for information received by any Credit Party from any Governmental Authority with respect to any alleged violation of any Environmental Law, or (B) written complaints, notices or inquiries to any Credit Party regarding potential liability of any Credit Party under any Environmental Law that, in any case, could reasonably be expected to have a Material Adverse Effect;
  - (iii) there have been no releases of Contaminants at, on or under any property owned or leased by any Credit Party at any time while owned or leased by such Credit Party that, singly or in the aggregate, have, or may reasonably be expected to have, a Material Adverse Effect;
  - (iv) each Credit Party has been issued and is in material compliance with all permits, certificates, approvals, licences and other authorizations relating to environmental matters and required under any applicable Environmental Laws in connection with the operation of the Core Business;
  - (v) no property now or previously owned or leased by any Credit Party including, without limitation, the real property subject to the Security Documents, is listed or, to the knowledge of any Credit Party, proposed for listing on any publicly published and promulgated federal or provincial governmental list of sites requiring investigation or clean-up;
  - (vi) there are no underground storage tanks, active or abandoned, including petroleum storage tanks, on or under any property now or previously owned or leased by any Credit Party including, without limitation, the real property subject to the Security Documents, that, singly or in the aggregate, have, or may reasonably be expected to have, a Material Adverse Effect;
  - (vii) no Credit Party has directly transported or directly arranged for the transportation of any Contaminant to any location;

- (viii) no property of any Credit Party is the subject of federal, provincial or local enforcement actions or other investigations which may lead to claims against any Credit Party for any remedial work, damage to natural resources or personal injury; and
- (ix) there are no polychlorinated biphenyls or friable asbestos present at any property now or previously owned or leased by any Credit Party including, without limitation, the real property subject to the Security Documents, that, singly or in the aggregate, have or may reasonably be expected to have, a Material Adverse Effect.
- (p) **Chief Executive Office; Registered Office.** The chief executive office, the principal place of business and the location of each Credit Party (within the meaning of the PPSA) and the registered office of each Credit Party is the location set out on the first page of this Agreement.
- (q) **Location of Property and Assets.** Except as disclosed in writing to FCC, the Credit Parties have no property and assets located in any jurisdictions other than the Provinces of Ontario and Saskatchewan and no Credit Party owns, leases or sub-leases any real property other than the real property which is subject to the Security Documents.
- (r) **Wholly-owned Subsidiaries.** Except as disclosed in writing to FCC, as of the Closing Date, no Credit Party has (i) any Wholly-owned Subsidiaries other than those Wholly-owned Subsidiaries that are a party to this Agreement, and (ii) entered into any agreements for the acquisition or creation of any Wholly-owned Subsidiaries.
- (s) **Employee Matters.** No Credit Party, nor any of their respective employees, is subject to any collective bargaining agreement. There are no strikes, slowdowns, work stoppages or controversies pending or, to the best knowledge of each Credit Party, threatened against any Credit Party, or its employees. No Credit Party is subject to any claim by or liability to any of their respective officers, directors or employees for salary (including vacation pay) or benefits which would rank in whole or in part pari passu with or prior to the Liens created by the Security Documents. Each Credit Party has paid, or accrued as a liability on its books and will pay, all amounts due from it to any employee, independent contractor or other Person on account of wages, workers' compensation or other compensation and, as applicable, employee health and welfare insurance and other benefits.
- (t) **Pension and Benefit Plans.** The details of the Pension Plans and Benefit Plans maintained by the Borrowers have been disclosed in writing to FCC (including identification of any Pension Plans that constitute a defined benefit plan). The Pension Plans are duly registered under the Income Tax Act (Canada) (the "ITA") and any other Applicable Laws which require registration, have been administered in accordance with the ITA and such other Applicable Laws and no event has occurred which would reasonably be expected to cause the loss of such registered status, except to the extent that any failure to do so could not reasonably be expected to have a Material Adverse Effect. All material obligations of each Borrower (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Pension Plans, the Benefit Plans and the funding agreements therefor have been performed on a timely basis, except to the extent that any failure to do so could not reasonably be expected to have a Material Adverse Effect. As of the Closing Date, there are no outstanding disputes concerning the assets of any of the Pension Plans or Benefit Plans which would reasonably be expected to have a Material Adverse Effect. No promises of benefit improvements

under any of the Pension Plans or the Benefit Plans have been made by any Borrower. All employer and employee payments, contributions or premiums required to be made or paid by each Borrower in respect of the Pension Plans and the Benefit Plans have been made on a timely basis in accordance with the terms of such plans and all Applicable Laws, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and all funding requirements applicable to such Pension Plans have been satisfied under the terms of such plans and in accordance with Applicable Law. There have been no improper withdrawals or applications of the assets of the Pension Plans. During the twelve-consecutive-month period prior to the date of the execution and delivery of this Agreement and prior to the date of any Advance, no steps have been taken to terminate (in whole or in part) any Pension Plan which could be reasonably likely to result in a material liability to any Borrower, and no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a statutory deemed trust under any provision of the PBA. No condition exists or event or transaction has occurred with respect to any Pension Plan which could be reasonably likely to result in the incurrence by any Borrower of any material liability, fine or penalty. No Borrower has any contingent liability with respect to any post-retirement benefit under a Benefit Plan. No Borrower has an intention to wind-up or terminate any Pension Plan, no declaration to wind-up any Pension Plan has been made, and no investigation is ongoing by any pension regulator as to a potential wind-up of any Pension Plan.

- (u) **Full Disclosure.** Each Credit Party has disclosed to FCC (i) all agreements, instruments and corporate or other restrictions to which any Credit Party is subject, and (ii) all other matters known to it, that, in each case, individually or in the aggregate, could, by their existence or if breached by any Credit Party, reasonably be expected to result in a Material Adverse Effect. All material liabilities of the Credit Parties have been recorded in the financial statements of the Credit Parties and disclosed to FCC.
- (v) **Insurance.** All policies of fire, liability, workers' compensation (if required), casualty, flood, business interruption and other forms of insurance owned or held by the Credit Parties are: (i) sufficient for compliance with all requirements of all Applicable Law and all Material Contracts to which any Credit Party is a party, and for compliance with this Agreement, (ii) are valid, outstanding and enforceable policies, and (iii) provide adequate insurance coverage for the property, assets and operations of the Credit Parties in at least such amounts and against at least such risks as are usually insured against in the same general area by Persons of a similar size of operations engaged in the same or a similar business. All such policies are in full force and effect, all premiums with respect thereto have been paid in accordance with their respective terms, and no notice of cancellation or termination has been received with respect to any such policy. The certificate of insurance delivered to FCC as a condition precedent to the initial Advance or from time to time contains an accurate and complete description of all policies of insurance owned or held by the Credit Parties.
- (w) **No Material Adverse Effect.** Since the date of the most recent financial statements of the Borrowers delivered to FCC, there has been no event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect.
- (x) **Non-Dilution; Retractable Shares.** No Person has any agreement, option or right capable of becoming an agreement or option for the pledge, purchase, subscription or issuance from any Credit Party of any Equity Securities of any Credit Party, issued

or unissued other than the Convertible Promissory Notes. No Credit Party has issued any Equity Securities that are retractable at the option of the holder other than to a shareholder of any Credit Party who has executed and delivered an assignment, postponement and subordination agreement in favour of FCC.

- (y) **Partnership.** No Credit Party is in partnership with any Person and no Credit Party is a participant in any joint venture.
- (z) **Solvency.** Each Credit Party is solvent and will not become insolvent after giving effect to this Agreement and the transactions contemplated in this Agreement.
- (aa) **Indebtedness; Liens.** No Credit Party (i) has any Indebtedness other than Permitted Indebtedness, and (ii) has granted any Liens other than Permitted Liens.
- (bb) **Shareholder Loans.** There are no outstanding loans and advances made to any Credit Party by any Person who does not deal at arm's length with any Credit Party, other than a shareholder of any Credit Party who has executed and delivered an assignment, postponement and subordination agreement in favour of FCC.
- (cc) **Customer and Trade Relations.** There is not any actual or threatened termination or cancellation of, or any Material Adverse Change in, the business relationship between any Credit Party with any supplier or customer material to the operations of the Credit Parties except where any such termination or cancellation could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.
- (dd) **Financial Year.** The Financial Year of Global Food and Ingredients Inc. ends on March 31 of each calendar year. The Financial Year of GFI LP and 11567403 Canada Inc. ends on December 31 of each calendar year.
- (ee) **Cash Calls.** No Credit Party is subject to any mandatory obligation or requirement to provide funds or to make any Investment in any business or Person.
- (ff) **Vendor Take-Back Obligations.** No Credit Party has any payment obligations under any vendor take-back or other similar deferred purchase price obligations other than the VTB Indebtedness.
- (gg) **Litigation Claims against CanPulse.** (1) To the best of the knowledge of the Credit Parties: (a) CanPulse commenced an action against J & J Winny Holdings Ltd. ("Winny") in 2016 alleging that Winny had breached a contract to supply lentils to Canpulse by failing to deliver the required tonnage, (b) Winny filed a Statement of Defence alleging that there was no binding contract, (c) Winny also counter-claimed against CanPulse alleging that it was underpaid on another contract and claimed just under \$38,000, (d) CanPulse has filed a defence to that counterclaim alleging that it has paid the proper amount on the contract because the delivery was not within the agreed time period under the contract, and (e) The claim does not directly relate to the Purchased Assets (as defined in the CanPulse Asset Purchase Agreement).  
  
(2) To the best of the knowledge of the Credit Parties: (a) Surtidora Abarrotera De Guadalajara, S.A. De C.V. commenced an action against CanPulse and others as Court File Number Q.B. No. 2511 of 2019 for an amount less than US \$100,000, and (b) The claim does not relate to the Purchased Assets (as defined in the CanPulse Asset Purchase Agreement).

- (hh) **Corporate Structure.** Global Food and Ingredients Inc. owns all of the issued and outstanding Equity Securities of GFI LP and 11567403 Canada Inc. The owners of all of the issued and outstanding Equity Securities of Global Food and Ingredients Inc. are as follows:

David Hanna  
Samira Sharezay  
35 Oak Holdings Ltd.  
Michael Wiener  
Kevin Wiener  
Robert Wolf  
Kurniadi Kurniadi  
Frank van Biesen

The holders of all of the issued and outstanding Convertible Promissory Notes of GFI LP are as follows:

David Hanna  
John Hanna  
35 Oak Holdings Ltd.  
Michael Wiener  
Kevin Wiener  
Robert Wolf  
Kurniadi Kurniadi  
Frank van Biesen

### **3.2 *Survival of Representations and Warranties***

All representations and warranties of the Credit Parties as set out in this Agreement or and other Loan Document shall be deemed to have been restated at the time of each Advance, and shall survive each Advance (except to the extent such representations and warranties expressly relate to an earlier date in which case they should be true and correct in all material respects as of such date) and shall continue until all Outstanding Obligations have been satisfied and repaid in full and Credit Facilities terminated.

## **4. Change in Circumstances and Indemnities**

### **4.1 *Losses***

The Credit Parties shall, from time to time, fully indemnify and hold FCC, and its directors, officers, employees and agents harmless from and against any and all costs, losses, expenses, damages or liabilities which such party may sustain or incur as a direct result of, without duplication:

- (a) the failure of the Borrowers to utilize any Advances under the Credit Facilities in the manner specified herein (including if such failure was caused by the failure of the Borrower to meet all conditions precedent except those conditions which have been waived by FCC in writing);
- (b) the failure of the Borrowers to pay any sum on its due date or within any cure period whichever is later; or
- (c) any Default or Event of Default.

Without prejudice to the generality of the foregoing, the foregoing indemnity shall extend to any loss, premium, penalty or expense which may be incurred by FCC in liquidating deposits from third parties acquired to make, maintain or fund an Advance or any part thereof or any amount due or to become due under this Agreement.

Notwithstanding the foregoing and for greater certainty, the Credit Parties shall not be responsible to indemnify FCC and any of its directors, officers, employees and agents from any costs, losses, expenses, damages or liabilities which are attributed to each indemnified person's gross negligence or wilful misconduct, all as determined by a non-appealable judgment of a court of competent jurisdiction.

#### **4.2 Environmental Indemnity**

- (a) The Credit Parties shall at all times indemnify and hold FCC and its directors, officers, employees and agents harmless against and from any and all claims, liabilities, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, of any nature whatsoever suffered or incurred by any such party (including any reasonable costs and expenses of defending or denying same) whether upon realization of any security for the Outstanding Obligations, or as lender to the Borrower, or as successor to or assignee of any right or interest of the Credit Parties, or as a result of any order, investigation or action by any Governmental Authority relating to any Credit Party or its business or assets, or as mortgagee in possession, or as successor-in-interest to any Credit Party by foreclosure deed or deed in lieu of foreclosure, under or on account of any Environmental Law including, without limitation, the assertion of any lien thereunder, with respect to:
- (i) the release, discharge or emission of a Contaminant, the threat of the release, discharge or emission of any Contaminant, or the presence of any Contaminant;
  - (ii) any costs of removal or remedial action incurred by any Governmental Authority or any costs incurred by any other Person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Environmental Law;
  - (iii) liability for personal injury or property damage arising under any statutory or common law tort theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance or for the carrying on of a dangerous activity; or
  - (iv) any other environmental matter within the jurisdiction of any Governmental Authority.
- (b) Each Credit Party acknowledges that FCC has agreed to make the Credit Facilities available in reliance upon the Credit Parties' indemnity in this Section. For this reason, it is the intention of the Credit Parties and FCC, that the provisions of this Section shall supersede any other provisions of this Agreement or any other Loan Document which might in any way limit the liability of the Credit Parties that the Credit Parties shall be liable for any obligations arising under this Section even if the amount of liability incurred exceeds the amount of outstanding Advances at any time, provided that the Credit Parties and FCC may enter into a mutually accepted agreement to limit such liability.

- (c) This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement, shall give rise to a separate and independent cause of action, and shall apply irrespective of any indulgence granted by FCC from time to time. A separate action or actions may be brought and prosecuted against the Credit Parties or any Credit Party in respect of this indemnity, whether or not any action is brought against any other person or whether or not any other person is joined in such action or actions.

#### 4.3 **Survival**

The obligations of the Credit Parties under this Section shall survive the payment of all Outstanding Obligations and the cancellation of the Credit Facilities.

### 5. **Assignment and Participation**

#### 5.1 **Benefit of Agreement**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, heirs, estate, executors and personal representatives, as applicable, in accordance with this Section.

#### 5.2 **Assignment by Credit Parties**

No Credit Party shall assign or transfer any rights or obligations hereunder without the prior written consent of FCC which may be refused in the absolute discretion of FCC.

#### 5.3 **Assignment by FCC**

FCC reserves the right to sell, assign, transfer or grant a participation in the whole of its commitment to any Person (a "**Participant**") without the consent of the Credit Parties. For the purpose of selling, assigning, transferring or granting a participation in its commitment, FCC may disclose on a confidential basis to a potential Participant such information concerning the Credit Parties as FCC considers appropriate. Each Credit Party agrees to execute and deliver such further documentation and take such further action as FCC considers necessary or advisable to give effect to such sale, assignment, transfer or grant of participation. In the case of sale, assignment, transfer or granting of a participation, the Participant shall have, to the extent of such sale, assignment, transfer or grant of participation, the same rights and obligations as it would have if it were the lender on the Closing Date and as such had executed this Agreement and any other Loan Documents as required. FCC shall be relieved, to the extent of the sale, assignment, transfer or grant of participation, of its obligations under this Agreement with respect to its commitment which has been sold, assigned, transferred or granted. Each Credit Party hereby acknowledges and agrees that any sale, assignment, transfer or granting of a participation will give rise to a direct obligation of the Credit Parties to the Participant.

### 6. **Miscellaneous**

#### 6.1 **Performance by FCC**

If any Credit Party fails to perform any of its obligations under any Loan Document, FCC may, but shall not be obligated to, perform any or all such obligations, and all costs, charges, expenses, fees, outlays and premiums incurred by FCC in connection with such performance shall be payable by the Borrowers forthwith upon demand by FCC and shall bear interest from the date incurred by FCC at the highest rate provided for in this Agreement, calculated and compounded monthly and payable on demand, with interest on overdue interest at the



same rate. Any such performance by FCC shall not constitute a waiver by FCC of any right, power, or privilege under this Agreement or any other Loan Document.

## **6.2 Notice**

Any notice, request or other communication hereunder to any of the parties hereto shall be in writing and be well and sufficiently given if delivered personally or sent by prepaid registered mail to its address or by facsimile/telecopier to the number and to the attention of the person set forth below:

- (a) In the case of any Credit Party or Credit Parties, a single notice to:

Global Food and Ingredients Inc.  
43 Colborne Street, Suite 400  
Toronto, ON M5E 1E3

Attention: David Hanna  
Email: david.hanna@gfiglobalfood.com

- (b) In the case of FCC:

Farm Credit Canada  
Loan Administration Centre  
1133 St. George Blvd, Suite 104  
Moncton, NB E1E 4E1  
Fax No.: 506-851-6613

Any such notice shall be deemed to be given and received, if delivered, when delivered, and if mailed, on the third Banking Day following the date on which it was mailed, unless an interruption of postal services occurs or is continuing on or within the three Banking Days after the date of mailing in which case the notice shall be deemed to have been received on the third Banking Day after postal service resumes and if sent by telecopier on the next Banking Day after the day on which the telecopy is sent. Any party may by notice to the other, given as aforesaid, designate a changed address or telecopier number.

Notices and other communications to FCC or any Credit Party under this Agreement may also be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved in writing by FCC.

Unless FCC otherwise prescribes: (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment); provided that, if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Banking Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

## **6.3 Statements and Reports**

Except as otherwise provided herein, all statements, reports, certificates, opinions, appraisals and other documents or information required to be furnished to FCC by the

Borrowers under this Agreement shall be supplied by the Borrowers without any cost or expense to FCC.

**6.4 Approvals**

Where in this Agreement or any other Loan Document any matter is subject to the consent or approval of FCC, FCC will make a determination or assessment of the materiality of any event or circumstance, such consent, approval, determination or assessment shall be made in the sole discretion of FCC, acting reasonably, unless otherwise expressly provided herein or therein.

**6.5 Severability**

If any term, covenant, obligation or agreement contained in this Agreement, or the application of any such term, covenant, obligation or agreement to any Person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant, obligation or agreement to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such invalidity or unenforceability and each term, covenant, obligation or agreement contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

**6.6 Time of Essence**

Time is of the essence of this Agreement and any forbearance by FCC or any of the Credit Parties of the strict application of this provision shall not operate as a continuing or subsequent forbearance.

**6.7 Further Assurances**

Each party to this Agreement shall from time to time and at all times hereafter, upon every reasonable request of another party, make, do, execute, and deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be necessary in the opinion of the requesting party, acting reasonably, for implementing and carrying out the true intent and meaning of this Agreement.

**6.8 Entire Agreement**

This Agreement contains the entire understanding of the parties with respect to the subject matter hereof. There are no restrictions, agreements, promises, warranties, covenants or undertakings made by FCC or any of the Credit Parties other than those set forth in the Loan Documents.

**6.9 Conflict**

In the event that there is any conflict or inconsistency between the provisions contained in this Agreement and the provisions contained in any other Loan Document, such that the conflicting or inconsistent provisions cannot reasonably co-exist, then the provisions of this Agreement shall govern and shall override the provisions contained in such other Loan Document. For greater certainty, the existence of a particular representation, warranty, covenant or other provision in any Loan Document which is not contained in this Agreement shall not be deemed to be a conflict or inconsistency, and that particular representation, warranty, covenant or other provision shall continue to apply.

**6.10 No Third Party Beneficiaries**

Subject to Section 5 of Schedule "A" to this Agreement, this Agreement shall be for the sole benefit of FCC and the Credit Parties, and is not for the benefit of any other Person.

**6.11 Counterparts; Execution**

This Agreement may be executed in any number of counterparts or by facsimile or PDF electronic counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Each party executing this Agreement by facsimile or PDF electronic counterpart shall provide two originally executed counterparts to each of the other parties within ten (10) Banking Days of its delivery of its facsimile or PDF electronic counterpart, but any failure or delay in so doing shall not derogate in any way from the sufficiency or effectiveness of that party having electronically transmitted its executed copy.

**6.12 Relationship to Parties**

The provisions contained in this Agreement shall not create or be deemed to create any relationship as between the Borrowers and FCC other than that of borrower and lender or as between a Guarantor and FCC other than that of guarantor and lender.

**6.13 Amendments and Waivers**

This Agreement may not be amended or modified in any respect except in accordance with the provisions hereof, however, the Credit Parties hereby agree to make such amendments to this Agreement as may be reasonably requested by FCC to facilitate the granting by FCC of participations or assignments, provided that no such amendment shall have the effect of increasing any costs payable by the Borrowers or increasing the obligations of the Borrowers under the loan contract.

No amendment of any provision of this Agreement will be effective unless it is in writing, signed by the Borrowers, the Guarantors and FCC. No failure or delay, on the part of FCC, in exercising any right or power hereunder or under any Security Documents or any other Loan Document delivered to FCC shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by a Borrower will require review and agreement by FCC and its counsel. Costs related to this review will be for the Borrower's account.

**6.14 Review**

FCC shall conduct an annual review within 180 days following the fiscal year-end of each Borrower, and any other matters related to this Agreement as reasonably determined by FCC. The Credit Parties agree to execute and deliver to FCC such information, assurances and things as may be necessary in the opinion of FCC, acting reasonably, to satisfactorily complete the above referenced annual review.

**6.15 Confidentiality**

FCC agrees to use reasonable efforts to ensure that any financial statement or other information relating to the business, assets or condition, financial or otherwise, of any Credit Party which may be delivered to FCC pursuant to this Agreement which is not publicly filed or

otherwise made available to the public generally (and which is not independently known to FCC) will, to the extent permitted by law, be treated confidentially by FCC and will not, except with the consent of the Credit Party, be distributed or otherwise made available by FCC to any Person other than FCC's employees, authorized agents, counsel or other representatives (provided such other representatives have agreed to keep all information confidential) required, in the reasonable opinion of FCC, to have such information. FCC is hereby authorized to deliver a copy of any financial statement or other information relating to the business, assets or financial condition of any Credit Party which may be furnished to it under this Agreement or otherwise, to (i) any actual or potential participant or assignee provided notice thereof is given to the Borrowers and the participant or assignee agrees to keep all such information confidential in accordance with the provisions hereof; (ii) any court, regulatory body or agency having jurisdiction over FCC pursuant to any court order requiring such information to be given by it, provided that where FCC receives such an order, FCC shall, to the extent it is reasonably able to do so and it is appropriate in the circumstances, advise the Borrowers of the order prior to disclosing such information; and (iii) any Affiliate of FCC required, in the reasonable opinion of FCC, to have such information such Affiliate agrees to keep all such information confidential in accordance with the provisions hereof.

#### **6.16 Evidence of Debt**

FCC shall maintain accounts and records evidencing the Outstanding Obligations of the Borrowers to FCC hereunder. FCC's accounts and records shall constitute *prima facie* evidence of such Outstanding Obligations to FCC in the absence of manifest error. Each Borrower acknowledges, confirms and agrees that all such records kept by FCC shall constitute *prima facie* evidence of the matters referred to above; provided, however, that the failure of FCC to make any entry or recording in any such records shall not limit or otherwise affect the Outstanding Obligations of such Borrower owed to FCC.

#### **6.17 Joint and Several Liability**

Where more than one Person signs this Agreement as a borrower, each such Person shall be jointly and severally liable for and obligated to repay all Outstanding Obligations under the Credit Facility without the necessity of restating the words "jointly and severally" or "joint and several" in respect thereof. Each Borrower acknowledges that it is fully responsible for all such Outstanding Obligations even though (i) it may not have requested a single Advance or received any proceeds from an Advance, (ii) a co-borrower may have fraudulently converted all Advances, and (iii) the manner in which FCC accounts for Advances on its books and records may differ from a joint and several basis. Each Borrower's obligations with respect to the Outstanding Obligations, and each Borrower's obligations arising as a result of the joint and several liability of each Borrower under this Agreement, shall be primary obligations of each Borrower. The joint and several liability and obligations of each Borrower under this Agreement shall, to the fullest extent permitted by law, be unconditional irrespective of (i) the validity, enforceability, avoidance or subordination of all or any part of the Outstanding Obligations of any other Borrower or of any Loan Document, (ii) the absence of any attempt by FCC to collect the Outstanding Obligations from any other Borrower or any Guarantor or under any Security Document, or the absence of any action to enforce the same, (iii) the waiver, consents, extension, forbearance or granting of any indulgence by FCC with respect to any provision of any agreement evidencing the obligations of any other Borrower, or any part thereof, or any other agreement now or hereafter executed by any other Borrower and delivered to FCC, (iv) the failure by FCC to take any steps to perfect and maintain its security interest in, or to preserve its rights to, any security or collateral for the obligations of any other Borrower, or (v) any other circumstances which might constitute a legal or equitable discharge or defence of any Borrower, any Guarantor or other Person obligated in connection with this Agreement (an "**Obligor**") or the Advances. Each Borrower waives, until all Outstanding Obligations are repaid in full, (i) the Credit Facility has been terminated, and

(iii) FCC has no commitment or obligation under this Agreement, any right to enforce any right of subrogation or any remedy which FCC now has or may hereafter have against any Obligor of all or any part of the Outstanding Obligations, and any benefit of, and any right to participate in, any security or collateral given to FCC to secure payment of the Outstanding Obligations any other liability of the Borrowers to FCC. Where more than one Person is liable as guarantor, if applicable for any covenant, obligation or agreement under this Agreement, then the liability of each such Person for such covenant, obligation or agreement is joint and several with each other such Person.

**6.18 Currency**

Unless otherwise expressly stated, all monetary amounts set out in this Agreement refer to the lawful money of Canada.

**6.19 Words and Phrases**

Where the context so requires, words importing the singular include the plural, and vice versa, and words importing gender include the masculine, feminine, and neuter genders.

**6.20 Headings and Table of Contents**

The table of contents and the headings of all articles, sections, and paragraphs herein are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

**6.21 Accounting Practices**

In the event of any change in Accounting Standard or practices used by a Borrower including any change resulting from a change in Accounting Standard made after the Closing Date, or the adoption of International Financial Reporting Standards by such Borrower, which, in any material respect, changes, or results in a change in the method of calculation of, or has an impact on, any financial covenant, financial ratio, term or provision applicable to the Borrower, as determined by FCC acting reasonably, the Borrower and FCC (with the approval of FCC) will negotiate in good faith to revise (if applicable) such financial covenant, financial ratio, term or provision. If such Borrower and FCC are unable to agree upon revisions to such financial covenant, financial ratio, term or provision, the Borrower shall continue to provide Financial Statements, certificates and other information required under this Agreement in accordance with the Accounting Standard as they exist on the Closing Date and all financial covenants, financial ratios, terms and provisions shall be applied, calculated and interpreted in accordance with the Accounting Standard as they exist on the Closing Date.

**6.22 Computation of Time Periods**

The computation of any time period referred to herein, which is not a defined term, shall exclude the day of the occurrence of the event to which the period relates and shall include the last day of such period. Unless otherwise specifically provided herein in the event that any time period referred to herein ends on a day which is not a Banking Day, such time period shall be deemed to end on the next following Banking Day.

**6.23 Statutory References**

References herein to any statute or any provision thereof includes such statute or provision thereof as amended, revised, re-enacted and/or consolidated from time to time and any successor statute thereto or other legislation in pari passu material therewith.

**6.24 Certificates and Opinions, etc.**

Whenever the delivery of a certificate or opinion is a condition precedent to the taking of any action by FCC under any Loan Document, the truth and accuracy of the facts and opinions stated in such certificate or opinion shall in each case be conditions precedent to the right of the Borrowers to have such action taken, and each statement of fact contained therein shall be deemed to be a representation and warranty of the Borrowers for the purpose of this Agreement. Whenever any certificate is to be delivered by the Borrowers, such certificate shall be signed on behalf of the Borrowers by a senior officer of the Borrowers.

**6.25 Determinations by Borrowers**

All provisions contained herein requiring the Borrowers to make a determination or assessment of any event or circumstance or other matter to the best of its knowledge shall be deemed to require the Borrowers to make all inquiries and investigations as may be necessary or reasonable in the circumstances before making any such determination or assessment.

**6.26 Customer Declaration**

FCC acts with integrity, balancing business decisions with individual needs to achieve our vision of sustainable growth and prosperity for Canada's agriculture industry.

FCC's committed partnership begins with complete disclosure on all aspects of the Credit Parties' business. FCC lends only to individuals with personal integrity. FCC does not lend to those whose business or other activities will negatively impact FCC's reputation and detract from FCC's ability to attract and retain other customers.

For example, FCC will not finance people or businesses that:

- (a) attempt to defraud FCC by inflating the value of land or equipment that they pledge/hypothecate as security, or otherwise mislead FCC as to the true value of their assets;
- (b) deliberately violate any Applicable Laws or regulations regarding the care and treatment of animals;
- (c) deliberately or recklessly pollute the environment;
- (d) are involved in grow-ops;
- (e) willfully violate employee or human rights; and
- (f) are otherwise engaged in activities that could harm FCC's reputation and commitment to promoting the interests of ordinary, ethical producers and agribusiness operators in Canada.

Before obtaining FCC financing, each Credit Party acknowledges and confirms that:

- (a) they have read this statement;
- (b) they know of no reason why FCC may have any concern with your business; and

(c) they are not involved in any of the examples listed above.

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## **SCHEDULE B - Standard Loan Features**

### **1. Variable Mortgage Rate Terms**

#### **1.1 *Applicable Interest Rate***

Loan No. 712591001 is a Standard Variable Mortgage Rate Loan

The interest rate applicable to Loan No. 712591001 will be FCC's Variable Mortgage Rate plus 2.75% during the term of Loan No. 712591001. Interest will begin accruing on Loan No. 712591001 at FCC's Variable Mortgage Rate plus 2.75% upon first disbursement of any portion of Loan No. 712591001.

The Variable Mortgage Rate is currently 4.95% per annum but may change from time to time without prior notice to the Borrowers. The Borrowers agree that FCC's publication of its Variable Mortgage Rate in its offices shall be conclusive and binding between the parties to determine the rate of interest applicable to the Credit Facility.

Each change in FCC's variable interest rate shall cause an immediate and automatic adjustment in any variable interest rate applicable under this Agreement, from the effective date of the change, calculated in accordance with FCC's usual practices, and without notification to the Borrowers.

#### **1.2 *Payment Adjustment***

If FCC's Variable Mortgage Rate or other variable rate application to a loan changes FCC may adjust the payment amounts for any variable rate loan, as a result of changes in the interest rate, to ensure that the principal payments are being repaid as originally intended under this Agreement.

#### **1.3 *Interest Rate Guarantee***

Variable Rate Loans have no interest rate guarantee.

#### **1.4 *Prepayment***

The Borrower may pay-out an Open Variable Mortgage Rate Loan or an Advancer Loan – Variable Open Loan at any time in part or in whole, without cost, during its term.

Any prepayments to a Variable Mortgage Rate Loan are subject to an additional prepayment charge equal to the greater of (i) three (3) months interest on the amount prepaid at the interest rate in effect on the applicable loan as of the date of prepayment, and (ii) the amount of interest lost by FCC over the remaining term of the loan. A Variable Mortgage Rate Loan includes an annual pre-payment privilege of ten percent (10%) of the disbursed loan; provided that, such loan is not in default. This annual prepayment privilege can be exercised at any time during each calendar year (January 1 – December 31).

#### **1.5 *Convertibility***

Any loan that has an Open Variable Mortgage Rate interest term may be converted, at any time, upon payment of a Conversion Fee, to any other loan that has a Mortgage interest term.

Any loan that has a Variable Mortgage Rate interest term may be converted, at any time, upon payment of a Conversion Fee, to any available Mortgage Rate Loan, except the Open Variable mortgage.



## 2. Advancer Loan Terms

### 2.1 *Prepayment*

The Borrower may pay out any Advancer loan at any time in part or in whole, without cost.

### 2.2 *Purposes and Uses*

The Borrower agrees that the funds received under any Advancer loan will be used only for agricultural purposes that are directly related to the Borrower's business operation.

The Borrower agrees to immediately advise FCC if any of the funds requested under the Advancer loan are used for any type of construction, equipment installation, manure or waste handling, cleanup of contaminated land or water, or for the purpose of altering animal or plant habitat or for importing animals or genetic material of a non-domestic species. The Borrower further agrees that it shall comply with all legal requirements for the holdback of funds on construction projects and any request by FCC to provide information about the environmental effects of such activities.

The Borrower agrees that it will not permit any other mortgage or charge to be registered against the Properties it has provided as security for an Advancer loan without first notifying FCC. The Borrower further agrees that if it becomes aware of any encumbrance being registered against the Properties, such as a builder's lien, construction lien, judgment or execution, it will immediately advise FCC.

The Borrower agrees that any charges such as builder's or construction liens, executions or judgments, other mortgages, charges or caveats that are registered against the property which is the security for this Credit Facility, may be treated as an Event of Default under this Agreement and the security documents and agreements securing this Credit Facility. FCC may demand full payment of the loan or alter the Repayment Terms of the loan.

Advancer loans are revolving loans. The Payment amount (as set out in the table at Section 2 entitled "**Payment Schedule Details**") is based on FCC fully disbursing the Advancer Loan (up to the maximum Principal amount noted in the table at Section 2 entitled "**Credit Facility Details**") and the Borrower making the payments at the agreed-upon frequency. Any change to the amount disbursed or the frequency of payments will affect the amount of the Borrower's required payments.

### 2.3 *Annual Review and Principal Repayment*

The Advancer loan may be reviewed by FCC at any time but will be reviewed at least annually. This review may result in future disbursements being restricted, the interest rate applicable to the loans being adjusted or the repayments terms adjusted.

At any time FCC may, at its sole discretion, amend the repayment terms of the Advancer loan to include repayment of the balance owing as well as interest. If FCC requires repayment of principal as well as interest the Borrower will be given notice of this amendment including the new amount of each payment. FCC will determine the amortization period for the calculation of the principal and interest payments and advise the Borrower of the required payments and frequency thereof.

Disbursement requests can be made by phone, fax or in person by any Borrower, or by any person authorized, in writing, by all Borrowers.

After the initial disbursement of funds under the Advancer loan, for the purposes approved as part of the initial loan application, the Borrower agrees to the following specific restrictions on the use of any additional loan proceeds:

- (a) none of the loan proceeds will be used to pay any FCC debt; and
- (b) none of the loan proceeds will be used to pay any debt with other financial institutions other than debt incurred for operating expenses related to the Borrower's agricultural operations.

#### 2.4 **Terming Out**

At any time after the applicable Interest Adjustment Date, where a loan is on an "Advancer Loan - Variable Open" rate and if the loan is not in default, the Borrower may convert (Term-Out) all or part of the funds to a new loan with any mortgage rate and term available on any other FCC loan product generally available at the time of such conversion. Any such conversion shall be evidenced by the Borrower signing FCC's prescribed form and the payment of FCC's then current conversion or Term-Out fee on each such loan. A minimum balance of \$25,000 is required for each Term-Out transaction.

### 3. **Interest Rate Guarantee**

#### 3.1 **Real Property Loan**

All funds disbursed in the first 90 days will be at the lower of:

- (a) the interest rate quoted in the Agreement, or
- (b) the interest rate in effect on the date of first disbursement of the Loan.

This same rate will apply to all Advances made after 90 days, providing that 90 percent of the principal amount of a Loan is disbursed by the Interest Rate Guarantee Expiry Date. If 90 percent of the principal amount of a Loan is not disbursed by the Interest Rate Guarantee Expiry Date, then all funds advanced after the Interest Rate Guarantee Expiry Date will bear interest at the rate in effect on the date of each disbursement as determined by FCC in its sole discretion. If this results in multiple interest rates for the Loan, FCC will calculate a weighted average interest rate for the entire Loan at the time of each disbursement. For Loans secured by mortgages, if the actual interest rate charged is higher than the registered rate, the funds will be advanced on the trust condition that the Credit Parties execute (and register, if appropriate) a mortgage amending agreement reflecting the higher interest rate.

### 4. **Interest Act**

Unless otherwise specified, all annual rates of interest referred to in this Agreement are based on a calendar year of 365 or 366 days, as the case may be. Where a rate of interest under this Agreement is calculated on the basis of a year (the "**Deemed Year**") which contains fewer days than the actual number of days in the calendar year of calculation, that rate of interest will be expressed as a yearly rate for the purposes of the *Interest Act* (Canada) by multiplying that rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the Deemed Year.

For purposes of the *Interest Act* (Canada), the principle of deemed reinvestment of interest will not apply to any interest rate calculation under this Agreement, and the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

Interest on each Loan shall be calculated on the daily outstanding balance of such Loan from (and including) the date it is advanced until (but excluding) the date it is repaid in full. The rates of interest per annum are expressed on the basis of a 365 or 366 day year, as applicable.

Interest owing on a Real Property Loan shall be compounded semi-annually, not in advance. Interest owing on a Personal Property Loan shall be compounded on each payment date (for example, interest shall be compounded monthly if payments are made monthly). All such interest shall be payable both before and after maturity, default and judgment on the amount outstanding from day to day until payment is made.

## 5. Maximum Interest Rate

- (a) In the event that any provision of this Agreement would oblige the Borrower to make any payment of interest or any other payment which is construed by a court of competent jurisdiction to be interest in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by FCC of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted nunc pro tunc to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by FCC of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows:
  - (i) firstly, by reducing the amount or rate of interest required to be paid under this Agreement; and
  - (ii) thereafter, by reducing any fees, commissions, premiums and other amounts which would constitute interest for the purposes of Section 347 of the Criminal Code (Canada).
- (b) If, notwithstanding the provisions of Section 5(a) above and after giving effect to all adjustments contemplated thereby, FCC shall have received an amount in excess of the maximum permitted by such clause, then such excess shall be applied by FCC to the reduction of the principal balance of the Outstanding Obligations and not to the payment of interest or if such excessive interest exceeds such principal balance, such excess shall be refunded to the Borrower; and
- (c) Any amount or rate of interest referred to in this Section 5 shall be determined in accordance with generally accepted actuarial practices and principles at an effective annual rate of interest over the term of this Agreement on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the Criminal Code (Canada)) shall, if they relate to a specific period of time, be prorated over that period of time and otherwise be prorated over the terms of this Agreement and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by FCC shall be conclusive for the purposes of such determination.

## 6. Account Review and Right to Amend

Loans may be reviewed periodically. For all Loans, any default may result in, but not limited to, future disbursements being restricted, an adjustment of interest rate, fees being charged or a change in the repayment terms of the Loans.

7. **Loan Approval Expiry Date**

All amounts not advanced under any Credit Facility by the applicable Loan Approval Expiry Date may be cancelled at FCC's sole discretion.

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## SCHEDULE C - Definitions

In this Agreement, unless the context otherwise requires, the following terms shall have the meaning set out below:

**"Accounting Standard"** means (i) Canadian Generally Accepted Accounting Principles with respect to any Credit Party that reports its financial statements using such principles, or (ii) International Financial Reporting Standards with respect to any Credit Party that reports its financial results using such standards.

**"Acquisition"** means any transaction, or any series of related transactions, consummated after the Closing Date, by which any Credit Party, directly or indirectly, by means of a Take-Over Bid, tender offer, amalgamation, merger, investment, purchase of property and assets or otherwise:

- (a) acquires any business, line of business or business unit or all or substantially all of the property and assets of any Person engaged in any business, line of business or constituting a business unit, or constitutes all or a material part of a business unit, division or line of business of such Person;
- (b) acquires control of securities of a Person engaged in a business representing more than 50% of the ordinary voting power for the election of directors or other governing position if the business affairs of such Person are managed by a board of directors or other governing body;
- (c) acquires control of more than 50% of the ownership interests or economic interests in any Person engaged in any business that is not managed by a board of directors or other governing body; or
- (d) acquires Control of a Person.

**"Advance"** means an advance under any Credit Facility by FCC, and **"Advances"** means all such advances under any Credit Facility or the Credit Facilities, as the context may require.

**"Affiliate"** means with respect to any Person, any Person which, directly or indirectly, controls or is controlled by or is under common control with such person and for the purposes of this definition, "control" (including with correlative meanings, the terms "controlled by" and "under common control with") shall have the meaning set forth in the *Canada Business Corporations Act* as amended, revised, replaced or re-enacted from time to time.

**"Agreement"** means the credit agreement between FCC and the Borrowers and the other Credit Parties to which this Schedule is attached, including this Schedule and any other schedules hereto or thereto, as such agreement and schedules may be amended, restated, renewed, extended, supplemented or otherwise modified from time to time.

**"Applicable Law"** means (i) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise), (ii) any judgment, order, writ, injunction, decision, ruling, decree or award, (iii) any regulatory policy, practice, guideline or directive, or (iv) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law.

**"Asset Disposition"** means, with respect to any Person, the sale, lease, license, transfer, assignment or other disposition of, or the expropriation or condemnation of, all or any portion of its business, assets, rights, revenues or property, real, personal or mixed, tangible or intangible, moveable or immovable, and whether in one transaction or a series of transactions.

**"Balance Due Date"** means the balance due date for each Credit Facility as set out in Section 2 on which date such Credit Facility matures and is repayable in full or any subsequent date to which the applicable balance due date is extended by FCC in writing and accordance with this Agreement.

**"Banking Day"** means any day other than Saturday or Sunday, on which FCC's corporate office in Regina, Saskatchewan, is open for normal business.

**"Benefit Plan"** means any plan, fund, program or policy, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, providing employee benefits, including medical, hospital care, dental, sickness, accident, disability, life insurance, pension, retirement or savings benefits, maternity or parental benefits, supplemental unemployment benefits, bonus, profit sharing, executive compensation, current or deferred compensation, incentive compensation, stock compensation, stock purchase, stock option, stock appreciation or phantom stock option, maintained or contributed to by any Credit Party at any time or under which any Credit Party has any liability with respect to any employee or former employee who works or worked, as the case may be, in Canada but excluding any Pension Plan.

**"Borrower"** or **"Borrowers"** means Global Food and Ingredients Inc. and GFI LP and their respective successors and permitted assigns. Each reference to the word Borrower (singular) in this Agreement shall include the word Borrowers (plural) as the context may require. Each reference to GFI LP as a "Borrower" shall include 11567403 Canada Inc. in its capacity as general partner of GFI LP.

**"CanPulse"** means CanPulse Foods Ltd., and its successors and permitted assigns.

**"CanPulse Asset Purchase Agreement"** means an agreement of purchase and sale dated on or about November 22, 2019 between GFI LP, as buyer, and CanPulse, as seller, Hakan Agro DMCC and Globeways Canada inc., as guarantors, and GFI in respect of the purchase of the Purchased Assets (as defined therein).

**"Capital Expenditures"** means, for any period, any and all expenditures incurred in connection with the acquisition, whether by way of purchase, lease or otherwise, of capital property.

**"Capital Lease Obligations"** of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under the Accounting Standard, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with the Accounting Standard.

**"Change in Control"** means the occurrence of any one of the following:

- (a) the death or incapacity of any Credit Party who is an individual Person;
- (b) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group of Persons acting jointly or otherwise in concert, in a single transaction or in a related series of transactions, of Equity Securities representing 50% or more of the aggregate ordinary voting power represented by the issued and outstanding Equity Securities of any Borrower or any other Credit Party;
- (c) David Hanna ceases to own, directly or indirectly, at least 51% of all of the issued and outstanding Equity Securities of Global Food and Ingredients Inc.; or
- (d) there is any change in the composition of the officers or directors of any Borrower from those (i) in existence as at the Closing Date, or (ii) Persons which have been approved in writing by FCC from time to time after the Closing Date.

**"Closing Date"** means November 25, 2019 or such earlier or later date as may be agreed upon among the parties to this Agreement.

**"Collateral"** means any and all real and personal property now owned or hereafter acquired by any Credit Party and all proceeds thereof including, without limitation, all real and personal property upon which FCC has, or is entitled to have, or may hereafter have, any Lien under or pursuant to any of the Security Documents.

**"Compliance Certificate"** means a certificate of a senior officer of Global Food and Ingredients Inc. substantially in the form of Schedule E hereto.

**"Conexus" or "Operating Lender"** has the meaning set out in Section 3.6(a) of this Agreement

**"Conexus Inter-creditor Agreement"** has the meaning set out in Section 3.6(a) of this Agreement.

**"Contaminant"** means any pollutants, dangerous substances, liquid waste, industrial waste, hauled liquid waste, toxic substances, hazardous wastes, hazardous materials, hazardous substances or other like substances or material that is regulated by any Environmental Law.

**"Contested"** means contested in good faith by appropriate proceedings promptly initiated and actively and diligently conducted.

**"Control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise and, including, without limitation, acting in the capacity of general partner of a limited partnership; and "Controlling" and "Controlled" shall have an analogous meaning.

**"Conversion Fee"** means the fee payable by the Borrowers to FCC, in an amount determined by FCC, to convert the loan to a different type of product.

**"Convertible Promissory Notes"** means those promissory notes in the aggregate principal amount of \$3,000,000.00 issued by GFI LP to the Subordinate Investors.

**"Core Business"** means agri-business including, without limitation, businesses related to or ancillary to the agricultural and food processing industries and the current operations of the Credit Parties.

**"Credit Facilities"** means, collectively, all loans and credit facilities established by FCC in favour of the Borrowers from time to time and **"Credit Facility"** means any of them as the context may require.

**"Credit Parties"** means, collectively, the Borrowers and the Guarantors, and **"Credit Party"** means any one of them.

**"Default"** means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both.

**"Environmental Activity"** means any past, present or future activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its release, escape, leaching, dispersal or migration into the natural environment, including the movement through or in the air, soil, surface water or groundwater.

**"Environmental Law"** means any common law and any federal, provincial, state, municipal or local law, statute, regulation, code, treaty, order, judgment, decree, ordinance, official directive, authorization, policy, guideline, convention or standard relating in any way to the environment, occupational health and safety, or any Environmental Activity.

**"Equity Securities"** means, with respect to any Person, any and all shares, stock or units of, interests, participations or rights in, or other equivalents (however designated and whether voting and non-voting) of, such Person's capital, whether outstanding on the date hereof or issued after the date hereof, including any interest in a partnership, limited partnership, limited liability company or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, debt securities, options or other rights exchangeable for or convertible into any of the foregoing.

**"Financial Year"** means, with respect to any Credit Party, the 12-month fiscal period on which such Credit Party reports its annual financial results in accordance with the Accounting Standard.

**"GFI"** means Global Food and Ingredients Inc. and its successors and permitted assigns.

**"GFI General Partner"** means 11567403 Canada Inc. and its successors and permitted assigns.

**"GFI Shareholders"** means all Persons holding Equity Securities of GFI on the Closing Date, including, without limitation, David Hanna, Samira Sharezay, 35 Oak Holdings Ltd., Michael Wiener, Kevin Wiener, Robert Wolf, Kuriandi Kuriandi and Frank van Biesen, and shall include any Person acquiring Equity Securities of GFI after the Closing Date.

**"GFI Shareholders Indebtedness"** and **"GFI Shareholders Subordination Agreements"** shall have the meanings given to such terms in Section 3.4(c).

**"Governmental Authority"** means any nation, federal government, province, state, municipality or other political subdivision of any of the foregoing, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

**"Guarantee"** means, with respect to a Person, any absolute or contingent liability of that Person under any guarantee, agreement, endorsement (other than for collection or deposit in the ordinary course of business), discount with recourse or other obligation to pay, purchase, repurchase or otherwise be or become liable or obligated upon or in respect of any Indebtedness of any other Person and including any absolute or contingent obligations to:

- (a) advance or supply funds for the payment or purchase of any Indebtedness of any other Person;
- (b) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any other Person to make payment of Indebtedness or to assure the holder thereof against loss; or
- (c) indemnify or hold harmless any other Person from or against any losses, liabilities or damages, in circumstances intended to enable such other Person to incur or pay any Indebtedness or to comply with any agreement relating thereto or otherwise to assure or protect creditors against loss in respect of such Indebtedness.

Each Guarantee shall be deemed to be in an amount equal to the amount of the Indebtedness in respect of which the Guarantee is given, unless the Guarantee is limited to a determinable amount in which case the amount of the Guarantee shall be deemed to be the lesser of the amount of the Indebtedness in respect of which the Guarantee is given and such determinable amount.

**"Guarantors"** means, collectively:

- (a) David Hanna and his successors and permitted assigns and heirs, executors or representatives, as applicable;



- (b) 11567403 Canada Inc. and its successors and permitted assigns;
- (c) any other present or future direct or indirect Subsidiary of any Borrower or any other Credit Party that is required to deliver security pursuant to Section 1.1(o) of Schedule "A" attached hereto; and
- (d) any other Person that, with the prior written consent of FCC, at any time in the future guarantees any of the Outstanding Obligations pursuant to a Guarantee or other guarantee agreement and grants security in support thereof, all in form and substance satisfactory to FCC,

and "**Guarantor**" means any one of them.

"**Indebtedness**" means, with respect to any Person, but without duplication, (i) an obligation of such Person for borrowed money, (ii) an obligation of such Person evidenced by a note, bond, debenture or other similar instrument, (iii) an obligation of such Person for the deferred purchase price of property or services, excluding trade payables and other accrued current liabilities incurred in the ordinary course of business in accordance with customary commercial terms, (iv) a capitalized lease obligation of such Person, (v) a guarantee, indemnity, or financial support obligation of such Person, determined in accordance with the Accounting Standard, (vi) an obligation of such Person or of any other Person secured by a Lien on any property of such Person, even though such Person has not otherwise assumed or become liable for the payment of such obligation, (vii) an obligation arising in connection with an acceptance facility or letter of credit issued for the account of such Person, or (viii) a share in the capital of such Person that is redeemable by such Person either at a fixed time or on demand by the holder of such share (valued at the maximum purchase price at which such person may be required to redeem, repurchase or otherwise acquire such share). For greater certainty, "**Indebtedness**" excludes trade payables of such Person incurred in the ordinary course of business, the payment of which is not overdue by more than 30 days under the applicable supplier's payment terms.

"**Investment**" means, as applied to any Person (the "**investor**"):

- (a) any direct or indirect purchase or other acquisition by the investor of, or a beneficial interest in, Equity Securities of any other Person that does not otherwise constitute an Acquisition, including any exchange of Equity Securities for indebtedness;
- (b) any direct or indirect loan, advance (other than advances to employees for moving and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contribution (by way of cash or property) by the investor to any other Person, including all indebtedness and accounts receivable owing to the investor from such other Person that did not arise from sales or services rendered to such other Person in the ordinary course of the investor's business; or
- (c) any direct or indirect purchase or other acquisition of bonds, notes, debentures or other debt securities of, any other Person.

The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment minus any amounts: (i) realized upon the disposition of assets comprising an Investment (including the value of any liabilities assumed by any Person other than a Credit Party in connection with such disposition), (ii) constituting repayments of Investments that are loans or advances, or (iii) constituting cash returns of principal or capital thereon (including any dividend, redemption or repurchase of equity that is accounted for, in accordance with the Accounting Standard, as a return of principal or capital).

"**Lajord Facility**" or "**Lajord Plant**" has the meaning set out in Section 3.2(b) of this Agreement.

**"Lajord Lease"** means the lease dated October 1, 2015 between Stewart Southern Railway Inc., as landlord, and CanPulse, as tenant, in respect of the Lajord Facility and to be assigned on the Closing Date to 11567403 Canada Inc., as general partner for GFI LP, as tenant, pursuant to an assignment of lease made as of November 22, 2019 between CanPulse, as assignor, and 11567403 Canada Inc., as general partner for GFI LP, as assignee (the latter agreement being the **"Lajord Lease Assignment Agreement"**).

**"Lajord Landlord"** and **"Lajord Landlord Waiver and Consent"** have the meaning set out in Section 3.6(b) of this Agreement.

**"Lien"** means any mortgage, hypothec, title retention, prior claim, pledge, assignment, lien, right of set-off/compensation, charge, security interest or other encumbrance whatsoever, whether fixed or floating and howsoever created or arising.

**"Loan Documents"** means, collectively, this Agreement, the Security Documents and all other documents, instruments and agreements in favour of FCC related hereto and any other document which, pursuant to the provisions of this Agreement, is stated to be a Loan Document, and, in each case, as may be amended, supplemented, restated, replaced or otherwise modified from time to time.

**"Material Adverse Change"** means any event, development, circumstance or situation that has had or could have a Material Adverse Effect.

**"Material Adverse Effect"** means a material adverse effect on: (i) the business, property, assets, liabilities, operations, condition (financial or otherwise), affairs or prospects of the Credit Parties taken as a whole; (ii) the ability of the Credit Parties, taken as a whole, to perform their obligations under any of the Loan Documents; and (iii) the ability of FCC to enforce its rights and remedies under any of the Loan Documents.

**"Material Contract"** means:

- (a) all pension plans and benefit plans operated by any Credit Party, if any,
- (b) the CanPulse Asset Purchase Agreement;
- (c) the Toll Processing Agreement;
- (d) the VTB Agreement;
- (e) the Convertible Promissory Notes;
- (f) the Conexus Inter-creditor Agreement and all loan and security documents entered into by the Credit Parties with Conexus;
- (g) the Lajord Lease, the Lajord Lease Assignment and the Lajord Landlord Waiver and Consent;
- (h) any toll processing agreement entered into with ETG Commodities; and
- (i) any other agreement, contract or similar instrument to which any Credit Party is a party or to which any of their property and assets may be subject for which breach, non-performance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

**"Mortgaged Properties"** and **"Properties"** have the meanings given to such term in Section 3.2.

**"Outstanding Obligations"** means, at any time without duplication, the aggregate of: (i) all outstanding Advances, (ii) all due and unpaid interest, fees, charges, indemnities and expenses in respect of this

Agreement and any other Loan Document required to be paid by any Credit Party to FCC, (iii) all other indebtedness, liabilities and obligations of any Credit Party to FCC, direct or indirect, contingent or otherwise, as principal or as surety, and all unpaid interest, fees, charges, indemnities and expenses in respect thereof required to be paid by any Credit Party to FCC, and (iv) any and all expenses and charges, whether for legal expenses or otherwise, suffered or incurred by FCC in collecting or enforcing any of such indebtedness, obligations, and liabilities outlined in paragraphs (i), (ii) and (iii) immediately above or in realizing on or protecting or preserving any security held therefor, including, without limitation, the Security Documents.

**"PBA"** means the *Pension Benefits Act* (Ontario) and the regulations thereunder as in effect from time to time.

**"Pension Plan"** means any plan, program or arrangement that is a pension plan for the purposes of any applicable pension benefits legislation or any tax laws of Canada or a Province thereof, whether or not registered under Canadian federal or provincial law, that is maintained or contributed to by, or to which there is or may be an obligation to contribute by, any Credit Party for its employees or former employees, but does not include the Canada Pension Plan or the Quebec Pension Plan as maintained by the Government of Canada or the Province of Quebec.

**"Permitted Acquisitions"** means Acquisitions by any one or more of the Credit Parties which satisfy the following conditions:

- (a) the target must be in a similar or complimentary line of Core Business as the Credit Parties and reside in Canada;
- (b) the Acquisition must be non-hostile and the target must become a wholly-owned subsidiary of one of the Credit Parties and, in the case of a limited partnership, one of the Borrower's wholly-owned Subsidiaries becomes the general partner of such limited partnership;
- (c) the Credit Parties shall be in compliance with all terms of this Agreement;
- (d) FCC shall have received financial information, in form and substance satisfactory to FCC, prior to the entry into by the applicable Credit Party of any agreement in respect of the Acquisition demonstrating pro forma compliance by the Borrower of the financial covenants set out in this Agreement for the next two (2) Financial Years following completion of the Acquisition;
- (e) within thirty (30) days of closing the Acquisition, the applicable Credit Party will provide FCC with a Lien in the acquired entity; and
- (f) at the time of and immediately after making any such Acquisition, no Default or Event of Default shall have occurred and be continuing or would result therefrom.

**"Permitted Asset Disposition"** means an Asset Disposition by any Credit Party which satisfies any of the following conditions (without duplication):

- (a) such Asset Disposition is of inventory in the ordinary course of its business upon customary credit terms;
- (b) such Asset Disposition consists of land and buildings, machinery, equipment or inventory of any Credit Party which is surplus, obsolete, worn-out or redundant;
- (c) the net proceeds from the sale of all such property and assets which have been sold are applied to acquire new assets having a similar use or performing a similar

function to those assets which are the subject of such Asset Disposition within one hundred and eighty (180) days of such Asset Disposition; or

- (d) Asset Dispositions that have been specifically approved by FCC in writing.

**"Permitted Indebtedness"** means the following Indebtedness of the Credit Parties (without duplication):

- (a) the Outstanding Obligations;
- (b) current accounts payable and accrued expenses arising in the ordinary course of business from the purchase or sale of goods and services, including sureties, guarantees and indemnities given in respect thereof;
- (c) Purchase Money Obligations of the Credit Parties; provided that, the Credit Parties shall be in compliance with the financial covenants set out in this Agreement;
- (d) Capital Lease Obligations of the Credit Parties; provided that, the Credit Parties shall be in compliance with the financial covenants set out in this Agreement;
- (e) Indebtedness in the nature of a Guarantee of any Permitted Indebtedness of any Credit Party;
- (f) Indebtedness under the loan agreement with Conexus; provided that, the aggregate principal amount of such Indebtedness shall not exceed \$3,000,000 at any time outstanding;
- (g) Indebtedness under the VTB Agreement with the VTB Lender; provided that, the aggregate principal amount of such Indebtedness shall not exceed \$3,000,000 at any time outstanding;
- (h) Indebtedness under the Convertible Promissory Notes with the Subordinate Investors; provided that, the aggregate principal amount of such Indebtedness shall not exceed \$3,000,000 at any time outstanding;
- (i) Subordinated Debt; provided that, the subordinated lender has executed and delivered a subordination and postponement agreement to FCC and it remains in full force and effect at all times; and
- (j) other Indebtedness in respect of which FCC has provided its prior written consent.

**"Permitted Liens"** means, with respect to any property or asset of any Person, the following Liens:

- (a) encumbrances, including, without limitation, easements, rights of way, encroachments, restrictive covenants, servitudes or other similar rights in land granted to or reserved by other Persons, rights of way for sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real / immovable properties which encumbrances, easements, servitudes, rights of way, other similar rights and restrictions do not in the aggregate materially detract from the value of the said properties or materially impair their use in the operation of the business of such Persons;
- (b) any right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant or permit acquired by such Person, or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or

to require annual or other periodic payments as a condition of the continuance thereof;

- (c) security or deposits given by such Person to a public utility or any Governmental Authority when required by such utility or Governmental Authority in connection with the operations of such Person and in the ordinary course of its business;
- (d) reservations, limitations, provisos and conditions, if any, expressed in any original grants from the Crown;
- (e) any lien for taxes or assessments not yet due or, if due, are being Contested and for which a reasonable reserve satisfactory to FCC has been provided;
- (f) any carriers, warehousemen, contractors, subcontractors, suppliers, mechanics or material liens arising in the ordinary course of business in respect of charges accruing in favour of any Person, so long as such charges are not yet due or, if due, are being Contested and for which a reasonable reserve satisfactory to FCC has been provided;
- (g) undetermined or inchoate liens, privileges, hypothecs or charges arising in the ordinary course of business which have not at such time been filed (or are not required to be filed) pursuant to law against such person's property or assets or which relate to obligations not due or delinquent;
- (h) Liens or deposits to secure the performance of bids, tenders, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature (other than for borrowed money) incurred in the ordinary course of business;
- (i) Purchase Money Liens;
- (j) Liens in favour of Conexus; provided that, any such Liens are subject to the Conexus Inter-creditor Agreement Priority Agreement which is and remains in effect at all times;
- (k) Liens in favour of the VTB Lender; provided that, any such Liens are subject to the VTB Subordination Agreement which is and remains in effect at all times;
- (l) Liens in favour of the Subordinate Investors; provided that, any such Liens are subject to the Subordinate Investors Subordination Agreements which are and remains in effect at all times;
- (m) Liens in favour of the GFI Shareholders; provided that, any such Liens are subject to the GFI Shareholder Subordination Agreements which are and remains in effect at all times
- (n) Liens in favour of FCC in respect of the Outstanding Obligations;
- (o) Liens in respect of Subordinated Debt; provided that such Liens are subject to a subordination and postponement agreement from the applicable subordinated lender (in a form and substance satisfactory to FCC) and it remains in full force and effect at all times; and
- (p) any Liens in respect of which FCC has given its prior written consent,

provided, however, that: (i) the designation in any Loan Document of a lien, encumbrance or claim as a "**Permitted Lien**" is not, and shall not be deemed to be, an acknowledgement by FCC that the lien, encumbrance or claim shall have priority over the liens, encumbrances and claims of FCC against any one or more of the Credit Parties or their respective assets, and (ii) any reference in any Loan Document to "subject to Permitted Liens" or "other than Permitted Liens" shall not be construed to be a subordination or postponement of any lien, encumbrance or claim of FCC to any holder of a Permitted Lien, nor shall such reference elevate the priority of any Permitted Lien above the level it would otherwise have under Applicable Law against any one or more of the Credit Parties or their respective assets.

"**Person**" means an individual, a partnership, a corporation, a trust, an unincorporated organization, a government or any department or agency thereof or any other entity whatsoever and the heirs, executors, administrators or other legal representatives of an individual.

"**PPSA**" means the *Personal Property Security Act* applicable to the Borrowers based on the Borrowers' location, including all regulations and minister's orders thereunder, as such legislation is amended, revised, replaced or re-enacted from time to time.

"**Purchase Money Lien**" means any Lien which secures a Purchase Money Obligation permitted by this Agreement; provided that, such Lien is created not later than 30 days after such Purchase Money Obligation is incurred and does not affect any asset other than the asset financed by such Purchase Money Obligation.

"**Purchase Money Obligations**" means any Indebtedness (including without limitation a capitalized lease obligation) incurred or assumed to finance all or any part of the acquisition price of any asset acquired by the Credit Parties or to finance all or any part of the cost of any improvement to any asset of any of the Credit Parties; provided that, such obligation is incurred or assumed prior to or within 30 days after the acquisition of such asset or the completion of such improvement and does not exceed the lesser of the acquisition price payable by the applicable Credit Party for such asset or improvement and the fair market value of such asset or improvement; and includes any extension, renewal or refunding of any such obligation so long as the principal amount thereof outstanding on the date of such extension, renewal or refunding is not increased.

"**Purchased Assets**" and "**Purchase Price**" shall have the meanings given to such terms in the CanPulse Asset Purchase Agreement, as the context requires.

"**Related Parties**" means, with respect to any Person, such Person's Affiliates and associates, and the directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates and associates (the term "associate" having the meaning ascribed thereto in the *Canada Business Corporations Act*) and "**Related Party**" means any one of them.

"**Receiver**" means a receiver or a receiver and manager and includes, without limitation, an interim receiver under the *Bankruptcy and Insolvency Act* (Canada).

"**Restricted Payment**" means, with respect to any Person, any payment by such Person: (a) of any dividends or other distributions on any of its Equity Securities, (b) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any of the Equity Securities of such Person or any of its Subsidiaries or any warrants, options or rights to acquire any such Equity Securities, or the making by such Person of any other distribution in respect of any of such Equity Securities, (c) of any principal of, or interest or premium on, or of any amount in respect of a sinking or analogous fund or defeasance fund for, any Indebtedness of such Person ranking in right of payment subordinate to any liability of such Person under the Loan Documents (including any Subordinated Debt), (d) of any principal of, or interest or premium on, or of any amount in respect of a sinking or analogous fund or defeasance fund for, any Indebtedness of such Person to a shareholder of such Person or to any non arm's length party (within the meaning of the *Income Tax Act* (Canada) of such Person or shareholder, or (e) of any: (i) any management, consulting or similar fee or any bonus payment or comparable payment, (ii) by way of gift or other gratuity, or (iii) for services rendered, property leased or

acquired, or for any other reason, in each case, to any Related Party or any non arm's length party (within the meaning of the *Income Tax Act* (Canada) of such Person.

**"Sale/Leaseback Transaction"** means any arrangement with any Person (other than a Credit Party) providing, directly or indirectly, for the leasing by any Credit Party of property (except a lease for a temporary period not to exceed three years by the end of which it is intended that the use of such property by the lessee will be discontinued), which has been or is to be sold or transferred by any Credit Party to such other Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property.

**"Security Documents"** means, collectively, all guarantees, mortgages, hypothecs, security agreements, pledges, assignments and charges executed by any Credit Party in favour of FCC from time to time including, without limitation, any pre-existing guarantees, mortgages, hypothecs, security agreements, pledges, assignments and charges which are by their terms or the terms of this Agreement intended to secure payment and performance of the Outstanding Obligations.

**"Sedley Facility"** or **"Sedley Plant"** has the meaning set out in Section 3.2(a) of this Agreement.

**"Subordinated Debt"** means, at any time, Indebtedness of any Credit Party (i) the primary terms of which (including, without limitation, its interest rate, payment schedule, maturity date and applicable acceleration rights and the proposed use of such funds) are all satisfactory to FCC in its sole discretion, (ii) which has been validly postponed and subordinated in right of payment and collection to the repayment in full of the Outstanding Obligations to the satisfaction of FCC in its sole discretion, and (iii) all security, if any, held for such Indebtedness has been fully subordinated and postponed to the Security Documents to the satisfaction of FCC in its sole discretion.

**"Subordinate Investors"** means all Persons holding Convertible Promissory Notes of GFI LP or other Indebtedness of the Credit Parties on the Closing Date, including, without limitation, David Hanna, John Hanna, 35 Oak Holdings Ltd., Michael Wiener, Kevin Wiener, Robert Wolf, Kuriandi Kuriandi, Frank van Biesen, and shall include any Person acquiring Convertible Promissory Notes of GFI LP or other Indebtedness of the Credit Parties after the Closing Date.

**"Subordinate Investors Indebtedness"** and **"Subordinate Investors Subordination Agreements"** shall have the meanings given to such terms in Section 3.4(b).

**"Subsidiary"** has the meaning attributed to the term "subsidiary body corporate" in the *Canada Business Corporations Act* in effect on the date hereof. For certainty, a limited partnership shall be a Subsidiary of any Person (the "Parent") if the general partner of such limited partnership is the Parent or one of its Subsidiaries regardless of the level of such Parent's direct or indirect ownership of limited partnership interests.

**"Take-Over Bid"** shall mean a "take-over bid" as defined by the *Securities Act* (Ontario) except that all references to "Ontario" shall be amended to "any jurisdiction in the world".

**"Taxes"** means, with respect to any Person, for any particular period, all taxes, rates, levies, imposts, assessments, government fees, dues, stamp taxes, duties, ad valorem taxes or levies, charges to tax, fees, deductions, withholdings and similar impositions paid or payable, levied, collected, withheld or assessed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

**"Toll Processing Agreement"** means the toll processing agreement made as of November 22, 2019 between GFI LP, as processor, GFI, CanPulse, Globeways Canada Inc. and Hakan Agro DMCC, as such agreement may be amended, restated, modified, supplemented, renewed or replaced from time to time in accordance with the terms hereof.

**"Variable Mortgage Rate"** means the rate of interest per annum established by FCC from time to time at its head office as its variable mortgage rate charged to borrowers on commercial loans made in Canada.

**"Variable Mortgage Rate Loan"** means any Advance made to any Borrower upon which interest is based on the Variable Mortgage Rate.

**"VTB Agreement"** means the Vendor Take-Back Note (as defined in the CanPulse Asset Purchase Agreement).

**"VTB Indebtedness"** means the Vendor Take-Back Amount (as defined in the CanPulse Asset Purchase Agreement), together with all accrued and unpaid interest, fees and charges thereon payable pursuant to the CanPulse Asset Purchase Agreement.

**"VTB Lender", "VTB Permitted Payments", "VTB Reduced Permitted Payments" and "VTB Subordination Agreements"** shall have the meanings given to such terms in Section 3.4(a).

**"Wholly-owned Subsidiaries"** means, with respect to any Person at any date, any Subsidiary in respect of which such Person, directly or indirectly, owns 100% of all issued and outstanding Equity Securities in such Subsidiary.

**"Zealandia Facility" or "Zealandia Plant"** has the meaning set out in Section 3.2(a) of this Agreement.

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**This is Exhibit "L" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

**A commissioner for Oaths in and for the Province of ~~Prince~~ Edward Island**

*Prina  
Stu*

**Amendment No. 1 to Credit Agreement**

August 31, 2020

Customer number: 200839292

**Private and Confidential****Global Food and Ingredients Inc.****GFI LP**43 Dixon Avenue  
Toronto, ON M3L 1N4

Dear Sir/Madam:

Reference is made to the credit agreement dated November 22, 2019 between Farm Credit Canada (“**FCC**”), as lender, Global Food and Ingredients Inc. and GFI LP (collectively, the “**Borrowers**” and each, the “**Borrower**”), as borrowers, and each of 11567403 Canada Inc. and David Hanna, as guarantors (as it may be further amended, restated, replaced, renewed, extended, supplemented or otherwise modified from time to time, the “**Credit Agreement**”).

The Borrower has requested additional financing from FCC for the purposes of providing working capital to the Borrower.

This amendment no. 1 (this “**Amendment**”) merely amends the Credit Agreement and nothing in this Amendment shall constitute or result in or be construed as constituting or resulting in: (i) a repayment or reborrowing of any indebtedness owed by the Borrower to FCC under any Credit Facilities owing by the Borrower, or (ii) a novation or rescission of any previous credit agreements or any other Loan Document.

The purpose of this Amendment is to set out the amendments to the Credit Agreement to which the parties have mutually agreed.

All terms with initial capital letters used in this Amendment and not defined herein shall have the meanings given to such terms in the Credit Agreement.

**1. Amendments to Credit Agreement**

- (a) Article 2 of the Credit Agreement is hereby amended by adding a new credit facility in the principal amount of \$2,000,000.00 and adding new Sections 2.3 and 2.4 immediately following Section 2.2 as follows:

**“2.3 Capacity Builder Loan - \$2,000,000.00**

<b>Credit Facility Details</b>	
Loan number	739304000
Principal amount	\$2,000,000.00
Credit facility type	Real Property Loan
Interest type	Variable
Product type	Capacity Builder Loan
Term	5 years
Amortization period	10 years
Interest rate	FCC Variable Mortgage Rate plus 2.00%*
Loan Approval Expiry Date	2022-02-28
Maturity Date	2026-01-02

\*As of the date hereof, the current FCC Variable Mortgage Rate is 3.45%, as such, the current applicable interest rate is 5.45%

<b>Payment Schedule Details</b>	
<b><i>First payment type details</i></b>	
Payment type	Interest Payment
Start date	2020-09-01
Payment frequency	Monthly
Payment month(s)	All
Payment amount	Interest Only
End date	2022-01-04
<b><i>Subsequent payment type details</i></b>	
Payment type	Blended
Start date	2022-02-01
Payment frequency	Monthly
Payment month(s)	All
Payment amount	\$21,585.93
End date	2026-01-02

The Borrower acknowledges and agrees that (i) Credit Facility No. 739304000 is being offered to the Borrower in response to the current COVID-19 pandemic to assist the Borrower with its working capital requirements and may not have otherwise been offered to the Borrower in the normal course; (ii) the Borrower shall repay all Indebtedness owing under Credit Facility No. 739304000 by the Maturity Date set out in the table above; (iii) such Maturity Date shall not be extended except in FCC's sole and absolute discretion; and (iv) the Borrower may apply the

proceeds of Credit Facility No. 739304000 to regular principal and interest payments on account of existing Indebtedness owed to FCC under the Credit Agreement.

For greater certainty, the terms “**Credit Facility**”, “**Credit Facilities**”, “**Loan**” and “**Loans**” used in the Credit Agreement shall refer to and include Credit Facility No. 739304000 and all Advances thereunder as the context may require.

## 2.5 Payee Details

The Borrower authorizes and directs that FCC pay the Credit Facility funds to:

Payee Name	Purpose	Amount
Gowling WLG (Canada) LLP	Working Capital	\$2,000,000.00

The Borrower acknowledges that FCC retains the discretion to advance all Credit Facility funds to Gowling WLG (Canada) LLP’s trust account or to the Borrower’s solicitor’s trust account despite the above authorization and direction, and that amounts for legal fees, disbursements and applicable taxes and title insurance premiums, if any, will also be directed to be paid on closing from these funds.”.

- (b) Section 3.6 of the Credit Agreement is hereby amended by adding a new subsection (f) immediately after subsection (e) as follows:

“(f) A new inter-creditor agreement between FCC, Royal Bank of Canada (“**RBC**”) Global Food and Ingredients Inc., GFI LP, 11567403 Canada Inc. and David Hanna establishing first priority for RBC in respect of all of the Inventory and Accounts Receivable (as each term is defined therein) of Global Food and Ingredients Inc., GFI LP and 11567403 Canada Inc., and first priority for FCC in respect of all of the real property and all of the personal property of Global Food and Ingredients Inc., GFI LP and 11567403 Canada Inc. (other than Accounts Receivable and Inventory) (the “**RBC Inter-creditor Agreement**”). The RBC Inter-creditor Agreement shall (i) preclude RBC from acquiring any security over the real property of the Credit Parties without the prior written consent of FCC, and (ii) include provisions that address claims and recovery by RBC and FCC under their respective guarantees, if any, obtained from David Hanna on a pro rata basis.”

- (c) Schedule B (Standard Loan Features) of the Credit Agreement is hereby amended by deleting Section 1.1. thereof in its entirety and replacing it with the following:

### “1.1 **Applicable Interest Rate**

Loan No. 712591001 is a Standard Variable Mortgage Rate Loan.

The interest rate applicable to Loan No. 712591001 will be FCC’s Variable Mortgage Rate plus 2.75% during the term of Loan No. 712591001. Interest will begin accruing on Loan No. 712591001 at FCC’s Variable Mortgage Rate plus 2.75% upon first disbursement of any portion of Loan No. 712591001.

Credit Facility No. 739304000 is a Standard Variable Mortgage Rate Loan.

The interest rate applicable to Credit Facility No. 739304000 will be FCC’s Variable Mortgage Rate plus 2.00% during the term of Credit Facility No. 739304000. Interest will begin accruing on Credit Facility No. 739304000 at

FCC's Variable Mortgage Rate plus 2.00% upon first disbursement of any portion of Credit Facility No. 739304000.

The Variable Mortgage Rate is currently 3.45% per annum but may change from time to time without prior notice to the Borrowers. The Borrowers agree that FCC's publication of its Variable Mortgage Rate in its offices shall be conclusive and binding between the parties to determine the rate of interest applicable to the Credit Facility.

Each change in FCC's variable interest rate shall cause an immediate and automatic adjustment in any variable interest rate applicable under this Agreement, from the effective date of the change, calculated in accordance with FCC's usual practices, and without notification to the Borrowers."

- (d) Schedule B (Standard Loan Features) of the Credit Agreement is hereby amended by adding a new Section 3 as follows and adjusting the numbering of each subsequent section accordingly:

**"3. Capacity Builder Loan**

The repayment option chosen by the Borrower for Credit Facility No. 739304000 is that the Borrower will make interest only payments starting September 1, 2020 and blended payments of interest and principal starting February 1, 2022 as set out in Section 2.3."

**2. Representations and Warranties**

The Credit Parties represent and warrant to FCC that:

- (a) The representations and warranties set out in the Credit Agreement and the other Loan Documents are true, complete and correct in all respects as at the date of this Amendment; and
- (b) There is no Default or Event of Default or breach of any covenant, term or condition under the Credit Agreement and any other Loan Document which has occurred and is continuing as at the date of this Amendment.

All agreements, representations and warranties made in this Amendment shall survive the execution and delivery of this Amendment and continue to remain in effect so long as the Borrower has any obligations under the Credit Agreement.

**3. Conditions Precedent**

Upon FCC having confirmed in writing that the following events have occurred to the satisfaction of FCC and its legal counsel, this Amendment shall come into effect and the Credit Agreement shall be amended to reflect the amendments contemplated herein:

- (a) FCC shall have received this Amendment executed by the Credit Parties;
- (b) FCC shall have received and be satisfied with an executed copy of an acknowledgement and confirmation of security confirming the continuation of all existing obligations and the continued application of all existing security to the existing obligations of the Credit Parties and all new obligations created pursuant to this Amendment;

- (c) If RBC is the Borrower's operating lender at the time Credit Facility No. 739304000 is advanced, FCC shall have received and be satisfied with a copy of the RBC Inter-creditor Agreement executed by RBC and each applicable Credit Party;
- (d) FCC shall have received officer's certificates in respect of each of the applicable Credit Parties as to general corporate matters including certified copies of articles and by-laws, specimen signatures of officers, and a certified copy of a resolution of the board of directors authorizing the entry into, execution, delivery and performance of this Amendment and all related security and other documents;
- (e) FCC shall have received certificates of status or equivalent documents in respect of each of the applicable Credit Parties;
- (f) FCC shall have received a completed pre-authorized payment authority form (substantially in the form set out in Schedule "D" to the Credit Agreement) in respect of Credit Facility No. 739304000;
- (g) FCC shall have received a certificate of insurance in respect of all policies of insurance maintained by the Borrower confirming insurance with respect to the Collateral against such liabilities, casualties, risks and contingencies, of such types and in such amounts as is customary in the case of Persons engaged in the same or similar businesses and similarly situated and in accordance with any other specified requirements of any Governmental Authority or FCC including but not limited to all insurance requirements under the Credit Agreement or this Amendment;
- (h) FCC shall have received confirmation, in form and substance satisfactory to FCC, that the life insurance policy on the life of David Hanna owned by Global Food Ingredients Inc. issued by Empire Life and identified by Policy No. FA0091261L remains in place, that coverage in respect of such policy is in place for an amount not less than \$1,000,000 and that premiums relating thereto are not in arrears;
- (i) FCC shall have received payment of all reasonable legal fees and disbursements of legal counsel to FCC;
- (j) FCC shall be satisfied that no Default or Event of Default has occurred and is continuing; and
- (k) FCC shall have received such other agreements, documents and instruments as FCC shall reasonably require to effect the amendments contemplated in this Amendment.

#### **4. General Provisions**

##### **4.1 Nature of this Amendment**

It is acknowledged and agreed that the terms of this Amendment are in addition to and, unless specifically provided for, shall not limit, restrict, modify, amend or release any of the understandings, agreements or covenants as set out in the Credit Agreement. The Credit Agreement shall be read and construed in conjunction with this Amendment and the Credit Agreement, as amended by this Amendment, together with all of the powers, provisions, conditions, covenants and agreements contained or implied in the Credit Agreement shall be and shall continue to be in full force and effect. References to the "Credit Agreement" or the "Agreement" in the Credit Agreement or in any other document

delivered in connection with, or pursuant to, the Credit Agreement, shall mean the Credit Agreement (together with all schedules and exhibits attached thereto), as amended by this Amendment.

**4.2 *No Other Amendments***

All other terms and conditions of the Credit Agreement remain unamended and the Credit Agreement remains in full force and effect.

**4.3 *Waiver***

The conditions listed in Section 4 to this Amendment may be waived by FCC in whole or in part and with or without terms or conditions.

**4.4 *Further Assurances***

The Borrower shall deliver or shall cause to be delivered to FCC duly executed documents in form and substance satisfactory to FCC as may be reasonably requested by FCC or its counsel for the purpose of giving effect to this Amendment or for the purpose of establishing compliance with the representations, warranties and conditions of this Amendment, the Credit Agreement or the Security Documents contemplated under the Credit Agreement.

**4.5 *Severability***

Any provision of this Amendment which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**4.6 *Time of Essence***

Time shall, in all respects, be of the essence of this Amendment.

**4.7 *Assignment***

The Borrower shall not assign this Amendment or any part hereof without the prior written consent of FCC. FCC may assign this Amendment in accordance with the terms of the Credit Agreement.

**4.8 *Governing Law***

This Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Ontario applicable therein and shall be treated in all respects as an Ontario contract. The parties hereby submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

**4.9 *Whole Agreement***

The Credit Agreement, this Amendment, the security and any other written agreement delivered pursuant to or referred to in the Credit Agreement or this Amendment constitute the whole and entire agreement between the parties in respect of the Credit Facilities. There are no verbal agreements, undertakings or representations in connection with the Credit Facilities.

**4.10 Successors and Assigns**

This Amendment shall be binding on the Borrower and its successors and assigns, and will enure to the benefit of FCC and its respective successors and assigns.

**4.11 Counterparts**

This Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original agreement and all of which shall constitute one agreement. All counterparts shall be construed together and shall constitute one and the same agreement. This Amendment, to the extent signed and delivered by means of electronic transmission (including, without limitation, facsimile and Internet transmissions), shall be treated in all manner and respects as an original agreement and should be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

**4.12 No Novation**

Nothing in this Amendment, nor in the Credit Agreement when read together with this Amendment, shall constitute novation, payment, re-advance, or otherwise of any existing indebtedness, liabilities and obligations of the Borrower to FCC.

**4.13 Continuing Effect of Security Documents**

Each of the undersigned acknowledges, confirms and agrees that all mortgage, security and other documents, agreements and instruments executed by it shall remain in full force and effect as binding obligations enforceable against it notwithstanding the execution and delivery of this Amendment and secure all present and future indebtedness, liabilities and obligations of the Borrower to FCC.

**4.14 Language**

The parties have requested that this Amendment and all other Loan Documents be drafted in English. Les parties ont requis que cette convention et tous les autres documents soient rédigés en anglais.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**



**IN WITNESS WHEREOF** the parties have executed this Amendment as of the day and year first above written.

**Acceptance**

This Agreement may be accepted by signing, dating and returning to FCC on or before September 30, 2020 the enclosed copy of this Amendment executed by the Credit Parties as set out below. Failing such acceptance, this offer shall be of no further force or effect.

**FARM CREDIT CANADA**

Per:

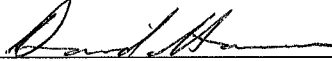


Name: Louis Racine  
Title: Legal Counsel

AGREED TO and ACCEPTED as at the date first written above.

**GLOBAL FOOD AND INGREDIENTS INC.**

Per:

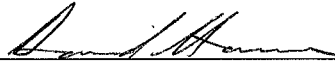


Name: David Hanna  
Title: President

I have the authority to bind the Corporation.

**GFI LP,  
By its General Partner,  
11567403 CANADA INC.**

Per:

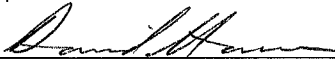


Name: David Hanna  
Title: President

I have the authority to bind the General Partner and the Limited Partnership.

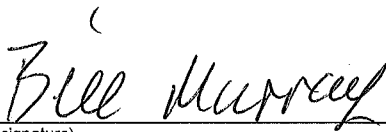
**11567403 CANADA INC.**

Per:

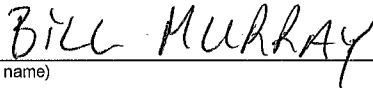


Name: David Hanna  
Title: President

I have the authority to bind the Corporation.



(Witness signature)



(Print witness name)



(Signature)

**DAVID HANNA**

(Name)

**This is Exhibit "M" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah White*

---

**A commissioner for Oaths in and for the Province of ~~Prince~~ Edward Island**

*Prince  
SW*

## First Amended and Restated Credit Agreement

PROTECTED

Customer Number:

200839292

May 28, 2021

Private and Confidential

Global Food and Ingredients Inc.  
GFI LP  
11567403 Canada Inc.  
43 Colborne Street Suite 400  
Toronto, ON M5E 1E3

Dear Sir/Madam:

Farm Credit Canada (“**FCC**”), as lender, and Global Food and Ingredients Inc. and GFI LP, as borrowers, entered into a credit agreement dated November 22, 2019, as amended by an amending agreement dated August 31, 2020 (the “**Existing Credit Agreement**”), pursuant to which FCC provided credit facilities to Global Food and Ingredients Inc. and GFI LP, or either one of them, on the terms and conditions set out in the Existing Credit Agreement.

FCC, the Borrowers, and the Guarantors wish to amend and restate the Existing Credit Agreement in its entirety in the manner set forth herein to give effect to the terms and conditions set forth in this First Amended and Restated Credit Agreement (the “**Agreement**”), it being understood and agreed that:

- (i) with respect to any date or time period occurring and ending prior to the date of this Agreement, the rights and obligations of the parties thereto shall be governed by the Existing Credit Agreement (including, without limitation, the exhibits and schedules thereto) and the Security Documents entered into thereby, which for such purposes shall remain in full force and effect unless expressly amended by the terms of this Agreement; and
- (ii) with respect to any date or time period occurring or ending on or after the date of this Agreement, the rights and obligations of the parties thereto shall be governed by this Agreement (including, without limitation, the exhibits and schedules thereto) and the Security Documents entered into hereby.

FCC, the Borrowers and the Guarantors, as applicable, agree that, effective as of the date hereof, all existing Outstanding Obligations under the Existing Credit Agreement shall be considered Outstanding Obligations under this Agreement. Each of the Borrowers and the Guarantors further agree that each of them is bound by the terms and conditions of all loan, guarantee and security documents to which they are a party that have been entered into or granted in favour of FCC prior to the date hereof (the “**Existing Security Documents**”), and each of the Existing Security Documents to which they are a party continue in full force and effect as general and continuing collateral security for all of the Outstanding Obligations of the Borrowers and the Guarantors under this Agreement and the other Credit Documents.

## 1. Credit Parties

Borrowers:	Global Food and Ingredients Inc. 43 Colborne Street Suite 400 Toronto, ON M5E 1E3
	GFI LP 43 Colborne Street Suite 400 Toronto, ON M5E 1E3
	11567403 Canada Inc. 43 Colborne Street Suite 400 Toronto, ON M5E 1E3

Guarantors:	David Hanna 43 Dixon Avenue Toronto, ON M3L 1N4
	Global Food and Ingredients USA Inc. 43 Colborne Street Suite 400 Toronto, ON M5E 1E3
	North Lily Foods Inc. 43 Colborne Street Suite 400 Toronto, ON M5E 1E3

The “**Credit Parties**” means the Borrowers and the Guarantors and “**Credit Party**” means any one of them. “**Borrowers**” means each of them jointly and severally.

## 2. Credit Facilities

The following new and existing credit facilities (collectively, the “**Credit Facilities**”) shall be governed by this Agreement:

### 2.1 New Credit Facilities

The following New Credit Facility is made available to the Borrowers subject to the covenants and conditions contained herein.

New Credit Facility details	
Loan number	0000762753001
Principal amount	\$4,000,000
Credit facility type	Real Property Loan
Interest rate type	Variable
Product type	Capacity Builder Loan
Term	5 years
Amortization period	12 years
Interest rate (subject to Interest Rate Guarantee provisions below)	5.45%
Interest Rate guarantee Expiry Date	N/A
Loan Approval Expiry Date	2022-10-21
Maturity Date	2026-04-01
Subsequent payment schedule details	
First payment type details	
First payment type	Interest Payment

Start date	2021-07-01
Payment frequency	Monthly
Payment month(s)	All
Payment amount	Interest only
End date	2022-05-31
Second payment type details	
Second payment type	Fixed Principal + interest
Start date	2022-06-01
Payment frequency	Monthly
Payment month(s)	All
Payment amount	\$27,777.78 + interest
End date	2026-04-01

As of the date of this Agreement: (i) the current FCC Variable Mortgage Rate is 3.45% per annum.

The closing date for the New Credit Facility is May 28, 2021, or such other date as may be agreed upon by the parties (the “**Closing Date**”).

FCC may adjust the stipulated payments of principal and interest for any loan with a variable interest rate, as a result of changes in the interest rate, to ensure that the principal outstanding is being paid as originally intended under this Agreement. Specific loan terms set out in Schedule B hereto form part of the Credit Facilities.

## 2.2 Existing Credit Facilities

The following summary of each Existing Credit Facility is provided for your information (as at April 21, 2021). The Existing Credit Facilities, continue to be made available to the Borrowers, or either one of them, subject to the covenants and conditions contained herein.

Credit Facility Number	Borrowers	Guarantors
712591001 724230001 739304001	Global Food and Ingredients Inc. GFI LP 11567403 Canada Inc.	David Hanna Global Food and Ingredients USA Inc. North Lily Foods Inc.

Credit Facility Number	Product	Principal Not Due	End of Amortization	Rates	Payment Frequency	Term	Maturity Date
712591001	4 year fixed	\$11,599,999.98	2035-10-01	5.25%	Monthly	4 year	2024-12-02
739304001	Real Property Loan - Variable Rate (Capacity Builder Loan)	\$2,000,000.00	2032-01-02	5.45%	Monthly	5 year	2026-01-02

<b>Credit Facility 712591001</b>	
<b>Payment type details</b>	
Payment type	Fixed Principal plus Interest
Start date	2020-11-01
Payment frequency	Monthly
Payment month(s)	All
Payment amount	\$66,666.67 plus Interest
End date	2024-10-01

<b>Credit Facility 739304001</b>	
<b>First payment type details</b>	
Payment type	Interest Payment
Start date	2020-09-01
Payment frequency	Monthly
Payment month(s)	All
Payment amount	Interest Only
End date	2022-01-04
<b>Subsequent payment type details</b>	
Payment type	Blended
Start date	2022-02-01
Payment frequency	Monthly
Payment month(s)	All
Payment amount	\$21,585.93
End date	2026-01-02

### 2.3 Payee Details

The Borrowers authorize and direct that FCC pay the New Credit Facility funds to:

<b>Payee Name</b>	<b>Purpose</b>	<b>Amount</b>
Miller Thomson LLP	Construction	\$ 3,980,000
FCC	Credit Facility Processing Fee	\$ 20,000

The Borrowers acknowledge that FCC retains the discretion to advance the New Credit Facility funds to its legal counsel's trust account or to the Borrowers' solicitor's trust account despite the above authorization and direction.

## 2.4 Schedules

The following Schedules form part of this Agreement:

- (a) Schedule A – Standard Terms and Conditions
- (b) Schedule B – Loan Specific Features
- (c) Schedule C – Definitions
- (d) Schedule D – Pre-Authorized Payment Authority
- (e) Schedule E – Form of Compliance Certificate

The terms and conditions contained in the attached Schedules are incorporated into this Agreement. In the event of a conflict between the terms of this Agreement and the terms of the Schedules, the terms of this Agreement prevail.

## 3. Security

The Credit Parties have executed and delivered, or shall execute and deliver, to FCC each of the following agreements, documents and instruments to secure the payment and performance of the Outstanding Obligations (collectively, the “**Security Documents**”):

### 3.1 Guarantees

- (a) A new unlimited guarantee from Global Foods and Ingredients USA Inc. in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrowers.
- (b) A new unlimited guarantee from North Lily Foods Inc. in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrowers.
- (c) An existing unlimited guarantee from 11567403 Canada Inc. in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrowers.
- (d) An existing guarantee limited to a principal amount of \$1,000,000.00 from David Hanna in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrowers.

### 3.2 Real Property Security

- (a) An existing continuing collateral mortgage granted by 11567403 Canada Inc. on behalf of GFI LP in favour of FCC registered on 2019-11-29 as Interest Register Number 123754237 in the principal sum of \$15,000,000 against the properties described as follows, and as amended by a new mortgage amending agreement to increase the principal amount from \$15,000,000.00 to \$25,000,000.00 (as amended, the “**Sedley/Zealandia Mortgage**”):

- (i) Surface Parcel #111788219  
Reference Land Description: Blk/Par A Plan No. 101331425 Extension 10  
As described on Certificate of Title 99SE01294, description 10.

(collectively, the “**Sedley Plant**” or the “**Sedley Facility**”); and



- (ii) Surface Parcel #145169185  
Reference Land Description: Blk/Par A Plan No. 98MW19933 Extension 1  
As described on Certificate of Title 99MW02348.  
Surface Parcel #202892519  
Reference Land Description: Blk/Par K Plan No. 102144046 Extension 0

(collectively, the “**Zealandia Plant**” or the “**Zealandia Facility**”)

- (b) A existing continuing collateral leasehold mortgage granted by 11567403 Canada Inc. on behalf of GFI LP (following an assignment to it of the Lajord Lease) in favour of FCC registered on 2019-11-29 as Interest Register Number 123754260 in the principal sum of \$15,000,000, and as amended by a new leasehold mortgage amending agreement to increase the principal amount from \$15,000,000.00 to \$25,000,000.00, against the property described as follows (as amended, the “**Lajord Leasehold Mortgage**”):

- (i) Surface Parcel #203169775  
Reference Land Description: SW Sec 9, Twp 15, Rge 16 W2 Plan No. B3490 Extension 4.  
(collectively, the “**Lajord Plant**” or the “**Lajord Facility**”);

The Sedley Facility, the Zealandia Facility and the Lajord Facility may be collectively referred to herein as the “**Properties**” or the “**Mortgaged Properties**”.

- (c) An existing acknowledgement of standard charge terms from 11567403 Canada Inc. on behalf of GFI LP in respect of the Sedley/Zealandia Mortgage to the extent not already included in the Sedley/Zealandia Mortgage.
- (d) An existing acknowledgement of standard leasehold charge terms from 11567403 Canada Inc. on behalf of GFI LP in respect of the Lajord Leasehold Mortgage to the extent not already included in the Lajord Leasehold Mortgage.
- (e) An existing Lajord Lease Assignment Agreement (as such term is defined herein).

### **3.3 Personal Property Security**

- (a) An existing general security agreement dated 2019-11-26 granted by Global Food and Ingredients Inc. in favour of FCC and registered in the Province of Saskatchewan on 2019-10-16 as Registration No. 301965227 granting FCC a first security interest in all the present and after acquired personal property of Global Food and Ingredients Inc.
- (b) An existing general security agreement dated 2019-11-26 granted by Global Food and Ingredients Inc. in favour of FCC and registered in the Province of Ontario on 2019-10-15 as Registration No. 756524655 granting FCC a first security interest in all the present and after acquired personal property of Global Food and Ingredients Inc.
- (c) An existing general security agreement dated 2019-11-26 granted by GFI LP in favour of FCC and registered in the Province of Saskatchewan on 2019-10-16 as Registration No. 301965231 granting FCC a first security interest in all the present and after acquired personal property of GFI LP.

- (d) An existing general security agreement dated 2019-11-26 granted by GFI LP in favour of FCC and registered in the Province of Ontario on 2019-10-15 as Registration No. 756524664 granting FCC a first security interest in all the present and after acquired personal property of GFI LP.
- (e) An existing general security agreement dated 2019-11-26 granted by 11567403 Canada Inc. in favour of FCC and registered in the Province of Ontario on 2019-10-15 as Registration No. 756524673 granting FCC a first security interest in all the present and after acquired personal property of 11567403 Canada Inc..
- (f) An existing assignment of insurance executed by Global Food and Ingredients Inc., GFI LP and 11567403 Canada Inc. in favour of FCC assigning to FCC by way of security the proceeds of all present and future acquired general insurance policies maintained by them on any collateral charged by the Security Documents.

### **3.4 Assignment, Postponement, Subordination and Standstill Agreements**

- (a) An existing assignment, postponement, subordination and standstill agreement from each of the Subordinate Investors in favour of FCC (collectively, the **"Subordinate Investors Subordination Agreements"**) in respect of the indebtedness, liabilities and obligations owed by the Credit Parties to each such Subordinate Investor (including without limitation, under the Convertible Promissory Notes, which Convertible Promissory Notes have been converted) (collectively, the **"Subordinate Investors Indebtedness"**).

The Subordinate Investors Subordination Agreements shall contain the following provisions, among others:

- (i) the only permitted payments on account of the Subordinate Investors Indebtedness are regularly scheduled payments of interest, if any (the **"Investor Permitted Payments"**) provided that, at the time of and immediately after making an Investor Permitted Payment, (A) no Default or Event of Default shall have occurred; and (B) the Borrowers shall be in compliance with the financial covenants set out in this Agreement; and
- (ii) the Subordinate Investor shall be subject to a complete enforcement standstill in connection with any enforcement of any security held by the Subordinate Investor for the Subordinate Investors Indebtedness in the event of any non-payment or partial payment of any Subordinate Investors Indebtedness, and may not take any enforcement proceedings without the prior written consent of FCC.

- (b) An assignment, postponement, subordination and standstill agreement from each of the GFI Shareholders in favour of FCC (collectively, the **"GFI Shareholders Subordination Agreements"**) in respect of the indebtedness, liabilities and obligations owed by the Credit Parties to each such GFI Shareholder, including any indebtedness arising from the exercise of such GFI Shareholder's retraction rights relating to any Equity Securities of GFI (collectively, the **"GFI Shareholders Indebtedness"**).

The GFI Shareholders Subordination Agreements shall contain the following provisions, among others:

- (i) Restricted Payments (as defined herein) can only be made to such GFI Shareholder provided that, at the time of and immediately after making any such Restricted Payment (A) no Default or Event of Default shall have occurred; and (B)

the Borrowers shall be in compliance with the financial covenants set out in this Agreement; and

(ii) the GFI Shareholder shall be subject to a complete enforcement standstill in connection with any enforcement of any security held by the GFI Shareholder for the GFI Shareholders Indebtedness in the event of any non-payment or partial payment of any GFI Shareholders Indebtedness, and may not take any enforcement proceedings without the prior written consent of FCC.

- (c) An existing assignment, postponement, subordination and standstill agreement from GFI in favour of FCC (the “**GFI Subordination Agreement**”) in respect of the indebtedness, liabilities and obligations owed by GFI LP and 11567403 Canada Inc. to GFI under the \$4,000,000 promissory note dated on or about the date hereof or otherwise (collectively, the “**GFI-GFI LP Indebtedness**”).

The GFI Subordination Agreement shall contain the following provisions, among others:

(i) the only permitted payments on account of the GFI-GFI LP Indebtedness are those made with the prior written consent of FCC, provided that, at the time of and immediately after making such payment, (A) no Default or Event of Default shall have occurred; and (B) the Borrowers shall be in compliance with the financial covenants set out in this Agreement; and

(ii) the Subordinate Investor shall be subject to a complete enforcement standstill in connection with any enforcement of any security held by GFI for the GFI-GFI LP Indebtedness in the event of any non-payment or partial payment of any GFI-GFI LP Indebtedness, and may not take any enforcement proceedings without the prior written consent of FCC.

### **3.5 Assignment of Life Insurance/Special Credit Insurance**

- (a) An existing first ranking collateral assignment of life insurance from Global Food and Ingredients Inc. in favour of FCC on the life of David Hanna in an amount of not less than \$1,000,000.00, being policy #FA0091261L dated July 19, 2019 issued by Sun Life Insurance Company (“**Sun Life**”).
- (b) An existing acknowledgement from the life insurer addressed to FCC confirming the receipt and recording of the collateral assignment of life insurance on the life of David Hanna to FCC on terms acceptable to FCC.
- (c) An existing first ranking collateral assignment of its credit insurance policy from Global Food and Ingredients Inc. in favour of FCC in respect of Policy No. 2033 issued by The Guarantee Company of North America, which such assignment being prepared and delivered on both the standard forms used by The Guarantee Company of North America and FCC.
- (d) An existing acknowledgement from The Guarantee Company of North America addressed to FCC confirming the receipt and recording of the collateral assignment of such credit insurance to FCC on terms acceptable to FCC.

### **3.6 Inter-Creditor Arrangements**

- (a) An existing inter-creditor agreement between FCC, Royal Bank of Canada (“**RBC**”) Global Food and Ingredients Inc., GFI LP, 11567403 Canada Inc. and David Hanna

establishing first priority for RBC in respect of all of the Inventory and Accounts Receivable (as each term is defined therein) of Global Food and Ingredients Inc., GFI LP and 11567403 Canada Inc., and first priority for FCC in respect of all of the real property and all of the personal property of Global Food and Ingredients Inc., GFI LP and 11567403 Canada Inc. (other than Accounts Receivable and Inventory) (the “**RBC Inter-creditor Agreement**”). The RBC Inter-creditor Agreement shall (i) preclude RBC from acquiring any security over the real property of the Credit Parties without the prior written consent of FCC, and (ii) include provisions that address claims and recovery by RBC and FCC under their respective guarantees, if any, obtained from David Hanna on a pro rata basis.

- (b) An existing landlord’s waiver and consent from Stewart Southern Railway Inc. (the “**Lajord Landlord**”) in favour of FCC in respect of the Lajord Lease of the Lajord Facility assigned by CanPulse to 11567403 Canada Inc. on behalf of GFI LP on such terms as may be acceptable to FCC in its sole discretion (the “**Lajord Landlord Waiver and Consent**”).
- (c) Existing PPSA acknowledgment letters or estoppel letters from other secured creditors of Global Food and Ingredients Inc., GFI LP and 11567403 Canada Inc. as may be identified by FCC (collectively, the “**GFI Estoppel Letters**”).
- (d) An existing fixtures filing registered on title to the Lajord Facility, in respect of all assets of the Credit Parties that might be considered to be fixtures at that location.

### **3.7 Cross Collateralization**

Each of the Credit Parties agrees, acknowledges and confirms to FCC that all Security Documents (including, without limitation, all new Security Documents delivered in connection with this Agreement) and the Liens created and constituted thereby in favour of FCC shall secure, and constitute general continuing collateral security for, the payment and performance of (i) the Outstanding Obligations, and (ii) all other indebtedness, liabilities and obligations of each Credit Party under or in connection with any and all other existing or future credit facilities or loans that any such Credit Party has with FCC from time to time. Each of the Credit Parties agrees to do, execute, acknowledge or deliver (or cause to be done, executed, acknowledged or delivered) any and all such acts, documents, agreements, deeds, assurances, information and other matters and things upon the request of FCC as may be necessary or desirable to give effect to the provisions of this Section.

## **4. Financial Statements and Other Information**

**4.1** Each of the Credit Parties covenants and agrees with FCC that until (i) the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, each of the Credit Parties shall deliver, or cause to be delivered, to FCC:

- (a) within 120 days after the end of each Financial Year of Global Food and Ingredients Inc., annual audited financial statements for Global Food and Ingredients Inc., prepared on a consolidated basis, as of the end of and for each such Financial Year;
- (b) within 45 days after the end of each semi-annual period of each Financial Year of Global Food and Ingredients Inc., semi-annual in-house financial statements for Global Food and Ingredients Inc., as of the end of and for each such semi-annual

period, prepared on a consolidated basis by the accountants or financial controller of Global Food and Ingredients Inc.;

- (c) within 120 days after the end of each Financial Year of GFI LP, annual notice to reader financial statements for GFI LP, prepared on a standalone basis, as of the end of and for each such Financial Year;
- (d) within 120 days after the end of each Financial Year of 11567403 Canada Inc., annual notice to reader financial statements for 11567403 Canada Inc., prepared on a standalone basis, as of the end of and for each such Financial Year;
- (e) within 120 days after the end of each Financial Year of Global Food and Ingredients Inc., a Compliance Certificate (the form of which is attached hereto as Schedule E) for such Financial Year calculated based upon the annual audited financial statements and confirming compliance with all financial covenants, reporting and monitoring covenants and other covenants under this Agreement; and
- (f) such other financial statements or financial reporting for any of the Credit Parties as FCC may request from time to time.

**4.2** All financial statements required to be delivered by the Credit Parties pursuant to this Section (i) shall include a statement of cash flow, and (ii) shall not include Related Party transactions and/or accounts. All consolidated financial statements required to be delivered by the Credit Parties pursuant to this Section shall extend to and include Global Food and Ingredients Inc., GFI LP, 11567403 Canada Inc., Global Food and Ingredients USA Inc. and their respective operations.

## **5. Financial Covenants**

The Borrowers covenant and agree with FCC that (i) until the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, the Borrowers shall observe and comply with the following financial covenants:

### **5.1 Fixed Charge Coverage Ratio**

Global Food and Ingredients Inc. shall maintain at all times a Fixed Charge Coverage Ratio, calculated on a consolidated basis, as at the last day of each Financial Year of Global Food and Ingredients Inc., of not less than 1.25:1.00 for the Financial Year ending March 31, 2020 and for each Financial Year thereafter.

“**Fixed Charge Coverage Ratio**” is defined as the ratio of:

- (a) EBITDA of Global Food and Ingredients Inc. on a consolidated basis for the applicable Financial Year, minus the aggregate of: (i) all Unfunded Capital Expenditures of Global Food and Ingredients Inc. on a consolidated basis for the applicable Financial Year, and (ii) all dividends, distributions, capital withdrawals, payments in respect of the purchase, redemption or return of capital and increases in shareholder loans made to any Affiliate of Global Food and Ingredients Inc. on a consolidated basis during the applicable Financial Year, plus the aggregate of: (iii) any capital injections into Global Food and Ingredients Inc. by its shareholders or related companies during the applicable Financial Year, and (iv) any decreases in shareholder loans made to any Affiliate of Global Food and Ingredients Inc. on a consolidated basis during the applicable Financial Year,

divided by:

- (b) the aggregate of: (i) the current portion of long term debt of Global Food and Ingredients Inc. on a consolidated basis for the upcoming Financial Year, plus (ii) all Interest Expense of Global Food and Ingredients Inc. on a consolidated basis for the applicable Financial Year.

“**EBITDA**” is defined as, for any period, Global Food and Ingredients Inc.’s earnings, on a consolidated basis, for such period before interest, taxes, depreciation and amortization for such period.

“**Interest Expense**” means, for any period, the aggregate amount accrued (whether or not payable or paid) during such period on account of interest expense, bank charges, capitalized interest, standby fees, commissions and other fees and charges relating to letters of credit, including the interest expense components of all capitalized lease obligations.

“**Unfunded Capital Expenditures**” is defined as, for any period for which EBITDA of Global Food and Ingredients Inc. is calculated, the aggregate of all Capital Expenditures incurred by Global Food and Ingredients Inc. on a consolidated basis which have been financed by cash flow or working capital lines (other than those provided by FCC).

## **5.2 General**

All financial covenants shall be calculated in accordance with the Accounting Standard. To the extent the Borrowers are indebted to FCC under this Agreement or any other loan or credit agreement with FCC, the Borrowers shall maintain, or cause to be maintained, the above financial covenants. The above financial covenants replace all previous financial covenants contained in any other credit or loan agreement entered into between the Borrowers and FCC and any amendments thereto. If a conflict arises between any of the above financial covenants and those contained in any previous loan or credit agreement with FCC, compliance by the Borrowers with the above financial covenants shall be required. This provision shall survive the termination or expiry of this Agreement and remain in full force and effect unless and until replaced in a future credit or loan agreement or other agreement signed by FCC and the Credit Parties in writing.

## **6. Repayment, Prepayment and Maturity**

### **6.1 Repayment**

Except for an Advancer Loan, a FCC Credit Line or a Cash Flow Optimizer Loan which are repayable on demand, all outstanding Advances and all other Outstanding Obligations shall be repaid in full and the Credit Facilities shall be cancelled on the applicable Balance Due Date, unless extended in writing by FCC on or before that date, in which case that extended date shall become the new Balance Due Date. Extensions may be requested by the Borrowers. Extensions will be granted at the discretion of FCC. Prior to the applicable Balance Due Date, all amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement.

### **6.2 Payment on Demand**

All outstanding Advances and all other Outstanding Obligations shall be repaid in full and the Credit Facilities shall be cancelled (i) if any Credit Party has made any material misrepresentation to FCC, or has committed fraud against FCC, (ii) if FCC becomes aware

that any Credit Party has acted in a manner that calls into question their integrity and as a result, FCC determines that such action or actions will negatively impact FCC's reputation if FCC were to continue to do business with the Credit Party, or (iii) if any Credit Party ceases to operate or operate materially in its Core Business, in each case as determined by FCC in its sole discretion acting reasonably. Also, if any Credit Facility involves an Advancer Loan or a Cash Flow Optimizer Loan which has not been converted to a term loan, each of the Borrowers and each other Credit Party acknowledges and agrees that such loans are demand loans and are to be repaid in full upon FCC's demand.

### **6.3 *Time and Place of Payment by Borrowers***

Each payment or prepayment required or permitted to be made by the Borrowers under this Agreement (whether on account of principal, interest, costs, or any other amount) shall be made to FCC at its corporate office in Regina, Saskatchewan not later than 10:00 a.m. (Regina time) or at FCC's local office on the date for payment of the same in immediately available funds, and if any payment made by the Borrowers hereunder is made after 10:00 a.m., such payment will be deemed to have been made on the immediately following Banking Day and interest will continue to accrue on the amount of such payment until such following Banking Day.

### **6.4 *Payments to be Made on Banking Days***

Whenever any payment to be made under this Agreement is due on a day that is not a Banking Day, such payment shall be made on the immediately following Banking Day unless the following Banking Day falls in another calendar month, in which case payment shall be made on the immediately preceding Banking Day.

### **6.5 *Manner of Payment; No Set Off / Right of Compensation***

All payments to be made pursuant to this Agreement including principal, interest and costs will, except as otherwise expressly provided herein, be payable in Canadian dollars and all payments to be made pursuant to this Agreement are to be made in immediately available funds and without set-off, right of compensation, withholding or deduction of any kind whatsoever. If any Borrower is not in default under this Agreement, FCC will apply each payment to the appropriate Loan first to pay outstanding fees and other charges, second to pay the interest due, and third to reduce the outstanding principal. If any Borrower is in default on any Loan, FCC can apply each loan payment as FCC sees fit.

### **6.6 *Mandatory Prepayments***

- (a) **Debt and Equity Issuance.** The Borrowers shall, within five (5) Banking Days from the date on which any Credit Party receives any cash proceeds from (i) any sale or issuance of Indebtedness by any Credit Party (excluding, for certainty, any Permitted Indebtedness, vendor-take-back or other deferred payment arrangement entered into by any Credit Party with respect to payment of the purchase price for any Permitted Acquisition), and (ii) any equity raised from an initial public or private offering undertaken by any Credit Party, prepay all outstanding Advances (until repaid in full) in an aggregate principal amount equal to 100% of the cash proceeds of any such issuance of Indebtedness or equity sale (less the reasonable out-of-pocket costs, expenses and fees incurred by such Credit Party in connection with such issuance of Indebtedness or equity sale) unless FCC has consented and agreed in writing to forego any such mandatory payment, such consent not to be unreasonably withheld provided the Borrowers are otherwise in compliance with all of the terms and conditions of this Agreement.

- (b) **Insurance Proceeds.** The Borrowers shall, within five (5) Banking Days from the date on which any Credit Party receives any cash proceeds from or relating to any expropriation, condemnation, destruction, business interruption or other loss of its property, prepay all outstanding Advances (until repaid in full) in an aggregate principal amount equal to 100% of such proceeds less the reasonable out-of-pocket costs and expenses incurred by such Credit Party in connection with such expropriation, condemnation, destruction, business interruption or loss to obtain such proceeds, unless such proceeds are to be used by the applicable Credit Party to repair the damaged asset or acquire a replacement asset within one hundred and eighty (180) days of the date of such receipt of such net cash proceeds and a senior officer of the Borrowers certifies in writing to FCC at the time of such receipt that any such subsequent repair or acquisition shall be made within such one hundred and eighty (180) day time period.
- (c) **Asset Dispositions.** The Borrowers shall, within five (5) Banking Days from the date on which any Credit Party receives any cash proceeds from any Asset Disposition by any Credit Party (other than Permitted Asset Dispositions), prepay all outstanding Advances (until repaid in full) in an aggregate principal amount equal to 100% of the cash proceeds of each such Asset Disposition less the reasonable out-of-pocket costs, expenses and fees incurred by such Credit Party in connection with such Asset Disposition, unless such proceeds are used by the applicable Credit Party to acquire a replacement asset within one hundred and eighty (180) days of the date of such disposition and a senior officer of the Borrowers certifies in writing to FCC at the time of such Asset Disposition that any such subsequent acquisition shall be made within such one hundred and eighty (180) day time period.
- (d) **Inverse Order of Maturity.** Amounts prepaid pursuant to this Section shall be applied (i) firstly to permanently prepay all scheduled principal payments in inverse order of maturity for all Credit Facilities that constitute a term facility until all such Credit Facilities have been permanently repaid in full and such Credit Facilities are reduced to nil, (ii) secondly to repay all Credit Facilities that constitute a revolving or operating facility, and (iii) thirdly to repay any other Outstanding Obligations.

## 6.7 **Voluntary Prepayments**

Subject to the prepayment privileges set out in Section 6.8, if the Borrowers wish to prepay any outstanding Advances during the term of this Agreement, then to the extent permitted by law, the Borrowers must pay a prepayment charge equal to the greater of (i) three (3) months interest on the amount prepaid at the interest rate in effect on the applicable Advance as of the date of prepayment, and (ii) the amount of interest lost by FCC over the remaining term of the Advance on the amount being prepaid, as determined in accordance with FCC's standard practices (the "**Prepayment Fee**").

## 6.8 **Prepayment Privileges**

- (a) **Variable-Open and Fixed-Open rate loans** – If the Credit Facilities are not in default, the Borrowers may prepay all or a part of any Credit Facility at any time, without notice or penalty, conditional upon the Credit Facilities not being in default.
- (b) **Fixed-Closed rate loans** – If the Credit Facilities are not in default, the Borrowers may prepay all or a part of any Credit Facility at any time on the condition that the Borrowers pay FCC the Prepayment Fee on the prepayment date.



- (c) **Fixed and Variable rate loans** – If the Credit Facilities are not in default, the Borrowers may prepay up to 10% of the original principal amount disbursed on the Credit Facilities, without notice or penalty. The Borrowers may exercise this prepayment privilege once each calendar year. The Borrowers may prepay a greater amount of these Loans at any time on the condition that the Borrowers pay FCC the Prepayment Fee on the prepayment date.

## **6.9 Extensions**

An extension to the maturity date of each Credit Facility may be requested by the Borrowers. An extension may be granted at the discretion of FCC. In the event that no written agreement is entered into by the Borrowers and FCC which extends and/or alters the terms of this Agreement on the applicable Balance Due Date and FCC is not in the process of taking enforcement steps to realize against the Security and recover the Outstanding Obligations or any part thereof or FCC has not advised the Borrowers that the applicable Loan will not be extended, then such applicable Loan may be automatically extended on the following terms:

- (a) the applicable Loan extension fee will be charged to the applicable Borrower's loan account;
- (b) the payment periods will be the same as prior to the extension;
- (c) the interest rate and term will be those stated in a written communication that FCC will send to the Borrowers prior to the Balance Due Date; and
- (d) FCC will advise the Borrowers of the new interest rate and required payment amounts.

## **7. Interest Rates, Fees and Costs**

### **7.1 Interest Rates**

Subject to the provisions of this Agreement, interest shall accrue on the aggregate principal amount of all Advances outstanding from time to time commencing on and including the day on which such Advance is advanced and ending on, but excluding, the day on which it is repaid, such interest to be calculated daily and payable monthly, in arrears, on the first Banking Day of each and every month during which such Advances remain unpaid, based upon a year of 365 or 366 days as the case may be, at the variable or fixed rate of interest per annum specified and calculated in the manner set out in Section 2 above and in Schedule B.

### **7.2 Expenses and Legal Fees**

Regardless of whether any or all of the transactions contemplated in this Agreement shall be consummated, the Borrowers shall pay to FCC all reasonable legal fees and disbursements and all fees, costs and out-of-pocket expenses incurred by FCC with respect to the negotiation, preparation and registration of the Loan Documents including, without limitation, amendments of the Loan Documents and their registration. In addition, the Borrowers shall reimburse FCC on demand for all fees, cost and out-of-pocket expenses including, without limitation, legal fees and disbursements (on a solicitor and own client or full indemnity basis) incurred by FCC following the Original Closing Date in connection with the exercising or defending of any or all of the rights, recourses, remedies and powers of FCC under any of the Loan Documents or the realization on any Collateral,

or the taking of any proceedings for the purpose of enforcing its rights and remedies provided in the Loan Documents or available at law.

### 7.3 Fees

In addition to the obligations of the Borrowers to pay interest, costs and expenses as set out in this Agreement, the Borrowers shall also pay the following non-refundable fees:

- (a) **Processing Fee.** The Borrowers have paid to FCC a non-refundable loan processing fee in the aggregate amount of \$42,000.00 in respect of the Existing Facilities on the Original Closing Date. The Borrowers shall pay to FCC a non-refundable loan processing fee in the aggregate amount of \$20,000.00 in respect of the New Facility, which fee has been fully earned by FCC and retained by FCC from the initial Advance on the New Credit Facility on the Closing Date.
- (b) **Reporting and Monitoring Default Fee.** In the event of a late submission of financial reporting requirements set out in this Agreement, FCC may, in its sole and absolute discretion, charge the Borrowers a reporting and monitoring default fee of \$1,000.00 per instance per reporting period.
- (c) **Annual Review.** The Borrowers shall pay to FCC in each year an annual review fee of \$1,000.00 no later than 120 days after Global Food and Ingredients Inc.'s Financial Year end, which fee shall be fully earned by FCC on the date of such Financial Year end. The Borrowers acknowledge and agree that FCC may, at any time, in its discretion and acting reasonably and in good faith, increase the amount of such annual review fee upon reasonable prior written notice to the Borrowers having regard to the complexity of the Borrowers' corporate structure, the number of Subsidiaries, and the number and scope of its financial statements, Compliance Certificates and other financial reports to be reviewed from time to time.
- (d) **Non-Compliance Risk Adjustment Fee.** If the Borrowers breach a financial covenant or financial ratio under this Agreement, FCC shall assess a risk adjustment fee equal to 10 basis points (0.10%) of the aggregate outstanding principal amount of all Credit Facilities determined as at the end of the applicable Financial Year of Global Food and Ingredients Inc.

The amount of this fee shall be added to the Outstanding Obligations. Each of the Borrowers acknowledge, agree and confirm that this fee is a reasonable charge for FCC's costs incurred in connection with the protection and preservation of FCC's security interest in the Collateral after a financial covenant breach.

The risk adjustment fee set out in this Section represents FCC's liquidated damages, not penalties, to compensate FCC for the higher than forecasted risk and/or non-performance of a covenant. Each of the Borrowers acknowledges, agrees and confirms that this fee is a reasonable estimation of the actual damages suffered by FCC upon a breach of a financial covenant contemplated by this Section, and that the Borrowers shall pay such fee to FCC upon an Event of Default. Each of the Borrowers acknowledges, agrees and confirms that the precise amount of FCC's actual damages would be extremely difficult to calculate and that the fee set out in this Section represents a reasonable estimate of the actual damages and efforts incurred by FCC in responding to a financial covenant breach. Such fee is due and payable on demand by FCC and in any event not later than one hundred and twenty (120) days following the last day of each Financial Year. Payment of a fee does not cure the applicable financial covenant breach nor does it affect any of FCC's rights under this Agreement or any other Loan Document.

## 8. **Conditions Precedent**

### 8.1 **Conditions Precedent to the Initial Advance**

The obligation of FCC to make available the initial Advance under the New Credit Facility is subject to the terms and conditions of this Agreement and is conditional upon receipt of the documents listed below and satisfactory evidence being given to FCC and its counsel as to compliance with the following conditions:

- (a) **Loan Documents.** This Agreement and all other Loan Documents have been executed and delivered to FCC (including, without limitation, all new Security Documents).
- (b) **Registration and Perfection.** All Security Documents have been registered, recorded, filed or perfected in all jurisdictions deemed necessary by FCC and its counsel.
- (c) **Certificates, Resolutions and Legal Opinions.** FCC shall have received, duly executed and in form and substance satisfactory to it:
  - (i) a copy of the constating documents, by-laws, shareholders agreements and partnership agreements, as applicable, of each Credit Party and a copy of the resolutions of the board of directors of each Credit Party authorizing the execution, delivery and performance of this Agreement and the other Loan Documents, in each case, certified by a senior officer of each Credit Party;
  - (ii) a certificate of incumbency for each Credit Party showing the names, offices and specimen signatures of the officers authorized to execute this Agreement and the other Loan Documents;
  - (iii) such legal opinions from both Ontario and Saskatchewan counsel to the Credit Parties addressed to FCC covering matters relating to the Credit Parties, this Agreement and the other Loan Documents as FCC may require;
  - (iv) a certified copy of the share register or unit register of each Credit Party; and
  - (v) such additional supporting documents as FCC or its counsel may reasonably request.
- (d) **Good Standing.** Each of the Credit Parties is in possession of, and in good standing or compliance with, all necessary permits, licenses, authorizations and other approvals required to legally undertake and carry on its business in the Provinces where such Credit Party carries on its business.
- (e) **Payment of Fees.** FCC shall have received payment in full from the Borrowers of all fees, out of pocket expenses and other amounts due and payable to FCC (including, without limitation, all legal fees and disbursements of legal counsel to FCC).
- (f) **Consents and Approvals.** All necessary or desirable approvals, clearances and consents from any Governmental Authority or other Person necessary to complete the transactions contemplated by the Loan Documents shall have been received by the Borrowers.

- (g) **Due Diligence.** FCC shall have completed and be satisfied with the results of its financial, business, accounting, tax, environmental, legal and other due diligence with respect to the Credit Parties including, without limitation, the corporate, capital, tax, legal and management structure and cash management systems of the Credit Parties, and shall be satisfied, in its sole judgment, with the nature and status of all securities, labour, tax, employee benefit (including pension plan), environmental, health and safety matters, organizational and capital structure matters involving or affecting any Credit Party. FCC shall have received and be satisfied with the results of all personal property, litigation, judgment, bankruptcy, bulk sale, execution and other searches conducted on behalf of FCC with respect to the Credit Parties in all applicable jurisdictions.
- (h) **Repayments of Indebtedness and Discharge of Liens.** All Indebtedness owing to any creditor by any Credit Party as determined by FCC shall have been repaid in full on the Closing Date other than Permitted Indebtedness. All Liens held by any creditor charging any Collateral shall have been discharged, or where applicable, partially discharged, other than Permitted Liens.
- (i) **Inter-creditor Arrangements.** All such comfort letters, estoppel certificates, subordination and postponement agreements and inter-creditor agreements from other secured creditors of the Credit Parties as FCC may require, in its sole discretion (including the the Subordinate Investors Subordination Agreements, the GFI Shareholders Subordination Agreements, the RBC Inter-creditor Agreement, the Lajord Landlord Waiver and Consent, and the GFI Estoppel Letters), shall have been duly executed and unconditionally delivered by all parties thereto.
- (j) **Title Insurance.** In respect of the Sedley/Zealandia Mortgage and the Lajord Leasehold Mortgage, FCC shall have received a commitment to title insure from a reputable title insurer confirming that a lender's title insurance policy is in effect in such amounts and such endorsements as required by FCC.
- (k) **Certificate of General Insurance.** FCC shall have received a certificate of insurance in respect of all policies of insurance maintained by the Credit Parties confirming:
  - (i) compliance with Section 1.1(k) of Schedule A;
  - (ii) property insurance on an "all-risks" full insurable value basis (including extended perils coverage, boiler and pressure value coverage, and a rider during construction) on the Mortgaged Properties and all buildings, equipment and other property used in the operation of the Borrowers' business in an amount and on terms acceptable to FCC;
  - (iii) comprehensive commercial general liability insurance against claims for personal injury, bodily injury, and property damage occurring on, in, or about the lands and buildings and covering all of the Borrowers' operations in an amount acceptable to FCC per occurrence; and
  - (iv) business interruption insurance with FCC listed as loss payee in amounts and on terms acceptable to FCC.
- (l) **Certificate of Life Insurance.** FCC shall have received confirmation in the form of a certificate of insurance or other documentation acceptable to FCC confirming the issuance to Global Food and Ingredients Inc. and continued effectiveness of the life

insurance coverage from Sun Life referred to in Section 3.5, and its assignment to FCC by way of security as first loss payee.

- (m) **Certificate of Credit Insurance.** FCC shall have received confirmation in the form of a certificate of insurance or other documentation acceptable to FCC confirming the issuance to Global Food and Ingredients Inc. and continued effectiveness of the credit insurance coverage from The Guarantee Insurance Company of America referred to in Section 3.5, and its assignment to FCC by way of security as first loss payee.
- (n) **Financial Statements.** FCC shall have received and be satisfied with all financial statements as may be requested by FCC from the Credit Parties.
- (o) **Environmental Compliance.** FCC must be satisfied in its sole discretion, that all regulatory agency requirements relating directly or indirectly to environmental impacts, potential environmental hazards, environmental, health or safety risks or environmental issues related to any Credit Party's current or projected business operations have been met or related to any Credit Party's past operations that may have caused or contributed to a breach of regulatory requirements have been rectified.
- (p) **Environmental Assessment.** FCC shall have completed and be satisfied with its environmental risk assessment process. FCC shall have received and be satisfied with a Phase 1 or Phase 2 environmental report for each of the Zealandia Facility, the Sedley Facility and the Lajord Facility.
- (q) **Appraisals.** FCC shall have received and be satisfied with an appraisal, in form and substance satisfactory to FCC, in respect of each of the Zealandia Facility, the Sedley Facility and the Lajord Facility and such other assets comprising FCC's security as it may determine, in its sole discretion.
- (r) **Tax Certificates for the Mortgaged Properties.** The Borrowers shall have delivered to FCC a current tax certificate from the relevant municipality for each Mortgaged Property, or shall have provided other evidence of payment, confirming that there are no real property tax arrears for such Mortgaged Property.
- (s) **Statutory Declaration as to Possession/Compliance with Agreements.** FCC shall have received a statutory declaration from an officer of the applicable Borrower in connection with all applicable matters relating to its title to each of the Mortgaged Properties, including its possession and occupation and compliance with all development agreements.
- (t) **Personal Identification for PPSA Searches/Registrations.** FCC shall have received and be satisfied with copies of two pieces of personal identification for David Hanna and Samira Sharezay (one of which shall be a valid passport or birth certificate) so as to permit the completion of PPSA and other searches and registrations.
- (u) **Certified Copies of Documents.** FCC shall have received copies of each of the following documents, certified by an officer of the Borrowers: (i) the Lajord Lease, the Lajord Lease Assignment Agreement, and any documents evidencing the consent of the Lajord Landlord to such assignment; (iii) all material loan and security documents entered into by the Credit Parties with RBC as may be requested by FCC; (v) the unanimous shareholders agreement dated as of September 30, 2019 entered into between GFI and the GFI Shareholders; (vi) all

material loan, promissory notes and security documents, if any, entered into by the Credit Parties with the Subordinate Investors or the GFI Shareholders as may be requested by FCC and (vii) such other Material Contracts as may be requested by FCC, and shall have approved all of the terms of each such document.

- (v) **Permanent Shareholder Equity.** FCC shall have received and be satisfied with written evidence confirming the investment of not less than \$3,000,000 in permanent shareholder equity in Global Food and Ingredients Inc. that can be used for general corporate purposes (collectively, the “**Equity Injection**”).
- (w) **RBC Credit Facilities.** FCC shall have received and be satisfied with written evidence that Global Food and Ingredients Inc. has been approved for loans in the form of an operating line of credit in an aggregate amount not less than \$6,000,000 with RBC on terms and conditions acceptable to FCC in its discretion.
- (x) **ILA Certificate.** FCC shall have received a Certificate of Independent Legal Advice in respect of the execution and delivery of the GFI Shareholder Subordination Agreements by Samira Sharezay.
- (y) **Notice of Interest and Lease Particulars.** FCC shall have received evidence of the registration on title to the Lajord Facility of a Notice of Interest and Lease Particulars in form satisfactory to FCC.
- (z) **35 Oak Holdings.** FCC shall have received a Certificate of Status and such other corporate documentation as it may consider to be necessary or advisable in respect of the execution and delivery of any GFI Shareholder Subordination Agreement or Subordinate Investors Subordination Agreement by 35 Oak Holdings Ltd.
- (aa) **Investment in Project.** FCC shall have received and be satisfied with written evidence confirming the Credit Parties have made a cash equity investment of \$2,000,000.00 in the Project (as such term is defined in Schedule B hereto).
- (bb) **Discharge of Globeways/Can Pulse Mortgage.** FCC shall have received evidence to its satisfaction of the discharge of the Globeways Canada Inc. and CanPulse mortgage.
- (cc) **Insurance Proceeds from Globeways Contract.** FCC shall have received confirmation to its satisfaction of the payment of insurance proceeds for default of the Toll Processing Agreement made as of November 22, 2019 between GFI LP, as processor, GFI, CanPulse, Globeways Canada Inc. and Hakan Agro DMCC, as such agreement may be amended, restated, modified, supplemented, renewed or replaced from time to time in accordance with the terms hereof, in an amount acceptable to FCC in its sole discretion.
- (dd) **Other Documents.** FCC shall have received such other documents and agreements as are customary in transactions of this type or as FCC may request.

## **8.2 Conditions Precedent to All Advances**

The obligation of FCC to make available the initial Advance under the New Credit Facility and any other Advance subsequent to such initial Advance and to perform its other obligations under this Agreement is subject to the terms and conditions of this Agreement and is conditional upon FCC’s receipt of the documents listed below and satisfactory evidence being given to FCC and its counsel as to compliance with the following conditions:

- (a) **Initial Conditions Precedent.** All initial conditions precedent in Section 8.1 above remain satisfied and in full force and effect.
- (b) **Notice of Borrowing.** FCC shall have received a duly executed notice of borrowing in respect of the requested Advance.
- (c) **Representations and Warranties.** The representations and warranties of the Credit Parties in each of the Loan Documents are true and correct in all material respects as if made on and as of each such date unless specifically made as of a certain date.
- (d) **No Material Adverse Change.** No Material Adverse Change has occurred since the date of the most recent Compliance Certificate or other financial reporting delivered by the Borrowers to FCC.
- (e) **Loan Documents.** All Loan Documents are in full force and effect.
- (f) **No Default.** No Default or Event of Default shall have occurred and be continuing or would result after giving effect to the Advance.
- (g) **Priority Payables.** There are no priority payables outstanding in respect of which payments are overdue.
- (h) **Bring-Down Certificate.** A bring-down certificate executed by a senior officer of the Borrowers on the applicable Advance date confirming that all of the terms and conditions set out in this Section are true and correct as of the date of the Advance.
- (i) **Consents and Approvals.** All necessary or desirable approvals, clearances and consents from any Governmental Authority or other Person necessary to complete the transactions contemplated by the Loan Documents shall have been received by the Credit Parties.
- (j) **Pre-Authorized Payments.** FCC shall have received all information and documentation duly executed by the Borrowers which is required for purposes of establishing payments under this Agreement to be made by way of pre-authorized payments (including, without limitation, a void cheque).
- (k) **Title Search and other Due Diligence Searches.** FCC has conducted a title search of the Mortgaged Properties and confirmed that there are no builders, mechanics, construction or other Liens registered on title to either property, and has conducted such other due diligence searches as it deems necessary or appropriate to confirm the absence of Liens.

### **8.3 Waiver of Conditions Precedent**

The conditions precedent provided for in this Section are for the sole and exclusive benefit of FCC. FCC may waive such conditions precedent, in whole or in part, with or without conditions, without prejudice to any other or future rights that it may have against the Credit Parties and any other Person.

## **9. General Provisions**

### **9.1 Conflict**

The terms and conditions contained in the attached Schedules are incorporated into and form an integral part of this Agreement. In the event of a conflict between the terms of this Agreement and the terms of the Schedules, the terms of this Agreement shall prevail.

### **9.2 Replacement**

This Agreement supersedes and replaces all prior discussions, letters and credit agreements (if any) describing the terms and conditions of any credit facilities established by FCC in favour of the Credit Parties.

### **9.3 Confidential**

The Credit Parties shall keep the terms of this Agreement, including specifically the interest rate, strictly confidential and will not disclose the terms of this Agreement to any Person without FCC's prior consent. The Credit Parties may, however, disclose the terms of this Agreement to their legal, banking, accounting and business advisors on a need to know basis. The Credit Parties authorize FCC to obtain credit or other information about the Credit Parties, and the Collateral from, and to allow FCC to, during the term of the Credit Facility, exchange such information with:

- (a) any financial institution, credit reporting agency, rating agency, credit bureau, governmental body or regulatory authority; and
- (b) anyone with whom the Credit Parties may have or propose to have financial dealings.

The Credit Parties agree that FCC may use Loan information for FCC's internal research and marketing purposes and that FCC may contact the Credit Parties regarding FCC's other products and services.

### **9.4 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. The Credit Parties irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of such Province and of Saskatchewan and acknowledge the competence of such courts and irrevocably agree to be bound by a judgement of such court.

### **9.5 Language**

The parties have requested that this Agreement and all other Loan Documents be drafted in English. Les parties ont requis que cette convention et tous les autres documents soient rédigés en anglais.

**[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]**



**Acceptance**

This Agreement may be accepted by signing, dating and returning to FCC on or before May 28, 2021 the enclosed copy of this Agreement executed by the Credit Parties as set out below. Failing such acceptance, this offer shall be of no further force or effect.

**FARM CREDIT CANADA**

Per:



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Name: Louis Racine  
Title: Legal Counsel / Avocat-conseil

**DATED** this 28 day of May, 2021.

**GLOBAL FOOD AND INGREDIENTS INC.**

Per:

\_\_\_\_\_  
Name: Bill Murray  
Title: Chief Financial Officer

I have the authority to bind the Corporation.

**GFI LP,  
By its General Partner,  
11567403 CANADA INC.**

Per:

\_\_\_\_\_  
Name: Bill Murray  
Title: Chief Financial Officer

I have the authority to bind the General Partner and the Limited Partnership.

**11567403 CANADA INC.**

Per:

\_\_\_\_\_  
Name: Bill Murray  
Title: Chief Financial Officer

I have the authority to bind the Corporation.

**GLOBAL FOOD AND INGREDIENTS (USA) INC.**

Per:

\_\_\_\_\_  
Name: Bill Murray  
Title: Secretary and Treasurer

I have the authority to bind the Corporation.

**NORTH LILY FOODS INC.**

Per:

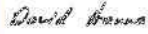
\_\_\_\_\_  
Name: Bill Murray  
Title: Secretary and Treasurer

I have the authority to bind the Corporation.

(Witness signature)

BILL MURRAY  
(Print witness name)

DecaSigned by:



(Signature) 9A6DF8F11390449 ..

**DAVID HANNA**  
(Name)

## SCHEDULE A - STANDARD TERMS AND CONDITIONS

### 1. Covenants of the Credit Parties

#### 1.1 *Affirmative Covenants*

The Credit Parties covenant and agree with FCC that (i) until the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, the Credit Parties will observe and perform, or will cause the observance and performance of, each of the following covenants:

- (a) **Payment of Principal, Interest and Expenses.** The Borrowers shall duly and punctually pay or cause to be paid to FCC, the Outstanding Obligations at the times and places and in the manner provided for in this Agreement.
- (b) **Use of Funds.** The Borrowers shall use and employ the funds received from FCC pursuant to this Agreement solely for agricultural purposes, and thereafter only for the Core Business, the Borrowers' working capital and Permitted Acquisitions. Notwithstanding the foregoing, the Borrowers shall only use the funds received from the New Credit Facility for the construction of the Project, and to pay the FCC Processing Fee and any legal fees in connection with this Agreement.
- (c) **Books and Records.** The Credit Parties shall maintain at all times, a system of accounting established and administered in accordance with the Accounting Standard, consistently applied and in accordance with sound business practices and shall therein make complete, true and correct entries of all dealings and transactions relating to its business. All financial statements furnished to FCC shall fairly present the financial condition and the results of the operations of the Credit Parties and all other information, certificates, schedules, reports and other papers and data furnished to FCC by the Credit Parties will be accurate, complete and correct in all material respects.
- (d) **Access and Information.** The Credit Parties shall (i) discuss and review with FCC and its authorized representatives any matters directly relevant to this Agreement and relating to the business of the Credit Parties or pertaining to all or any part of its or their respective properties as FCC may reasonably request, (ii) permit any authorized representative of FCC to visit, inspect and have access to its or their respective property and assets at any and all reasonable times during normal business hours with reasonable prior notice, and (iii) permit, at any and all reasonable times during normal business hours with reasonable prior notice, FCC and its authorized representatives to examine all of its books of account, records, reports, documents, papers and data and to make copies and take extracts thereof, and to discuss respective business, affairs, finances and accounts with its and their executive officers, senior financial officers, accountants and other financial advisors.
- (e) **Notices.** The Credit Parties shall promptly, after any responsible officer obtains actual knowledge thereof, give notice to FCC of:
  - (i) any event which constitutes a Default or Event of Default, together with particulars in reasonable detail specifying the nature thereof and the steps being taken to cure such Default or Event of Default;
  - (ii) any notice of expropriation of any Collateral;

- (iii) any claim, proceeding or litigation in respect of any Credit Party which, if adversely determined, could reasonably be expected to have a Material Adverse Effect, whether or not any such claim, proceeding or litigation is covered by insurance;
  - (iv) any official notice of any violation, non-compliance or claim made by any Governmental Authority pertaining to: (A) the operations of any Credit Party or any of its Affiliates, or (B) all or any part of the property and assets of any Credit Party or any of its Affiliates, in each case, which if adversely determined, could reasonably be expected to have a Material Adverse Effect;
  - (v) any Lien other than Permitted Liens registered against any Collateral;
  - (vi) particulars in reasonable detail of: (A) any event or condition, or (B) assertion of any environmental matter by any Person against or with respect to the activities and operations of any Credit Party, in each case, not previously disclosed to FCC, which violates or results in non-compliance with any Environmental Law other than any event, condition or environmental matter that, if adversely determined, would not (either individually or in the aggregate) have a Material Adverse Effect;
  - (vii) any event, development or condition which may reasonably be expected to have a Material Adverse Effect; and
  - (viii) any changes in the composition of any Borrower's or any other Credit Party's executive management team;
- (f) **Corporate Status and Qualification.** Each Credit Party shall do or cause to be done all such things as are necessary to (i) maintain its existence in good standing, and (ii) to ensure that it has at all times the right and is duly qualified to conduct its business where such qualification is necessary and to obtain and maintain all rights, privileges, licences, permits, contracts, agreements and franchises necessary for the conduct of its business, except in each case under this clause (ii), to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (g) **Conduct of Business.** Each Credit Party shall (i) continuously carry on and conduct the Core Business in a proper and efficient manner, (ii) not make any Material Adverse Change to the Core Business, (iii) maintain its properties and assets in good working order and condition (ordinary wear and tear excepted) and operate such properties and assets in a prudent manner, and (iii) take all necessary steps to maintain, protect and preserve its assets and properties and its title thereto.
- (h) **Compliance with Laws.** Each Credit Party shall comply with all Applicable Laws and orders of any Governmental Authority having jurisdiction applicable to it or its property and obtain and maintain in good standing all licences, permits and approvals required (as and when same are, by law, required) from any and all Governmental Authorities, and ensure that the Core Business and its operations are at all times in compliance in all respects with all Applicable Laws, building codes, ordinances and zoning requirements.
- (i) **Further Assurances.** Each Credit Party shall, and shall cause every other Credit Party, to cure promptly any defects in the execution and delivery of the Loan

Documents. Upon reasonable request of FCC, each Credit Party shall, at the Borrowers' expense, as promptly as practical, execute and deliver to FCC, all such other and further documents, agreements and instruments (and cause every other Credit Party to take such action) in compliance with or performance of the covenants and agreements of each Credit Party in any of the Loan Documents, or to further evidence and more fully describe the Collateral, or to correct any manifest errors in any of the Loan Documents, or to more fully state the security obligations set out in any of the Loan Documents, or to perfect, protect or preserve any Liens created pursuant to any of the Loan Documents, or to make any recordings, to file any notices, or obtain any consents, all as may be necessary or appropriate in connection therewith.

(j) **Taxes.** Each Credit Party shall cause to be paid all Taxes lawfully levied, assessed or imposed upon it or in respect of its property as and when the same shall become due and payable, and exhibit or cause to be exhibited to FCC when required, the receipts and vouchers establishing such payment, and duly observe and conform to all valid requirements of any Governmental Authority relative to its property or rights and relative to all covenants, terms and conditions upon or under which any such property or rights are held; provided, however, that it shall have the right to Contest any such Taxes or other amounts and, upon such Contest, may delay or defer payment or discharge thereof if such contestation will involve no forfeiture of Collateral or the subordination of the Liens created by the Security Documents to such Taxes unless collateral or other security satisfactory to FCC have been deposited with FCC in respect thereof.

(k) **Insurance.**

(i) Each Borrower shall, and shall cause every other Borrower to, maintain or cause to be maintained, insurance with respect to the Collateral against such liabilities, casualties, risks and contingencies, of such types and in such amounts as is customary in the case of Persons engaged in the same or similar businesses and similarly situated and in accordance with any other specified requirements of any Governmental Authority or FCC including but not limited to: (i) property insurance on an "all-risks" full insurable value basis (including extended perils coverage) on the Mortgaged Properties and all buildings, equipment and other property used in the operation of the Borrowers' business; (ii) broad-form boiler and machinery insurance for all of the Borrowers' boilers, pressure valves and vessels, machinery and air conditioning equipment; (iii) comprehensive commercial general liability insurance against claims for personal injury, bodily injury, and property damage occurring on, in, or about the lands and buildings and covering all of the Borrowers' operations, such insurance shall be in an amount acceptable to FCC per occurrence; (iv) a rider for construction insurance during the construction of any project, if applicable; (v) business interruption insurance in an amount approved by FCC; (vi) crop insurance; (vii) course of construction insurance, commercial general liability insurance and property insurance and have it in effect to protect the Credit Parties from loss and liability during and after completion of any project; and (viii) any other insurance required by this Agreement (the "**Insurance**").

(ii) The Credit Parties shall maintain or cause to be maintained with reputable insurers, over the insurable Collateral, coverage against risks of loss or damage to its properties, assets and business (including fire and extended perils, public liability, and damage to property of third parties) of such types

as are customary in the case of persons with established reputation engaged in the same or similar businesses, to the full insurable value of such properties and assets, such policies (except third-party liability insurance) to contain standard mortgage/hypothec clauses or other mortgage/hypothec clauses satisfactory to FCC and shall, otherwise than in respect of damage to or destruction of leased assets, assets secured by purchase money liens (where applicable) and such other assets as FCC may in writing agree to exclude, be assigned to and endorsed in favour of FCC, as first mortgagee/beneficiary and first loss payee subject to ranking *pari passu* with holders of debt secured by the same collateral pursuant to any intercreditor agreement entered into by FCC with the holders of such debt.

- (iii) In the case of any fire, accident or other casualty causing loss or damage to any assets or properties of any Borrower used in generating cash flow or required by Applicable Law, all proceeds of the Insurance shall be dealt with in accordance with the mandatory prepayment provisions of this Agreement; provided that, if an Event of Default has occurred and is continuing, all proceeds of such Insurance shall only be used as directed by FCC in its sole discretion.
- (iv) All Insurance with respect to the assets and property of the Borrowers shall be endorsed in favour of FCC as first mortgagee and as first loss payee, and shall be in an amount no less than the full insurable value of the assets and property insured. FCC shall be named as an additional insured in respect of all liability policies and such policies shall contain cross liability and severability of interest provisions. FCC shall be designated as beneficiary on the course of construction insurance and property insurance in amounts and on terms acceptable to FCC.
- (v) Each Borrower shall use reasonable best efforts to ensure that the Insurance shall contain provisions that the insurer shall provide at least thirty (30) days prior notice to FCC of any changes to the Insurance and that the Insurance shall not be cancelled without at least thirty (30) days prior notice being given by the insurer(s) to FCC, evidence of the giving of such notice to be the responsibility of the insurer(s) in each case, and shall contain the Insurance Bureau of Canada's standard mortgage clause or an alternative appropriate form of mortgage clause satisfactory to FCC.
- (vi) If any Borrower defaults in so insuring its real or personal property and assets as are required under this Section to be insured or, in so delivering the certificates or policies of Insurance within the time period required under this Agreement, FCC may, at its option, immediately effect and pay the premiums for such Insurance and such Borrower shall reimburse FCC for any premiums so paid with interest thereon at the then applicable interest rate with respect to any FCC Credit Line and Advancer Loan.
- (vii) As soon as practicable following the happening of any loss or damage in respect of any Borrower's real or personal property and assets subject to any Insurance, the Borrowers shall, at its expense, furnish or cause to be furnished all necessary proof and do all necessary acts to enable the Person entitled to receipt of the proceeds of such insurance pursuant to this Section to obtain payment thereof.

- (viii) All policies of Insurance will, where applicable, contain a release of any subrogation rights which any Credit Party's insurers may have against FCC or those for whom any of them are in law responsible.
  - (ix) Each Borrower agrees to deliver in writing to FCC, from time to time, upon reasonable request by FCC, all information relating to the Insurance and all monies payable to such Borrower thereunder. FCC shall be entitled, from time to time, to inspect any books, papers, documents or records evidencing or relating to such Insurance and make copies thereof.
  - (x) Each Borrower agrees that it shall provide FCC with a certified copy of each policy of Insurance as soon as practical but no later than 180 days from the Closing Date, together with a certified copy of each policy of Insurance issued in replacement of or in substitution for any policy of Insurance or policies of Insurance or as a renewal of any policy of Insurance or policies of Insurance.
- (l) **Repairs.** Each Credit Party shall at all times, make or cause to be made such expenditures, replacements, repairs, and maintenance as shall be necessary to maintain, preserve and keep at all times the Collateral in good repair, physical condition, working order and a state of good operating efficiency, as would a prudent owner of comparable property conducting a similar business.
- (m) **Environmental Compliance.** Each Credit Party shall:
- (i) use and operate all of its facilities and properties in compliance with all Environmental Laws, keep all necessary permits, approvals, certificates, licences and other authorizations relating to environmental matters in effect and remain in compliance therewith, and handle all Contaminants in compliance with all applicable Environmental Laws, except in the case, where failure to do so would not reasonably be expected to have a Material Adverse Effect;
  - (ii) immediately notify FCC and provide copies upon receipt of any written claim, complaint, notice or inquiry to such Credit Party relating to the release of Contaminants at any facility or property which would result in such Credit Party being in material non-compliance with any Environmental Law;
  - (iii) at all times maintain a reserve on its books for environmental liabilities in accordance with the requirements of the Accounting Standard, and
  - (iv) provide such information and certifications which FCC may reasonably and specifically request from time to time to evidence of compliance with this Section.
- (n) **Observance of Agreements.** Each Credit Party shall observe, perform and enforce in a timely fashion all of its contractual obligations and rights, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.
- (o) **Additional Subsidiaries; Additional Liens.** Upon written request by FCC, if, at any time on or after the Original Closing Date, any Credit Party directly or indirectly (i) creates or acquires an additional Subsidiary, or (ii) in some other manner becomes the holder of any Equity Securities of a Subsidiary by any means



whatsoever, in each case, the Credit Party will, or will cause such new Subsidiary, to execute and deliver to FCC subject only to those Permitted Liens which are senior to the Security Documents by operation of law and which have not been contractually subordinated, within 30 days of such creation, acquisition or qualification, a guarantee, security agreements (creating a first priority Lien against all property, assets and undertaking of such Subsidiary in favour of FCC), and other agreements, instruments, documents, certificates, resolutions and legal opinions similar in type, scope and form as those delivered by the Credit Parties pursuant this Agreement and otherwise satisfactory to FCC. Each guarantee, pledge agreement, mortgage, security agreement and other related document delivered pursuant to this Section shall be deemed to be a Security Document from and after the date of execution thereof.

- (p) **After-Acquired Property.** Upon written request by FCC, following the acquisition by any Credit Party after the Original Closing Date of any after-acquired property that forms part of the Collateral and is not automatically subject to a perfected Lien under the Security Documents, such Credit Party (other than David Hanna) shall execute and deliver, any Security Documents and cause to be filed such financing statements or other registrations as may be necessary to vest in FCC a first ranking perfected security interest (subject only to those Permitted Liens which are senior to the Security Documents by operation of law and which have not been contractually subordinated) in such after-acquired property and to have such after-acquired property added to the Collateral, together with supporting documents, including opinions and third party estoppel letters consistent with the type delivered on the Original Closing Date, and thereupon all provisions of this Agreement relating to the Collateral shall be deemed to relate to such after-acquired property to the same extent and with the same force and effect. Such actions shall be taken within the timeframe specified in the relevant Security Documents or, if no timeframe is specified, within (i) sixty (60) days of acquisition of the relevant real property, and (ii) ten (10) days of acquisition of the relevant personal property.
- (q) **Pension and Benefit Plans.** For each existing Pension Plan and Benefit Plan, each Borrower shall, in a timely fashion, comply with and perform in all respects all of its obligations under and in respect of each such Pension Plan or Benefit Plan, including under any funding agreements and all Applicable Laws (including any fiduciary, funding, investment and administration obligations), in each case, in respect of which the failure to comply or perform could reasonably be expected to have a Material Adverse Effect. All employer or employee payments, contributions or premiums required to be remitted, paid to or in respect of each existing Pension Plan or Benefit Plan shall be paid or remitted by each applicable Borrower in a timely fashion in accordance with the terms thereof (including any funding agreements and all Applicable Laws), in each case, in respect of which the failure to pay or remit would reasonably be expected to have a Material Adverse Effect. Each Borrower shall deliver to FCC (i) if requested by FCC, copies of each annual and other return, report or valuation with respect to each existing Pension Plan or Benefit Plan as filed with any applicable Governmental Authority by any Borrower, (ii) promptly after receipt thereof, a copy of any direction, order, notice, ruling or opinion that any Borrower may receive from any applicable Governmental Authority with respect to any Pension Plan or Benefit Plan relating to any matter that would reasonably be expected to have a Material Adverse Effect, and (iii) notification within thirty (30) days of any increases having a cost to any Borrower in excess of \$100,000 per annum in the aggregate, in the benefits of any existing Pension Plan or Benefit Plan.

- (r) **Material Commercial Leases.** Each Borrower shall obtain FCC's prior written consent to enter into, modify in any material respect, or renew, extend or terminate any lease (excluding any lease where such Borrower is the tenant and any residential lease, but including any ground lease or head lease for residential or any other purposes) for premises of more than 10,000 square feet for a term (inclusive of all renewal and extension options, whether or not exercised) of 5 years or more which form part of the Collateral (a "**Material Commercial Lease**"), which consent shall not be unreasonably withheld or delayed by the Lender provided such Material Commercial Lease, or the material modification, renewal, extension or termination thereof is made in the ordinary course of business and is commercially reasonable and consistent with prudent property management and leasing standards and practices.
- (s) **Rectification of Defaults by FCC.** In the event that FCC receives any notice of default or breach by any Credit Party of any term, covenant or condition in an agreement which default or breach, in the reasonable opinion of FCC, is likely to have a Material Adverse Effect or upon a material portion of the Collateral, the applicable Credit Party shall permit or cause to be permitted FCC to take any action as FCC in its reasonable opinion may deem necessary or desirable to rectify or prevent such default or breach notwithstanding that the existence of such default or breach or the nature or extent thereof may be questioned or denied by such Credit Party, including the absolute and immediate right to enter onto the property of such Credit Party or any part thereof to the extent that FCC deems necessary or desirable, but without taking possession thereof, to enable FCC to rectify or prevent any such default or breach, provided always that FCC shall not incur or be subject to any liability under any lease or contract by reason of having taken such action nor shall FCC have any obligation to take any action referred to in this Section.
- (t) **Lajord Lease.** The Credit Parties shall promptly make application to the relevant Governmental Authorities under *The Planning and Development Act* (Saskatchewan) to approve the renewal terms under the Lajord Lease and shall diligently pursue such application in conjunction with the Lajord Landlord to obtain a certificate of approval from the local planning authority. The Credit Parties shall provide FCC with copies of such certificate of approval forthwith following their receipt of the same.

## 1.2 **Negative Covenants**

The Credit Parties covenant and agree with FCC that (i) until the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, the Credit Parties will observe and perform, or will cause the observance and performance of, each of the following covenants:

- (a) **No Amalgamation.** No Credit Party shall enter into any transaction or series of related transactions (whether by way of amalgamation, merger, winding-up, consolidation, reorganization, reconstruction, continuance, transfer, sale, lease or otherwise) whereby all or substantially all of its undertaking, properties, rights or assets would become the property of any other Person or, in the case of amalgamation or continuance, of the continuing corporation resulting therefrom without the prior written consent of FCC.
- (b) **Indebtedness.** No Credit Party shall create, assume, issue or permit to exist, directly or indirectly, any Indebtedness except for Permitted Indebtedness.

- (c) **No Liens.** No Credit Party shall create, assume, incur or suffer to exist any Lien in or upon any of its undertaking, property, rights or assets except for Permitted Liens.
- (d) **No Guarantees.** No Credit Party shall be or become liable, directly or indirectly, contingently or otherwise, for any obligation of any other Person by Guarantee except for any Guarantee which constitutes Permitted Indebtedness.
- (e) **Limitation on Investments and Loans.** No Credit Party shall make or permit to exist, directly or indirectly, any Investment or any other interest in any other Person (whether in one transaction or a series of transactions) except: (i) Investments in cash equivalents, (ii) Investments which constitute Permitted Acquisitions, and (iii) Investments for which the applicable Credit Party has obtained the prior written consent of FCC. No Credit Party shall make any loans, advances or other forms of Indebtedness to any Person other than loans, advances or other forms of Indebtedness which constitute Permitted Indebtedness.
- (f) **Limitation on Acquisitions.** No Credit Party shall make, directly or indirectly, any Acquisition (whether in one transaction or a series of transactions) unless: (i) such Acquisition constitutes a Permitted Acquisition or has been approved by FCC in writing, or (ii) is an Acquisition of real property which exceeds any Net Capital Expenditure limits set out in this Agreement, and upon written request from FCC, the Credit Parties shall grant FCC security and a Lien over all such personal property, Persons or real property so acquired, together with supporting registrations and legal opinions, in each case, all in form and substance satisfactory to FCC.
- (g) **Limitation on Asset Dispositions.** No Credit Party shall effect an Asset Disposition except for Permitted Asset Dispositions.
- (h) **Change of Jurisdiction or Chief Executive Office; Relocation of Assets.** No Credit Party shall (i) change the jurisdiction of organization or move its registered office, principal place of business or chief executive office or its location for purposes of the PPSA outside of the jurisdiction in which it was located as at the Closing Date or the date of its acquisition or creation, as the case may be, and (ii) maintain, store or relocate Collateral at any location having a value in excess of \$100,000 in the aggregate for all locations in any jurisdiction other than as disclosed in this Agreement as at the Closing Date, in each case, without the prior written consent of FCC and, in each case, until FCC shall have (A) taken all such steps necessary, if any, by FCC to ensure that the Liens created by the Security Documents to which any Credit Party is a party continue to constitute valid, enforceable and perfected Liens, and (B) received such third party estoppel letters and opinions of counsel with respect thereto as FCC may reasonably require.
- (i) **Organizational Documents.** No Credit Party shall (i) change its corporate name, or (ii) amend its articles of incorporation, amalgamation or continuance, partnership agreement, limited partnership agreement, shareholders agreement or similar document without the prior written consent of FCC.
- (j) **Restricted Payments.** No Credit Party shall declare, pay or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except each Credit Party may make Restricted Payments:
  - (i) with respect to (A) salaries, bonuses, commissions, indemnities or other employment remuneration to employees, officers or directors of the Credit Parties in the ordinary course, and (B) reimbursement for reasonable out-

of-pocket costs and expenses incurred by such employees, officers or directors in the ordinary course of carrying out their duties, paid in accordance with a reimbursement policy that is commercially reasonable;

- (ii) with respect to the Subordinate Investors Indebtedness, payments of interest and principal made in accordance with the terms of the Subordinate Investors Subordination Agreements;
- (iii) with respect to the GFI Shareholders Indebtedness, Restricted Payments made in accordance with the terms of the GFI Shareholders Subordination Agreements;
- (iv) with respect to regular scheduled payments of interest in respect of Subordinated Debt, the Subordinate Investors Indebtedness and the GFI Shareholders Indebtedness); and
- (v) with respect to RBC, payments of interest and principal made in accordance with the terms of the RBC loan agreement;
- (vi) as otherwise consented to in writing by FCC,

provided that, at the time of and immediately after making a Restricted Payment in respect of subsections (ii), (iii), (iv), (v) and (vi) immediately above, (A) no Default or Event of Default shall have occurred; and (B) the Borrowers shall be in compliance with the financial covenants set out in this Agreement. If requested by FCC at any time prior to the delivery of Global Food and Ingredients Inc.'s audited financial statements for the Financial Year ending on March 31, 2020, Global Food and Ingredients Inc. shall provide interim financial statements to support the position that they are in compliance with their financial covenants so as to permit any such Restricted Payment made. For greater certainty, the Restricted Payments permitted in this Section shall not be construed as authorizing any unusual capital withdrawals or payments to Affiliates in any year prior to the commencement of bankruptcy or insolvency proceedings in respect of any Credit Party.

- (k) **Material Contracts.** No Credit Party shall: (i) cancel, terminate, amend or otherwise modify in any manner adverse to FCC any material terms of any Subordinated Debt, (ii) cancel or terminate any Material Contract, or permit any Material Contract to be cancelled or terminated, or (iii) amend or otherwise modify any Material Contract in any manner adverse to FCC, or waive any default or breach under any other Material Contract, in each case, without the prior written consent of FCC.
- (l) **Change in Control.** No Credit Party shall cause, give effect to, consent to, participate in, process, register or record any Change in Control.
- (m) **Financial Year; Accounting Changes.** No Credit Party shall (i) change its Financial Year end, or (ii) accounting treatment or reporting practices, except as required by the Accounting Standard or any Applicable Law.
- (n) **Transactions with Affiliates.** No Credit Party will, directly or indirectly, purchase, acquire or lease any property or assets from, or sell, transfer or lease any property or assets to, or enter into any other transactions with, any officer, director, agent or other Person affiliated with or related to such Credit Party, except in the ordinary course of, and under the reasonable requirements of, the Credit Party's business,

and upon fair and reasonable terms no less favourable to the Credit Party than they would obtain in a comparable arm's length transaction with an unaffiliated Person.

- (o) **Sales and Leasebacks.** No Credit Party shall enter into any Sale/Leaseback Transaction without the prior written consent of FCC.
- (p) **Creation of Subsidiaries.** No Credit Party shall, directly or indirectly, acquire or form any Subsidiary without the prior written consent of FCC.
- (q) **Repayment of Indebtedness.** No Credit Party shall repay, prepay, redeem, repurchase, defease or otherwise make any payment on account of any Indebtedness except for: (i) payment on account of Indebtedness under this Agreement, (ii) any payment consented to in writing by FCC, and (iii) payment of Permitted Indebtedness; provided that, such payment is specifically permitted by Section 1.2(j) above.
- (r) **Changes in Nature of Business.** No Credit Party shall (i) make any changes in any of its business objectives, purposes, or operations that could reasonably be expected to adversely affect repayment of the Outstanding Obligations or could reasonably be expected to have a Material Adverse Effect, or (ii) engage in any business other than the Core Business and activities or businesses incidental, complimentary or ancillary thereto.
- (s) **Pension and Benefit Plans.** No Credit Party shall: (i) establish or assume an obligation to contribute to, maintain, participate or sponsor a Pension Plan or Benefit Plan and shall not provide or promise a pension benefit for its employees pursuant to a Pension Plan or Benefit Plan, and (ii) acquire an interest in any person if such person contributes to, maintains, participates in or sponsors, or at any time in the six year period proceeding each acquisition has contributed to, maintained, participated in or sponsored any Pension Plan or Benefit Plan.
- (t) **Limitation on Hedging.** No Credit Party shall enter into any interest rate, foreign exchange, commodity or other hedging program for speculative purposes.
- (u) **Limitation on Hostile Take-Over Bids.** No Credit Party shall use the proceeds of any Advance to finance any hostile or unfriendly Take-Over Bid.
- (v) **Limitation on Shareholder Loans.** No Borrower shall obtain any loans and advances from any shareholder or other Person who does not deal at arm's length with that Borrower, other than a shareholder or other Person who has executed and delivered an Assignment, Postponement and Subordination Agreement in favour of FCC.
- (w) **Restrictions on General Partner.** 11567403 Canada Inc. shall not conduct any business other than for and on behalf of, and as the general partner of, GFI LP. 11567403 Canada Inc. shall not own or hold any assets other than for and on behalf of, and as the general partner of, GFI LP.
- (x) **Drawings and Withdraws.** The Borrowers shall not permit drawings and withdrawals by way of shareholder loan reductions, dividends, salaries, bonuses, or any other withdrawals to exceed net income after repayment of current portion of long term debt, including principal portion of capital lease payments, unless compliance with financial covenants set out in this Agreement are maintained.

### 1.3 **Provisions Not Applicable to Individual Guarantor**

The provisions of Section 1.2 (a), (b), (c), (e), (f), (g), (i), (m), (p), (q), (s) and (t) shall not apply to David Hanna.

## 2. **Demand and Acceleration**

### 2.1 **Events of Default**

Each of the following events shall constitute an event of default under this Agreement (each an “**Event of Default**”):

- (a) **Failure to Pay Principal.** If any Borrower fails to make payment when due of any principal amount of the Outstanding Obligations.
- (b) **Failure to Pay Interest or Fees.** If any Credit Party shall fail to pay any Outstanding Obligations (other than principal referenced in subsection (a) above), when and as the same shall become due and payable and such failure shall continue unremedied for a period of five (5) Banking Days.
- (c) **Builder’s Lien.** A builders, construction, commercial, mechanic or similar Lien is registered against the Borrowers’ Properties secured by this Agreement, other than those that are contested in good faith.
- (d) **Construction Required.** Failure to complete or proceed with any construction required by this Agreement in a continuous and commercially reasonable manner and according to proper building standards.
- (e) **False Representations.** If any representation or warranty made or given by any Credit Party in or in connection with any Loan Document, or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, is materially false or incorrect, or lacking in any material facts, at the time that it is made or given, so as to make it materially misleading.
- (f) **Non-Curable Defaults.** If any Credit Party shall fail to observe or perform any covenant, condition or agreement contained in Section 1.1(b) (use of proceeds), Section 1.1(f) (corporate existence), Section 1.2 (negative covenants) or any financial covenant set out in this Agreement.
- (g) **Curable Defaults.** If any Credit Party fails in the observance or performance of any of the terms, conditions, provisions or covenants to be performed or observed by it under this Agreement (other than those specified in Sections 2.1 (a), (b), (e) and (f) above) or contained in any other Loan Document, and such failure shall continue unremedied for a period of fifteen (15) Banking Days following the earlier of (i) the date upon which a senior officer of any Credit Party had knowledge or becomes aware of any such failure, and (ii) the date that FCC delivers notice of such failure to the Borrower.
- (h) **Cross-Default.** If (i) any default or breach shall occur, which is not cured within any applicable grace period, in the payment when due, whether by acceleration or otherwise, of any Indebtedness for borrowed money (other than the Outstanding Obligations) of any Credit Party, having a principal amount, individually in excess of \$100,000 or the equivalent amount thereof in any other currency or in the

aggregate for all such Indebtedness for borrowed money of the Credit Parties, in excess of \$250,000 or the equivalent amount thereof in any other currency, or (ii) if any other default or breach shall occur under any agreement, document or instrument to which any Credit Party is a party governing such Indebtedness which is not cured within any applicable grace period, and such default or breach causes or permits any holder of such Indebtedness or a trustee or agent to cause such Indebtedness to become due prior to its stated maturity or prior to its scheduled date of payment, regardless of whether such right is exercised by such holder, trustee or agent.

- (i) **Cross-Default with FCC.** If any Credit Party shall default under any other credit facility, loan or security agreement with FCC.
- (j) **Voluntary Insolvency and Bankruptcy Proceedings.** If any Credit Party:
  - (i) becomes insolvent, or generally does not or becomes unable to pay its debts or meet its liabilities as the same become due, or admits in writing its inability to pay its debts generally, or declares any general moratorium on its indebtedness, or proposes a compromise or arrangement between it and any class of its creditors;
  - (ii) makes an assignment of its property and assets for the general benefit of its creditors under the *Bankruptcy and Insolvency Act* (Canada), or makes a proposal (or files a notice of its intention to do so) under such Act;
  - (iii) institutes any proceeding seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts or any other relief, under any federal, provincial or foreign Applicable Law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) and any applicable corporations legislation) or at common law or in equity, or files an answer admitting the material allegations of a petition filed against it in any such proceeding, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it;
  - (iv) applies for the appointment of, or the taking of possession by, a Receiver, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official for it or any substantial part of its property; or
  - (v) threatens to do any of the foregoing, or takes any action, corporate or otherwise, to approve, effect, consent to or authorize any of the actions described in this Section 2.1(j) or in Section 2.1(k), or otherwise acts in furtherance thereof or fails to act in a timely and appropriate manner in defence thereof.
- (k) **Involuntary Insolvency and Bankruptcy Proceedings.** If any petition is filed, application made or other proceeding instituted against or in respect of any Credit Party:

- (i) seeking to adjudicate it a bankrupt or insolvent;
  - (ii) seeking a bankruptcy order against it under the *Bankruptcy and Insolvency Act* (Canada);
  - (iii) seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts or any other relief under any federal, provincial or foreign Applicable Law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) and any applicable corporations legislation at common law or in equity; or
  - (iv) seeking the entry of an order for relief or the appointment of, or the taking of possession by, a Receiver, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official for it or any substantial part of its property, and
  - (v) such petition, application or proceeding continues undismissed, or unstayed and in effect, for a period of forty-five (45) days after the institution thereof, provided that if an order, decree or judgment is granted or entered (whether or not entered or subject to appeal) against such Credit Party thereunder in the interim, such grace period will cease to apply, and provided further that if such Credit Party files an answer admitting the material allegations of a petition filed against it in any such proceeding, such grace period will cease to apply.
- (l) **Winding-up, Liquidation or Dissolution.** If an order is made or an effective resolution passed for the winding-up, liquidation or dissolution of any Credit Party.
- (m) **Loan Documents.** If this Agreement or any other Loan Document at any time for any reason terminates or ceases to be in full force and effect and a legally valid, binding and enforceable obligation of any Credit Party (except, for certainty, where any such agreement is terminated unilaterally by FCC), is declared to be void or voidable or is repudiated, or the validity, binding effect, legality or enforceability hereof or thereof is at any time contested by any Credit Party, or any Credit Party denies that it has any or any further liability or obligation hereunder or thereunder or any action or proceeding is commenced to enjoin or restrain the performance or observance by any Credit Party of any material terms hereof or thereof or to question the validity or enforceability hereof or thereof, or at any time it is unlawful or impossible for any Credit Party to perform any of its material obligations hereunder or thereunder.
- (n) **Adverse Judgments.** If (i) one or more judgments for the payment of money in a cumulative amount in excess of \$100,000 (or its then equivalent amount in any other currency) is rendered against any Credit Party or any combination of the Credit Parties, and (ii) the applicable Credit Party or Credit Parties have not provided for its or their discharge in accordance with its terms within sixty (60) days from the date of entry thereof, provided that, if enforcement and/or realization proceedings are lawfully commenced in respect thereof in the interim, such grace period will cease to apply except where the same is being Contested and the enforcement or levy has been stayed.



- (o) **Execution, Distress.** If any writ, attachment, execution, sequestration, extent, distress or any other similar process becomes enforceable against any Credit Party or if a distress or any analogous process is levied against any of the properties or assets of any Credit Party having a fair market value in excess of \$100,000, except where the same is being Contested and the enforcement or levy has been stayed.
- (p) **Unperfected Lien.** If any Lien purported to be created by any Security Document shall cease to be, or shall be asserted by any Credit Party not to be, a valid, perfected, first priority (except as otherwise expressly provided in this Agreement or such Security Document) Lien in Collateral (other than as a result of an act or omission of FCC).
- (q) **Change of Control.** If there is a Change in Control.
- (r) **Material Adverse Change.** If a Material Adverse Change shall occur.
- (s) **Environmental Liability.** If any Credit Party violates any Environmental Law which results in an action request, violation notice or other notice or control order, cancellation of any license or certificate or approval that results in any material disruption of any Credit Party's business or that could reasonably be expected to have a Material Adverse Effect, save and except where the action request, violation notice or other notice or control order or cancellation is being Contested and the enforcement thereof has been stayed.
- (t) **Environmental Order.** If any legally binding order relating to any Environmental Activity is issued by any Governmental Authority against any Credit Party and such order has not been satisfied or discharged within the time allowed for in such order or, if no time is specified in such order, within ninety (90) days after the date such order was received by any Credit Party or such longer period as FCC may agree to, acting reasonably, provided that such Credit Party is at all times acting diligently and in good faith to satisfy the order, save and except where the action request, violation, notice or other notice or control order or cancellation is being Contested and the enforcement thereof has been stayed.
- (u) **Suspension of Business.** If any Credit Party ceases or threatens to cease the Core Business or a substantial part thereof or suspends the Core Business.
- (v) **Assignment.** If any Credit Party assigns or purposes to assign any of its rights under this Agreement or any of the other Loan Documents, or any interest herein or therein, to a third party.
- (w) **Sale.** If any Credit Party sells or otherwise disposes of, or agrees to sell or otherwise dispose of, all or a substantial part of its property, assets and undertaking whether in one transaction or a series of related transactions.
- (x) **Insurance Lapse.** If any material amount of insurance on the assets, properties or undertaking of any Credit Party lapses and such coverage shall not be reinstated within five (5) Banking Days of such lapse.
- (y) **Fraud/Misrepresentation.** The Credit Party has made any material misrepresentation to FCC, has committed fraud against FCC, if FCC becomes aware that any Credit Party has acted in a manner that calls into question its integrity and as a result will negatively impact FCC's reputation if FCC were to continue to do business with such Credit Party or if any Credit Party ceases to

operate or operate materially in its Core Business, as determined by FCC in its sole discretion.

- (z) **Impairment.** If FCC, in good faith and upon commercially reasonable grounds, believes that the prospect of repayment or performance of the Outstanding Obligations is, or is about to be, impaired or any Collateral is, or is about to be, in jeopardy.

**2.2 Notice of Default.** The Borrowers hereby agree to promptly notify FCC of an Event of Default occurring, and no later than thirty (30) days from the date that the Default occurred.

### **2.3 Rights and Remedies**

Upon the occurrence of any Event of Default, and at any time thereafter if the Event of Default shall then be continuing, FCC may take any or all of the following actions:

- (a) by written notice to the Borrowers declare all principal amounts of all Advances and all accrued interest, fees and other Outstanding Obligations owing to be, whereupon the same shall become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrowers;
- (b) by written notice to the Borrowers declare the Credit Facilities to be terminated, whereupon the same shall terminate immediately and FCC shall have no further obligation to make any Advances available to the Borrowers under any of the Credit Facilities;
- (c) realize upon the Liens constituted by the Security Documents and any other security applicable to the liability of any Credit Party under the Loan Documents;
- (d) may by instrument in writing appoint any Person as a Receiver of all or any part of the Collateral. FCC may from time to time remove or replace a Receiver, or make application to any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by FCC will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the Borrowers' agent as the case may be. FCC may from time to time fix the Receiver's remuneration and the Borrowers will pay FCC the amount of such remuneration. FCC will not be liable to the Borrowers or any other Person in connection with appointing or not appointing a Receiver or in connection with the Receiver's actions or omissions;
- (e) appoint by instrument in writing one or more Receivers of any or all of the property, assets and undertaking of any Credit Party or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of FCC under this Agreement and the Security Documents) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time;
- (f) apply to a court of competent jurisdiction for the appointment of a Receiver of any or all of the property, assets and undertaking of any Credit Party or of any or all of the Collateral; and
- (g) without limitation, exercise any other action, suit, remedy or proceeding authorized or permitted by the Loan Documents or by law or by equity.

Upon an Event of Default occurring under Section 2.1(j), Section 2.1(k) or Section 2.1(l) or in the event of an actual or deemed entry of an order for relief with respect to any Credit Party under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), or similar Applicable Laws in other jurisdictions:

- (a) the obligation of FCC to make any further Advances available to the Borrowers shall automatically be terminated;
- (b) all Outstanding Obligations shall automatically become due and payable; and
- (c) the Security Documents shall become immediately enforceable, subject to the terms and conditions of the Security Documents and Applicable Law, and FCC may realize upon the Security Documents.

#### **2.4 Application of Proceeds After Default**

Subject to Section 2.6 below, from and after the occurrence of an Event of Default, FCC may apply the proceeds of any realization under the Security Documents or any portion thereof in the following order:

- (a) firstly, in payment of all costs and expenses incurred by FCC in connection with such realization including legal, accounting and receivers' fees and disbursements and in payment of all Liens or claims ranking prior to the Lien of the Security Documents;
- (b) secondly, against the Outstanding Obligations in such manner and at such times as FCC consider appropriate; and
- (c) thirdly, if all obligations of the Borrowers listed above have been paid and satisfied in full, any surplus proceeds shall be paid in accordance with Applicable Law.

#### **2.5 Rights Under PPSA**

Before and after an Event of Default, FCC or a Receiver will have, in addition to the rights specifically provided in this Agreement or any other Loan Document, the rights and remedies of a secured party under the PPSA as well as the rights and remedies recognized at law and in equity.

#### **2.6 Appropriation of Funds**

Each Credit Party agrees that FCC may from time to time appropriate all monies realized by FCC from the enforcement of any Security Document on or towards the payment of the Outstanding Obligations or such part thereof as FCC in its sole discretion may determine, and each such Credit Party shall have no right to require or enforce any appropriation inconsistent therewith, and FCC shall have the right to change the application of any such proceeds and re-apply the same to any part or parts of the Outstanding Obligations as FCC may see fit notwithstanding any previous application.

#### **2.7 Non-Merger**

The taking of a judgment or judgments (other than a final order of foreclosure) or any other action or dealing whatsoever by FCC in respect of any Lien created by the Security Documents shall not operate as a merger of any indebtedness or liability of any Credit Party or in any way suspend payment or affect or prejudice the rights, remedies and powers, legal or equitable, which FCC may have in connection with such liabilities, and the

surrender, cancellation or any other dealings with any security for such liabilities shall not release or affect the liability of the Credit Parties under this Agreement or under any other Loan Document held by FCC.

## **2.8 Deficiency**

Each Credit Party shall remain liable to FCC for payment of any Outstanding Obligations that remains outstanding following realization of all or any part of the Collateral.

## **2.9 FCC not Liable**

Neither FCC nor any Receiver will be liable to any Credit Party or any other Person for any failure or delay in exercising any of its rights under this Agreement or under any Security Document (including among other things any failure to take possession of, collect, or sell, lease or otherwise dispose of, any Collateral). Neither FCC, any Receiver or any agent of FCC (including, in Alberta, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any chattel paper, securities or instrument (as those terms are respectively defined in the PPSA) in possession of FCC, a Receiver or their respective agents.

## **2.10 Remedies Cumulative**

It is expressly understood and agreed that the rights and remedies of FCC under the Loan Documents are cumulative and are in addition to and not in substitution of any rights or remedies provided by law and any single or partial exercise by FCC of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained shall not be deemed to be a waiver of or to alter, affect, or prejudice any other right or remedy or other rights or remedies to which FCC may be lawfully entitled for the same default or breach, and any waiver by FCC of the strict observance, performance or compliance with any term, covenant, condition or agreement which contained and any indulgence granted by FCC shall be deemed not to be a waiver of any subsequent default. In the event that FCC shall have proceeded to enforce any such right, remedy or power contained in the Loan Documents and such proceedings shall have been discontinued or abandoned for any reason by written agreement between FCC and any Credit Party, then in each such event such Credit Party and FCC shall be restored to their former positions and the rights, remedies and powers of FCC shall continue as if no such proceedings have been taken.

# **3. Representations and Warranties**

## **3.1 Representations and Warranties**

Each Credit Party makes and gives the following representations and warranties to FCC, upon each of which FCC has relied in entering into this Agreement, and each of which will be deemed to be repeated on each Advance:

- (a) **Due Incorporation.** Each Credit Party is duly incorporated, organized or formed pursuant to the laws of its organization or formation, is properly registered in every jurisdiction it does business and is current in all of its corporate filings, except to the extent any failure to have such registration would not be reasonably expected to have a Material Adverse Effect. Each Credit Party has all necessary corporate power and authority to own its properties and assets and to carry on its business as now conducted by it and, in the case of any corporation that is a general partner of any Credit Party that is a limited partnership, has all requisite power and authority

to act as general partner of such Credit Party, as the case may be. Each Credit Party is or will be duly licensed or registered or otherwise qualified in all jurisdictions wherein the nature of its assets or the business transacted by it makes such licensing, registration or qualification necessary.

- (b) **Corporate Power; Authorization.** Each Credit Party has the power and authority to enter into and perform its obligations under each of the Loan Documents to which it is a party and the execution, delivery and performance of each of the Loan Documents to which it is a party has been duly authorized by all necessary action of such Credit Party (and, in the case of any Credit Party that is a limited partnership, its general partner).
- (c) **Licences.** Each Credit Party has obtained all licences, orders, consents, permits, registrations, and approvals necessary (i) to own its properties and assets, (ii) for the conduct and operation of the Core Business, and (iii) to carry on its business in each jurisdiction in which it does so.
- (d) **No Conflicts.** The execution, delivery and performance by each of the Credit Parties of the Loan Documents (to which such Credit Party is a party) and the consummation of the transactions contemplated therein:
  - (i) do not and will not violate any Applicable Law or the constating documents, by-laws, shareholders agreement, limited partnership agreement or other organizational documents of any Credit Party or any order of any Governmental Authority;
  - (ii) do not require the consent or approval of, or registration or filing with, any Governmental Authority or any other Person;
  - (iii) do not and will not violate, conflict or result in a default under any Material Contract or any indenture, agreement or other instrument binding upon any Credit Party or its respective assets, or give rise to a right thereunder to require any payment to be made by any Credit Party, except any such violations or defaults that individually or in the aggregate, do not, and could not reasonably be expected to, result in a Material Adverse Effect;
  - (iv) do not require the consent or approval of, or registration or filing with, any Governmental Authority or any other Person; and
  - (v) will not result in the creation or imposition of any Lien on any property or asset of any Credit Party, except for any Lien arising in favour FCC under the Loan Documents.
- (e) **Enforceability.** Each Loan Document constitutes a legal, valid and binding obligation of each Credit Party (and, in the case of any Credit Party that is a limited partnership, its general partner), enforceable in accordance with its terms, except to the extent that the enforceability thereof may be subject to applicable bankruptcy, insolvency, equity, reorganization, moratorium or other similar laws generally affecting creditor rights.
- (f) **Compliance with Law.** Each Credit Party is in compliance: (i) with all Applicable Laws applicable to it or its property and assets, and (ii) with all indentures, agreements and other instruments binding upon it or its property and assets, except any such non-compliance that individually or in the aggregate, do not, and could not reasonably be expected to, result in a Material Adverse Effect.

- (g) **Business.** The Credit Parties do not carry on any material business, activity or operation of any kind whatsoever other than the Core Business.
- (h) **Taxes.** Each Credit Party has filed all tax returns required to be filed by it with any Governmental Authority and has paid all Taxes which were due and payable and all assessments and reassessments, and all other Taxes, governmental charges, penalties, interest and fines due and payable by it on or before the date of this Agreement, and there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any tax return by it or the payment of any tax, governmental charges, penalties, interest or fines against it other than waivers of the normal reassessment period; there are no material actions, suits, proceedings, investigations or claims now threatened or pending against any Credit Party which, not resolved in favour of such Credit Party, would result in a material liability of such Credit Party, in respect of taxes, governmental charges, penalties, interest, fines, assessments and reassessments or any matters under discussion with any Governmental Authority relating to Taxes, governmental charges, penalties, interest, fines, or assessments and reassessments asserted by any such authority which, if not resolved in favour of such Credit Party, would result in a material liability of such Credit Party, and each Credit Party has withheld from each payment to each of its present and former officers, directors, and employees the amount of all Taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving officers within the time required under the applicable tax legislation.
- (i) **Validity and Priority of Security.** The Security Documents constitute assignments, fixed and specific mortgages and charges, floating charges or security interests, as applicable, on the property and assets of each Credit Party purported to be assigned, mortgaged, charged or subjected to a security interest thereby and ranks in priority to any other Liens upon such property and assets (subject only to Permitted Liens which are senior by operation of law and have not been contractually subordinated).
- (j) **No Litigation.** There are no actions, suits, proceedings, litigation claims, inquiries or investigations existing, pending or, to the knowledge of any Credit Party, threatened against or adversely affecting any Credit Party in any court or before any federal, provincial, municipal or governmental department, commission, board, tribunal, bureau or agency, whether Canadian or foreign, or before any arbitrator, which might, if not resolved in favour of such Credit Party have a Material Adverse Effect.
- (k) **No Judgments.** No Credit Party is subject to any judgment, order, writ, injunction, decree, award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) which could reasonably be expected to have a Material Adverse Effect.
- (l) **No Defaults.** No Default or Event of Default has occurred and is continuing. No default or event of default has occurred and is continuing in respect of any Material Contract to which any Credit Party is now a party or is otherwise bound, entitling any other party thereto to accelerate the maturity of amounts of principal owing thereunder, or terminate any such Material Contract, which would result in a Material Adverse Change.

- (m) **Financial Statements.** The financial statements of the Credit Parties which have been furnished to FCC have been duly prepared in accordance with the Accounting Standard and fairly present the financial condition and the results of the operations of the Credit Parties and disclose all liabilities, contingent, absolute or otherwise, required to be disclosed therein, in all material respects.
- (n) **Title.** Each Credit Party has good and marketable title to all of its property and assets including, without limitation, the real property owned by it subject to the Security Documents (other than property leased or licensed to it) free and clear of any Lien, subject only to Permitted Liens and no Person has any agreement or right to acquire its interest in any of such properties, including leased or licensed properties, out of the ordinary course of business.
- (o) **Environmental Compliance**
  - (i) All facilities and property owned or leased by any Credit Party including, without limitation, the properties subject to the Security Documents have been maintained in material compliance with all Environmental Laws;
  - (ii) there have been no past, and there are no pending and, to the best of the knowledge of any Credit Party, there are no (A) written claims, complaints, notices of violation or requests for information received by any Credit Party from any Governmental Authority with respect to any alleged violation of any Environmental Law, or (B) written complaints, notices or inquiries to any Credit Party regarding potential liability of any Credit Party under any Environmental Law that, in any case, could reasonably be expected to have a Material Adverse Effect;
  - (iii) there have been no releases of Contaminants at, on or under any property owned or leased by any Credit Party at any time while owned or leased by such Credit Party that, singly or in the aggregate, have, or may reasonably be expected to have, a Material Adverse Effect;
  - (iv) each Credit Party has been issued and is in material compliance with all permits, certificates, approvals, licences and other authorizations relating to environmental matters and required under any applicable Environmental Laws in connection with the operation of the Core Business;
  - (v) no property now or previously owned or leased by any Credit Party including, without limitation, the real property subject to the Security Documents, is listed or, to the knowledge of any Credit Party, proposed for listing on any publicly published and promulgated federal or provincial governmental list of sites requiring investigation or clean-up;
  - (vi) there are no underground storage tanks, active or abandoned, including petroleum storage tanks, on or under any property now or previously owned or leased by any Credit Party including, without limitation, the real property subject to the Security Documents, that, singly or in the aggregate, have, or may reasonably be expected to have, a Material Adverse Effect;
  - (vii) no Credit Party has directly transported or directly arranged for the transportation of any Contaminant to any location;
  - (viii) no property of any Credit Party is the subject of federal, provincial or local enforcement actions or other investigations which may lead to claims

against any Credit Party for any remedial work, damage to natural resources or personal injury; and

- (ix) there are no polychlorinated biphenyls or friable asbestos present at any property now or previously owned or leased by any Credit Party including, without limitation, the real property subject to the Security Documents, that, singly or in the aggregate, have or may reasonably be expected to have, a Material Adverse Effect.
- (p) **Chief Executive Office; Registered Office.** The chief executive office, the principal place of business and the location of each Credit Party (within the meaning of the PPSA) and the registered office of each Credit Party is the location set out on the first page of this Agreement.
- (q) **Location of Property and Assets.** Except as disclosed in writing to FCC, the Credit Parties have no property and assets located in any jurisdictions other than the Provinces of Ontario and Saskatchewan and no Credit Party owns, leases or sub-leases any real property other than the real property which is subject to the Security Documents.
- (r) **Wholly-owned Subsidiaries.** Except as disclosed in writing to FCC, as of the Closing Date, no Credit Party has (i) any Wholly-owned Subsidiaries other than those Wholly-owned Subsidiaries that are a party to this Agreement, and (ii) entered into any agreements for the acquisition or creation of any Wholly-owned Subsidiaries.
- (s) **Employee Matters.** No Credit Party, nor any of their respective employees, is subject to any collective bargaining agreement. There are no strikes, slowdowns, work stoppages or controversies pending or, to the best knowledge of each Credit Party, threatened against any Credit Party, or its employees. No Credit Party is subject to any claim by or liability to any of their respective officers, directors or employees for salary (including vacation pay) or benefits which would rank in whole or in part *pari passu* with or prior to the Liens created by the Security Documents. Each Credit Party has paid, or accrued as a liability on its books and will pay, all amounts due from it to any employee, independent contractor or other Person on account of wages, workers' compensation or other compensation and, as applicable, employee health and welfare insurance and other benefits.
- (t) **Pension and Benefit Plans.** The details of the Pension Plans and Benefit Plans maintained by the Borrowers have been disclosed in writing to FCC (including identification of any Pension Plans that constitute a defined benefit plan). The Pension Plans are duly registered under the Income Tax Act (Canada) (the "ITA") and any other Applicable Laws which require registration, have been administered in accordance with the ITA and such other Applicable Laws and no event has occurred which would reasonably be expected to cause the loss of such registered status, except to the extent that any failure to do so could not reasonably be expected to have a Material Adverse Effect. All material obligations of each Borrower (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Pension Plans, the Benefit Plans and the funding agreements therefor have been performed on a timely basis, except to the extent that any failure to do so could not reasonably be expected to have a Material Adverse Effect. As of the Closing Date, there are no outstanding disputes concerning the assets of any of the Pension Plans or Benefit Plans which would reasonably be expected to have a Material Adverse Effect. No promises of benefit improvements under any of the Pension Plans or the Benefit Plans have



been made by any Borrower. All employer and employee payments, contributions or premiums required to be made or paid by each Borrower in respect of the Pension Plans and the Benefit Plans have been made on a timely basis in accordance with the terms of such plans and all Applicable Laws, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and all funding requirements applicable to such Pension Plans have been satisfied under the terms of such plans and in accordance with Applicable Law. There have been no improper withdrawals or applications of the assets of the Pension Plans. During the twelve-consecutive-month period prior to the date of the execution and delivery of this Agreement and prior to the date of any Advance, no steps have been taken to terminate (in whole or in part) any Pension Plan which could be reasonably likely to result in a material liability to any Borrower, and no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a statutory deemed trust under any provision of the PBA. No condition exists or event or transaction has occurred with respect to any Pension Plan which could be reasonably likely to result in the incurrence by any Borrower of any material liability, fine or penalty. No Borrower has any contingent liability with respect to any post-retirement benefit under a Benefit Plan. No Borrower has an intention to wind-up or terminate any Pension Plan, no declaration to wind-up any Pension Plan has been made, and no investigation is ongoing by any pension regulator as to a potential wind-up of any Pension Plan.

- (u) **Full Disclosure.** Each Credit Party has disclosed to FCC (i) all agreements, instruments and corporate or other restrictions to which any Credit Party is subject, and (ii) all other matters known to it, that, in each case, individually or in the aggregate, could, by their existence or if breached by any Credit Party, reasonably be expected to result in a Material Adverse Effect. All material liabilities of the Credit Parties have been recorded in the financial statements of the Credit Parties and disclosed to FCC.
- (v) **Insurance.** All policies of fire, liability, workers' compensation (if required), casualty, flood, business interruption and other forms of insurance owned or held by the Credit Parties are: (i) sufficient for compliance with all requirements of all Applicable Law and all Material Contracts to which any Credit Party is a party, and for compliance with this Agreement, (ii) are valid, outstanding and enforceable policies, and (iii) provide adequate insurance coverage for the property, assets and operations of the Credit Parties in at least such amounts and against at least such risks as are usually insured against in the same general area by Persons of a similar size of operations engaged in the same or a similar business. All such policies are in full force and effect, all premiums with respect thereto have been paid in accordance with their respective terms, and no notice of cancellation or termination has been received with respect to any such policy. The certificate of insurance delivered to FCC as a condition precedent to the initial Advance or from time to time contains an accurate and complete description of all policies of insurance owned or held by the Credit Parties.
- (w) **No Material Adverse Effect.** Since the date of the most recent financial statements of the Borrowers delivered to FCC, there has been no event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect.
- (x) **Non-Dilution; Retractable Shares.** No Person has any agreement, option or right capable of becoming an agreement or option for the pledge, purchase, subscription or issuance from any Credit Party of any Equity Securities of any Credit Party, issued or unissued. No Credit Party has issued any Equity Securities that are

retractable at the option of the holder other than to a shareholder of any Credit Party who has executed and delivered an assignment, postponement and subordination agreement in favour of FCC.

- (y) **Partnership.** No Credit Party is in partnership with any Person and no Credit Party is a participant in any joint venture.
- (z) **Solvency.** Each Credit Party is solvent and will not become insolvent after giving effect to this Agreement and the transactions contemplated in this Agreement.
- (aa) **Indebtedness; Liens.** No Credit Party (i) has any Indebtedness other than Permitted Indebtedness, and (ii) has granted any Liens other than Permitted Liens.
- (bb) **Shareholder Loans.** There are no outstanding loans and advances made to any Credit Party by any Person who does not deal at arm's length with any Credit Party, other than a shareholder of any Credit Party who has executed and delivered an assignment, postponement and subordination agreement in favour of FCC.
- (cc) **Customer and Trade Relations.** There is not any actual or threatened termination or cancellation of, or any Material Adverse Change in, the business relationship between any Credit Party with any supplier or customer material to the operations of the Credit Parties except where any such termination or cancellation could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.
- (dd) **Financial Year.** The Financial Year of Global Food and Ingredients Inc. ends on March 31 of each calendar year. The Financial Year of GFI LP and 11567403 Canada Inc. ends on December 31 of each calendar year
- (ee) **Cash Calls.** No Credit Party is subject to any mandatory obligation or requirement to provide funds or to make any Investment in any business or Person.
- (ff) **Vendor Take-Back Obligations.** No Credit Party has any payment obligations under any vendor take-back or other similar deferred purchase price obligations.
- (gg) **Corporate Structure.** Global Food and Ingredients Inc. owns all of the issued and outstanding Equity Securities of GFI LP and 11567403 Canada Inc. The owners of all of the issued and outstanding Equity Securities of Global Food and Ingredients Inc. are as follows:

David Hanna  
Samira Sharezay  
35 Oak Holdings Ltd.  
Michael Wiener  
Kevin Wiener  
Robert Wolf  
Kurniadi Kurniadi  
Frank van Biesen  
Bill Murray  
Jie Zhang  
Jaime Rueda

### **3.2 Survival of Representations and Warranties**

All representations and warranties of the Credit Parties as set out in this Agreement or and other Loan Document shall be deemed to have been restated at the time of each Advance, and shall survive each Advance (except to the extent such representations and warranties expressly relate to an earlier date in which case they should be true and correct in all material respects as of such date) and shall continue until all Outstanding Obligations have been satisfied and repaid in full and Credit Facilities terminated.

## **4. Change in Circumstances and Indemnities**

### **4.1 Losses**

The Credit Parties shall at all times fully indemnify and hold FCC, and its directors, officers, employees and agents harmless from and against any and all costs, losses, expenses, damages or liabilities which such party may sustain or incur as a direct result of, without duplication:

- (a) the failure of the Borrowers to utilize any Advances under the Credit Facilities in the manner specified herein (including if such failure was caused by the failure of the Borrowers to meet all conditions precedent except those conditions which have been waived by FCC in writing);
- (b) the failure of the Borrowers to pay any sum on its due date or within any cure period whichever is later; or
- (c) any Default or Event of Default.

Without prejudice to the generality of the foregoing, the foregoing indemnity shall extend to any loss, premium, penalty or expense which may be incurred by FCC in liquidating deposits from third parties acquired to make, maintain or fund an Advance or any part thereof or any amount due or to become due under this Agreement.

Notwithstanding the foregoing and for greater certainty, the Credit Parties shall not be responsible to indemnify FCC and any of its directors, officers, employees and agents from any costs, losses, expenses, damages or liabilities which are attributed to each indemnified person's gross negligence or wilful misconduct, all as determined by a non-appealable judgment of a court of competent jurisdiction.

### **4.2 Environmental Indemnity**

- (a) The Credit Parties shall at all times indemnify and hold FCC and its directors, officers, employees and agents harmless against and from any and all claims, liabilities, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, of any nature whatsoever suffered or incurred by any such party (including any reasonable costs and expenses of defending or denying same) whether upon realization of any security for the Outstanding Obligations, or as lender to the Borrower, or as successor to or assignee of any right or interest of the Credit Parties, or as a result of any order, investigation or action by any Governmental Authority relating to any Credit Party or its business or assets, or as mortgagee in possession, or as successor-in-interest to any Credit Party by foreclosure deed or deed in lieu of foreclosure, under or on account of any Environmental Law including, without limitation, the assertion of any lien thereunder, with respect to:

- (i) the release, discharge or emission of a Contaminant, the threat of the release, discharge or emission of any Contaminant, or the presence of any Contaminant;
  - (ii) any costs of removal or remedial action incurred by any Governmental Authority or any costs incurred by any other Person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Environmental Law;
  - (iii) liability for personal injury or property damage arising under any statutory or common law tort theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance or for the carrying on of a dangerous activity; or
  - (iv) any other environmental matter within the jurisdiction of any Governmental Authority.
- (b) Each Credit Party acknowledges that FCC has agreed to make the Credit Facilities available in reliance upon the Credit Parties' indemnity in this Section and Section 4.1. For this reason, it is the intention of the Credit Parties and FCC, that the provisions of this Section shall supersede any other provisions of this Agreement or any other Loan Document which might in any way limit the liability of the Credit Parties that the Credit Parties shall be liable for any obligations arising under this Section even if the amount of liability incurred exceeds the amount of outstanding Advances at any time, provided that the Credit Parties and FCC may enter into a mutually accepted agreement to limit such liability.
- (c) This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement, shall give rise to a separate and independent cause of action, and shall apply irrespective of any indulgence granted by FCC from time to time. A separate action or actions may be brought and prosecuted against the Credit Parties or any Credit Party in respect of this indemnity, whether or not any action is brought against any other person or whether or not any other person is joined in such action or actions.

#### **4.3 Survival**

The obligations of the Credit Parties under Section 4.1 and 4.2 shall survive the payment of all Outstanding Obligations and the cancellation of the Credit Facilities.

### **5. Assignment and Participation**

#### **5.1 Benefit of Agreement**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, heirs, estate, executors and personal representatives, as applicable, in accordance with this Section.

#### **5.2 Assignment by Credit Parties**

No Credit Party shall assign or transfer any rights or obligations hereunder without the prior written consent of FCC which may be refused in the absolute discretion of FCC.

### **5.3 Assignment by FCC**

FCC reserves the right to sell, assign, transfer or grant a participation in the whole of its commitment to any Person (a "**Participant**") without the consent of the Credit Parties. For the purpose of selling, assigning, transferring or granting a participation in its commitment, FCC may disclose on a confidential basis to a potential Participant such information concerning the Credit Parties as FCC considers appropriate. Each Credit Party agrees to execute and deliver such further documentation and take such further action as FCC considers necessary or advisable to give effect to such sale, assignment, transfer or grant of participation. In the case of sale, assignment, transfer or granting of a participation, the Participant shall have, to the extent of such sale, assignment, transfer or grant of participation, the same rights and obligations as it would have if it were the lender on the Closing Date and as such had executed this Agreement and any other Loan Documents as required. FCC shall be relieved, to the extent of the sale, assignment, transfer or grant of participation, of its obligations under this Agreement with respect to its commitment which has been sold, assigned, transferred or granted. Each Credit Party hereby acknowledges and agrees that any sale, assignment, transfer or granting of a participation will give rise to a direct obligation of the Credit Parties to the Participant.

## **6. Miscellaneous**

### **6.1 Performance by FCC**

If any Credit Party fails to perform any of its obligations under any Loan Document, FCC may, but shall not be obligated to, perform any or all such obligations, and all costs, charges, expenses, fees, outlays and premiums incurred by FCC in connection with such performance shall be payable by the Borrowers forthwith upon demand by FCC and shall bear interest from the date incurred by FCC at the highest rate provided for in this Agreement, calculated and compounded monthly and payable on demand, with interest on overdue interest at the same rate. Any such performance by FCC shall not constitute a waiver by FCC of any right, power, or privilege under this Agreement or any other Loan Document.

### **6.2 Notice**

Any notice, request or other communication hereunder to any of the parties hereto shall be in writing and be well and sufficiently given if delivered personally or sent by prepaid registered mail to its address or by facsimile/telecopier to the number and to the attention of the person set forth below:

- (a) In the case of any Credit Party or Credit Parties, a single notice to:

Global Food and Ingredients Inc.  
43 Colborne Street, Suite 400  
Toronto, ON M5E 1E3

Attention: Bill Murray  
Email: bill.murray@gfiglobalfood.com

- (b) In the case of FCC:

Farm Credit Canada  
Loan Administration Centre  
1133 St. George Blvd, Suite 104  
Moncton, NB E1E 4E1

Fax No.: 506-851-6613

Any such notice shall be deemed to be given and received, if delivered, when delivered, and if mailed, on the third Banking Day following the date on which it was mailed, unless an interruption of postal services occurs or is continuing on or within the three Banking Days after the date of mailing in which case the notice shall be deemed to have been received on the third Banking Day after postal service resumes and if sent by telecopier on the next Banking Day after the day on which the telecopy is sent. Any party may by notice to the other, given as aforesaid, designate a changed address or telecopier number.

Notices and other communications to FCC or any Credit Party under this Agreement may also be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved in writing by FCC.

Unless FCC otherwise prescribes: (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment); provided that, if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Banking Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

### **6.3 *Statements and Reports***

Except as otherwise provided herein, all statements, reports, certificates, opinions, appraisals and other documents or information required to be furnished to FCC by the Borrowers under this Agreement shall be supplied by the Borrowers without any cost or expense to FCC.

### **6.4 *Approvals***

Where in this Agreement or any other Loan Document any matter is subject to the consent or approval of FCC, FCC will make a determination or assessment of the materiality of any event or circumstance, such consent, approval, determination or assessment shall be made in the sole discretion of FCC, acting reasonably, unless otherwise expressly provided herein or therein.

### **6.5 *Severability***

If any term, covenant, obligation or agreement contained in this Agreement, or the application of any such term, covenant, obligation or agreement to any Person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant, obligation or agreement to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such invalidity or unenforceability and each term, covenant, obligation or agreement contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

**6.6 Time of Essence**

Time is of the essence of this Agreement and any forbearance by FCC or any of the Credit Parties of the strict application of this provision shall not operate as a continuing or subsequent forbearance.

**6.7 Further Assurances**

Each party to this Agreement shall from time to time and at all times hereafter, upon every reasonable request of another party, make, do, execute, and deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be necessary in the opinion of the requesting party, acting reasonably, for implementing and carrying out the true intent and meaning of this Agreement.

**6.8 Entire Agreement**

This Agreement contains the entire understanding of the parties with respect to the subject matter hereof. There are no restrictions, agreements, promises, warranties, covenants or undertakings made by FCC or any of the Credit Parties other than those set forth in the Loan Documents.

**6.9 Conflict**

In the event that there is any conflict or inconsistency between the provisions contained in this Agreement and the provisions contained in any other Loan Document, such that the conflicting or inconsistent provisions cannot reasonably co-exist, then the provisions of this Agreement shall govern and shall override the provisions contained in such other Loan Document. For greater certainty, the existence of a particular representation, warranty, covenant or other provision in any Loan Document which is not contained in this Agreement shall not be deemed to be a conflict or inconsistency, and that particular representation, warranty, covenant or other provision shall continue to apply.

**6.10 No Third Party Beneficiaries**

Subject to Section 5 of Schedule A to this Agreement, this Agreement shall be for the sole benefit of FCC and the Credit Parties, and is not for the benefit of any other Person.

**6.11 Counterparts; Execution**

This Agreement may be executed in any number of counterparts or by facsimile or PDF electronic counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Each party executing this Agreement by facsimile or PDF electronic counterpart shall provide two originally executed counterparts to each of the other parties within ten (10) Banking Days of its delivery of its facsimile or PDF electronic counterpart, but any failure or delay in so doing shall not derogate in any way from the sufficiency or effectiveness of that party having electronically transmitted its executed copy.

**6.12 Relationship to Parties**

The provisions contained in this Agreement shall not create or be deemed to create any relationship as between the Borrowers and FCC other than that of borrower and lender or as between a Guarantor and FCC other than that of guarantor and lender.

### **6.13 Amendments and Waivers**

This Agreement may not be amended or modified in any respect except in accordance with the provisions hereof, however, the Credit Parties hereby agree to make such amendments to this Agreement as may be reasonably requested by FCC to facilitate the granting by FCC of participations or assignments, provided that no such amendment shall have the effect of increasing any costs payable by the Borrowers or increasing the obligations of the Borrowers under this Agreement.

No amendment of any provision of this Agreement will be effective unless it is in writing, signed by the Borrowers, the Guarantors and FCC. No failure or delay, on the part of FCC, in exercising any right or power hereunder or under any Security Documents or any other Loan Document delivered to FCC shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by a Borrower will require review and agreement by FCC and its counsel. Costs related to this review will be for the Borrower's account.

### **6.14 Review**

FCC shall conduct an annual review within 180 days following the fiscal year-end of each Borrower, and any other matters related to this Agreement as reasonably determined by FCC. The Credit Parties agree to execute and deliver to FCC such information, assurances and things as may be necessary in the opinion of FCC, acting reasonably, to satisfactorily complete the above referenced annual review.

### **6.15 Borrowers' Confidentiality**

The Borrowers agree to keep the terms of this Agreement, including specifically the interest rate, strictly confidential and will not disclose the terms of this Agreement to any Person without FCC's prior consent. The Borrowers may disclose the terms of this Agreement to its legal, banking, accounting and business advisors on a need to know basis. The Credit Parties authorize FCC to obtain credit or other information about the Credit Parties and the Collateral, as well as exchange such information with:

- (i) any financial institution, credit reporting agency or bureau rating agency, or Governmental Authority; and
- (ii) anyone with whom the Credit Parties may have or propose to have financial dealings. The Credit Parties agree that FCC may use loan information for FCC's internal research and marketing purposes and that FCC may contact the Credit Parties regarding FCC's other products and services.

### **6.16 FCC Confidentiality**

FCC agrees to use reasonable efforts to ensure that any financial statement or other information relating to the business, assets or condition, financial or otherwise, of any Credit Party which may be delivered to FCC pursuant to this Agreement which is not publicly filed or otherwise made available to the public generally (and which is not independently known to FCC) will, to the extent permitted by law, be treated confidentially by FCC and will not, except with the consent of the Credit Party, be distributed or otherwise made available by FCC to any Person other than FCC's employees, authorized agents, counsel or other representatives (provided such other representatives have agreed to keep



all information confidential) required, in the reasonable opinion of FCC, to have such information. FCC is hereby authorized to deliver a copy of any financial statement or other information relating to the business, assets or financial condition of any Credit Party which may be furnished to it under this Agreement or otherwise, to (i) any actual or potential participant or assignee provided notice thereof is given to the Borrowers and the participant or assignee agrees to keep all such information confidential in accordance with the provisions hereof; (ii) any court, regulatory body or agency having jurisdiction over FCC pursuant to any court order requiring such information to be given by it, provided that where FCC receives such an order, FCC shall, to the extent it is reasonably able to do so and it is appropriate in the circumstances, advise the Borrowers of the order prior to disclosing such information; and (iii) any Affiliate of FCC required, in the reasonable opinion of FCC, to have such information such Affiliate agrees to keep all such information confidential in accordance with the provisions hereof.

#### **6.17 Evidence of Debt**

FCC shall maintain accounts and records evidencing the Outstanding Obligations of the Borrowers to FCC hereunder. FCC's accounts and records shall constitute *prima facie* evidence of such Outstanding Obligations to FCC in the absence of manifest error. Each Borrower acknowledges, confirms and agrees that all such records kept by FCC shall constitute *prima facie* evidence of the matters referred to above; provided, however, that the failure of FCC to make any entry or recording in any such records shall not limit or otherwise affect the Outstanding Obligations of such Borrower owed to FCC.

#### **6.18 Joint and Several Liability**

Where more than one Person signs this Agreement as a borrower, each such Person shall be jointly and severally liable for and obligated to repay all Outstanding Obligations under the Credit Facility without the necessity of restating the words "jointly and severally" or "joint and several" in respect thereof. Each Borrower acknowledges that it is fully responsible for all such Outstanding Obligations even though (i) it may not have requested a single Advance or received any proceeds from an Advance, (ii) a co-borrower may have fraudulently converted all Advances, and (iii) the manner in which FCC accounts for Advances on its books and records may differ from a joint and several basis. Each Borrower's obligations with respect to the Outstanding Obligations, and each Borrower's obligations arising as a result of the joint and several liability of each Borrower under this Agreement, shall be primary obligations of each Borrower. The joint and several liability and obligations of each Borrower under this Agreement shall, to the fullest extent permitted by law, be unconditional irrespective of (i) the validity, enforceability, avoidance or subordination of all or any part of the Outstanding Obligations of any other Borrower or of any Loan Document, (ii) the absence of any attempt by FCC to collect the Outstanding Obligations from any other Borrower or any Guarantor or under any Security Document, or the absence of any action to enforce the same, (iii) the waiver, consents, extension, forbearance or granting of any indulgence by FCC with respect to any provision of any agreement evidencing the obligations of any other Borrower, or any part thereof, or any other agreement now or hereafter executed by any other Borrower and delivered to FCC, (iv) the failure by FCC to take any steps to perfect and maintain its security interest in, or to preserve its rights to, any security or collateral for the obligations of any other Borrower, or (v) any other circumstances which might constitute a legal or equitable discharge or defence of any Borrower, any Guarantor or other Person obligated in connection with this Agreement (an "**Obligor**") or the Advances. Each Borrower waives, until all Outstanding Obligations are repaid in full, (i) the Credit Facility has been terminated, and (iii) FCC has no commitment or obligation under this Agreement, any right to enforce any right of subrogation or any remedy which FCC now has or may hereafter have against any Obligor of all or any part of the Outstanding Obligations, and any benefit of, and any right to

participate in, any security or collateral given to FCC to secure payment of the Outstanding Obligations any other liability of the Borrowers to FCC. Where more than one Person is liable as guarantor, if applicable for any covenant, obligation or agreement under this Agreement, then the liability of each such Person for such covenant, obligation or agreement is joint and several with each other such Person.

#### **6.19 *Currency***

Unless otherwise expressly stated, all monetary amounts set out in this Agreement refer to the lawful money of Canada.

#### **6.20 *Words and Phrases***

Where the context so requires, words importing the singular include the plural, and vice versa, and words importing gender include the masculine, feminine, and neuter genders.

#### **6.21 *Headings and Table of Contents***

The table of contents and the headings of all articles, sections, and paragraphs herein are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

#### **6.22 *Accounting Practices***

In the event of any change in Accounting Standard or practices used by a Borrower including any change resulting from a change in Accounting Standard made after the Closing Date, or the adoption of International Financial Reporting Standards by such Borrower, which, in any material respect, changes, or results in a change in the method of calculation of, or has an impact on, any financial covenant, financial ratio, term or provision applicable to the Borrower, as determined by FCC acting reasonably, the Borrowers and FCC (with the approval of FCC) will negotiate in good faith to revise (if applicable) such financial covenant, financial ratio, term or provision. If such Borrower and FCC are unable to agree upon revisions to such financial covenant, financial ratio, term or provision, the Borrowers shall continue to provide Financial Statements, certificates and other information required under this Agreement in accordance with the Accounting Standard as they exist on the Closing Date and all financial covenants, financial ratios, terms and provisions shall be applied, calculated and interpreted in accordance with the Accounting Standard as they exist on the Closing Date.

#### **6.23 *Computation of Time Periods***

The computation of any time period referred to herein, which is not a defined term, shall exclude the day of the occurrence of the event to which the period relates and shall include the last day of such period. Unless otherwise specifically provided herein in the event that any time period referred to herein ends on a day which is not a Banking Day, such time period shall be deemed to end on the next following Banking Day.

#### **6.24 *Statutory References***

References herein to any statute or any provision thereof includes such statute or provision thereof as amended, revised, re-enacted and/or consolidated from time to time and any successor statute thereto or other legislation in pari passu material therewith.

**6.25 Certificates and Opinions, etc.**

Whenever the delivery of a certificate or opinion is a condition precedent to the taking of any action by FCC under any Loan Document, the truth and accuracy of the facts and opinions stated in such certificate or opinion shall in each case be conditions precedent to the right of the Borrowers to have such action taken, and each statement of fact contained therein shall be deemed to be a representation and warranty of the Borrowers for the purpose of this Agreement. Whenever any certificate is to be delivered by the Borrowers, such certificate shall be signed on behalf of the Borrowers by a senior officer of the Borrowers.

**6.26 Determinations by Borrowers**

All provisions contained herein requiring the Borrowers to make a determination or assessment of any event or circumstance or other matter to the best of its knowledge shall be deemed to require the Borrowers to make all inquiries and investigations as may be necessary or reasonable in the circumstances before making any such determination or assessment.

**6.27 Account Review and Right to Amend**

The Credit Facilities may be reviewed periodically. For all Credit Facilities, any default may result in, but not limited to, future disbursements being restricted, an adjustment of interest rate, fees being charged or a change in the repayment terms of the Credit Facilities.

**6.28 Loan Approval Expiry Date**

All amounts not advanced under any Credit Facility by the applicable Loan Approval Expiry Date may be cancelled at FCC's sole discretion.

**6.29 Customer Declaration**

FCC acts with integrity, balancing business decisions with individual needs to achieve FCC's vision of sustainable growth and prosperity for Canada's agriculture industry.

FCC is committed to supporting the industry over the long-term and through all cycles. FCC works with customers to understand the material issues that they face and to help them identify and resolve issues in a way that generates a positive impact on society while minimizing the risks associated with their business.

FCC's committed partnership begins with complete disclosure on all aspects of the Borrowers' business.

FCC lends only to individuals or businesses with integrity who respect and adhere to applicable municipal bylaws, provincial and federal laws and regulations, who hold all permits and licenses required by law, and whose activities respect and care for:

- (a) the environment by exercising reasonable care to safeguard the environment through stewardship of land, air quality, and water;
- (b) animal welfare through application of the National Farm Animal Care Council (NFACC) Codes as a foundation for animal care;

- (c) labour standards by upholding requirements set through Canada's labour laws including for seasonal workers; and willfully violate employee or human rights; and
- (d) in general, society and human rights.

FCC does not lend to individuals or businesses who:

- (a) willfully neglect applicable operating laws and regulations;
- (b) engage in any money laundering activities or are involved in financing terrorist activities; or
- (c) are involved in illegal or other activities that could harm FCC's reputation and/or do not align with FCC's expressed commitment to sustainability.

The Borrowers must disclose in writing to FCC if they:

- (a) anticipate or are involved in any legal action, or any proceedings before any court, tribunal, board or agency or there are any unexecuted judgments rendered against them;
- (b) are in default under any material contracts that affect their business or assets;
- (c) have declared bankruptcy (discharged or undischarged) or have been the subject of other insolvency proceedings or proposals;
- (d) have been in arrears in the payment of income, business or property taxes, GST, HST, sales tax, payroll deductions, or similar payment obligations;
- (e) have been convicted of a criminal offence (except for a conviction for which a pardon has been granted);
- (f) have undergone any type of investigation or have been accused or convicted of any offense related to fraud, money laundering or terrorist financing; or
- (g) are aware of any of their directors, officers, shareholders, or partners being involved in any of the preceding issues, as applicable.

If the Borrowers fail to conduct its business in line with the integrity commitments and required disclosures set out above, FCC may consider this to be an Event of Default or cause to end any contractual relationship between the Borrowers and FCC. Specifically, FCC may decline to provide further financial services or make any further loan disbursements, terminate their loan(s), demand immediate repayment of any outstanding loan balance or other amount due by the Borrowers, or enforce FCC's interest in any property pledged to secure their loan.

**By executing this Agreement, the Borrowers:**

- (a) have read and affirm the integrity declaration;**
- (b) consent to FCC's collection, use, and disclosure of its personal information in the manner and for the purposes described above; and**

(c) know of no reason FCC may have any concern with its business

## SCHEDULE B - LOAN SPECIFIC FEATURES

### 1. Variable Mortgage Rate Terms

#### 1.1 *Applicable Interest Rate*

The New Credit Facility is a Standard Variable Mortgage Rate Loan.

The interest rate applicable to the New Credit Facility will be FCC's Variable Mortgage Rate plus 2.00% during the term of the New Credit Facility. Interest will begin accruing on the New Credit Facility at FCC's Variable Mortgage Rate plus 2.00% upon first disbursement of any portion of the New Credit Facility.

Existing Credit Facility No. 712591001 is a Fixed Rate Interest Loan.

The interest rate applicable to Credit Facility No. 712591001 will be 5.25% during the term of Credit Facility No. 712591001.

Existing Credit Facility No. 739304001 is a Standard Variable Mortgage Rate Loan.

The interest rate applicable to Credit Facility No. 739304001 will be FCC's Variable Mortgage Rate plus 2.00% during the term of Credit Facility No. 739304001. Interest will begin accruing on Credit Facility No. 739304001 at FCC's Variable Mortgage Rate plus 2.00% upon first disbursement of any portion of Credit Facility No. 739304001.

The Variable Mortgage Rate is currently 3.45% per annum but may change from time to time without prior notice to the Borrowers. The Borrowers agree that FCC's publication of its Variable Mortgage Rate in its offices shall be conclusive and binding between the parties to determine the rate of interest applicable to the Credit Facilities.

Each change in FCC's variable interest rate shall cause an immediate and automatic adjustment in any variable interest rate applicable under this Agreement, from the effective date of the change, calculated in accordance with FCC's usual practices, and without notification to the Borrowers.

#### 1.2 *Payment Adjustment*

If FCC's Variable Mortgage Rate or other variable rate application to a loan changes FCC may adjust the payment amounts for any variable rate loan, as a result of changes in the interest rate, to ensure that the principal payments are being repaid as originally intended under this Agreement.

#### 1.3 *Interest Rate Guarantee*

Variable Rate Loans have no interest rate guarantee.

#### 1.4 *Convertibility*

Any loan that has an Open Variable Mortgage Rate interest term may be converted, at any time, upon payment of a Conversion Fee, to any other loan that has a Mortgage interest term.

Any loan that has a Variable Mortgage Rate interest term may be converted, at any time, upon payment of a Conversion Fee, to any available Mortgage Rate Loan, except the Open Variable mortgage.

## 2. Interest Rate Guarantee

### 2.1 *Real Property Loan*

All funds disbursed in the first 90 days will be at the lower of:

- (a) the interest rate quoted in the Agreement, or
- (b) the interest rate in effect on the date of first disbursement of such Credit Facility.

This same rate will apply to all Advances made after 90 days, provided that 90% of the principal amount of such Credit Facility is disbursed by the Interest Rate Guarantee Expiry Date. If 90% of the principal amount of such Credit Facility is not disbursed by the Interest Rate Guarantee Expiry Date, then all funds advanced after the Interest Rate Guarantee Expiry Date will bear interest at the rate in effect on the date of each disbursement as determined by FCC in its sole discretion. If this results in multiple interest rates for the New Credit Facility, FCC will calculate a weighted average interest rate for the entire Loan at the time of each disbursement. For Credit Facilities secured by mortgages, if the actual interest rate charged is higher than the registered rate, the funds will be advanced on the trust condition that the Credit Parties execute (and register, if appropriate) a mortgage amending agreement reflecting the higher interest rate.

## 3. Capacity Builder/Construction Loan

### 3.1 *Capacity Builder Repayment*

The repayment option chosen for Credit Facility No. 739304001 is such that the interest will be paid by the Borrowers monthly, commencing September 1, 2020, and blended payments of interest and principal starting February 1, 2022, as set out in Section 2.2.

The repayment option chosen for the New Credit Facility is such that the interest will be paid by the Borrowers monthly, commencing June 1, 2021 until the end of the Deferral Period.

“**Deferral Period**” means the term of the New Credit Facility during which there is either:

- (a) a partial payment of accrued interest, or
- (b) no payment.

### 3.2 *Tier 3 Construction Terms and Conditions*

1. FCC has agreed to provide financing to the Borrowers for construction or renovation work or the installation of fixed equipment or the completion of improvements (the “**Project**”). The Borrowers agree that the construction funds under the New Facility will only be used for the completion of the Project.
2. The Borrowers agree to undertake and complete the project in compliance with all applicable federal, provincial and local zoning, building and environmental requirements. The Borrowers agree to provide FCC with evidence that you have obtained all required permits and licenses upon FCC’s request. The Borrowers agree to not start the Project without first obtaining the required permits and licenses.

3. The Borrowers agree to provide FCC with project plans and specifications, a budget and supporting quotes, estimated completion date and project milestones for the Project in a form acceptable to FCC. The Borrowers agree to complete the Project expediently according to the plans and specifications provided to FCC.
4. The Borrowers agree to advise FCC of the completion date of the Project, which will be on or before March 31, 2022.
5. Major Project milestones are:
  - (a) Building refurbishment to be completed on or before June 30, 2021;
  - (b) Additional storage bins to be erected on or before September 30, 2021; and
  - (c) Buhler equipment delivery and shipment confirmation to occur on or before December 31, 2021.
6. Prior to an advance on the New Credit Facility, the Borrowers shall provide FCC with evidence satisfactory to it that a cash equity investment of \$2,000,000.00 has been made by the Credit Parties in the Project.
7. The Borrowers will arrange course of construction Insurance, commercial general liability insurance and property insurance and have it in effect to protect the Borrowers from loss and liability during and after completion of the Project. The Borrowers may be required to designate FCC as beneficiary on the course of construction insurance and property insurance in amounts and on terms acceptable to FCC. When requested, the Borrowers will provide FCC with evidence of such insurance coverage in a form acceptable to FCC.
8. The Borrowers agree to allow FCC's representatives to inspect the Project.
9. FCC will review and monitor the construction progress of the Project and will advance funds for the Project at its discretion based on its review of the Project costs, its assessment of the progress of the Project, and the value of the work completed and estimated costs to complete the Project.
10. FCC will either advance the construction funds under the New Facility through FCC's solicitor, or directly to the Borrowers by cheque or electronic funds transfer into an account in which the Borrowers have authorized FCC to deposit funds. The Borrowers are responsible for covering all costs incurred by FCC's solicitor relating to the advancing of funds for the Project, and the Borrowers authorize FCC to deduct costs for disbursements and title searches from the Advances to the Borrowers under the New Credit Facility or charge such costs to the Borrowers' account.
11. The Borrowers agree that as the owners of the Project, the Borrowers will maintain lien holdbacks and administer project funds as required by *The Builders' Lien Act*, *Commercial Liens Act* or any other provincial legislation or regulations that apply to construction projects in the Province of Saskatchewan. The Borrowers will not hold FCC liable if the Borrowers fail to properly maintain and administer holdbacks. If a lien is registered against the Project, the Borrowers agree to allow FCC to withhold from any advance to the Borrowers, or to pay into court from this Loan, any amounts that in FCC's discretion are considered necessary to maintain FCC's priority and to protect FCC's interests under the provisions of any provincial legislation and regulations. The



Borrowers agree that nothing in this Agreement will be interpreted to make FCC an “owner” or “payer” as defined by the applicable provincial lien legislation. The Borrowers agree that FCC has no obligation to retain any holdback or to maintain any holdback on the Borrowers behalf.

12. FCC will consider any notification of a pending lien against the Project to be the same as the registration of a lien against the Project. The Borrowers hereby authorize FCC to provide information about the Credit Facility and the mortgage on the Project to any person claiming a construction, builder’s or mechanic’s lien against the Project. The Borrowers further agree to reimburse FCC for legal expenses incurred if any lien against the Project names FCC as a party to legal proceedings to enforce a construction lien or trust claim relating to the Project.
13. If the Borrowers complete the Project under budget, FCC may at its discretion cancel any remaining un-advanced funds that were approved by FCC for the Project.
14. The Borrowers agree that cost overruns on the Project are the Borrowers’ responsibility and FCC is not obligated to provide additional financing. FCC may consider additional financing for the Project in a cost overrun situation.
15. In addition to the Events of Default set out in this Agreement, FCC will consider the Borrowers to be in Default if:
  - (a) the construction funds are used for other purposes without FCC’s prior written consent;
  - (b) the Project is not completed according to the plans and specifications provided to FCC;
  - (c) there are unreasonable delays in the progress of the Project
  - (d) the Borrowers or the contractor abandon the Project;
  - (e) the Borrowers have not obtained the necessary permits and licenses for the Project;
  - (f) a lien is registered against the Project and the Borrowers do not promptly discharge it or otherwise deal with it to FCC’s satisfaction, acting reasonably;
  - (g) the Borrowers authorize changes to the Project or construction contracts without FCC’s prior written approval; and
  - (h) other project investments or funding required from other sources are not deposited into the Project.

#### 4. Interest Act

Unless otherwise specified, all annual rates of interest referred to in this Agreement are based on a calendar year of 365 or 366 days, as the case may be. Where a rate of interest under this Agreement is calculated on the basis of a year (the “**Deemed Year**”) which contains fewer days than the actual number of days in the calendar year of calculation, that rate of interest will be expressed as a yearly rate for the purposes of the *Interest Act* (Canada) by multiplying that rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the Deemed Year.

For purposes of the *Interest Act* (Canada), the principle of deemed reinvestment of interest will not apply to any interest rate calculation under this Agreement, and the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

Interest on each Loan shall be calculated on the daily outstanding balance of such Loan from (and including) the date it is advanced until (but excluding) the date it is repaid in full. The rates of interest per annum are expressed on the basis of a 365 or 366 day year, as applicable.

Interest owing on a Real Property Loan shall be compounded semi-annually, not in advance. Interest owing on a Personal Property Loan shall be compounded on each payment date (for example, interest shall be compounded monthly if payments are made monthly). All such interest shall be payable both before and after maturity, default and judgment on the amount outstanding from day to day until payment is made.

## **5. Maximum Interest Rate**

- (a) In the event that any provision of this Agreement would oblige the Borrowers to make any payment of interest or any other payment which is construed by a court of competent jurisdiction to be interest in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by FCC of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted nunc pro tunc to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by FCC of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows:
  - (i) firstly, by reducing the amount or rate of interest required to be paid under this Agreement; and
  - (ii) thereafter, by reducing any fees, commissions, premiums and other amounts which would constitute interest for the purposes of Section 347 of the Criminal Code (Canada).
- (b) If, notwithstanding the provisions of Section 5(a) above and after giving effect to all adjustments contemplated thereby, FCC shall have received an amount in excess of the maximum permitted by such clause, then such excess shall be applied by FCC to the reduction of the principal balance of the Outstanding Obligations and not to the payment of interest or if such excessive interest exceeds such principal balance, such excess shall be refunded to the Borrowers; and
- (c) Any amount or rate of interest referred to in this Section 5 shall be determined in accordance with generally accepted actuarial practices and principles at an effective annual rate of interest over the term of this Agreement on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the Criminal Code (Canada)) shall, if they relate to a specific period of time, be prorated over that period of time and otherwise be prorated over the terms of this Agreement and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by FCC shall be conclusive for the purposes of such determination.

## SCHEDULE C - DEFINITIONS

In this Agreement, unless the context otherwise requires, the following terms shall have the meaning set out below:

**“Accounting Standard”** means (i) Canadian Generally Accepted Accounting Principles with respect to any Credit Party that reports its financial statements using such principles, or (ii) International Financial Reporting Standards with respect to any Credit Party that reports its financial results using such standards.

**“Acquisition”** means any transaction, or any series of related transactions, consummated after the Original Closing Date, by which any Credit Party, directly or indirectly, by means of a Take-Over Bid, tender offer, amalgamation, merger, investment, purchase of property and assets or otherwise:

- (a) acquires any business, line of business or business unit or all or substantially all of the property and assets of any Person engaged in any business, line of business or constituting a business unit, or constitutes all or a material part of a business unit, division or line of business of such Person;
- (b) acquires control of securities of a Person engaged in a business representing more than 50% of the ordinary voting power for the election of directors or other governing position if the business affairs of such Person are managed by a board of directors or other governing body;
- (c) acquires control of more than 50% of the ownership interests or economic interests in any Person engaged in any business that is not managed by a board of directors or other governing body; or
- (d) acquires Control of a Person.

**“Advance”** means an advance under any Credit Facility by FCC, and **“Advances”** means all such advances under any Credit Facility or the Credit Facilities, as the context may require.

**“Affiliate”** means with respect to any Person, any Person which, directly or indirectly, controls or is controlled by or is under common control with such person and for the purposes of this definition, “control” (including with correlative meanings, the terms “controlled by” and “under common control with”) shall have the meaning set forth in the *Canada Business Corporations Act* as amended, revised, replaced or re-enacted from time to time.

**“Agreement”** means this amended and restated credit agreement between FCC and the Borrowers and the other Credit Parties to which this Schedule is attached, including this Schedule and any other schedules hereto or thereto, as such agreement and schedules may be amended, restated, renewed, extended, supplemented or otherwise modified from time to time.

**“Applicable Law”** means (i) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise), (ii) any judgment, order, writ, injunction, decision, ruling, decree or award, (iii) any regulatory policy, practice, guideline or directive, or (iv) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law.

**“Asset Disposition”** means, with respect to any Person, the sale, lease, license, transfer, assignment or other disposition of, or the expropriation or condemnation of, all or any portion of its business, assets, rights, revenues or property, real, personal or mixed, tangible or intangible, moveable or immovable, and whether in one transaction or a series of transactions.

**“Balance Due Date”** means the balance due date for each Credit Facility as set out in Section 2 on which date such Credit Facility matures and is repayable in full or any subsequent date to which the applicable balance due date is extended by FCC in writing and accordance with this Agreement.

**“Banking Day”** means any day other than Saturday or Sunday, on which FCC’s corporate office in Regina, Saskatchewan, is open for normal business.

**“Benefit Plan”** means any plan, fund, program or policy, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, providing employee benefits, including medical, hospital care, dental, sickness, accident, disability, life insurance, pension, retirement or savings benefits, maternity or parental benefits, supplemental unemployment benefits, bonus, profit sharing, executive compensation, current or deferred compensation, incentive compensation, stock compensation, stock purchase, stock option, stock appreciation or phantom stock option, maintained or contributed to by any Credit Party at any time or under which any Credit Party has any liability with respect to any employee or former employee who works or worked, as the case may be, in Canada but excluding any Pension Plan.

**“Borrower”** or **“Borrowers”** means Global Food and Ingredients Inc., GFI LP, and 11567403 Canada Inc. and their respective successors and permitted assigns. Each reference to the word Borrower (singular) in this Agreement shall include the word Borrowers (plural) as the context may require. Each reference to GFI LP as a “Borrower” shall include 11567403 Canada Inc. in its capacity as general partner of GFI LP.

**“CanPulse”** means CanPulse Foods Ltd., and its successors and permitted assigns.

**“Capital Expenditures”** means, for any period, any and all expenditures incurred in connection with the acquisition, whether by way of purchase, lease or otherwise, of capital property.

**“Capital Lease Obligations”** of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under the Accounting Standard, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with the Accounting Standard.

**“Change in Control”** means the occurrence of any one of the following:

- (a) the death or incapacity of any Credit Party who is an individual Person;
- (b) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group of Persons acting jointly or otherwise in concert, in a single transaction or in a related series of transactions, of Equity Securities representing 50% or more of the aggregate ordinary voting power represented by the issued and outstanding Equity Securities of any Borrower or any other Credit Party;
- (c) David Hanna ceases to own, directly or indirectly, at least 51% of all of the issued and outstanding Equity Securities of Global Food and Ingredients Inc.; or
- (d) there is any change in the composition of the officers or directors of any Borrower from those (i) in existence as at the Closing Date, or (ii) Persons which have been approved in writing by FCC from time to time after the Closing Date.

**“Closing Date”** has the meaning set out in Section 2.1 of this Agreement.

**“Collateral”** means any and all real and personal property now owned or hereafter acquired by any Credit Party and all proceeds thereof including, without limitation, all real and personal property upon which FCC has, or is entitled to have, or may hereafter have, any Lien under or pursuant to any of the Security Documents.

**“Compliance Certificate”** means a certificate of a senior officer of Global Food and Ingredients Inc. substantially in the form of Schedule E hereto.

**“Contaminant”** means any pollutants, dangerous substances, liquid waste, industrial waste, hauled liquid waste, toxic substances, hazardous wastes, hazardous materials, hazardous substances or other like substances or material that is regulated by any Environmental Law.

**“Contested”** means contested in good faith by appropriate proceedings promptly initiated and actively and diligently conducted.

**“Control”** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise and, including, without limitation, acting in the capacity of general partner of a limited partnership; and “Controlling” and “Controlled” shall have an analogous meaning.

**“Conversion Fee”** means the fee payable by the Borrowers to FCC, in an amount determined by FCC, to convert the loan to a different type of product.

**“Convertible Promissory Notes”** means those promissory notes in the aggregate principal amount of \$3,000,000.00 issued by GFI LP to the Subordinate Investors.

**“Core Business”** means agri-business including, without limitation, businesses related to or ancillary to the agricultural and food processing industries and the current operations of the Credit Parties.

**“Credit Facilities”** means, collectively, all loans and credit facilities established by FCC in favour of the Borrowers from time to time and **“Credit Facility”** means any of them as the context may require.

**“Credit Parties”** means, collectively, the Borrowers and the Guarantors, and **“Credit Party”** means any one of them.

**“Default”** means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both.

**“Environmental Activity”** means any past, present or future activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its release, escape, leaching, dispersal or migration into the natural environment, including the movement through or in the air, soil, surface water or groundwater.

**“Environmental Law”** means any common law and any federal, provincial, state, municipal or local law, statute, regulation, code, treaty, order, judgment, decree, ordinance, official directive, authorization, policy, guideline, convention or standard relating in any way to the environment, occupational health and safety, or any Environmental Activity.

**“Equity Securities”** means, with respect to any Person, any and all shares, stock or units of, interests, participations or rights in, or other equivalents (however designated and whether voting and non-voting) of, such Person’s capital, whether outstanding on the date hereof or issued after the date hereof, including any interest in a partnership, limited partnership, limited liability company or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, debt securities, options or other rights exchangeable for or convertible into any of the foregoing.

**“Financial Year”** means, with respect to any Credit Party, the 12-month fiscal period on which such Credit Party reports its annual financial results in accordance with the Accounting Standard.

“**GFI**” means Global Food and Ingredients Inc. and its successors and permitted assigns.

“**GFI General Partner**” means 11567403 Canada Inc. and its successors and permitted assigns.

“**GFI Shareholders**” means all Persons holding Equity Securities of GFI on the Closing Date, including, without limitation, David Hanna, Samira Sharezay, 35 Oak Holdings Ltd., Michael Wiener, Kevin Wiener, Robert Wolf, Kuriandi Kuriandi, Frank van Biesen, Bill Murray, Jie Zhang and Jaime Rueda and shall include any Person acquiring Equity Securities of GFI after the Closing Date.

“**GFI Shareholders Indebtedness**” and “**GFI Shareholders Subordination Agreements**” shall have the meanings given to such terms in Section 3.4(b).

“**Governmental Authority**” means any nation, federal government, province, state, municipality or other political subdivision of any of the foregoing, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

“**Guarantee**” means, with respect to a Person, any absolute or contingent liability of that Person under any guarantee, agreement, endorsement (other than for collection or deposit in the ordinary course of business), discount with recourse or other obligation to pay, purchase, repurchase or otherwise be or become liable or obligated upon or in respect of any Indebtedness of any other Person and including any absolute or contingent obligations to:

- (a) advance or supply funds for the payment or purchase of any Indebtedness of any other Person;
- (b) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any other Person to make payment of Indebtedness or to assure the holder thereof against loss; or
- (c) indemnify or hold harmless any other Person from or against any losses, liabilities or damages, in circumstances intended to enable such other Person to incur or pay any Indebtedness or to comply with any agreement relating thereto or otherwise to assure or protect creditors against loss in respect of such Indebtedness.

Each Guarantee shall be deemed to be in an amount equal to the amount of the Indebtedness in respect of which the Guarantee is given, unless the Guarantee is limited to a determinable amount in which case the amount of the Guarantee shall be deemed to be the lesser of the amount of the Indebtedness in respect of which the Guarantee is given and such determinable amount.

“**Guarantors**” means, collectively:

- (a) David Hanna and his successors and permitted assigns and heirs, executors or representatives, as applicable;
- (b) Global Food and Ingredients USA Inc. and its successors and permitted assigns;
- (c) North Lily Foods Inc. and its successors and permitted assigns;
- (d) any other present or future direct or indirect Subsidiary of any Borrower or any other Credit Party that is required to deliver security pursuant to Section 1.1(o) of Schedule A attached hereto; and

- (e) any other Person that, with the prior written consent of FCC, at any time in the future guarantees any of the Outstanding Obligations pursuant to a Guarantee or other guarantee agreement and grants security in support thereof, all in form and substance satisfactory to FCC,

and “**Guarantor**” means any one of them.

“**Indebtedness**” means, with respect to any Person, but without duplication, (i) an obligation of such Person for borrowed money, (ii) an obligation of such Person evidenced by a note, bond, debenture or other similar instrument, (iii) an obligation of such Person for the deferred purchase price of property or services, excluding trade payables and other accrued current liabilities incurred in the ordinary course of business in accordance with customary commercial terms, (iv) a capitalized lease obligation of such Person, (v) a guarantee, indemnity, or financial support obligation of such Person, determined in accordance with the Accounting Standard, (vi) an obligation of such Person or of any other Person secured by a Lien on any property of such Person, even though such Person has not otherwise assumed or become liable for the payment of such obligation, (vii) an obligation arising in connection with an acceptance facility or letter of credit issued for the account of such Person, or (viii) a share in the capital of such Person that is redeemable by such Person either at a fixed time or on demand by the holder of such share (valued at the maximum purchase price at which such person may be required to redeem, repurchase or otherwise acquire such share). For greater certainty, “**Indebtedness**” excludes trade payables of such Person incurred in the ordinary course of business, the payment of which is not overdue by more than 30 days under the applicable supplier’s payment terms.

“**Investment**” means, as applied to any Person (the “**investor**”):

- (a) any direct or indirect purchase or other acquisition by the investor of, or a beneficial interest in, Equity Securities of any other Person that does not otherwise constitute an Acquisition, including any exchange of Equity Securities for indebtedness;
- (b) any direct or indirect loan, advance (other than advances to employees for moving and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contribution (by way of cash or property) by the investor to any other Person, including all indebtedness and accounts receivable owing to the investor from such other Person that did not arise from sales or services rendered to such other Person in the ordinary course of the investor’s business; or
- (c) any direct or indirect purchase or other acquisition of bonds, notes, debentures or other debt securities of, any other Person.

The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment minus any amounts: (i) realized upon the disposition of assets comprising an Investment (including the value of any liabilities assumed by any Person other than a Credit Party in connection with such disposition), (ii) constituting repayments of Investments that are loans or advances, or (iii) constituting cash returns of principal or capital thereon (including any dividend, redemption or repurchase of equity that is accounted for, in accordance with the Accounting Standard, as a return of principal or capital).

“**Lajord Facility**” or “**Lajord Plant**” has the meaning set out in Section 3.2(b)(i) of this Agreement.

“**Lajord Lease**” means the lease dated October 1, 2015 between Stewart Southern Railway Inc., as landlord, and CanPulse, as tenant, in respect of the Lajord Facility and as assigned on the Original Closing Date to 11567403 Canada Inc., as general partner for GFI LP, as tenant, pursuant to an assignment of lease made as of November 22, 2019 between CanPulse, as assignor, and 11567403 Canada Inc., as

general partner for GFI LP, as assignee (the latter agreement being the “**Lajord Lease Assignment Agreement**”).

“**Lajord Landlord**” and “**Lajord Landlord Waiver and Consent**” have the meaning set out in Section 3.6(b) of this Agreement.

“**Lien**” means any mortgage, hypothec, title retention, prior claim, pledge, assignment, lien, right of set-off/compensation, charge, security interest or other encumbrance whatsoever, whether fixed or floating and howsoever created or arising.

“**Loan Documents**” means, collectively, this Agreement, the Security Documents and all other documents, instruments and agreements in favour of FCC related hereto and any other document which, pursuant to the provisions of this Agreement, is stated to be a Loan Document, and, in each case, as may be amended, supplemented, restated, replaced or otherwise modified from time to time.

“**Material Adverse Change**” means any event, development, circumstance or situation that has had or could have a Material Adverse Effect.

“**Material Adverse Effect**” means a material adverse effect on: (i) the business, property, assets, liabilities, operations, condition (financial or otherwise), affairs or prospects of the Credit Parties taken as a whole; (ii) the ability of the Credit Parties, taken as a whole, to perform their obligations under any of the Loan Documents; and (iii) the ability of FCC to enforce its rights and remedies under any of the Loan Documents.

“**Material Contract**” means:

- (a) all pension plans and benefit plans operated by any Credit Party, if any,
- (b) the RBC Inter-creditor Agreement and all loan and security documents entered into by the Credit Parties with RBC;
- (c) the Lajord Lease, the Lajord Lease Assignment and the Lajord Landlord Waiver and Consent;
- (d) any other agreement, contract or similar instrument to which any Credit Party is a party or to which any of their property and assets may be subject for which breach, non-performance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

“**Mortgaged Properties**” and “**Properties**” have the meanings given to such term in Section 3.2(b)(i).

“**Original Closing Date**” means November 25, 2019.

“**Outstanding Obligations**” means, at any time without duplication, the aggregate of: (i) all outstanding Advances, (ii) all due and unpaid interest, fees, charges, indemnities and expenses in respect of this Agreement and any other Loan Document required to be paid by any Credit Party to FCC, (iii) all other indebtedness, liabilities and obligations of any Credit Party to FCC, direct or indirect, contingent or otherwise, as principal or as surety, and all unpaid interest, fees, charges, indemnities and expenses in respect thereof required to be paid by any Credit Party to FCC, and (iv) any and all expenses and charges, whether for legal expenses or otherwise, suffered or incurred by FCC in collecting or enforcing any of such indebtedness, obligations, and liabilities outlined in paragraphs (i), (ii) and (iii) immediately above or in realizing on or protecting or preserving any security held therefor, including, without limitation, the Security Documents.



“**PBA**” means the *Pension Benefits Act* (Ontario) and the regulations thereunder as in effect from time to time.

“**Pension Plan**” means any plan, program or arrangement that is a pension plan for the purposes of any applicable pension benefits legislation or any tax laws of Canada or a Province thereof, whether or not registered under Canadian federal or provincial law, that is maintained or contributed to by, or to which there is or may be an obligation to contribute by, any Credit Party for its employees or former employees, but does not include the Canada Pension Plan or the Quebec Pension Plan as maintained by the Government of Canada or the Province of Quebec.

“**Permitted Acquisitions**” means Acquisitions by any one or more of the Credit Parties which satisfy the following conditions:

- (a) the target must be in a similar or complimentary line of Core Business as the Credit Parties and reside in Canada;
- (b) the Acquisition must be non-hostile and the target must become a wholly-owned subsidiary of one of the Credit Parties and, in the case of a limited partnership, one of the Borrower’s wholly-owned Subsidiaries becomes the general partner of such limited partnership;
- (c) the Credit Parties shall be in compliance with all terms of this Agreement;
- (d) FCC shall have received financial information, in form and substance satisfactory to FCC, prior to the entry into by the applicable Credit Party of any agreement in respect of the Acquisition demonstrating pro forma compliance by the Borrowers of the financial covenants set out in this Agreement for the next two (2) Financial Years following completion of the Acquisition;
- (e) within thirty (30) days of closing the Acquisition, the applicable Credit Party will provide FCC with a Lien in the acquired entity; and
- (f) at the time of and immediately after making any such Acquisition, no Default or Event of Default shall have occurred and be continuing or would result therefrom.

“**Permitted Asset Disposition**” means an Asset Disposition by any Credit Party which satisfies any of the following conditions (without duplication):

- (a) such Asset Disposition is of inventory in the ordinary course of its business upon customary credit terms;
- (b) such Asset Disposition consists of land and buildings, machinery, equipment or inventory of any Credit Party which is surplus, obsolete, worn-out or redundant;
- (c) the net proceeds from the sale of all such property and assets which have been sold are applied to acquire new assets having a similar use or performing a similar function to those assets which are the subject of such Asset Disposition within one hundred and eighty (180) days of such Asset Disposition; or
- (d) Asset Dispositions that have been specifically approved by FCC in writing.

“**Permitted Indebtedness**” means the following Indebtedness of the Credit Parties (without duplication):

- (a) the Outstanding Obligations;

- (b) current accounts payable and accrued expenses arising in the ordinary course of business from the purchase or sale of goods and services, including sureties, guarantees and indemnities given in respect thereof;
- (c) Purchase Money Obligations of the Credit Parties; provided that, the Credit Parties shall be in compliance with the financial covenants set out in this Agreement;
- (d) Capital Lease Obligations of the Credit Parties; provided that, the Credit Parties shall be in compliance with the financial covenants set out in this Agreement;
- (e) Indebtedness in the nature of a Guarantee of any Permitted Indebtedness of any Credit Party;
- (f) Indebtedness under the loan agreement with RBC; provided that, the aggregate principal amount of such Indebtedness shall not exceed \$6,000,000 at any time outstanding;
- (g) Subordinated Debt; provided that, the subordinated lender has executed and delivered a subordination and postponement agreement to FCC and it remains in full force and effect at all times; and
- (h) other Indebtedness in respect of which FCC has provided its prior written consent.

**“Permitted Liens”** means, with respect to any property or asset of any Person, the following Liens:

- (a) encumbrances, including, without limitation, easements, rights of way, encroachments, restrictive covenants, servitudes or other similar rights in land granted to or reserved by other Persons, rights of way for sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real / immovable properties which encumbrances, easements, servitudes, rights of way, other similar rights and restrictions do not in the aggregate materially detract from the value of the said properties or materially impair their use in the operation of the business of such Persons;
- (b) any right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant or permit acquired by such Person, or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other periodic payments as a condition of the continuance thereof;
- (c) security or deposits given by such Person to a public utility or any Governmental Authority when required by such utility or Governmental Authority in connection with the operations of such Person and in the ordinary course of its business;
- (d) reservations, limitations, provisos and conditions, if any, expressed in any original grants from the Crown;
- (e) any lien for taxes or assessments not yet due or, if due, are being Contested and for which a reasonable reserve satisfactory to FCC has been provided;
- (f) any carriers, warehousemen, contractors, subcontractors, suppliers, mechanics or material liens arising in the ordinary course of business in respect of charges accruing in favour of any Person, so long as such charges are not yet due or, if due, are being Contested and for which a reasonable reserve satisfactory to FCC has been provided;

- (g) undetermined or inchoate liens, privileges, hypothecs or charges arising in the ordinary course of business which have not at such time been filed (or are not required to be filed) pursuant to law against such person's property or assets or which relate to obligations not due or delinquent;
- (h) Liens or deposits to secure the performance of bids, tenders, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature (other than for borrowed money) incurred in the ordinary course of business;
- (i) Purchase Money Liens;
- (j) Liens in favour of RBC; provided that, any such Liens are subject to the RBC Inter-creditor Agreement which is and remains in effect at all times;
- (k) Liens in favour of the Subordinate Investors; provided that, any such Liens are subject to the Subordinate Investors Subordination Agreements which are and remains in effect at all times;
- (l) Liens in favour of the GFI Shareholders; provided that, any such Liens are subject to the GFI Shareholder Subordination Agreements which are and remains in effect at all times
- (m) Liens in favour of FCC in respect of the Outstanding Obligations;
- (n) Liens in respect of Subordinated Debt; provided that such Liens are subject to a subordination and postponement agreement from the applicable subordinated lender (in a form and substance satisfactory to FCC) and it remains in full force and effect at all times; and
- (o) any Liens in respect of which FCC has given its prior written consent,

provided, however, that: (i) the designation in any Loan Document of a lien, encumbrance or claim as a "**Permitted Lien**" is not, and shall not be deemed to be, an acknowledgement by FCC that the lien, encumbrance or claim shall have priority over the liens, encumbrances and claims of FCC against any one or more of the Credit Parties or their respective assets, and (ii) any reference in any Loan Document to "subject to Permitted Liens" or "other than Permitted Liens" shall not be construed to be a subordination or postponement of any lien, encumbrance or claim of FCC to any holder of a Permitted Lien, nor shall such reference elevate the priority of any Permitted Lien above the level it would otherwise have under Applicable Law against any one or more of the Credit Parties or their respective assets.

"**Person**" means an individual, a partnership, a corporation, a trust, an unincorporated organization, a government or any department or agency thereof or any other entity whatsoever and the heirs, executors, administrators or other legal representatives of an individual.

"**PPSA**" means the *Personal Property Security Act* applicable to the Borrowers based on the Borrowers' location, including all regulations and minister's orders thereunder, as such legislation is amended, revised, replaced or re-enacted from time to time.

"**Project**" has the meaning set out in Section 3.2(1) of in Schedule B.

"**Purchase Money Lien**" means any Lien which secures a Purchase Money Obligation permitted by this Agreement; provided that, such Lien is created not later than 30 days after such Purchase Money Obligation is incurred and does not affect any asset other than the asset financed by such Purchase Money Obligation.

**“Purchase Money Obligations”** means any Indebtedness (including without limitation a capitalized lease obligation) incurred or assumed to finance all or any part of the acquisition price of any asset acquired by the Credit Parties or to finance all or any part of the cost of any improvement to any asset of any of the Credit Parties; provided that, such obligation is incurred or assumed prior to or within 30 days after the acquisition of such asset or the completion of such improvement and does not exceed the lesser of the acquisition price payable by the applicable Credit Party for such asset or improvement and the fair market value of such asset or improvement; and includes any extension, renewal or refunding of any such obligation so long as the principal amount thereof outstanding on the date of such extension, renewal or refunding is not increased.

**“Related Parties”** means, with respect to any Person, such Person’s Affiliates and associates, and the directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates and associates (the term “associate” having the meaning ascribed thereto in the *Canada Business Corporations Act*) and **“Related Party”** means any one of them.

**“Receiver”** means a receiver or a receiver and manager and includes, without limitation, an interim receiver under the *Bankruptcy and Insolvency Act* (Canada).

**“Restricted Payment”** means, with respect to any Person, any payment by such Person: (a) of any dividends or other distributions on any of its Equity Securities, (b) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any of the Equity Securities of such Person or any of its Subsidiaries or any warrants, options or rights to acquire any such Equity Securities, or the making by such Person of any other distribution in respect of any of such Equity Securities, (c) of any principal of, or interest or premium on, or of any amount in respect of a sinking or analogous fund or defeasance fund for, any Indebtedness of such Person ranking in right of payment subordinate to any liability of such Person under the Loan Documents (including any Subordinated Debt), (d) of any principal of, or interest or premium on, or of any amount in respect of a sinking or analogous fund or defeasance fund for, any Indebtedness of such Person to a shareholder of such Person or to any non arm’s length party (within the meaning of the *Income Tax Act* (Canada) of such Person or shareholder, or (e) of any: (i) any management, consulting or similar fee or any bonus payment or comparable payment, (ii) by way of gift or other gratuity, or (iii) for services rendered, property leased or acquired, or for any other reason, in each case, to any Related Party or any non arm’s length party (within the meaning of the *Income Tax Act* (Canada) of such Person.

**“Sale/Leaseback Transaction”** means any arrangement with any Person (other than a Credit Party) providing, directly or indirectly, for the leasing by any Credit Party of property (except a lease for a temporary period not to exceed three years by the end of which it is intended that the use of such property by the lessee will be discontinued), which has been or is to be sold or transferred by any Credit Party to such other Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property.

**“Security Documents”** means, collectively, all guarantees, mortgages, hypothecs, security agreements, pledges, assignments and charges executed by any Credit Party in favour of FCC from time to time including, without limitation, any pre-existing guarantees, mortgages, hypothecs, security agreements, pledges, assignments and charges which are by their terms or the terms of this Agreement intended to secure payment and performance of the Outstanding Obligations.

**“Sedley Facility”** or **“Sedley Plant”** has the meaning set out in Section 3.2(a)(i) of this Agreement.

**“Subordinated Debt”** means, at any time, Indebtedness of any Credit Party (i) the primary terms of which (including, without limitation, its interest rate, payment schedule, maturity date and applicable acceleration rights and the proposed use of such funds) are all satisfactory to FCC in its sole discretion, (ii) which has been validly postponed and subordinated in right of payment and collection to the repayment in full of the Outstanding Obligations to the satisfaction of FCC in its sole discretion, and (iii) all security, if any, held for

such Indebtedness has been fully subordinated and postponed to the Security Documents to the satisfaction of FCC in its sole discretion.

**“Subordinate Investors”** means all Persons holding Indebtedness of the Credit Parties on the Original Closing Date, including, without limitation, David Hanna, John Hanna, 35 Oak Holdings Ltd., Michael Wiener, Kevin Wiener, Robert Wolf, Kuriandi Kuriandi, Frank van Biesen, and shall include any Person acquiring Indebtedness of the Credit Parties after the Closing Date.

**“Subordinate Investors Indebtedness”** and **“Subordinate Investors Subordination Agreements”** shall have the meanings given to such terms in Section 3.4(a).

**“Subsidiary”** has the meaning attributed to the term “subsidiary body corporate” in the *Canada Business Corporations Act* in effect on the date hereof. For certainty, a limited partnership shall be a Subsidiary of any Person (the “Parent”) if the general partner of such limited partnership is the Parent or one of its Subsidiaries regardless of the level of such Parent’s direct or indirect ownership of limited partnership interests.

**“Take-Over Bid”** shall mean a “take-over bid” as defined by the *Securities Act* (Ontario) except that all references to “Ontario” shall be amended to “any jurisdiction in the world”.

**“Taxes”** means, with respect to any Person, for any particular period, all taxes, rates, levies, imposts, assessments, government fees, dues, stamp taxes, duties, ad valorem taxes or levies, charges to tax, fees, deductions, withholdings and similar impositions paid or payable, levied, collected, withheld or assessed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

**“Variable Mortgage Rate”** means the rate of interest per annum established by FCC from time to time at its head office as its variable mortgage rate charged to borrowers on commercial loans made in Canada.

**“Variable Mortgage Rate Loan”** means any Advance made to any Borrower upon which interest is based on the Variable Mortgage Rate.

**“Wholly-owned Subsidiaries”** means, with respect to any Person at any date, any Subsidiary in respect of which such Person, directly or indirectly, owns 100% of all issued and outstanding Equity Securities in such Subsidiary.

**“Zealandia Facility”** or **“Zealandia Plant”** has the meaning set out in Section 3.2(a)(ii) of this Agreement.



SCHEDULE D - PRE-AUTHORIZED PAYMENT AUTHORITY

1. Bank Account Information

Financial Institution Name: Royal Bank of Canada
Address: MAIN BR-REGINA
2002 11TH AVE
REGINA, SASKATCHEWAN
S4P 0J3
Bank Code: 003
Transit #: 00008
Account #: 1032481

A voided cheque must accompany this Pre-Authorized Payment Authority (the "Authority").

2. Pre-Authorized Payment Details

Table with 5 columns: Loan No., Payment Type, Payment Amount, Payment Start Date, Frequency. It lists two payment types: Interest Payment and Fixed Principal + interest.

The Borrowers hereby irrevocably instruct and authorize FCC to debit the above bank account (the "Account") with the above specified payments for the purpose of repaying the Credit Facilities and all other Outstanding Obligations to FCC.

To the extent that advances have not been made prior to the "Payment Start Date" of any Loan, the "Payment Start Date" shall be re-designated by FCC and advised to the Borrowers.

You waive the pre-notification requirements of Payments Canada, including Your right to receive pre-notification of the amount and/or date of any pre-authorized payments. You agree that You do not require advance notice of the amount and/or date of any pre-authorized payments before the debit is processed.

The above payment(s) are made for business purposes.

FCC reserves the right to cancel this Authority at its discretion and without notice. This Authority may be cancelled at any time upon notice being provided by the Borrower, either in writing or orally with proper authorization to verify the person identity, to FCC within 30 days before the next payment is to be made.

The Borrowers have certain recourse rights if any debit does not comply with this Authority. For example, the Borrowers have the right to receive reimbursement for any debit that is not authorized or is not consistent with this Authority.

The Borrowers may contact FCC to make inquiries or obtain information about this Authority at:

Farm Credit Canada  
Customer Service Centre  
1800 Hamilton Street, P.O. Box 4320  
Regina, SK S4P 4L3

Telephone: 1-888-332-3301  
Fax: 1-306-780-8919  
email: [csc@fcc-fac.ca](mailto:csc@fcc-fac.ca)

The Borrowers warrant and guarantee that they are duly authorized, in accordance with the account agreement at the financial institution identified above, to debit the Account.

**[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]**

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**GLOBAL FOOD AND INGREDIENTS INC.**

Per:

\_\_\_\_\_  
Name: **DAVID MURRAY**  
Title: Chief Financial Officer

I have the authority to bind the Corporation.

**GFI LP,  
By its General Partner,  
11567403 CANADA INC.**

Per:

\_\_\_\_\_  
Name: **DAVID MURRAY**  
Title: Chief Financial Officer

I have the authority to bind the General Partner and the Limited Partnership.

**11567403 CANADA INC.**

Per:

\_\_\_\_\_  
Name: **DAVID MURRAY**  
Title: Chief Financial Officer

I have the authority to bind the Corporation.



**SCHEDULE E - COMPLIANCE CERTIFICATE**

**Customer Number**

200839292

**TO** Farm Credit Canada (“**FCC**”, “**us**”, “**we**” or “**our**”)

**FROM** Global Food and Ingredients Inc., GFI LP and 11567403 Canada Inc. (collectively, the “**Borrowers**”)

**DATE** [•]

**RE** Credit facilities established in favour of the Borrowers pursuant to an amended and restated credit agreement dated May 28, 2021 between FCC, as lender, the Borrowers, as borrowers, and Global Food and Ingredients USA Inc., North Lily Foods Inc., and David Hanna, as guarantors (as the same may be amended, modified, supplemented, extended, renewed, restated or replaced from time to time, the “**Credit Agreement**”)

I, \_\_\_\_\_, in my capacity as an officer of the Borrowers and not in a personal capacity hereby certify for and on behalf of the Borrowers, that:

- I am an officer of the Borrowers and I make these representations, warranties and certifications knowing that FCC will be acting in reliance thereon in extending or continuing to extend credit under the credit facilities in favour of the Borrowers under the Credit Agreement.
- I am familiar with and have examined the provisions of the Credit Agreement and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrowers.
- In accordance with the terms of the Credit Agreement, attached hereto are the Borrowers’ annual audited financial statements prepared on a consolidated basis as described below for the period ending March 31, [•]. We **[are/are not]** in compliance with all financial covenants set out in the Credit Agreement for such period end. The calculations made to determine compliance were the following:

Financial Covenant	Calculation	Compliance
<b>Fixed Charge Coverage Ratio</b>		
Global Food and Ingredients Inc. shall maintain at all times a Fixed Charge Coverage Ratio, calculated on a consolidated basis, as at the last day of each Financial Year of Global Food and Ingredients Inc., of not greater than 1.25:1.00 for the Financial Year ending March 31, 2020 and for each Financial Year thereafter.	See Attached	[Yes/No]

- I have further reviewed the Credit Agreement and have no knowledge of the occurrence of any Events of Default thereunder or any event that, with the passage of time, would constitute an Event of Default.
- No events, circumstances or developments have arisen that would have a Material Adverse Effect or would cause any information or other matter previously disclosed to FCC by or on behalf of the


Borrowers or any of its affiliates, representatives or advisers to be incorrect in any material and adverse respect as at and immediately following the date of such financial statements or the date of delivery of the last Compliance Certificate.

6. The representations and warranties contained in the Credit Agreement and all Security Documents granted by the Borrowers to FCC are complete, true and correct in all material respects and have the same force as if they were made and given as of the date of this Compliance Certificate (except to the extent such representations and warranties expressly relate to an earlier date in which case they should be true and correct in all material respects as of such date).

**[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]**

I acknowledge that this Compliance Certificate will be relied upon by FCC, as lender, the Borrowers, as borrowers, and Global Food and Ingredients USA Inc., North Lily Foods Inc., and David Hanna, as guarantors, and their respective counsel in connection with the Credit Agreement and Security Documents. I certify that it is true and correct in all material respects and does not omit any material information required to make the information contained in it not misleading.

**DATED** as of the date first written above.

DocuSigned by:  <small>9A6DF8F11390449...</small>		
<small>(Witness signature)</small>		<small>(Officer signature)</small>

DAVID HANNA  
\_\_\_\_\_  
(Print witness name)

BILL MURRAY  
\_\_\_\_\_  
(Print officer name)

**This is Exhibit "N" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

**A commissioner for Oaths in and for the Province of ~~Prince~~ Edward Island**

*Prina  
SW*

## Second Amended and Restated Credit Agreement

PROTECTED

Customer Number:

200839292

May 17, 2022

Private and Confidential

Global Food and Ingredients Inc.  
43 Colborne Street Suite 400  
Toronto, ON M5E 1E3

Dear Sir/Madam:

Farm Credit Canada (“**FCC**”), as lender, and Global Food and Ingredients Inc., GFI LP and 11567403 Canada Inc., as borrowers, entered into an amended and restated credit agreement dated May 28, 2021 (as amended, restated, replaced, supplemented or otherwise modified prior to the date hereof, the “**Existing Credit Agreement**”), pursuant to which FCC provided certain credit facilities to Global Food and Ingredients Inc., GFI LP and 11567403 Canada Inc., or any one of them, on the terms and conditions set out in the Existing Credit Agreement.

FCC has consented to the winding up of 11567403 Canada Inc., and dissolution of GFI LP on March 31, 2022 (the “**Wind-Up**”), provided that FCC, Global Food and Ingredients Inc., as the continuing borrower (the “**Borrower**”), and the Guarantors, amend and restate the Existing Credit Agreement in its entirety in the manner set forth herein to give effect to the terms and conditions set forth in this Second Amended and Restated Credit Agreement (the “**Agreement**”), it being understood and agreed that:

(i) with respect to any date or time period occurring and ending prior to the date of this Agreement, the rights and obligations of the parties thereto shall be governed by the Existing Credit Agreement (including, without limitation, the exhibits and schedules thereto) and the Security Documents entered into thereby, which for such purposes shall remain in full force and effect unless expressly amended by the terms of this Agreement; and

(ii) with respect to any date or time period occurring or ending on or after the date of this Agreement, the rights and obligations of the parties thereto shall be governed by this Agreement (including, without limitation, the exhibits and schedules thereto) and the Security Documents entered into hereby.

FCC, the Borrower and the Guarantors, as applicable, agree that, effective as of the date hereof, all existing Outstanding Obligations under the Existing Credit Agreement shall be considered Outstanding Obligations under this Agreement. Each of the Borrower and the Guarantors further agree that each of them is bound by the terms and conditions of all loan, guarantee and security documents to which they are a party that have been entered into or granted in favour of FCC prior to the date hereof (the “**Existing Security Documents**”), and, except as expressly amended by the terms of this Agreement, each of the Existing Security Documents to which they are a party continue in full force and effect as general and continuing collateral security for all of the Outstanding Obligations of the Borrower and the Guarantors under this Agreement and the other Loan Documents.

**1. Credit Parties**

Borrower:	Global Food and Ingredients Inc. 43 Colborne Street Suite 400 Toronto, ON M5E 1E3
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Guarantors:	Global Food and Ingredients (USA) Inc. 43 Colborne Street Suite 400 Toronto, ON M5E 1E3
	North Lily Foods Inc. 43 Colborne Street Suite 400 Toronto, ON M5E 1E3
	GFI Brands Inc. 43 Colborne Street Suite 400 Toronto, ON M5E 1E3

The “**Credit Parties**” means the Borrower and the Guarantors and “**Credit Party**” means any one of them.

**2. Credit Facilities**

The following credit facilities (collectively, the “**Credit Facilities**”) shall be governed by this Agreement:

**2.1 Credit Facilities**

The following summary of each Credit Facility is provided for your information (as at April 27, 2022). The Credit Facilities, continue to be made available to the Borrower, subject to the covenants and conditions contained herein.

Credit Facility Number	Borrower	Guarantors
712591001 724230001 739304001 762753001	Global Food and Ingredients Inc.	Global Food and Ingredients (USA) Inc. North Lily Foods Inc.

Credit Facility Number	Product	Principal Not Due	End of Amortization	Rates	Payment Frequency	Term	Maturity Date
712591001	4 year fixed	\$10,842,080.82	2035-10-01	5.25%	Monthly	4 years	2024-12-02
739304001	Real Property Loan - Variable Rate (Capacity Builder Loan)	\$1,969,433.82	2032-01-02	6.20%	Monthly	5 years	2026-01-02
762753001	Real Property Loan - Variable Rate (Capacity Builder Loan)	\$3,575,957.24	2026-04-01	6.20%	Monthly	5 years	2026-04-01

<b>Credit Facility 712591001</b>	
<b>Payment type details</b>	
Payment type	Fixed Principal plus Interest
Start date	2020-11-01
Payment frequency	Monthly
Payment month(s)	All
Payment amount	\$66,666.67 plus Interest
End date	2024-10-01

<b>Credit Facility 739304001</b>	
<b>First payment type details</b>	
Payment type	Interest Payment
Start date	2020-09-01
Payment frequency	Monthly
Payment month(s)	All
Payment amount	Interest Only
End date	2022-01-04
<b>Subsequent payment type details</b>	
Payment type	Blended
Start date	2022-02-01
Payment frequency	Monthly
Payment month(s)	All
Payment amount	\$21,585.93
End date	2026-01-02

<b>Credit Facility 762753001</b>	
<b>First payment type details</b>	
First payment type	Interest Payment
Start date	2021-07-01
Payment frequency	Monthly
Payment month(s)	All
Payment amount	Interest only
End date	2022-05-31
<b>Second payment type details</b>	
Second payment type	Fixed Principal + interest
Start date	2022-06-01
Payment frequency	Monthly

Payment month(s)	All
Payment amount	\$27,777.78 + interest
End date	2026-04-01

As of the date of this Agreement: (i) the current FCC Variable Mortgage Rate is 4.20% per annum.

The closing date for this Agreement is the date on which the 'Conditions Precedent to Closing' as set out in Section 8.1 herein have been completed to the satisfaction of FCC, being May 17, 2022 (the "**Closing Date**").

FCC may adjust the stipulated payments of principal and interest for any loan with a variable interest rate, as a result of changes in the interest rate, to ensure that the principal outstanding is being paid as originally intended under this Agreement. Specific loan terms set out in Schedule B hereto form part of the Credit Facilities.

## **2.2 Schedules**

The following Schedules form part of this Agreement:

- (a) Schedule A – Standard Terms and Conditions
- (b) Schedule B – Loan Specific Features
- (c) Schedule C – Definitions
- (d) Schedule D – Pre-Authorized Payment Authority
- (e) Schedule E – Form of Compliance Certificate

The terms and conditions contained in the attached Schedules are incorporated into this Agreement. In the event of a conflict between the terms of this Agreement and the terms of the Schedules, the terms of this Agreement prevail.

## **3. Security**

The Credit Parties have executed and delivered, or shall execute and deliver, to FCC each of the following agreements, documents and instruments to secure the payment and performance of the Outstanding Obligations (collectively, the "**Security Documents**"):

### **3.1 Guarantees**

- (a) An existing unlimited guarantee from Global Foods and Ingredients USA Inc. dated May 28, 2021 in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrower.
- (b) An existing unlimited guarantee from North Lily Foods Inc. dated May 28, 2021 in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrower.
- (c) A **new** unlimited guarantee from GFI Brands Inc. in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrower.



### 3.2 **Real Property Security**

(a) A **new** mortgage assumption and amending agreement by the Borrower of an existing continuing collateral mortgage granted by 11567403 Canada Inc. on behalf of GFI LP in favour of FCC registered in the Province of Saskatchewan Land Titles Registry on 2019-11-29, and previously amended on 2021-06-04, as Interest Register #123754237 in the principal sum of \$25,000,000, increasing the principal sum to \$50,000,000, against the properties described as follows (as amended, the “**Sedley/Zealandia Mortgage**”):

(i) Surface Parcel #111788219  
Reference Land Description: Blk/Par A Plan No. 101331425 Extension 10  
As described on Certificate of Title 99SE01294, description 10.

(collectively, the “**Sedley Plant**” or the “**Sedley Facility**”); and

(ii) Surface Parcel #145169185  
Reference Land Description: Blk/Par A Plan No. 98MW19933 Extension 1  
As described on Certificate of Title 99MW02348.

Surface Parcel #202892519  
Reference Land Description: Blk/Par K Plan No. 102144046 Extension 0

(collectively, the “**Zealandia Plant**” or the “**Zealandia Facility**”)

(b) A **new** mortgage assumption and amending agreement by the Borrower of an existing continuing collateral leasehold mortgage granted by 11567403 Canada Inc. on behalf of GFI LP (following an assignment to it of the Lajord Lease) in favour of FCC registered in the Province of Saskatchewan Land Titles Registry on 2019-11-29, and previously amended on 2021-06-04, as Interest Register #123754260 in the principal sum of \$25,000,000, increasing the principal sum to \$50,000,000, against the leasehold interest in the properties described as follows (as amended, the “**Lajord Leasehold Mortgage**”):

(i) Surface Parcel #203169775  
Reference Land Description: SW Sec 9, Twp 15, Rge 16 W2 Plan No. B3490 Extension 4.

(collectively, the “**Lajord Plant**” or the “**Lajord Facility**”);

The Sedley Facility, the Zealandia Facility and the Lajord Facility may be collectively referred to herein as the “**Properties**” or the “**Mortgaged Properties**”.

(c) A **new** Lajord Lease Assignment Agreement (as such term is defined herein).

### 3.3 **Personal Property Security**

(a) An existing general security agreement dated 2019-11-26 granted the Borrower in favour of FCC and registered in the Province of Saskatchewan on 2019-10-16 as Registration #301965227 granting FCC a first security interest in all the present and after acquired personal property of the Borrower.

(b) An existing general security agreement dated 2019-11-26 granted by the Borrower in favour of FCC and registered in the Province of Ontario on 2019-10-15 as

Registration No. 756524655 granting FCC a first security interest in all the present and after acquired personal property of the Borrower.

- (c) A **new** general security agreement granted by GFI Brands Inc. in favour of FCC granting FCC a first ranking security interest in all the present and after acquired personal property of GFI Brands Inc.
- (d) A **new** assignment of insurance executed by the Borrower in favour of FCC assigning to FCC by way of security the proceeds of all present and future acquired general insurance policies maintained by it on any collateral charged by the Security Documents.

### **3.4 Assignment, Postponement, Subordination and Standstill Agreements**

- (a) An existing assignment, postponement, subordination and standstill agreement from each of the Subordinate Investors in favour of FCC (collectively, the “**Subordinate Investors Subordination Agreements**”) in respect of the indebtedness, liabilities and obligations owed by the Credit Parties to each such Subordinate Investor (collectively, the “**Subordinate Investors Indebtedness**”).

The Subordinate Investors Subordination Agreements shall contain the following provisions, among others:

- (i) the only permitted payments on account of the Subordinate Investors Indebtedness are regularly scheduled payments of interest, if any (the “**Investor Permitted Payments**”) provided that, at the time of and immediately after making an Investor Permitted Payment, (A) no Default or Event of Default shall have occurred; and (B) the Borrower shall be in compliance with the financial covenants set out in this Agreement; and
- (ii) the Subordinate Investor shall be subject to a complete enforcement standstill in connection with any enforcement of any security held by the Subordinate Investor for the Subordinate Investors Indebtedness in the event of any non-payment or partial payment of any Subordinate Investors Indebtedness, and may not take any enforcement proceedings without the prior written consent of FCC.

### **3.5 Assignment of Life Insurance/Special Credit Insurance**

- (a) An existing first ranking collateral assignment of life insurance the Borrower in favour of FCC on the life of David Hanna in an amount of not less than \$1,000,000.00, being policy #FA0091261L dated July 19, 2019 issued by Sun Life Insurance Company.

### **3.6 Confirmation and Acknowledgement of Existing Security**

- (a) A **new** confirmation and acknowledgement of existing security by the Borrower and the Guarantors that all existing guarantees and security remain in place and are enforceable.

### **3.7 Inter-Creditor Arrangements**

- (a) A **new** joinder agreement by GFI Brands Inc. to the Intercreditor Agreement dated as of August 27, 2021 between FCC, JPMorgan Chase Bank, N.A., Toronto Branch (“**JPM**”) and the Credit Parties.

- (b) A **new** landlord's waiver and consent from Stewart Southern Railway Inc. (the "**Lajord Landlord**") in favour of FCC in respect of the Lajord Lease of the Lajord Facility on such terms as may be acceptable to FCC and Stewart Southern Railway Inc. (the "**Lajord Landlord Waiver and Consent**").
- (c) Existing PPSA acknowledgment letters or estoppel letters from other secured creditors of the Borrower (collectively, the "**GFI Estoppel Letters**").
- (d) A **new** fixtures filing registered on title to the Lajord Facility, in respect of all assets of the Credit Parties that might be considered to be fixtures at that location.

### **3.8 Release of Security**

Upon the execution and delivery of the security listed in Sections 3.1 to 3.7 of this Agreement, FCC will release the following security:

- (a) An existing guarantee limited to a principal amount of \$1,000,000.00 from David Hanna in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrower, GFI LP and 11567403 Canada Inc.

### **3.9 Cross Collateralization**

Each of the Credit Parties agrees, acknowledges and confirms to FCC that all Security Documents (including, without limitation, all new Security Documents delivered in connection with this Agreement) and the Liens created and constituted thereby in favour of FCC shall secure, and constitute general continuing collateral security for, the payment and performance of (i) the Outstanding Obligations, and (ii) all other indebtedness, liabilities and obligations of each Credit Party under or in connection with any and all other existing or future credit facilities or loans that any such Credit Party has with FCC from time to time. Each of the Credit Parties agrees to do, execute, acknowledge or deliver (or cause to be done, executed, acknowledged or delivered) any and all such acts, documents, agreements, deeds, assurances, information and other matters and things upon the request of FCC as may be necessary or desirable to give effect to the provisions of this Section.

## **4. Financial Statements and Other Information**

**4.1** Each of the Credit Parties covenants and agrees with FCC that until (i) the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, each of the Credit Parties shall deliver, or cause to be delivered, to FCC:

- (a) within 120 days after the end of each Financial Year of the Borrower, annual audited financial statements for the Borrower, prepared on a consolidated basis, as of the end of and for each such Financial Year;
- (b) within 45 days after the end of each semi-annual period of each Financial Year of the Borrower, semi-annual in-house financial statements for the Borrower, as of the end of and for each such semi-annual period, prepared on a consolidated basis by the accountants or financial controller of the Borrower;
- (c) within 120 days after the end of each Financial Year of the Borrower, a Compliance Certificate (the form of which is attached hereto as Schedule E) for such Financial Year calculated based upon the annual audited financial statements and confirming

compliance with all financial covenants, reporting and monitoring covenants and other covenants under this Agreement; and

- (d) such other financial statements or financial reporting for any of the Credit Parties as FCC may request from time to time.

**4.2** All financial statements required to be delivered by the Credit Parties pursuant to this Section (i) shall include a statement of cash flow, and (ii) shall not include Related Party transactions and/or accounts. All consolidated financial statements required to be delivered by the Credit Parties pursuant to this Section shall extend to and include the Borrower and Global Food and Ingredients (USA) Inc., and their respective operations.

## **5. Financial Covenants**

The Borrower covenants and agrees with FCC that (i) until the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, the Borrower shall observe and comply with the following financial covenants:

### **5.1 Fixed Charge Coverage Ratio**

The Borrower shall maintain at all times a Fixed Charge Coverage Ratio, calculated on a consolidated basis, as at the last day of each Financial Year of the Borrower, of not less than 1.25:1.00 for the Financial Year ending March 31, 2022 and for each Financial Year thereafter.

“**Fixed Charge Coverage Ratio**” is defined as the ratio of:

- (a) EBITDA of the Borrower on a consolidated basis for the applicable Financial Year, minus the aggregate of: (i) all Unfunded Capital Expenditures of the Borrower on a consolidated basis for the applicable Financial Year, and (ii) all dividends, distributions, capital withdrawals, payments in respect of the purchase, redemption or return of capital and increases in shareholder loans made to any Affiliate of the Borrower on a consolidated basis during the applicable Financial Year, plus the aggregate of: (iii) any capital injections into the Borrower by its shareholders or related companies during the applicable Financial Year, and (iv) any decreases in shareholder loans made to any Affiliate of the Borrower on a consolidated basis during the applicable Financial Year,

divided by:

- (b) the aggregate of: (i) the current portion of long term debt of the Borrower on a consolidated basis for the upcoming Financial Year, plus (ii) all Interest Expense of the Borrower on a consolidated basis for the applicable Financial Year.

“**EBITDA**” is defined as, for any period, the Borrower’s earnings, on a consolidated basis, for such period before interest, taxes, depreciation and amortization for such period.

“**Interest Expense**” means, for any period, the aggregate amount accrued (whether or not payable or paid) during such period on account of interest expense, bank charges, capitalized interest, standby fees, commissions and other fees and charges relating to letters of credit, including the interest expense components of all capitalized lease obligations.

**“Unfunded Capital Expenditures”** is defined as, for any period for which EBITDA of the Borrower is calculated, the aggregate of all Capital Expenditures incurred by the Borrower on a consolidated basis which have been financed by cash flow or working capital lines (other than those provided by FCC).

## **5.2 General**

All financial covenants shall be calculated in accordance with the Accounting Standard. To the extent the Borrower is indebted to FCC under this Agreement or any other loan or credit agreement with FCC, the Borrower shall maintain, or cause to be maintained, the above financial covenants. The above financial covenants replace all previous financial covenants contained in any other credit or loan agreement entered into between the Borrower and FCC and any amendments thereto. If a conflict arises between any of the above financial covenants and those contained in any previous loan or credit agreement with FCC, compliance by the Borrower with the above financial covenants shall be required. This provision shall survive the termination or expiry of this Agreement and remain in full force and effect unless and until replaced in a future credit or loan agreement or other agreement signed by FCC and the Credit Parties in writing.

## **6. Repayment, Prepayment and Maturity**

### **6.1 Repayment**

Except for an Advancer Loan, a FCC Credit Line or a Cash Flow Optimizer Loan which are repayable on demand, all outstanding Advances and all other Outstanding Obligations shall be repaid in full and the Credit Facilities shall be cancelled on the applicable Balance Due Date, unless extended in writing by FCC on or before that date, in which case that extended date shall become the new Balance Due Date. Extensions may be requested by the Borrower. Extensions will be granted at the discretion of FCC. Prior to the applicable Balance Due Date, all amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement.

### **6.2 Payment on Demand**

All outstanding Advances and all other Outstanding Obligations shall be repaid in full and the Credit Facilities shall be cancelled (i) if any Credit Party has made any material misrepresentation to FCC, or has committed fraud against FCC, (ii) if FCC becomes aware that any Credit Party has acted in a manner that calls into question their integrity and as a result, FCC determines that such action or actions will negatively impact FCC's reputation if FCC were to continue to do business with the Credit Party, or (iii) if any Credit Party ceases to operate or operate materially in its Core Business, in each case as determined by FCC in its sole discretion acting reasonably. Also, if any Credit Facility involves an Advancer Loan or a Cash Flow Optimizer Loan which has not been converted to a term loan, each of the Borrower and each other Credit Party acknowledges and agrees that such loans are demand loans and are to be repaid in full upon FCC's demand.

### **6.3 Time and Place of Payment by Borrower**

Each payment or prepayment required or permitted to be made by the Borrower under this Agreement (whether on account of principal, interest, costs, or any other amount) shall be made to FCC at its corporate office in Regina, Saskatchewan not later than 10:00 a.m. (Regina time) or at FCC's local office on the date for payment of the same in immediately available funds, and if any payment made by the Borrower hereunder is made after 10:00 a.m., such payment will be deemed to have been made on the immediately following

Banking Day and interest will continue to accrue on the amount of such payment until such following Banking Day.

#### **6.4 *Payments to be Made on Banking Days***

Whenever any payment to be made under this Agreement is due on a day that is not a Banking Day, such payment shall be made on the immediately following Banking Day unless the following Banking Day falls in another calendar month, in which case payment shall be made on the immediately preceding Banking Day.

#### **6.5 *Manner of Payment; No Set Off / Right of Compensation***

All payments to be made pursuant to this Agreement including principal, interest and costs will, except as otherwise expressly provided herein, be payable in Canadian dollars and all payments to be made pursuant to this Agreement are to be made in immediately available funds and without set-off, right of compensation, withholding or deduction of any kind whatsoever. If the Borrower is not in default under this Agreement, FCC will apply each payment to the appropriate Loan first to pay outstanding fees and other charges, second to pay the interest due, and third to reduce the outstanding principal. If the Borrower is in default on any Loan, FCC can apply each loan payment as FCC sees fit.

#### **6.6 *Mandatory Prepayments***

- (a) **Debt and Equity Issuance.** The Borrower shall, within five (5) Banking Days from the date on which any Credit Party receives any cash proceeds from (i) any sale or issuance of Indebtedness by any Credit Party (excluding, for certainty, any Permitted Indebtedness, vendor-take-back or other deferred payment arrangement entered into by any Credit Party with respect to payment of the purchase price for any Permitted Acquisition), and (ii) any equity raised from an initial public or private offering undertaken by any Credit Party, prepay all outstanding Advances (until repaid in full) in an aggregate principal amount equal to 100% of the cash proceeds of any such issuance of Indebtedness or equity sale (less the reasonable out-of-pocket costs, expenses and fees incurred by such Credit Party in connection with such issuance of Indebtedness or equity sale) unless FCC has consented and agreed in writing to forego any such mandatory payment, such consent not to be unreasonably withheld provided the Borrower is otherwise in compliance with all of the terms and conditions of this Agreement.
- (b) **Insurance Proceeds.** The Borrower shall, within five (5) Banking Days from the date on which any Credit Party receives any cash proceeds from or relating to any expropriation, condemnation, destruction, business interruption or other loss of its property, prepay all outstanding Advances (until repaid in full) in an aggregate principal amount equal to 100% of such proceeds less the reasonable out-of-pocket costs and expenses incurred by such Credit Party in connection with such expropriation, condemnation, destruction, business interruption or loss to obtain such proceeds, unless such proceeds are to be used by the applicable Credit Party to repair the damaged asset or acquire a replacement asset within one hundred and eighty (180) days of the date of such receipt of such net cash proceeds and a senior officer of the Borrower certifies in writing to FCC at the time of such receipt that any such subsequent repair or acquisition shall be made within such one hundred and eighty (180) day time period.
- (c) **Asset Dispositions.** The Borrower shall, within five (5) Banking Days from the date on which any Credit Party receives any cash proceeds from any Asset Disposition by any Credit Party (other than Permitted Asset Dispositions), prepay all

outstanding Advances (until repaid in full) in an aggregate principal amount equal to 100% of the cash proceeds of each such Asset Disposition less the reasonable out-of-pocket costs, expenses and fees incurred by such Credit Party in connection with such Asset Disposition, unless such proceeds are used by the applicable Credit Party to acquire a replacement asset within one hundred and eighty (180) days of the date of such disposition and a senior officer of the Borrower certifies in writing to FCC at the time of such Asset Disposition that any such subsequent acquisition shall be made within such one hundred and eighty (180) day time period.

- (d) **Inverse Order of Maturity.** Amounts prepaid pursuant to this Section shall be applied (i) firstly to permanently prepay all scheduled principal payments in inverse order of maturity for all Credit Facilities that constitute a term facility until all such Credit Facilities have been permanently repaid in full and such Credit Facilities are reduced to nil, (ii) secondly to repay all Credit Facilities that constitute a revolving or operating facility, and (iii) thirdly to repay any other Outstanding Obligations.

### **6.7 Voluntary Prepayments**

Subject to the prepayment privileges set out in Section 6.8, if the Borrower wishes to prepay any outstanding Advances during the term of this Agreement, then to the extent permitted by law, the Borrower must pay a prepayment charge equal to the greater of (i) three (3) months interest on the amount prepaid at the interest rate in effect on the applicable Advance as of the date of prepayment, and (ii) the amount of interest lost by FCC over the remaining term of the Advance on the amount being prepaid, as determined in accordance with FCC's standard practices (the "**Prepayment Fee**").

### **6.8 Prepayment Privileges**

- (a) **Variable-Open and Fixed-Open rate loans** – If the Credit Facilities are not in default, the Borrower may prepay all or a part of any Credit Facility at any time, without notice or penalty, conditional upon the Credit Facilities not being in default.
- (b) **Fixed-Closed rate loans** – If the Credit Facilities are not in default, the Borrower may prepay all or a part of any Credit Facility at any time on the condition that the Borrower pays FCC the Prepayment Fee on the prepayment date.
- (c) **Fixed and Variable rate loans** – If the Credit Facilities are not in default, the Borrower may prepay up to 10% of the original principal amount disbursed on the Credit Facilities, without notice or penalty. The Borrower may exercise this prepayment privilege once each calendar year. The Borrower may prepay a greater amount of these Loans at any time on the condition that the Borrower pay FCC the Prepayment Fee on the prepayment date.

### **6.9 Extensions**

An extension to the maturity date of each Credit Facility may be requested by the Borrower. An extension may be granted at the discretion of FCC. In the event that no written agreement is entered into by the Borrower and FCC which extends and/or alters the terms of this Agreement on the applicable Balance Due Date and FCC is not in the process of taking enforcement steps to realize against the Security Documents and recover the Outstanding Obligations or any part thereof or FCC has not advised the Borrower that the applicable Loan will not be extended, then such applicable Loan may be automatically extended on the following terms:

- (a) the applicable Loan extension fee will be charged to the Borrower's loan account;
- (b) the payment periods will be the same as prior to the extension;
- (c) the interest rate and term will be those stated in a written communication that FCC will send to the Borrower prior to the Balance Due Date; and
- (d) FCC will advise the Borrower of the new interest rate and required payment amounts.

## 7. Interest Rates, Fees and Costs

### 7.1 *Interest Rates*

Subject to the provisions of this Agreement, interest shall accrue on the aggregate principal amount of all Advances outstanding from time to time commencing on and including the day on which such Advance is advanced and ending on, but excluding, the day on which it is repaid, such interest to be calculated daily and payable monthly, in arrears, on the first Banking Day of each and every month during which such Advances remain unpaid, based upon a year of 365 or 366 days as the case may be, at the variable or fixed rate of interest per annum specified and calculated in the manner set out in Section 2 above and in Schedule B.

### 7.2 *Expenses and Legal Fees*

Regardless of whether any or all of the transactions contemplated in this Agreement shall be consummated, the Borrower shall pay to FCC all reasonable legal fees and disbursements and all fees, costs and out-of-pocket expenses incurred by FCC with respect to the negotiation, preparation and registration of the Loan Documents including, without limitation, amendments of the Loan Documents and their registration. In addition, the Borrower shall reimburse FCC on demand for all fees, cost and out-of-pocket expenses including, without limitation, legal fees and disbursements (on a solicitor and own client or full indemnity basis) incurred by FCC following the Original Closing Date in connection with the exercising or defending of any or all of the rights, recourses, remedies and powers of FCC under any of the Loan Documents or the realization on any Collateral, or the taking of any proceedings for the purpose of enforcing its rights and remedies provided in the Loan Documents or available at law.

### 7.3 *Fees*

In addition to the obligations of the Borrower to pay interest, costs and expenses as set out in this Agreement, the Borrower shall also pay the following non-refundable fees:

- (a) **Processing Fee.** The Borrower has paid to FCC a non-refundable loan processing fee in respect of the Credit Facilities prior to the date hereof.
- (b) **Amendment Fee.** The Borrower shall pay to FCC a non-refundable loan amendment fee in the aggregate amount of \$1,000 in respect of this Agreement, which fee has been fully earned by FCC and shall be debited from the Borrower's account on the Closing Date.
- (c) **Reporting and Monitoring Default Fee.** In the event of a late submission of financial reporting requirements set out in this Agreement, FCC may, in its sole and absolute discretion, charge the Borrower a reporting and monitoring default fee of \$1,000.00 per instance per reporting period.



- (d) **Annual Review.** The Borrower shall pay to FCC in each year an annual review fee of \$1,000.00 no later than 120 days after the Borrower's Financial Year end, which fee shall be fully earned by FCC on the date of such Financial Year end. The Borrower acknowledges and agrees that FCC may, at any time, in its discretion and acting reasonably and in good faith, increase the amount of such annual review fee upon reasonable prior written notice to the Borrower having regard to the complexity of the Borrower's corporate structure, the number of Subsidiaries, and the number and scope of its financial statements, Compliance Certificates and other financial reports to be reviewed from time to time.
- (e) **Non-Compliance Risk Adjustment Fee.** If the Borrower breaches a financial covenant or financial ratio under this Agreement, FCC shall assess a risk adjustment fee equal to 10 basis points (0.10%) of the aggregate outstanding principal amount of all Credit Facilities determined as at the end of the applicable Financial Year of the Borrower.

The amount of this fee shall be added to the Outstanding Obligations. The Borrower acknowledges, agrees and confirms that this fee is a reasonable charge for FCC's costs incurred in connection with the protection and preservation of FCC's security interest in the Collateral after a financial covenant breach.

The risk adjustment fee set out in this Section represents FCC's liquidated damages, not penalties, to compensate FCC for the higher than forecasted risk and/or non-performance of a covenant. The Borrower acknowledges, agrees and confirms that this fee is a reasonable estimation of the actual damages suffered by FCC upon a breach of a financial covenant contemplated by this Section, and that the Borrower shall pay such fee to FCC upon an Event of Default. The Borrower acknowledges, agrees and confirms that the precise amount of FCC's actual damages would be extremely difficult to calculate and that the fee set out in this Section represents a reasonable estimate of the actual damages and efforts incurred by FCC in responding to a financial covenant breach. Such fee is due and payable on demand by FCC and in any event not later than one hundred and twenty (120) days following the last day of each Financial Year. Payment of a fee does not cure the applicable financial covenant breach nor does it affect any of FCC's rights under this Agreement or any other Loan Document.

## 8. **Conditions Precedent**

### 8.1 **Conditions Precedent to Closing**

The effectiveness of this Agreement is conditional upon receipt of the documents listed below and satisfactory evidence being given to FCC and its counsel as to compliance with the following conditions, unless otherwise waived by FCC in its sole discretion or previously delivered to FCC to its satisfaction:

- (a) **Loan Documents.** This Agreement and all other Loan Documents have been executed and delivered to FCC (including, without limitation, all new Security Documents).
- (b) **Registration and Perfection.** All Security Documents have been registered, recorded, filed or perfected in all jurisdictions deemed necessary by FCC and its counsel.
- (c) **Certificates, Resolutions and Legal Opinions.** FCC shall have received, duly executed and in form and substance satisfactory to it:

- (i) a copy of the constating documents, by-laws, shareholders agreements and partnership agreements, as applicable, of each Credit Party and a copy of the resolutions of the board of directors of each Credit Party authorizing the execution, delivery and performance of this Agreement and the other Loan Documents, in each case, certified by a senior officer of each Credit Party;
  - (ii) a certificate of incumbency for each Credit Party showing the names, offices and specimen signatures of the officers authorized to execute this Agreement and the other Loan Documents;
  - (iii) such legal opinions from both Ontario and Saskatchewan counsel to the Credit Parties addressed to FCC covering matters relating to the Credit Parties, this Agreement and the other Loan Documents as FCC may require;
  - (iv) a certified copy of the share register or unit register of each Credit Party; and
  - (v) such additional supporting documents as FCC or its counsel may reasonably request.
- (d) **Good Standing.** Each of the Credit Parties is in possession of, and in good standing or compliance with, all necessary permits, licenses, authorizations and other approvals required to legally undertake and carry on its business in the Provinces where such Credit Party carries on its business.
- (e) **Payment of Fees.** FCC shall have received payment in full from the Borrower of all fees, out of pocket expenses and other amounts due and payable to FCC (including, without limitation, all legal fees and disbursements of legal counsel to FCC).
- (f) **Consents and Approvals.** All necessary or desirable approvals, clearances and consents from any Governmental Authority or other Person necessary to complete the transactions contemplated by the Loan Documents shall have been received by the Borrower.
- (g) **Due Diligence.** FCC shall have completed and be satisfied with the results of its financial, business, accounting, tax, environmental, legal and other due diligence with respect to the Credit Parties including, without limitation, the corporate, capital, tax, legal and management structure and cash management systems of the Credit Parties, and shall be satisfied, in its sole judgment, with the nature and status of all securities, labour, tax, employee benefit (including pension plan), environmental, health and safety matters, organizational and capital structure matters involving or affecting any Credit Party. FCC shall have received and be satisfied with the results of all personal property, litigation, judgment, bankruptcy, bulk sale, execution and other searches conducted on behalf of FCC with respect to the Credit Parties in all applicable jurisdictions.
- (h) **Repayments of Indebtedness and Discharge of Liens.** All Indebtedness owing to any creditor by any Credit Party as determined by FCC shall have been repaid in full on the Closing Date other than Permitted Indebtedness. All Liens held by any creditor charging any Collateral shall have been discharged, or where applicable, partially discharged, other than Permitted Liens.

- (i) **Inter-creditor Arrangements.** All such comfort letters, estoppel certificates, subordination and postponement agreements and inter-creditor agreements from other secured creditors of the Credit Parties as FCC may require, in its sole discretion (including the Subordinate Investors Subordination Agreements, the GFI Shareholders Subordination Agreements, the JPM Intercreditor Agreement (including the joinder agreement of GFI Brands Inc. thereto), the Lajord Landlord Waiver and Consent, and the GFI Estoppel Letters), shall have been duly executed and unconditionally delivered by all parties thereto.
- (j) **Title Insurance.** In respect of the Sedley/Zealandia Mortgage and the Lajord Leasehold Mortgage, FCC shall have received a commitment to title insure from a reputable title insurer confirming that a lender's title insurance policy is in effect in such amounts and such endorsements as required by FCC.
- (k) **Certificate of General Insurance.** FCC shall have received a certificate of insurance in respect of all policies of insurance maintained by the Credit Parties confirming:
  - (i) compliance with Section 1.1(k) of Schedule A;
  - (ii) property insurance on an "all-risks" full insurable value basis (including extended perils coverage, boiler and pressure value coverage, and a rider during construction) on the Mortgaged Properties and all buildings, equipment and other property used in the operation of the Borrower's business in an amount and on terms acceptable to FCC;
  - (iii) comprehensive commercial general liability insurance against claims for personal injury, bodily injury, and property damage occurring on, in, or about the lands and buildings and covering all of the Borrower's operations in an amount acceptable to FCC per occurrence; and
  - (iv) business interruption insurance with FCC listed as loss payee in amounts and on terms acceptable to FCC.
- (l) **Financial Statements.** FCC shall have received and be satisfied with all financial statements as may be requested by FCC from the Credit Parties.
- (m) **Environmental Compliance.** FCC must be satisfied in its sole discretion, that all regulatory agency requirements relating directly or indirectly to environmental impacts, potential environmental hazards, environmental, health or safety risks or environmental issues related to any Credit Party's current or projected business operations have been met or related to any Credit Party's past operations that may have caused or contributed to a breach of regulatory requirements have been rectified.
- (n) **Tax Certificates for the Mortgaged Properties.** The Borrower shall have delivered to FCC a current tax certificate from the relevant municipality for each Mortgaged Property, or shall have provided other evidence of payment, confirming that there are no real property tax arrears for such Mortgaged Property.
- (o) **Statutory Declaration as to Possession/Compliance with Agreements.** FCC shall have received a statutory declaration from an officer of the Borrower in connection with all applicable matters relating to its title to each of the Mortgaged Properties, including its possession and occupation and compliance with all development agreements.

- (p) **Certified Copies of Documents.** FCC shall have received copies of each of the following documents, certified by an officer of the Borrower: (i) the Lajord Lease, the Lajord Lease Assignment Agreement, and any documents evidencing the consent of the Lajord Landlord to such assignment; (iii) all material loan and security documents entered into by the Credit Parties with JPM as may be requested by FCC; (v) the unanimous shareholders agreement dated as of September 30, 2019 entered into between the Borrower and the GFI Shareholders; (vi) all material loan, promissory notes and security documents, if any, entered into by the Credit Parties with the Subordinate Investors or the GFI Shareholders as may be requested by FCC and (vii) such other Material Contracts as may be requested by FCC, and shall have approved all of the terms of each such document.
- (q) **Wind-Up.** FCC shall have received evidence to its satisfaction of (i) the completion of the Wind-Up transaction, (ii) the transfer of all Properties and assets of 11567403 Canada Inc. and GFI LP to the Borrower, and (iii) the assignment and transfer of all permits, consents, clearances or approvals from any Governmental Authority or any other Person necessary or desirable to complete the Wind-Up transaction.
- (r) **Other Documents.** FCC shall have received such other documents and agreements as are customary in transactions of this type or as FCC may request.

## 8.2 **Conditions Precedent to All Advances**

The obligation of FCC to make available any Advance to the Borrower and to perform its other obligations under this Agreement is subject to the terms and conditions of this Agreement and is conditional upon FCC's receipt of the documents listed below and satisfactory evidence being given to FCC and its counsel as to compliance with the following conditions:

- (a) **Conditions Precedent to Closing.** All conditions precedent to closing in Section 8.1 above remain satisfied and in full force and effect.
- (b) **Notice of Borrowing.** FCC shall have received a duly executed notice of borrowing in respect of the requested Advance.
- (c) **Representations and Warranties.** The representations and warranties of the Credit Parties in each of the Loan Documents are true and correct in all material respects as if made on and as of each such date unless specifically made as of a certain date.
- (d) **No Material Adverse Change.** No Material Adverse Change has occurred since the date of the most recent Compliance Certificate or other financial reporting delivered by the Borrower to FCC.
- (e) **Loan Documents.** All Loan Documents are in full force and effect.
- (f) **No Default.** No Default or Event of Default shall have occurred and be continuing or would result after giving effect to the Advance.
- (g) **Priority Payables.** There are no priority payables outstanding in respect of which payments are overdue.

- (h) **Bring-Down Certificate.** A bring-down certificate executed by a senior officer of the Borrower on the applicable Advance date confirming that all of the terms and conditions set out in this Section are true and correct as of the date of the Advance.
- (i) **Consents and Approvals.** All necessary or desirable approvals, clearances and consents from any Governmental Authority or other Person necessary to complete the transactions contemplated by the Loan Documents shall have been received by the Credit Parties.
- (j) **Pre-Authorized Payments.** FCC shall have received all information and documentation duly executed by the Borrower which is required for purposes of establishing payments under this Agreement to be made by way of pre-authorized payments (including, without limitation, a void cheque).
- (k) **Title Search and other Due Diligence Searches.** FCC has conducted a title search of the Mortgaged Properties and confirmed that there are no builders, mechanics, construction or other Liens registered on title to either property, and has conducted such other due diligence searches as it deems necessary or appropriate to confirm the absence of Liens.

### **8.3 Waiver of Conditions Precedent**

The conditions precedent provided for in this Section are for the sole and exclusive benefit of FCC. FCC may waive such conditions precedent, in whole or in part, with or without conditions, without prejudice to any other or future rights that it may have against the Credit Parties and any other Person.

## **9. General Provisions**

### **9.1 Conflict**

The terms and conditions contained in the attached Schedules are incorporated into and form an integral part of this Agreement. In the event of a conflict between the terms of this Agreement and the terms of the Schedules, the terms of this Agreement shall prevail.

### **9.2 Replacement**

This Agreement supersedes and replaces all prior discussions, letters and credit agreements (if any) describing the terms and conditions of the Credit Facilities established by FCC in favour of the Borrower.

### **9.3 Confidential**

The Credit Parties shall keep the terms of this Agreement, including specifically the interest rate, strictly confidential and will not disclose the terms of this Agreement to any Person without FCC's prior consent. The Credit Parties may, however, disclose the terms of this Agreement to their legal, banking, accounting and business advisors on a need to know basis. The Credit Parties authorize FCC to obtain credit or other information about the Credit Parties, and the Collateral from, and to allow FCC to, during the term of the Credit Facilities, exchange such information with:

- (a) any financial institution, credit reporting agency, rating agency, credit bureau, governmental body or regulatory authority; and

- (b) anyone with whom the Credit Parties may have or propose to have financial dealings.

The Credit Parties agree that FCC may use Loan information for FCC's internal research and marketing purposes and that FCC may contact the Credit Parties regarding FCC's other products and services.

#### **9.4 *Governing Law***

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. The Credit Parties irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of such Province and of Saskatchewan and acknowledge the competence of such courts and irrevocably agree to be bound by a judgement of such court.

#### **9.5 *Language***

The parties have requested that this Agreement and all other Loan Documents be drafted in English. Les parties ont requis que cette convention et tous les autres documents soient rédigés en anglais.

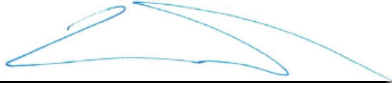
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**Acceptance**

This Agreement may be accepted by signing, dating and returning to FCC on or before May 17th, 2022 the enclosed copy of this Agreement executed by the Credit Parties as set out below. Failing such acceptance, this offer shall be of no further force or effect.

**FARM CREDIT CANADA**

Per:



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Name: Louis Racine  
Title: Legal Counsel / Avocat-conseil

DATED this 17th day of May, 2022.

**GLOBAL FOOD AND INGREDIENTS INC.**

Per: 

\_\_\_\_\_  
Name: William Murray  
Title: Chief Financial Officer

I have the authority to bind the Corporation.

**GLOBAL FOOD AND INGREDIENTS (USA) INC.**

Per: 

\_\_\_\_\_  
Name: William Murray  
Title: Secretary and Treasurer

I have the authority to bind the Corporation.

**NORTH LILY FOODS INC.**

Per: 

\_\_\_\_\_  
Name: William Murray  
Title: Secretary and Treasurer

I have the authority to bind the Corporation.

**GFI BRANDS INC.**

Per: 

\_\_\_\_\_  
Name: William Murray  
Title: Chief Financial Officer

I have the authority to bind the Corporation.



## SCHEDULE A - STANDARD TERMS AND CONDITIONS

### 1. Covenants of the Credit Parties

#### 1.1 *Affirmative Covenants*

The Credit Parties covenant and agree with FCC that (i) until the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, the Credit Parties will observe and perform, or will cause the observance and performance of, each of the following covenants:

- (a) **Payment of Principal, Interest and Expenses.** The Borrower shall duly and punctually pay or cause to be paid to FCC, the Outstanding Obligations at the times and places and in the manner provided for in this Agreement.
- (b) **Use of Funds.** The Borrower shall use and employ the funds received from FCC pursuant to this Agreement solely for agricultural purposes, and thereafter only for the Core Business, the Borrower's working capital and Permitted Acquisitions. Notwithstanding the foregoing, the Borrower shall only use the funds received from the Credit Facility 762753001 for the construction of the Project, and to pay the FCC Processing Fee and any legal fees in connection with this Agreement.
- (c) **Books and Records.** The Credit Parties shall maintain at all times, a system of accounting established and administered in accordance with the Accounting Standard, consistently applied and in accordance with sound business practices and shall therein make complete, true and correct entries of all dealings and transactions relating to its business. All financial statements furnished to FCC shall fairly present the financial condition and the results of the operations of the Credit Parties and all other information, certificates, schedules, reports and other papers and data furnished to FCC by the Credit Parties will be accurate, complete and correct in all material respects.
- (d) **Access and Information.** The Credit Parties shall (i) discuss and review with FCC and its authorized representatives any matters directly relevant to this Agreement and relating to the business of the Credit Parties or pertaining to all or any part of its or their respective properties as FCC may reasonably request, (ii) permit any authorized representative of FCC to visit, inspect and have access to its or their respective property and assets at any and all reasonable times during normal business hours with reasonable prior notice, and (iii) permit, at any and all reasonable times during normal business hours with reasonable prior notice, FCC and its authorized representatives to examine all of its books of account, records, reports, documents, papers and data and to make copies and take extracts thereof, and to discuss respective business, affairs, finances and accounts with its and their executive officers, senior financial officers, accountants and other financial advisors.
- (e) **Notices.** The Credit Parties shall promptly, after any responsible officer obtains actual knowledge thereof, give notice to FCC of:
  - (i) any event which constitutes a Default or Event of Default, together with particulars in reasonable detail specifying the nature thereof and the steps being taken to cure such Default or Event of Default;
  - (ii) any notice of expropriation of any Collateral;

- (iii) any claim, proceeding or litigation in respect of any Credit Party which, if adversely determined, could reasonably be expected to have a Material Adverse Effect, whether or not any such claim, proceeding or litigation is covered by insurance;
  - (iv) any official notice of any violation, non-compliance or claim made by any Governmental Authority pertaining to: (A) the operations of any Credit Party or any of its Affiliates, or (B) all or any part of the property and assets of any Credit Party or any of its Affiliates, in each case, which if adversely determined, could reasonably be expected to have a Material Adverse Effect;
  - (v) any Lien other than Permitted Liens registered against any Collateral;
  - (vi) particulars in reasonable detail of: (A) any event or condition, or (B) assertion of any environmental matter by any Person against or with respect to the activities and operations of any Credit Party, in each case, not previously disclosed to FCC, which violates or results in non-compliance with any Environmental Law other than any event, condition or environmental matter that, if adversely determined, would not (either individually or in the aggregate) have a Material Adverse Effect;
  - (vii) any event, development or condition which may reasonably be expected to have a Material Adverse Effect; and
  - (viii) any changes in the composition of the Borrower's or any other Credit Party's executive management team;
- (f) **Corporate Status and Qualification.** Each Credit Party shall do or cause to be done all such things as are necessary to (i) maintain its existence in good standing, and (ii) to ensure that it has at all times the right and is duly qualified to conduct its business where such qualification is necessary and to obtain and maintain all rights, privileges, licences, permits, contracts, agreements and franchises necessary for the conduct of its business, except in each case under this clause (ii), to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (g) **Conduct of Business.** Each Credit Party shall (i) continuously carry on and conduct the Core Business in a proper and efficient manner, (ii) not make any Material Adverse Change to the Core Business, (iii) maintain its properties and assets in good working order and condition (ordinary wear and tear excepted) and operate such properties and assets in a prudent manner, and (iii) take all necessary steps to maintain, protect and preserve its assets and properties and its title thereto.
- (h) **Compliance with Laws.** Each Credit Party shall comply with all Applicable Laws and orders of any Governmental Authority having jurisdiction applicable to it or its property and obtain and maintain in good standing all licences, permits and approvals required (as and when same are, by law, required) from any and all Governmental Authorities, and ensure that the Core Business and its operations are at all times in compliance in all respects with all Applicable Laws, building codes, ordinances and zoning requirements.
- (i) **Further Assurances.** Each Credit Party shall, and shall cause every other Credit Party, to cure promptly any defects in the execution and delivery of the Loan

Documents. Upon reasonable request of FCC, each Credit Party shall, at the Borrower's expense, as promptly as practical, execute and deliver to FCC, all such other and further documents, agreements and instruments (and cause every other Credit Party to take such action) in compliance with or performance of the covenants and agreements of each Credit Party in any of the Loan Documents, or to further evidence and more fully describe the Collateral, or to correct any manifest errors in any of the Loan Documents, or to more fully state the security obligations set out in any of the Loan Documents, or to perfect, protect or preserve any Liens created pursuant to any of the Loan Documents, or to make any recordings, to file any notices, or obtain any consents, all as may be necessary or appropriate in connection therewith.

(j) **Taxes.** Each Credit Party shall cause to be paid all Taxes lawfully levied, assessed or imposed upon it or in respect of its property as and when the same shall become due and payable, and exhibit or cause to be exhibited to FCC when required, the receipts and vouchers establishing such payment, and duly observe and conform to all valid requirements of any Governmental Authority relative to its property or rights and relative to all covenants, terms and conditions upon or under which any such property or rights are held; provided, however, that it shall have the right to Contest any such Taxes or other amounts and, upon such Contest, may delay or defer payment or discharge thereof if such contestation will involve no forfeiture of Collateral or the subordination of the Liens created by the Security Documents to such Taxes unless collateral or other security satisfactory to FCC have been deposited with FCC in respect thereof.

(k) **Insurance.**

(i) The Borrower shall maintain or cause to be maintained, insurance with respect to the Collateral against such liabilities, casualties, risks and contingencies, of such types and in such amounts as is customary in the case of Persons engaged in the same or similar businesses and similarly situated and in accordance with any other specified requirements of any Governmental Authority or FCC including but not limited to: (i) property insurance on an "all-risks" full insurable value basis (including extended perils coverage) on the Mortgaged Properties and all buildings, equipment and other property used in the operation of the Borrower's business; (ii) broad-form boiler and machinery insurance for all of the Borrower's boilers, pressure valves and vessels, machinery and air conditioning equipment; (iii) comprehensive commercial general liability insurance against claims for personal injury, bodily injury, and property damage occurring on, in, or about the lands and buildings and covering all of the Borrower's operations, such insurance shall be in an amount acceptable to FCC per occurrence; (iv) a rider for construction insurance during the construction of any project, if applicable; (v) business interruption insurance in an amount approved by FCC; (vi) crop insurance; (vii) course of construction insurance, commercial general liability insurance and property insurance and have it in effect to protect the Credit Parties from loss and liability during and after completion of any project; and (viii) any other insurance required by this Agreement (the "**Insurance**").

(ii) The Credit Parties shall maintain or cause to be maintained with reputable insurers, over the insurable Collateral, coverage against risks of loss or damage to its properties, assets and business (including fire and extended perils, public liability, and damage to property of third parties) of such types as are customary in the case of persons with established reputation

engaged in the same or similar businesses, to the full insurable value of such properties and assets, such policies (except third-party liability insurance) to contain standard mortgage/hypothec clauses or other mortgage/hypothec clauses satisfactory to FCC and shall, otherwise than in respect of damage to or destruction of leased assets, assets secured by purchase money liens (where applicable) and such other assets as FCC may in writing agree to exclude, be assigned to and endorsed in favour of FCC, as first mortgagee/beneficiary and first loss payee subject to ranking *pari passu* with holders of debt secured by the same collateral pursuant to any intercreditor agreement entered into by FCC with the holders of such debt.

- (iii) In the case of any fire, accident or other casualty causing loss or damage to any assets or properties of the Borrower used in generating cash flow or required by Applicable Law, all proceeds of the Insurance shall be dealt with in accordance with the mandatory prepayment provisions of this Agreement; provided that, if an Event of Default has occurred and is continuing, all proceeds of such Insurance shall only be used as directed by FCC in its sole discretion.
- (iv) All Insurance with respect to the assets and property of the Borrower shall be endorsed in favour of FCC as first mortgagee and as first loss payee, and shall be in an amount no less than the full insurable value of the assets and property insured. FCC shall be named as an additional insured in respect of all liability policies and such policies shall contain cross liability and severability of interest provisions. FCC shall be designated as beneficiary on the course of construction insurance and property insurance in amounts and on terms acceptable to FCC.
- (v) The Borrower shall use reasonable best efforts to ensure that the Insurance shall contain provisions that the insurer shall provide at least thirty (30) days prior notice to FCC of any changes to the Insurance and that the Insurance shall not be cancelled without at least thirty (30) days prior notice being given by the insurer(s) to FCC, evidence of the giving of such notice to be the responsibility of the insurer(s) in each case, and shall contain the Insurance Bureau of Canada's standard mortgage clause or an alternative appropriate form of mortgage clause satisfactory to FCC.
- (vi) If the Borrower defaults in so insuring its real or personal property and assets as are required under this Section to be insured or, in so delivering the certificates or policies of Insurance within the time period required under this Agreement, FCC may, at its option, immediately effect and pay the premiums for such Insurance and the Borrower shall reimburse FCC for any premiums so paid with interest thereon at the then applicable interest rate with respect to any FCC Credit Line and Advancer Loan.
- (vii) As soon as practicable following the happening of any loss or damage in respect of the Borrower's real or personal property and assets subject to any Insurance, the Borrower shall, at its expense, furnish or cause to be furnished all necessary proof and do all necessary acts to enable the Person entitled to receipt of the proceeds of such insurance pursuant to this Section to obtain payment thereof.

- (viii) All policies of Insurance will, where applicable, contain a release of any subrogation rights which any Credit Party's insurers may have against FCC or those for whom any of them are in law responsible.
  - (ix) The Borrower agrees to deliver in writing to FCC, from time to time, upon reasonable request by FCC, all information relating to the Insurance and all monies payable to the Borrower thereunder. FCC shall be entitled, from time to time, to inspect any books, papers, documents or records evidencing or relating to such Insurance and make copies thereof.
  - (x) The Borrower agrees that it shall provide FCC with a certified copy of each policy of Insurance as soon as practical but no later than 180 days from the Closing Date, together with a certified copy of each policy of Insurance issued in replacement of or in substitution for any policy of Insurance or policies of Insurance or as a renewal of any policy of Insurance or policies of Insurance.
- (l) **Repairs.** Each Credit Party shall at all times, make or cause to be made such expenditures, replacements, repairs, and maintenance as shall be necessary to maintain, preserve and keep at all times the Collateral in good repair, physical condition, working order and a state of good operating efficiency, as would a prudent owner of comparable property conducting a similar business.
- (m) **Environmental Compliance.** Each Credit Party shall:
- (i) use and operate all of its facilities and properties in compliance with all Environmental Laws, keep all necessary permits, approvals, certificates, licences and other authorizations relating to environmental matters in effect and remain in compliance therewith, and handle all Contaminants in compliance with all applicable Environmental Laws, except in the case, where failure to do so would not reasonably be expected to have a Material Adverse Effect;
  - (ii) immediately notify FCC and provide copies upon receipt of any written claim, complaint, notice or inquiry to such Credit Party relating to the release of Contaminants at any facility or property which would result in such Credit Party being in material non-compliance with any Environmental Law;
  - (iii) at all times maintain a reserve on its books for environmental liabilities in accordance with the requirements of the Accounting Standard, and
  - (iv) provide such information and certifications which FCC may reasonably and specifically request from time to time to evidence of compliance with this Section.
- (n) **Observance of Agreements.** Each Credit Party shall observe, perform and enforce in a timely fashion all of its contractual obligations and rights, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.
- (o) **Additional Subsidiaries; Additional Liens.** Upon written request by FCC, if, at any time on or after the Original Closing Date, any Credit Party directly or indirectly (i) creates or acquires an additional Subsidiary, or (ii) in some other manner becomes the holder of any Equity Securities of a Subsidiary by any means

whatsoever, in each case, the Credit Party will, or will cause such new Subsidiary, to execute and deliver to FCC subject only to those Permitted Liens which are senior to the Security Documents by operation of law and which have not been contractually subordinated, within 30 days of such creation, acquisition or qualification, a guarantee, security agreements (creating a first priority Lien against all property, assets and undertaking of such Subsidiary in favour of FCC), and other agreements, instruments, documents, certificates, resolutions and legal opinions similar in type, scope and form as those delivered by the Credit Parties pursuant this Agreement and otherwise satisfactory to FCC. Each guarantee, pledge agreement, mortgage, security agreement and other related document delivered pursuant to this Section shall be deemed to be a Security Document from and after the date of execution thereof.

- (p) **After-Acquired Property.** Upon written request by FCC, following the acquisition by any Credit Party after the Original Closing Date of any after-acquired property that forms part of the Collateral and is not automatically subject to a perfected Lien under the Security Documents, such Credit Party shall execute and deliver, any Security Documents and cause to be filed such financing statements or other registrations as may be necessary to vest in FCC a first ranking perfected security interest (subject only to those Permitted Liens which are senior to the Security Documents by operation of law and which have not been contractually subordinated) in such after-acquired property and to have such after-acquired property added to the Collateral, together with supporting documents, including opinions and third party estoppel letters consistent with the type delivered on the Original Closing Date, and thereupon all provisions of this Agreement relating to the Collateral shall be deemed to relate to such after-acquired property to the same extent and with the same force and effect. Such actions shall be taken within the timeframe specified in the relevant Security Documents or, if no timeframe is specified, within (i) sixty (60) days of acquisition of the relevant real property, and (ii) ten (10) days of acquisition of the relevant personal property.
- (q) **Pension and Benefit Plans.** For each existing Pension Plan and Benefit Plan, the Borrower shall, in a timely fashion, comply with and perform in all respects all of its obligations under and in respect of each such Pension Plan or Benefit Plan, including under any funding agreements and all Applicable Laws (including any fiduciary, funding, investment and administration obligations), in each case, in respect of which the failure to comply or perform could reasonably be expected to have a Material Adverse Effect. All employer or employee payments, contributions or premiums required to be remitted, paid to or in respect of each existing Pension Plan or Benefit Plan shall be paid or remitted by the Borrower in a timely fashion in accordance with the terms thereof (including any funding agreements and all Applicable Laws), in each case, in respect of which the failure to pay or remit would reasonably be expected to have a Material Adverse Effect. The Borrower shall deliver to FCC (i) if requested by FCC, copies of each annual and other return, report or valuation with respect to each existing Pension Plan or Benefit Plan as filed with any applicable Governmental Authority by the Borrower, (ii) promptly after receipt thereof, a copy of any direction, order, notice, ruling or opinion that the Borrower may receive from any applicable Governmental Authority with respect to any Pension Plan or Benefit Plan relating to any matter that would reasonably be expected to have a Material Adverse Effect, and (iii) notification within thirty (30) days of any increases having a cost to the Borrower in excess of \$100,000 per annum in the aggregate, in the benefits of any existing Pension Plan or Benefit Plan.

- (r) **Material Commercial Leases.** The Borrower shall obtain FCC's prior written consent to enter into, modify in any material respect, or renew, extend or terminate any lease (excluding any lease where the Borrower is the tenant and any residential lease, but including any ground lease or head lease for residential or any other purposes) for premises of more than 10,000 square feet for a term (inclusive of all renewal and extension options, whether or not exercised) of 5 years or more which form part of the Collateral (a "**Material Commercial Lease**"), which consent shall not be unreasonably withheld or delayed by the Lender provided such Material Commercial Lease, or the material modification, renewal, extension or termination thereof is made in the ordinary course of business and is commercially reasonable and consistent with prudent property management and leasing standards and practices.
- (s) **Rectification of Defaults by FCC.** In the event that FCC receives any notice of default or breach by any Credit Party of any term, covenant or condition in an agreement which default or breach, in the reasonable opinion of FCC, is likely to have a Material Adverse Effect or upon a material portion of the Collateral, the applicable Credit Party shall permit or cause to be permitted FCC to take any action as FCC in its reasonable opinion may deem necessary or desirable to rectify or prevent such default or breach notwithstanding that the existence of such default or breach or the nature or extent thereof may be questioned or denied by such Credit Party, including the absolute and immediate right to enter onto the property of such Credit Party or any part thereof to the extent that FCC deems necessary or desirable, but without taking possession thereof, to enable FCC to rectify or prevent any such default or breach, provided always that FCC shall not incur or be subject to any liability under any lease or contract by reason of having taken such action nor shall FCC have any obligation to take any action referred to in this Section.
- (t) **Lajord Lease.** The Credit Parties shall promptly make application to the relevant Governmental Authorities under *The Planning and Development Act* (Saskatchewan) to approve the renewal terms under the Lajord Lease and shall diligently pursue such application in conjunction with the Lajord Landlord to obtain a certificate of approval from the local planning authority. The Credit Parties shall provide FCC with copies of such certificate of approval forthwith following their receipt of the same.

## 1.2 **Negative Covenants**

The Credit Parties covenant and agree with FCC that (i) until the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, the Credit Parties will observe and perform, or will cause the observance and performance of, each of the following covenants:

- (a) **No Amalgamation.** No Credit Party shall enter into any transaction or series of related transactions (whether by way of amalgamation, merger, winding-up, consolidation, reorganization, reconstruction, continuance, transfer, sale, lease or otherwise) whereby all or substantially all of its undertaking, properties, rights or assets would become the property of any other Person or, in the case of amalgamation or continuance, of the continuing corporation resulting therefrom without the prior written consent of FCC.
- (b) **Indebtedness.** No Credit Party shall create, assume, issue or permit to exist, directly or indirectly, any Indebtedness except for Permitted Indebtedness.

- (c) **No Liens.** No Credit Party shall create, assume, incur or suffer to exist any Lien in or upon any of its undertaking, property, rights or assets except for Permitted Liens.
- (d) **No Guarantees.** No Credit Party shall be or become liable, directly or indirectly, contingently or otherwise, for any obligation of any other Person by Guarantee except for any Guarantee which constitutes Permitted Indebtedness.
- (e) **Limitation on Investments and Loans.** No Credit Party shall make or permit to exist, directly or indirectly, any Investment or any other interest in any other Person (whether in one transaction or a series of transactions) except: (i) Investments in cash equivalents, (ii) Investments which constitute Permitted Acquisitions, and (iii) Investments for which the applicable Credit Party has obtained the prior written consent of FCC. No Credit Party shall make any loans, advances or other forms of Indebtedness to any Person other than loans, advances or other forms of Indebtedness which constitute Permitted Indebtedness.
- (f) **Limitation on Acquisitions.** No Credit Party shall make, directly or indirectly, any Acquisition (whether in one transaction or a series of transactions) unless: (i) such Acquisition constitutes a Permitted Acquisition or has been approved by FCC in writing, or (ii) is an Acquisition of real property which exceeds any Net Capital Expenditure limits set out in this Agreement, and upon written request from FCC, the Credit Parties shall grant FCC security and a Lien over all such personal property, Persons or real property so acquired, together with supporting registrations and legal opinions, in each case, all in form and substance satisfactory to FCC.
- (g) **Limitation on Asset Dispositions.** No Credit Party shall effect an Asset Disposition except for Permitted Asset Dispositions.
- (h) **Change of Jurisdiction or Chief Executive Office; Relocation of Assets.** No Credit Party shall (i) change the jurisdiction of organization or move its registered office, principal place of business or chief executive office or its location for purposes of the PPSA outside of the jurisdiction in which it was located as at the Closing Date or the date of its acquisition or creation, as the case may be, and (ii) maintain, store or relocate Collateral at any location having a value in excess of \$100,000 in the aggregate for all locations in any jurisdiction other than as disclosed in this Agreement as at the Closing Date, in each case, without the prior written consent of FCC and, in each case, until FCC shall have (A) taken all such steps necessary, if any, by FCC to ensure that the Liens created by the Security Documents to which any Credit Party is a party continue to constitute valid, enforceable and perfected Liens, and (B) received such third party estoppel letters and opinions of counsel with respect thereto as FCC may reasonably require.
- (i) **Organizational Documents.** No Credit Party shall (i) change its corporate name, or (ii) amend its articles of incorporation, amalgamation or continuance, partnership agreement, limited partnership agreement, shareholders agreement or similar document without the prior written consent of FCC.
- (j) **Restricted Payments.** No Credit Party shall declare, pay or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except each Credit Party may make Restricted Payments:
  - (i) with respect to (A) salaries, bonuses, commissions, indemnities or other employment remuneration to employees, officers or directors of the Credit Parties in the ordinary course, and (B) reimbursement for reasonable out-



of-pocket costs and expenses incurred by such employees, officers or directors in the ordinary course of carrying out their duties, paid in accordance with a reimbursement policy that is commercially reasonable;

- (ii) with respect to the Subordinate Investors Indebtedness, payments of interest and principal made in accordance with the terms of the Subordinate Investors Subordination Agreements;
- (iii) with respect to the GFI Shareholders Indebtedness, Restricted Payments made in accordance with the terms of the GFI Shareholders Subordination Agreements;
- (iv) with respect to regular scheduled payments of interest in respect of Subordinated Debt, the Subordinate Investors Indebtedness and the GFI Shareholders Indebtedness); and
- (v) with respect to JPM, payments of interest and principal made in accordance with the terms of the JPM loan agreement;
- (vi) as otherwise consented to in writing by FCC,

provided that, at the time of and immediately after making a Restricted Payment in respect of subsections (ii), (iii), (iv), (v) and (vi) immediately above, (A) no Default or Event of Default shall have occurred; and (B) the Borrower shall be in compliance with the financial covenants set out in this Agreement. If requested by FCC at any time prior to the delivery of the Borrower's audited financial statements for the Financial Year ending on March 31, 2022, the Borrower shall provide interim financial statements to support the position that they are in compliance with their financial covenants so as to permit any such Restricted Payment made. For greater certainty, the Restricted Payments permitted in this Section shall not be construed as authorizing any unusual capital withdrawals or payments to Affiliates in any year prior to the commencement of bankruptcy or insolvency proceedings in respect of any Credit Party.

- (k) **Material Contracts.** No Credit Party shall: (i) cancel, terminate, amend or otherwise modify in any manner adverse to FCC any material terms of any Subordinated Debt, (ii) cancel or terminate any Material Contract, or permit any Material Contract to be cancelled or terminated, or (iii) amend or otherwise modify any Material Contract in any manner adverse to FCC, or waive any default or breach under any other Material Contract, in each case, without the prior written consent of FCC.
- (l) **Change in Control.** No Credit Party shall cause, give effect to, consent to, participate in, process, register or record any Change in Control.
- (m) **Financial Year; Accounting Changes.** No Credit Party shall (i) change its Financial Year end, or (ii) accounting treatment or reporting practices, except as required by the Accounting Standard or any Applicable Law.
- (n) **Transactions with Affiliates.** No Credit Party will, directly or indirectly, purchase, acquire or lease any property or assets from, or sell, transfer or lease any property or assets to, or enter into any other transactions with, any officer, director, agent or other Person affiliated with or related to such Credit Party, except in the ordinary course of, and under the reasonable requirements of, the Credit Party's business,

and upon fair and reasonable terms no less favourable to the Credit Party than they would obtain in a comparable arm's length transaction with an unaffiliated Person.

- (o) **Sales and Leasebacks.** No Credit Party shall enter into any Sale/Leaseback Transaction without the prior written consent of FCC.
- (p) **Creation of Subsidiaries.** No Credit Party shall, directly or indirectly, acquire or form any Subsidiary without the prior written consent of FCC.
- (q) **Repayment of Indebtedness.** No Credit Party shall repay, prepay, redeem, repurchase, defease or otherwise make any payment on account of any Indebtedness except for: (i) payment on account of Indebtedness under this Agreement, (ii) any payment consented to in writing by FCC, and (iii) payment of Permitted Indebtedness; provided that, such payment is specifically permitted by Section 1.2(j) above.
- (r) **Changes in Nature of Business.** No Credit Party shall (i) make any changes in any of its business objectives, purposes, or operations that could reasonably be expected to adversely affect repayment of the Outstanding Obligations or could reasonably be expected to have a Material Adverse Effect, or (ii) engage in any business other than the Core Business and activities or businesses incidental, complimentary or ancillary thereto.
- (s) **Pension and Benefit Plans.** No Credit Party shall: (i) establish or assume an obligation to contribute to, maintain, participate or sponsor a Pension Plan or Benefit Plan and shall not provide or promise a pension benefit for its employees pursuant to a Pension Plan or Benefit Plan, and (ii) acquire an interest in any person if such person contributes to, maintains, participates in or sponsors, or at any time in the six year period proceeding each acquisition has contributed to, maintained, participated in or sponsored any Pension Plan or Benefit Plan.
- (t) **Limitation on Hedging.** No Credit Party shall enter into any interest rate, foreign exchange, commodity or other hedging program for speculative purposes.
- (u) **Limitation on Hostile Take-Over Bids.** No Credit Party shall use the proceeds of any Advance to finance any hostile or unfriendly Take-Over Bid.
- (v) **Limitation on Shareholder Loans.** The Borrower shall not obtain any loans and advances from any shareholder or other Person who does not deal at arm's length with the Borrower, other than a shareholder or other Person who has executed and delivered an Assignment, Postponement and Subordination Agreement in favour of FCC.
- (w) **Drawings and Withdrawals.** The Borrower shall not permit drawings and withdrawals by way of shareholder loan reductions, dividends, salaries, bonuses, or any other withdrawals to exceed net income after repayment of current portion of long term debt, including principal portion of capital lease payments, unless compliance with financial covenants set out in this Agreement are maintained.

## 2. Demand and Acceleration

### 2.1 Events of Default

Each of the following events shall constitute an event of default under this Agreement (each an "**Event of Default**"):

- (a) **Failure to Pay Principal.** If the Borrower fails to make payment when due of any principal amount of the Outstanding Obligations.
- (b) **Failure to Pay Interest or Fees.** If any Credit Party shall fail to pay any Outstanding Obligations (other than principal referenced in subsection (a) above), when and as the same shall become due and payable and such failure shall continue unremedied for a period of five (5) Banking Days.
- (c) **Builder's Lien.** A builders, construction, commercial, mechanic or similar Lien is registered against the Borrower's Properties secured by this Agreement, other than those that are contested in good faith.
- (d) **Construction Required.** Failure to complete or proceed with any construction required by this Agreement in a continuous and commercially reasonable manner and according to proper building standards.
- (e) **False Representations.** If any representation or warranty made or given by any Credit Party in or in connection with any Loan Document, or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, is materially false or incorrect, or lacking in any material facts, at the time that it is made or given, so as to make it materially misleading.
- (f) **Non-Curable Defaults.** If any Credit Party shall fail to observe or perform any covenant, condition or agreement contained in Section 1.1(b) (use of proceeds), Section 1.1(f) (corporate existence), Section 1.2 (negative covenants) or any financial covenant set out in this Agreement.
- (g) **Curable Defaults.** If any Credit Party fails in the observance or performance of any of the terms, conditions, provisions or covenants to be performed or observed by it under this Agreement (other than those specified in Sections 2.1 (a), (b), (e) and (f) above) or contained in any other Loan Document, and such failure shall continue unremedied for a period of fifteen (15) Banking Days following the earlier of (i) the date upon which a senior officer of any Credit Party had knowledge or becomes aware of any such failure, and (ii) the date that FCC delivers notice of such failure to the Borrower.
- (h) **Cross-Default.** If (i) any default or breach shall occur, which is not cured within any applicable grace period, in the payment when due, whether by acceleration or otherwise, of any Indebtedness for borrowed money (other than the Outstanding Obligations) of any Credit Party, having a principal amount, individually in excess of \$100,000 or the equivalent amount thereof in any other currency or in the aggregate for all such Indebtedness for borrowed money of the Credit Parties, in excess of \$250,000 or the equivalent amount thereof in any other currency, or (ii) if any other default or breach shall occur under any agreement, document or instrument to which any Credit Party is a party governing such Indebtedness which is not cured within any applicable grace period, and such default or breach causes or permits any holder of such Indebtedness or a trustee or agent to cause such Indebtedness to become due prior to its stated maturity or prior to its scheduled date of payment, regardless of whether such right is exercised by such holder, trustee or agent.
- (i) **Cross-Default with FCC.** If any Credit Party shall default under any other credit facility, loan or security agreement with FCC.

- (j) **Voluntary Insolvency and Bankruptcy Proceedings.** If any Credit Party:
- (i) becomes insolvent, or generally does not or becomes unable to pay its debts or meet its liabilities as the same become due, or admits in writing its inability to pay its debts generally, or declares any general moratorium on its indebtedness, or proposes a compromise or arrangement between it and any class of its creditors;
  - (ii) makes an assignment of its property and assets for the general benefit of its creditors under the *Bankruptcy and Insolvency Act* (Canada), or makes a proposal (or files a notice of its intention to do so) under such Act;
  - (iii) institutes any proceeding seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts or any other relief, under any federal, provincial or foreign Applicable Law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) and any applicable corporations legislation) or at common law or in equity, or files an answer admitting the material allegations of a petition filed against it in any such proceeding, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it;
  - (iv) applies for the appointment of, or the taking of possession by, a Receiver, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official for it or any substantial part of its property; or
  - (v) threatens to do any of the foregoing, or takes any action, corporate or otherwise, to approve, effect, consent to or authorize any of the actions described in this Section 2.1(j) or in Section 2.1(k), or otherwise acts in furtherance thereof or fails to act in a timely and appropriate manner in defence thereof.
- (k) **Involuntary Insolvency and Bankruptcy Proceedings.** If any petition is filed, application made or other proceeding instituted against or in respect of any Credit Party:
- (i) seeking to adjudicate it a bankrupt or insolvent;
  - (ii) seeking a bankruptcy order against it under the *Bankruptcy and Insolvency Act* (Canada);
  - (iii) seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts or any other relief under any federal, provincial or foreign Applicable Law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the *Bankruptcy and Insolvency Act*

(Canada), the *Companies' Creditors Arrangement Act* (Canada) and any applicable corporations legislation at common law or in equity; or

- (iv) seeking the entry of an order for relief or the appointment of, or the taking of possession by, a Receiver, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official for it or any substantial part of its property, and
- (v) such petition, application or proceeding continues undismissed, or unstayed and in effect, for a period of forty-five (45) days after the institution thereof, provided that if an order, decree or judgment is granted or entered (whether or not entered or subject to appeal) against such Credit Party thereunder in the interim, such grace period will cease to apply, and provided further that if such Credit Party files an answer admitting the material allegations of a petition filed against it in any such proceeding, such grace period will cease to apply.
- (l) **Winding-up, Liquidation or Dissolution.** If an order is made or an effective resolution passed for the winding-up, liquidation or dissolution of any Credit Party.
- (m) **Loan Documents.** If this Agreement or any other Loan Document at any time for any reason terminates or ceases to be in full force and effect and a legally valid, binding and enforceable obligation of any Credit Party (except, for certainty, where any such agreement is terminated unilaterally by FCC), is declared to be void or voidable or is repudiated, or the validity, binding effect, legality or enforceability hereof or thereof is at any time contested by any Credit Party, or any Credit Party denies that it has any or any further liability or obligation hereunder or thereunder or any action or proceeding is commenced to enjoin or restrain the performance or observance by any Credit Party of any material terms hereof or thereof or to question the validity or enforceability hereof or thereof, or at any time it is unlawful or impossible for any Credit Party to perform any of its material obligations hereunder or thereunder.
- (n) **Adverse Judgments.** If (i) one or more judgments for the payment of money in a cumulative amount in excess of \$100,000 (or its then equivalent amount in any other currency) is rendered against any Credit Party or any combination of the Credit Parties, and (ii) the applicable Credit Party or Credit Parties have not provided for its or their discharge in accordance with its terms within sixty (60) days from the date of entry thereof, provided that, if enforcement and/or realization proceedings are lawfully commenced in respect thereof in the interim, such grace period will cease to apply except where the same is being Contested and the enforcement or levy has been stayed.
- (o) **Execution, Distress.** If any writ, attachment, execution, sequestration, extent, distress or any other similar process becomes enforceable against any Credit Party or if a distress or any analogous process is levied against any of the properties or assets of any Credit Party having a fair market value in excess of \$100,000, except where the same is being Contested and the enforcement or levy has been stayed.
- (p) **Unperfected Lien.** If any Lien purported to be created by any Security Document shall cease to be, or shall be asserted by any Credit Party not to be, a valid, perfected, first priority (except as otherwise expressly provided in this Agreement or such Security Document) Lien in Collateral (other than as a result of an act or omission of FCC).

- (q) **Change of Control.** If there is a Change in Control.
- (r) **Material Adverse Change.** If a Material Adverse Change shall occur.
- (s) **Environmental Liability.** If any Credit Party violates any Environmental Law which results in an action request, violation notice or other notice or control order, cancellation of any license or certificate or approval that results in any material disruption of any Credit Party's business or that could reasonably be expected to have a Material Adverse Effect, save and except where the action request, violation notice or other notice or control order or cancellation is being Contested and the enforcement thereof has been stayed.
- (t) **Environmental Order.** If any legally binding order relating to any Environmental Activity is issued by any Governmental Authority against any Credit Party and such order has not been satisfied or discharged within the time allowed for in such order or, if no time is specified in such order, within ninety (90) days after the date such order was received by any Credit Party or such longer period as FCC may agree to, acting reasonably, provided that such Credit Party is at all times acting diligently and in good faith to satisfy the order, save and except where the action request, violation, notice or other notice or control order or cancellation is being Contested and the enforcement thereof has been stayed.
- (u) **Suspension of Business.** If any Credit Party ceases or threatens to cease the Core Business or a substantial part thereof or suspends the Core Business.
- (v) **Assignment.** If any Credit Party assigns or purposes to assign any of its rights under this Agreement or any of the other Loan Documents, or any interest herein or therein, to a third party.
- (w) **Sale.** If any Credit Party sells or otherwise disposes of, or agrees to sell or otherwise dispose of, all or a substantial part of its property, assets and undertaking whether in one transaction or a series of related transactions.
- (x) **Insurance Lapse.** If any material amount of insurance on the assets, properties or undertaking of any Credit Party lapses and such coverage shall not be reinstated within five (5) Banking Days of such lapse.
- (y) **Fraud/Misrepresentation.** The Credit Party has made any material misrepresentation to FCC, has committed fraud against FCC, if FCC becomes aware that any Credit Party has acted in a manner that calls into question its integrity and as a result will negatively impact FCC's reputation if FCC were to continue to do business with such Credit Party or if any Credit Party ceases to operate or operate materially in its Core Business, as determined by FCC in its sole discretion.
- (z) **Impairment.** If FCC, in good faith and upon commercially reasonable grounds, believes that the prospect of repayment or performance of the Outstanding Obligations is, or is about to be, impaired or any Collateral is, or is about to be, in jeopardy.

**2.2 Notice of Default.** The Borrower hereby agrees to promptly notify FCC of an Event of Default occurring, and no later than thirty (30) days from the date that the Default occurred.

**2.3 Rights and Remedies**

Upon the occurrence of any Event of Default, and at any time thereafter if the Event of Default shall then be continuing, FCC may take any or all of the following actions:

- (a) by written notice to the Borrower declare all principal amounts of all Advances and all accrued interest, fees and other Outstanding Obligations owing to be, whereupon the same shall become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;
- (b) by written notice to the Borrower declare the Credit Facilities to be terminated, whereupon the same shall terminate immediately and FCC shall have no further obligation to make any Advances available to the Borrower under any of the Credit Facilities;
- (c) realize upon the Liens constituted by the Security Documents and any other security applicable to the liability of any Credit Party under the Loan Documents;
- (d) may by instrument in writing appoint any Person as a Receiver of all or any part of the Collateral. FCC may from time to time remove or replace a Receiver, or make application to any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by FCC will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the Borrower's agent as the case may be. FCC may from time to time fix the Receiver's remuneration and the Borrower will pay FCC the amount of such remuneration. FCC will not be liable to the Borrower or any other Person in connection with appointing or not appointing a Receiver or in connection with the Receiver's actions or omissions;
- (e) appoint by instrument in writing one or more Receivers of any or all of the property, assets and undertaking of any Credit Party or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of FCC under this Agreement and the Security Documents) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time;
- (f) apply to a court of competent jurisdiction for the appointment of a Receiver of any or all of the property, assets and undertaking of any Credit Party or of any or all of the Collateral; and
- (g) without limitation, exercise any other action, suit, remedy or proceeding authorized or permitted by the Loan Documents or by law or by equity.

Upon an Event of Default occurring under Section 2.1(j), Section 2.1(k) or Section 2.1(l) or in the event of an actual or deemed entry of an order for relief with respect to any Credit Party under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), or similar Applicable Laws in other jurisdictions:

- (a) the obligation of FCC to make any further Advances available to the Borrower shall automatically be terminated;
- (b) all Outstanding Obligations shall automatically become due and payable; and

- (c) the Security Documents shall become immediately enforceable, subject to the terms and conditions of the Security Documents and Applicable Law, and FCC may realize upon the Security Documents.

#### **2.4 Application of Proceeds After Default**

Subject to Section 2.6 below, from and after the occurrence of an Event of Default, FCC may apply the proceeds of any realization under the Security Documents or any portion thereof in the following order:

- (a) firstly, in payment of all costs and expenses incurred by FCC in connection with such realization including legal, accounting and receivers' fees and disbursements and in payment of all Liens or claims ranking prior to the Lien of the Security Documents;
- (b) secondly, against the Outstanding Obligations in such manner and at such times as FCC consider appropriate; and
- (c) thirdly, if all obligations of the Borrower listed above have been paid and satisfied in full, any surplus proceeds shall be paid in accordance with Applicable Law.

#### **2.5 Rights Under PPSA**

Before and after an Event of Default, FCC or a Receiver will have, in addition to the rights specifically provided in this Agreement or any other Loan Document, the rights and remedies of a secured party under the PPSA as well as the rights and remedies recognized at law and in equity.

#### **2.6 Appropriation of Funds**

Each Credit Party agrees that FCC may from time to time appropriate all monies realized by FCC from the enforcement of any Security Document on or towards the payment of the Outstanding Obligations or such part thereof as FCC in its sole discretion may determine, and each such Credit Party shall have no right to require or enforce any appropriation inconsistent therewith, and FCC shall have the right to change the application of any such proceeds and re-apply the same to any part or parts of the Outstanding Obligations as FCC may see fit notwithstanding any previous application.

#### **2.7 Non-Merger**

The taking of a judgment or judgments (other than a final order of foreclosure) or any other action or dealing whatsoever by FCC in respect of any Lien created by the Security Documents shall not operate as a merger of any indebtedness or liability of any Credit Party or in any way suspend payment or affect or prejudice the rights, remedies and powers, legal or equitable, which FCC may have in connection with such liabilities, and the surrender, cancellation or any other dealings with any security for such liabilities shall not release or affect the liability of the Credit Parties under this Agreement or under any other Loan Document held by FCC.

#### **2.8 Deficiency**

Each Credit Party shall remain liable to FCC for payment of any Outstanding Obligations that remains outstanding following realization of all or any part of the Collateral.



## **2.9 FCC not Liable**

Neither FCC nor any Receiver will be liable to any Credit Party or any other Person for any failure or delay in exercising any of its rights under this Agreement or under any Security Document (including among other things any failure to take possession of, collect, or sell, lease or otherwise dispose of, any Collateral). Neither FCC, any Receiver or any agent of FCC (including, in Alberta, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any chattel paper, securities or instrument (as those terms are respectively defined in the PPSA) in possession of FCC, a Receiver or their respective agents.

## **2.10 Remedies Cumulative**

It is expressly understood and agreed that the rights and remedies of FCC under the Loan Documents are cumulative and are in addition to and not in substitution of any rights or remedies provided by law and any single or partial exercise by FCC of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained shall not be deemed to be a waiver of or to alter, affect, or prejudice any other right or remedy or other rights or remedies to which FCC may be lawfully entitled for the same default or breach, and any waiver by FCC of the strict observance, performance or compliance with any term, covenant, condition or agreement which contained and any indulgence granted by FCC shall be deemed not to be a waiver of any subsequent default. In the event that FCC shall have proceeded to enforce any such right, remedy or power contained in the Loan Documents and such proceedings shall have been discontinued or abandoned for any reason by written agreement between FCC and any Credit Party, then in each such event such Credit Party and FCC shall be restored to their former positions and the rights, remedies and powers of FCC shall continue as if no such proceedings have been taken.

## **3. Representations and Warranties**

### **3.1 Representations and Warranties**

Each Credit Party makes and gives the following representations and warranties to FCC, upon each of which FCC has relied in entering into this Agreement, and each of which will be deemed to be repeated on each Advance:

- (a) **Due Incorporation.** Each Credit Party is duly incorporated, organized or formed pursuant to the laws of its organization or formation, is properly registered in every jurisdiction it does business and is current in all of its corporate filings, except to the extent any failure to have such registration would not be reasonably expected to have a Material Adverse Effect. Each Credit Party has all necessary corporate power and authority to own its properties and assets and to carry on its business as now conducted by it and, in the case of any corporation that is a general partner of any Credit Party that is a limited partnership, has all requisite power and authority to act as general partner of such Credit Party, as the case may be. Each Credit Party is or will be duly licensed or registered or otherwise qualified in all jurisdictions wherein the nature of its assets or the business transacted by it makes such licensing, registration or qualification necessary.
- (b) **Corporate Power; Authorization.** Each Credit Party has the power and authority to enter into and perform its obligations under each of the Loan Documents to which it is a party and the execution, delivery and performance of each of the Loan Documents to which it is a party has been duly authorized by all necessary action

of such Credit Party (and, in the case of any Credit Party that is a limited partnership, its general partner).

- (c) **Licences.** Each Credit Party has obtained all licences, orders, consents, permits, registrations, and approvals necessary (i) to own its properties and assets, (ii) for the conduct and operation of the Core Business, and (iii) to carry on its business in each jurisdiction in which it does so.
- (d) **No Conflicts.** The execution, delivery and performance by each of the Credit Parties of the Loan Documents (to which such Credit Party is a party) and the consummation of the transactions contemplated therein:
  - (i) do not and will not violate any Applicable Law or the constating documents, by-laws, shareholders agreement, limited partnership agreement or other organizational documents of any Credit Party or any order of any Governmental Authority;
  - (ii) do not require the consent or approval of, or registration or filing with, any Governmental Authority or any other Person;
  - (iii) do not and will not violate, conflict or result in a default under any Material Contract or any indenture, agreement or other instrument binding upon any Credit Party or its respective assets, or give rise to a right thereunder to require any payment to be made by any Credit Party, except any such violations or defaults that individually or in the aggregate, do not, and could not reasonably be expected to, result in a Material Adverse Effect;
  - (iv) do not require the consent or approval of, or registration or filing with, any Governmental Authority or any other Person; and
  - (v) will not result in the creation or imposition of any Lien on any property or asset of any Credit Party, except for any Lien arising in favour FCC under the Loan Documents.
- (e) **Enforceability.** Each Loan Document constitutes a legal, valid and binding obligation of each Credit Party (and, in the case of any Credit Party that is a limited partnership, its general partner), enforceable in accordance with its terms, except to the extent that the enforceability thereof may be subject to applicable bankruptcy, insolvency, equity, reorganization, moratorium or other similar laws generally affecting creditor rights.
- (f) **Compliance with Law.** Each Credit Party is in compliance: (i) with all Applicable Laws applicable to it or its property and assets, and (ii) with all indentures, agreements and other instruments binding upon it or its property and assets, except any such non-compliance that individually or in the aggregate, do not, and could not reasonably be expected to, result in a Material Adverse Effect.
- (g) **Business.** The Credit Parties do not carry on any material business, activity or operation of any kind whatsoever other than the Core Business.
- (h) **Taxes.** Each Credit Party has filed all tax returns required to be filed by it with any Governmental Authority and has paid all Taxes which were due and payable and all assessments and reassessments, and all other Taxes, governmental charges, penalties, interest and fines due and payable by it on or before the date of this Agreement, and there are no agreements, waivers, or other arrangements

providing for an extension of time with respect to the filing of any tax return by it or the payment of any tax, governmental charges, penalties, interest or fines against it other than waivers of the normal reassessment period; there are no material actions, suits, proceedings, investigations or claims now threatened or pending against any Credit Party which, not resolved in favour of such Credit Party, would result in a material liability of such Credit Party, in respect of taxes, governmental charges, penalties, interest, fines, assessments and reassessments or any matters under discussion with any Governmental Authority relating to Taxes, governmental charges, penalties, interest, fines, or assessments and reassessments asserted by any such authority which, if not resolved in favour of such Credit Party, would result in a material liability of such Credit Party, and each Credit Party has withheld from each payment to each of its present and former officers, directors, and employees the amount of all Taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving officers within the time required under the applicable tax legislation.

- (i) **Validity and Priority of Security.** The Security Documents constitute assignments, fixed and specific mortgages and charges, floating charges or security interests, as applicable, on the property and assets of each Credit Party purported to be assigned, mortgaged, charged or subjected to a security interest thereby and ranks in priority to any other Liens upon such property and assets (subject only to Permitted Liens which are senior by operation of law and have not been contractually subordinated).
- (j) **No Litigation.** There are no actions, suits, proceedings, litigation claims, inquiries or investigations existing, pending or, to the knowledge of any Credit Party, threatened against or adversely affecting any Credit Party in any court or before any federal, provincial, municipal or governmental department, commission, board, tribunal, bureau or agency, whether Canadian or foreign, or before any arbitrator, which might, if not resolved in favour of such Credit Party have a Material Adverse Effect.
- (k) **No Judgments.** No Credit Party is subject to any judgment, order, writ, injunction, decree, award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) which could reasonably be expected to have a Material Adverse Effect.
- (l) **No Defaults.** No Default or Event of Default has occurred and is continuing. No default or event of default has occurred and is continuing in respect of any Material Contract to which any Credit Party is now a party or is otherwise bound, entitling any other party thereto to accelerate the maturity of amounts of principal owing thereunder, or terminate any such Material Contract, which would result in a Material Adverse Change.
- (m) **Financial Statements.** The financial statements of the Credit Parties which have been furnished to FCC have been duly prepared in accordance with the Accounting Standard and fairly present the financial condition and the results of the operations of the Credit Parties and disclose all liabilities, contingent, absolute or otherwise, required to be disclosed therein, in all material respects.
- (n) **Title.** Each Credit Party has good and marketable title to all of its property and assets including, without limitation, the real property owned by it subject to the Security Documents (other than property leased or licensed to it) free and clear of

any Lien, subject only to Permitted Liens and no Person has any agreement or right to acquire its interest in any of such properties, including leased or licensed properties, out of the ordinary course of business.

(o) **Environmental Compliance**

- (i) All facilities and property owned or leased by any Credit Party including, without limitation, the properties subject to the Security Documents have been maintained in material compliance with all Environmental Laws;
- (ii) there have been no past, and there are no pending and, to the best of the knowledge of any Credit Party, there are no (A) written claims, complaints, notices of violation or requests for information received by any Credit Party from any Governmental Authority with respect to any alleged violation of any Environmental Law, or (B) written complaints, notices or inquiries to any Credit Party regarding potential liability of any Credit Party under any Environmental Law that, in any case, could reasonably be expected to have a Material Adverse Effect;
- (iii) there have been no releases of Contaminants at, on or under any property owned or leased by any Credit Party at any time while owned or leased by such Credit Party that, singly or in the aggregate, have, or may reasonably be expected to have, a Material Adverse Effect;
- (iv) each Credit Party has been issued and is in material compliance with all permits, certificates, approvals, licences and other authorizations relating to environmental matters and required under any applicable Environmental Laws in connection with the operation of the Core Business;
- (v) no property now or previously owned or leased by any Credit Party including, without limitation, the real property subject to the Security Documents, is listed or, to the knowledge of any Credit Party, proposed for listing on any publicly published and promulgated federal or provincial governmental list of sites requiring investigation or clean-up;
- (vi) there are no underground storage tanks, active or abandoned, including petroleum storage tanks, on or under any property now or previously owned or leased by any Credit Party including, without limitation, the real property subject to the Security Documents, that, singly or in the aggregate, have, or may reasonably be expected to have, a Material Adverse Effect;
- (vii) no Credit Party has directly transported or directly arranged for the transportation of any Contaminant to any location;
- (viii) no property of any Credit Party is the subject of federal, provincial or local enforcement actions or other investigations which may lead to claims against any Credit Party for any remedial work, damage to natural resources or personal injury; and
- (ix) there are no polychlorinated biphenyls or friable asbestos present at any property now or previously owned or leased by any Credit Party including, without limitation, the real property subject to the Security Documents, that, singly or in the aggregate, have or may reasonably be expected to have, a Material Adverse Effect.

- (p) **Chief Executive Office; Registered Office.** The chief executive office, the principal place of business and the location of each Credit Party (within the meaning of the PPSA) and the registered office of each Credit Party is the location set out on the first page of this Agreement.
- (q) **Location of Property and Assets.** Except as disclosed in writing to FCC, the Credit Parties have no property and assets located in any jurisdictions other than the Provinces of Ontario, Saskatchewan, Alberta, North Carolina, Arizona, New Jersey and Illinois and no Credit Party owns, leases or sub-leases any real property other than the real property which is subject to the Security Documents.
- (r) **Wholly-owned Subsidiaries.** Except as disclosed in writing to FCC, as of the Closing Date, no Credit Party has (i) any Wholly-owned Subsidiaries other than those Wholly-owned Subsidiaries that are a party to this Agreement, and (ii) entered into any agreements for the acquisition or creation of any Wholly-owned Subsidiaries.
- (s) **Employee Matters.** No Credit Party, nor any of their respective employees, is subject to any collective bargaining agreement. There are no strikes, slowdowns, work stoppages or controversies pending or, to the best knowledge of each Credit Party, threatened against any Credit Party, or its employees. No Credit Party is subject to any claim by or liability to any of their respective officers, directors or employees for salary (including vacation pay) or benefits which would rank in whole or in part *pari passu* with or prior to the Liens created by the Security Documents. Each Credit Party has paid, or accrued as a liability on its books and will pay, all amounts due from it to any employee, independent contractor or other Person on account of wages, workers' compensation or other compensation and, as applicable, employee health and welfare insurance and other benefits.
- (t) **Pension and Benefit Plans.** The details of the Pension Plans and Benefit Plans maintained by the Borrower have been disclosed in writing to FCC (including identification of any Pension Plans that constitute a defined benefit plan). The Pension Plans are duly registered under the Income Tax Act (Canada) (the "ITA") and any other Applicable Laws which require registration, have been administered in accordance with the ITA and such other Applicable Laws and no event has occurred which would reasonably be expected to cause the loss of such registered status, except to the extent that any failure to do so could not reasonably be expected to have a Material Adverse Effect. All material obligations of the Borrower (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Pension Plans, the Benefit Plans and the funding agreements therefor have been performed on a timely basis, except to the extent that any failure to do so could not reasonably be expected to have a Material Adverse Effect. As of the Closing Date, there are no outstanding disputes concerning the assets of any of the Pension Plans or Benefit Plans which would reasonably be expected to have a Material Adverse Effect. No promises of benefit improvements under any of the Pension Plans or the Benefit Plans have been made by the Borrower. All employer and employee payments, contributions or premiums required to be made or paid by the Borrower in respect of the Pension Plans and the Benefit Plans have been made on a timely basis in accordance with the terms of such plans and all Applicable Laws, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and all funding requirements applicable to such Pension Plans have been satisfied under the terms of such plans and in accordance with Applicable Law. There have been no improper withdrawals or applications of the assets of the Pension Plans. During the twelve-consecutive-month period prior to the date of the execution and delivery

of this Agreement and prior to the date of any Advance, no steps have been taken to terminate (in whole or in part) any Pension Plan which could be reasonably likely to result in a material liability to the Borrower, and no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a statutory deemed trust under any provision of the PBA. No condition exists or event or transaction has occurred with respect to any Pension Plan which could be reasonably likely to result in the incurrence by the Borrower of any material liability, fine or penalty. The Borrower does not have any contingent liability with respect to any post-retirement benefit under a Benefit Plan. The Borrower does not have an intention to wind-up or terminate any Pension Plan, no declaration to wind-up any Pension Plan has been made, and no investigation is ongoing by any pension regulator as to a potential wind-up of any Pension Plan.

- (u) **Full Disclosure.** Each Credit Party has disclosed to FCC (i) all agreements, instruments and corporate or other restrictions to which any Credit Party is subject, and (ii) all other matters known to it, that, in each case, individually or in the aggregate, could, by their existence or if breached by any Credit Party, reasonably be expected to result in a Material Adverse Effect. All material liabilities of the Credit Parties have been recorded in the financial statements of the Credit Parties and disclosed to FCC.
- (v) **Insurance.** All policies of fire, liability, workers' compensation (if required), casualty, flood, business interruption and other forms of insurance owned or held by the Credit Parties are: (i) sufficient for compliance with all requirements of all Applicable Law and all Material Contracts to which any Credit Party is a party, and for compliance with this Agreement, (ii) are valid, outstanding and enforceable policies, and (iii) provide adequate insurance coverage for the property, assets and operations of the Credit Parties in at least such amounts and against at least such risks as are usually insured against in the same general area by Persons of a similar size of operations engaged in the same or a similar business. All such policies are in full force and effect, all premiums with respect thereto have been paid in accordance with their respective terms, and no notice of cancellation or termination has been received with respect to any such policy. The certificate of insurance delivered to FCC as a condition precedent to the initial Advance or from time to time contains an accurate and complete description of all policies of insurance owned or held by the Credit Parties.
- (w) **No Material Adverse Effect.** Since the date of the most recent financial statements of the Borrower delivered to FCC, there has been no event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect.
- (x) **Non-Dilution; Retractable Shares.** No Person has any agreement, option or right capable of becoming an agreement or option for the pledge, purchase, subscription or issuance from any Credit Party of any Equity Securities of any Credit Party, issued or unissued. No Credit Party has issued any Equity Securities that are retractable at the option of the holder other than to a shareholder of any Credit Party who has executed and delivered an assignment, postponement and subordination agreement in favour of FCC.
- (y) **Partnership.** No Credit Party is in partnership with any Person and no Credit Party is a participant in any joint venture.
- (z) **Solvency.** Each Credit Party is solvent and will not become insolvent after giving effect to this Agreement and the transactions contemplated in this Agreement.

- (aa) **Indebtedness; Liens.** No Credit Party (i) has any Indebtedness other than Permitted Indebtedness, and (ii) has granted any Liens other than Permitted Liens.
- (bb) **Shareholder Loans.** There are no outstanding loans and advances made to any Credit Party by any Person who does not deal at arm's length with any Credit Party, other than a shareholder of any Credit Party who has executed and delivered an assignment, postponement and subordination agreement in favour of FCC.
- (cc) **Customer and Trade Relations.** There is not any actual or threatened termination or cancellation of, or any Material Adverse Change in, the business relationship between any Credit Party with any supplier or customer material to the operations of the Credit Parties except where any such termination or cancellation could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.
- (dd) **Financial Year.** The Financial Year of the Borrower ends on March 31 of each calendar year.
- (ee) **Cash Calls.** No Credit Party is subject to any mandatory obligation or requirement to provide funds or to make any Investment in any business or Person.
- (ff) **Vendor Take-Back Obligations.** No Credit Party has any payment obligations under any vendor take-back or other similar deferred purchase price obligations.
- (gg) **Corporate Structure.** The owners of all of the issued and outstanding Equity Securities of the Borrower are as follows:

David Hanna  
Samira Sharezay  
35 Oak Holdings Ltd.  
Michael Wiener  
Kevin Wiener  
Robert Wolf  
Kurniadi Kurniadi  
Frank van Biesen  
Bill Murray  
Jie Zhang  
Jaime Rueda

### **3.2 Survival of Representations and Warranties**

All representations and warranties of the Credit Parties as set out in this Agreement or and other Loan Document shall be deemed to have been restated at the time of each Advance, and shall survive each Advance (except to the extent such representations and warranties expressly relate to an earlier date in which case they should be true and correct in all material respects as of such date) and shall continue until all Outstanding Obligations have been satisfied and repaid in full and Credit Facilities terminated.

## **4. Change in Circumstances and Indemnities**

### **4.1 Losses**

The Credit Parties shall at all times fully indemnify and hold FCC, and its directors, officers, employees and agents harmless from and against any and all costs, losses, expenses,

damages or liabilities which such party may sustain or incur as a direct result of, without duplication:

- (a) the failure of the Borrower to utilize any Advances under the Credit Facilities in the manner specified herein (including if such failure was caused by the failure of the Borrower to meet all conditions precedent except those conditions which have been waived by FCC in writing);
- (b) the failure of the Borrower to pay any sum on its due date or within any cure period whichever is later; or
- (c) any Default or Event of Default.

Without prejudice to the generality of the foregoing, the foregoing indemnity shall extend to any loss, premium, penalty or expense which may be incurred by FCC in liquidating deposits from third parties acquired to make, maintain or fund an Advance or any part thereof or any amount due or to become due under this Agreement.

Notwithstanding the foregoing and for greater certainty, the Credit Parties shall not be responsible to indemnify FCC and any of its directors, officers, employees and agents from any costs, losses, expenses, damages or liabilities which are attributed to each indemnified person's gross negligence or wilful misconduct, all as determined by a non-appealable judgment of a court of competent jurisdiction.

#### **4.2 Environmental Indemnity**

- (a) The Credit Parties shall at all times indemnify and hold FCC and its directors, officers, employees and agents harmless against and from any and all claims, liabilities, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, of any nature whatsoever suffered or incurred by any such party (including any reasonable costs and expenses of defending or denying same) whether upon realization of any security for the Outstanding Obligations, or as lender to the Borrower, or as successor to or assignee of any right or interest of the Credit Parties, or as a result of any order, investigation or action by any Governmental Authority relating to any Credit Party or its business or assets, or as mortgagee in possession, or as successor-in-interest to any Credit Party by foreclosure deed or deed in lieu of foreclosure, under or on account of any Environmental Law including, without limitation, the assertion of any lien thereunder, with respect to:
  - (i) the release, discharge or emission of a Contaminant, the threat of the release, discharge or emission of any Contaminant, or the presence of any Contaminant;
  - (ii) any costs of removal or remedial action incurred by any Governmental Authority or any costs incurred by any other Person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Environmental Law;
  - (iii) liability for personal injury or property damage arising under any statutory or common law tort theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance or for the carrying on of a dangerous activity; or



- (iv) any other environmental matter within the jurisdiction of any Governmental Authority.
- (b) Each Credit Party acknowledges that FCC has agreed to make the Credit Facilities available in reliance upon the Credit Parties' indemnity in this Section and Section 4.1. For this reason, it is the intention of the Credit Parties and FCC, that the provisions of this Section shall supersede any other provisions of this Agreement or any other Loan Document which might in any way limit the liability of the Credit Parties that the Credit Parties shall be liable for any obligations arising under this Section even if the amount of liability incurred exceeds the amount of outstanding Advances at any time, provided that the Credit Parties and FCC may enter into a mutually accepted agreement to limit such liability.
- (c) This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement, shall give rise to a separate and independent cause of action, and shall apply irrespective of any indulgence granted by FCC from time to time. A separate action or actions may be brought and prosecuted against the Credit Parties or any Credit Party in respect of this indemnity, whether or not any action is brought against any other person or whether or not any other person is joined in such action or actions.

#### **4.3 Survival**

The obligations of the Credit Parties under Section 4.1 and 4.2 shall survive the payment of all Outstanding Obligations and the cancellation of the Credit Facilities.

### **5. Assignment and Participation**

#### **5.1 Benefit of Agreement**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, heirs, estate, executors and personal representatives, as applicable, in accordance with this Section.

#### **5.2 Assignment by Credit Parties**

No Credit Party shall assign or transfer any rights or obligations hereunder without the prior written consent of FCC which may be refused in the absolute discretion of FCC.

#### **5.3 Assignment by FCC**

FCC reserves the right to sell, assign, transfer or grant a participation in the whole of its commitment to any Person (a "**Participant**") without the consent of the Credit Parties. For the purpose of selling, assigning, transferring or granting a participation in its commitment, FCC may disclose on a confidential basis to a potential Participant such information concerning the Credit Parties as FCC considers appropriate. Each Credit Party agrees to execute and deliver such further documentation and take such further action as FCC considers necessary or advisable to give effect to such sale, assignment, transfer or grant of participation. In the case of sale, assignment, transfer or granting of a participation, the Participant shall have, to the extent of such sale, assignment, transfer or grant of participation, the same rights and obligations as it would have if it were the lender on the Closing Date and as such had executed this Agreement and any other Loan Documents as required. FCC shall be relieved, to the extent of the sale, assignment, transfer or grant of participation, of its obligations under this Agreement with respect to its commitment which has been sold, assigned, transferred or granted. Each Credit Party hereby acknowledges

and agrees that any sale, assignment, transfer or granting of a participation will give rise to a direct obligation of the Credit Parties to the Participant.

## **6. Miscellaneous**

### **6.1 Performance by FCC**

If any Credit Party fails to perform any of its obligations under any Loan Document, FCC may, but shall not be obligated to, perform any or all such obligations, and all costs, charges, expenses, fees, outlays and premiums incurred by FCC in connection with such performance shall be payable by the Borrower forthwith upon demand by FCC and shall bear interest from the date incurred by FCC at the highest rate provided for in this Agreement, calculated and compounded monthly and payable on demand, with interest on overdue interest at the same rate. Any such performance by FCC shall not constitute a waiver by FCC of any right, power, or privilege under this Agreement or any other Loan Document.

### **6.2 Notice**

Any notice, request or other communication hereunder to any of the parties hereto shall be in writing and be well and sufficiently given if delivered personally or sent by prepaid registered mail to its address or by facsimile/telecopier to the number and to the attention of the person set forth below:

- (a) In the case of any Credit Party or Credit Parties, a single notice to:

Global Food and Ingredients Inc.  
43 Colborne Street, Suite 400  
Toronto, ON M5E 1E3

Attention: Bill Murray  
Email: bill.murray@gfiglobalfood.com

- (b) In the case of FCC:

Farm Credit Canada  
Loan Administration Centre  
1133 St. George Blvd, Suite 104  
Moncton, NB E1E 4E1  
Fax No.: 506-851-6613

Any such notice shall be deemed to be given and received, if delivered, when delivered, and if mailed, on the third Banking Day following the date on which it was mailed, unless an interruption of postal services occurs or is continuing on or within the three Banking Days after the date of mailing in which case the notice shall be deemed to have been received on the third Banking Day after postal service resumes and if sent by telecopier on the next Banking Day after the day on which the telecopy is sent. Any party may by notice to the other, given as aforesaid, designate a changed address or telecopier number.

Notices and other communications to FCC or any Credit Party under this Agreement may also be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved in writing by FCC.

Unless FCC otherwise prescribes: (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from

the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment); provided that, if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Banking Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

### **6.3 *Statements and Reports***

Except as otherwise provided herein, all statements, reports, certificates, opinions, appraisals and other documents or information required to be furnished to FCC by the Borrower under this Agreement shall be supplied by the Borrower without any cost or expense to FCC.

### **6.4 *Approvals***

Where in this Agreement or any other Loan Document any matter is subject to the consent or approval of FCC, FCC will make a determination or assessment of the materiality of any event or circumstance, such consent, approval, determination or assessment shall be made in the sole discretion of FCC, acting reasonably, unless otherwise expressly provided herein or therein.

### **6.5 *Severability***

If any term, covenant, obligation or agreement contained in this Agreement, or the application of any such term, covenant, obligation or agreement to any Person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant, obligation or agreement to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such invalidity or unenforceability and each term, covenant, obligation or agreement contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

### **6.6 *Time of Essence***

Time is of the essence of this Agreement and any forbearance by FCC or any of the Credit Parties of the strict application of this provision shall not operate as a continuing or subsequent forbearance.

### **6.7 *Further Assurances***

Each party to this Agreement shall from time to time and at all times hereafter, upon every reasonable request of another party, make, do, execute, and deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be necessary in the opinion of the requesting party, acting reasonably, for implementing and carrying out the true intent and meaning of this Agreement.

### **6.8 *Entire Agreement***

This Agreement contains the entire understanding of the parties with respect to the subject matter hereof. There are no restrictions, agreements, promises, warranties, covenants or undertakings made by FCC or any of the Credit Parties other than those set forth in the Loan Documents.

**6.9 Conflict**

In the event that there is any conflict or inconsistency between the provisions contained in this Agreement and the provisions contained in any other Loan Document, such that the conflicting or inconsistent provisions cannot reasonably co-exist, then the provisions of this Agreement shall govern and shall override the provisions contained in such other Loan Document. For greater certainty, the existence of a particular representation, warranty, covenant or other provision in any Loan Document which is not contained in this Agreement shall not be deemed to be a conflict or inconsistency, and that particular representation, warranty, covenant or other provision shall continue to apply.

**6.10 No Third Party Beneficiaries**

Subject to Section 5 of Schedule A to this Agreement, this Agreement shall be for the sole benefit of FCC and the Credit Parties, and is not for the benefit of any other Person.

**6.11 Counterparts; Execution**

This Agreement may be executed in any number of counterparts or by facsimile or PDF electronic counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Each party executing this Agreement by facsimile or PDF electronic counterpart shall provide two originally executed counterparts to each of the other parties within ten (10) Banking Days of its delivery of its facsimile or PDF electronic counterpart, but any failure or delay in so doing shall not derogate in any way from the sufficiency or effectiveness of that party having electronically transmitted its executed copy.

**6.12 Relationship to Parties**

The provisions contained in this Agreement shall not create or be deemed to create any relationship as between the Borrower and FCC other than that of borrower and lender or as between a Guarantor and FCC other than that of guarantor and lender.

**6.13 Amendments and Waivers**

This Agreement may not be amended or modified in any respect except in accordance with the provisions hereof, however, the Credit Parties hereby agree to make such amendments to this Agreement as may be reasonably requested by FCC to facilitate the granting by FCC of participations or assignments, provided that no such amendment shall have the effect of increasing any costs payable by the Borrower or increasing the obligations of the Borrower under this Agreement.

No amendment of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower, the Guarantors and FCC. No failure or delay, on the part of FCC, in exercising any right or power hereunder or under any Security Documents or any other Loan Document delivered to FCC shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by the Borrower will require review and agreement by FCC and its counsel. Costs related to this review will be for the Borrower's account.

#### **6.14 Review**

FCC shall conduct an annual review within 180 days following the Financial Year end of the Borrower, and any other matters related to this Agreement as reasonably determined by FCC. The Credit Parties agree to execute and deliver to FCC such information, assurances and things as may be necessary in the opinion of FCC, acting reasonably, to satisfactorily complete the above referenced annual review.

#### **6.15 Borrower's Confidentiality**

The Borrower agrees to keep the terms of this Agreement, including specifically the interest rate, strictly confidential and will not disclose the terms of this Agreement to any Person without FCC's prior consent. The Borrower may disclose the terms of this Agreement to its legal, banking, accounting and business advisors on a need to know basis. The Credit Parties authorize FCC to obtain credit or other information about the Credit Parties and the Collateral, as well as exchange such information with:

- (i) any financial institution, credit reporting agency or bureau rating agency, or Governmental Authority; and
- (ii) anyone with whom the Credit Parties may have or propose to have financial dealings. The Credit Parties agree that FCC may use loan information for FCC's internal research and marketing purposes and that FCC may contact the Credit Parties regarding FCC's other products and services.

#### **6.16 FCC Confidentiality**

FCC agrees to use reasonable efforts to ensure that any financial statement or other information relating to the business, assets or condition, financial or otherwise, of any Credit Party which may be delivered to FCC pursuant to this Agreement which is not publicly filed or otherwise made available to the public generally (and which is not independently known to FCC) will, to the extent permitted by law, be treated confidentially by FCC and will not, except with the consent of the Credit Party, be distributed or otherwise made available by FCC to any Person other than FCC's employees, authorized agents, counsel or other representatives (provided such other representatives have agreed to keep all information confidential) required, in the reasonable opinion of FCC, to have such information. FCC is hereby authorized to deliver a copy of any financial statement or other information relating to the business, assets or financial condition of any Credit Party which may be furnished to it under this Agreement or otherwise, to (i) any actual or potential participant or assignee provided notice thereof is given to the Borrower and the participant or assignee agrees to keep all such information confidential in accordance with the provisions hereof; (ii) any court, regulatory body or agency having jurisdiction over FCC pursuant to any court order requiring such information to be given by it, provided that where FCC receives such an order, FCC shall, to the extent it is reasonably able to do so and it is appropriate in the circumstances, advise the Borrower of the order prior to disclosing such information; and (iii) any Affiliate of FCC required, in the reasonable opinion of FCC, to have such information such Affiliate agrees to keep all such information confidential in accordance with the provisions hereof.

#### **6.17 Evidence of Debt**

FCC shall maintain accounts and records evidencing the Outstanding Obligations of the Borrower to FCC hereunder. FCC's accounts and records shall constitute *prima facie* evidence of such Outstanding Obligations to FCC in the absence of manifest error. The Borrower acknowledges, confirms and agrees that all such records kept by FCC shall

constitute *prima facie* evidence of the matters referred to above; provided, however, that the failure of FCC to make any entry or recording in any such records shall not limit or otherwise affect the Outstanding Obligations of the Borrower owed to FCC.

**6.18 *Joint and Several Liability***

Reserved.

**6.19 *Currency***

Unless otherwise expressly stated, all monetary amounts set out in this Agreement refer to the lawful money of Canada.

**6.20 *Words and Phrases***

Where the context so requires, words importing the singular include the plural, and vice versa, and words importing gender include the masculine, feminine, and neuter genders.

**6.21 *Headings and Table of Contents***

The table of contents and the headings of all articles, sections, and paragraphs herein are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

**6.22 *Accounting Practices***

In the event of any change in Accounting Standard or practices used by the Borrower including any change resulting from a change in Accounting Standard made after the Closing Date, or the adoption of International Financial Reporting Standards by the Borrower, which, in any material respect, changes, or results in a change in the method of calculation of, or has an impact on, any financial covenant, financial ratio, term or provision applicable to the Borrower, as determined by FCC acting reasonably, the Borrower and FCC (with the approval of FCC) will negotiate in good faith to revise (if applicable) such financial covenant, financial ratio, term or provision. If the Borrower and FCC are unable to agree upon revisions to such financial covenant, financial ratio, term or provision, the Borrower shall continue to provide Financial Statements, certificates and other information required under this Agreement in accordance with the Accounting Standard as they exist on the Closing Date and all financial covenants, financial ratios, terms and provisions shall be applied, calculated and interpreted in accordance with the Accounting Standard as they exist on the Closing Date.

**6.23 *Computation of Time Periods***

The computation of any time period referred to herein, which is not a defined term, shall exclude the day of the occurrence of the event to which the period relates and shall include the last day of such period. Unless otherwise specifically provided herein in the event that any time period referred to herein ends on a day which is not a Banking Day, such time period shall be deemed to end on the next following Banking Day.

**6.24 *Statutory References***

References herein to any statute or any provision thereof includes such statute or provision thereof as amended, revised, re-enacted and/or consolidated from time to time and any successor statute thereto or other legislation in pari passu material therewith.

**6.25 Certificates and Opinions, etc.**

Whenever the delivery of a certificate or opinion is a condition precedent to the taking of any action by FCC under any Loan Document, the truth and accuracy of the facts and opinions stated in such certificate or opinion shall in each case be conditions precedent to the right of the Borrower to have such action taken, and each statement of fact contained therein shall be deemed to be a representation and warranty of the Borrower for the purpose of this Agreement. Whenever any certificate is to be delivered by the Borrower, such certificate shall be signed on behalf of the Borrower by a senior officer of the Borrower.

**6.26 Determinations by Borrower**

All provisions contained herein requiring the Borrower to make a determination or assessment of any event or circumstance or other matter to the best of its knowledge shall be deemed to require the Borrower to make all inquiries and investigations as may be necessary or reasonable in the circumstances before making any such determination or assessment.

**6.27 Account Review and Right to Amend**

The Credit Facilities may be reviewed periodically. For all Credit Facilities, any default may result in, but not limited to, future disbursements being restricted, an adjustment of interest rate, fees being charged or a change in the repayment terms of the Credit Facilities.

**6.28 Loan Approval Expiry Date**

All amounts not advanced under any Credit Facility by the applicable Loan Approval Expiry Date may be cancelled at FCC's sole discretion.

**6.29 Customer Declaration**

FCC acts with integrity, balancing business decisions with individual needs to achieve FCC's vision of sustainable growth and prosperity for Canada's agriculture industry.

FCC is committed to supporting the industry over the long-term and through all cycles. FCC works with customers to understand the material issues that they face and to help them identify and resolve issues in a way that generates a positive impact on society while minimizing the risks associated with their business.

FCC's committed partnership begins with complete disclosure on all aspects of the Borrower's business.

FCC lends only to individuals or businesses with integrity who respect and adhere to applicable municipal bylaws, provincial and federal laws and regulations, who hold all permits and licenses required by law, and whose activities respect and care for:

- (a) the environment by exercising reasonable care to safeguard the environment through stewardship of land, air quality, and water;
- (b) animal welfare through application of the National Farm Animal Care Council (NFACC) Codes as a foundation for animal care;
- (c) labour standards by upholding requirements set through Canada's labour laws including for seasonal workers; and willfully violate employee or human rights; and

(d) in general, society and human rights.

FCC does not lend to individuals or businesses who:

- (a) willfully neglect applicable operating laws and regulations;
- (b) engage in any money laundering activities or are involved in financing terrorist activities; or
- (c) are involved in illegal or other activities that could harm FCC's reputation and/or do not align with FCC's expressed commitment to sustainability.

The Borrower must disclose in writing to FCC if they:

- (a) anticipate or are involved in any legal action, or any proceedings before any court, tribunal, board or agency or there are any unexecuted judgments rendered against them;
- (b) are in default under any material contracts that affect their business or assets;
- (c) have declared bankruptcy (discharged or undischarged) or have been the subject of other insolvency proceedings or proposals;
- (d) have been in arrears in the payment of income, business or property taxes, GST, HST, sales tax, payroll deductions, or similar payment obligations;
- (e) have been convicted of a criminal offence (except for a conviction for which a pardon has been granted);
- (f) have undergone any type of investigation or have been accused or convicted of any offense related to fraud, money laundering or terrorist financing; or
- (g) are aware of any of their directors, officers, shareholders, or partners being involved in any of the preceding issues, as applicable.

If the Borrower fails to conduct its business in line with the integrity commitments and required disclosures set out above, FCC may consider this to be an Event of Default or cause to end any contractual relationship between the Borrower and FCC. Specifically, FCC may decline to provide further financial services or make any further loan disbursements, terminate their loan(s), demand immediate repayment of any outstanding loan balance or other amount due by the Borrower, or enforce FCC's interest in any property pledged to secure their loan.

**By executing this Agreement, the Borrower:**

- (a) has read and affirms the integrity declaration;**
- (b) consents to FCC's collection, use, and disclosure of its personal information in the manner and for the purposes described above; and**
- (c) knows of no reason FCC may have any concern with its business.**



## SCHEDULE B - LOAN SPECIFIC FEATURES

### 1. Variable Mortgage Rate Terms

#### 1.1 *Applicable Interest Rate*

Credit Facility No. 762753001 is a Standard Variable Mortgage Rate Loan.

The interest rate applicable to Credit Facility No. 762753001 will be FCC's Variable Mortgage Rate plus 2.00% during the term of Credit Facility No. 762753001. Interest will begin accruing on Credit Facility No. 762753001 at FCC's Variable Mortgage Rate plus 2.00% upon first disbursement of any portion of Credit Facility No. 762753001.

Credit Facility No. 712591001 is a Fixed Rate Interest Loan.

The interest rate applicable to Credit Facility No. 712591001 will be 5.25% during the term of Credit Facility No. 712591001.

Credit Facility No. 739304001 is a Standard Variable Mortgage Rate Loan.

The interest rate applicable to Credit Facility No. 739304001 will be FCC's Variable Mortgage Rate plus 2.00% during the term of Credit Facility No. 739304001. Interest will begin accruing on Credit Facility No. 739304001 at FCC's Variable Mortgage Rate plus 2.00% upon first disbursement of any portion of Credit Facility No. 739304001.

The Variable Mortgage Rate is currently 4.20% per annum but may change from time to time without prior notice to the Borrower. The Borrower agrees that FCC's publication of its Variable Mortgage Rate in its offices shall be conclusive and binding between the parties to determine the rate of interest applicable to the Credit Facilities.

Each change in FCC's variable interest rate shall cause an immediate and automatic adjustment in any variable interest rate applicable under this Agreement, from the effective date of the change, calculated in accordance with FCC's usual practices, and without notification to the Borrower.

#### 1.2 *Payment Adjustment*

If FCC's Variable Mortgage Rate or other variable rate application to a loan changes FCC may adjust the payment amounts for any variable rate loan, as a result of changes in the interest rate, to ensure that the principal payments are being repaid as originally intended under this Agreement.

#### 1.3 *Interest Rate Guarantee*

Variable Rate Loans have no interest rate guarantee.

#### 1.4 *Convertibility*

Any loan that has an Open Variable Mortgage Rate interest term may be converted, at any time, upon payment of a Conversion Fee, to any other loan that has a Mortgage interest term.

Any loan that has a Variable Mortgage Rate interest term may be converted, at any time, upon payment of a Conversion Fee, to any available Mortgage Rate Loan, except the Open Variable mortgage.

## 2. Interest Rate Guarantee

### 2.1 *Real Property Loan*

All funds disbursed in the first 90 days will be at the lower of:

- (a) the interest rate quoted in the Agreement, or
- (b) the interest rate in effect on the date of first disbursement of such Credit Facility.

This same rate will apply to all Advances made after 90 days, provided that 90% of the principal amount of such Credit Facility is disbursed by the Interest Rate Guarantee Expiry Date. If 90% of the principal amount of such Credit Facility is not disbursed by the Interest Rate Guarantee Expiry Date, then all funds advanced after the Interest Rate Guarantee Expiry Date will bear interest at the rate in effect on the date of each disbursement as determined by FCC in its sole discretion. If this results in multiple interest rates for Credit Facility No. 762753001, FCC will calculate a weighted average interest rate for the entire Loan at the time of each disbursement. For Credit Facilities secured by mortgages, if the actual interest rate charged is higher than the registered rate, the funds will be advanced on the trust condition that the Credit Parties execute (and register, if appropriate) a mortgage amending agreement reflecting the higher interest rate.

## 3. Capacity Builder/Construction Loan

### 3.1 *Capacity Builder Repayment*

The repayment option chosen for Credit Facility No. 739304001 is such that the interest will be paid by the Borrower monthly, commencing September 1, 2020, and blended payments of interest and principal starting February 1, 2022, as set out in Section 2.1 of the Agreement.

The repayment option chosen for Credit Facility No. 762753001 is such that the interest will be paid by the Borrower monthly, commencing June 1, 2021 until the end of the Deferral Period.

**"Deferral Period"** means the term of Credit Facility No. 762753001 during which there is either:

- (a) a partial payment of accrued interest, or
- (b) no payment.

### 3.2 *Tier 3 Construction Terms and Conditions*

1. FCC has agreed to provide financing to the Borrower for construction or renovation work or the installation of fixed equipment or the completion of improvements (the **"Project"**). The Borrower agrees that the construction funds under Credit Facility No. 762753001 will only be used for the completion of the Project.
2. The Borrower agrees to undertake and complete the project in compliance with all applicable federal, provincial and local zoning, building and environmental requirements. The Borrower agrees to provide FCC with evidence that you have obtained all required permits and licenses upon FCC's request. The Borrower agrees to not start the Project without first obtaining the required permits and licenses.

3. The Borrower agrees to provide FCC with project plans and specifications, a budget and supporting quotes, estimated completion date and project milestones for the Project in a form acceptable to FCC. The Borrower agrees to complete the Project expediently according to the plans and specifications provided to FCC.
4. The Borrower agrees to advise FCC of the completion date of the Project, which will be on or before March 31, 2022.
5. Major Project milestones are:
  - (a) Building refurbishment to be completed on or before June 30, 2021;
  - (b) Additional storage bins to be erected on or before September 30, 2021; and
  - (c) Buhler equipment delivery and shipment confirmation to occur on or before December 31, 2021.
6. Prior to an advance on Credit Facility No. 762753001, the Borrower shall provide FCC with evidence satisfactory to it that a cash equity investment of \$2,000,000.00 has been made by the Credit Parties in the Project.
7. The Borrower will arrange course of construction Insurance, commercial general liability insurance and property insurance and have it in effect to protect the Borrower from loss and liability during and after completion of the Project. The Borrower may be required to designate FCC as beneficiary on the course of construction insurance and property insurance in amounts and on terms acceptable to FCC. When requested, the Borrower will provide FCC with evidence of such insurance coverage in a form acceptable to FCC.
8. The Borrower agrees to allow FCC's representatives to inspect the Project.
9. FCC will review and monitor the construction progress of the Project and will advance funds for the Project at its discretion based on its review of the Project costs, its assessment of the progress of the Project, and the value of the work completed and estimated costs to complete the Project.
10. FCC will either advance the construction funds under Credit Facility No. 762753001 through FCC's solicitor, or directly to the Borrower by cheque or electronic funds transfer into an account in which the Borrower has authorized FCC to deposit funds. The Borrower is responsible for covering all costs incurred by FCC's solicitor relating to the advancing of funds for the Project, and the Borrower authorizes FCC to deduct costs for disbursements and title searches from the Advances to the Borrower under Credit Facility No. 762753001 or charge such costs to the Borrower's account.
11. The Borrower agrees that as the owner of the Project, the Borrower will maintain lien holdbacks and administer project funds as required by *The Builders' Lien Act*, *Commercial Liens Act* or any other provincial legislation or regulations that apply to construction projects in the Province of Saskatchewan. The Borrower will not hold FCC liable if the Borrower fails to properly maintain and administer holdbacks. If a lien is registered against the Project, the Borrower agrees to allow FCC to withhold from any advance to the Borrower, or to pay into court from this Loan, any amounts that in FCC's discretion are considered necessary to maintain FCC's priority and to protect FCC's interests under the provisions of any provincial legislation and regulations. The Borrower agrees that nothing in this Agreement will be interpreted to make FCC an "owner" or "payer" as defined by the applicable provincial lien legislation. The Borrower agrees that FCC has no obligation to retain any holdback or to maintain any holdback on the Borrower's behalf.

12. FCC will consider any notification of a pending lien against the Project to be the same as the registration of a lien against the Project. The Borrower hereby authorizes FCC to provide information about Credit Facility No. 762753001 and the mortgage on the Project to any person claiming a construction, builder's or mechanic's lien against the Project. The Borrower further agrees to reimburse FCC for legal expenses incurred if any lien against the Project names FCC as a party to legal proceedings to enforce a construction lien or trust claim relating to the Project.
13. If the Borrower completes the Project under budget, FCC may at its discretion cancel any remaining un-advanced funds that were approved by FCC for the Project.
14. The Borrower agrees that cost overruns on the Project are the Borrower's responsibility and FCC is not obligated to provide additional financing. FCC may consider additional financing for the Project in a cost overrun situation.
15. In addition to the Events of Default set out in this Agreement, FCC will consider the Borrower to be in Default if:
  - (a) the construction funds are used for other purposes without FCC's prior written consent;
  - (b) the Project is not completed according to the plans and specifications provided to FCC;
  - (c) there are unreasonable delays in the progress of the Project
  - (d) the Borrower or the contractor abandon the Project;
  - (e) the Borrower has not obtained the necessary permits and licenses for the Project;
  - (f) a lien is registered against the Project and the Borrower does not promptly discharge it or otherwise deal with it to FCC's satisfaction, acting reasonably;
  - (g) the Borrower authorizes changes to the Project or construction contracts without FCC's prior written approval; and
  - (h) other project investments or funding required from other sources are not deposited into the Project.

#### 4. Interest Act

Unless otherwise specified, all annual rates of interest referred to in this Agreement are based on a calendar year of 365 or 366 days, as the case may be. Where a rate of interest under this Agreement is calculated on the basis of a year (the "**Deemed Year**") which contains fewer days than the actual number of days in the calendar year of calculation, that rate of interest will be expressed as a yearly rate for the purposes of the *Interest Act* (Canada) by multiplying that rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the Deemed Year.

For purposes of the *Interest Act* (Canada), the principle of deemed reinvestment of interest will not apply to any interest rate calculation under this Agreement, and the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

Interest on each Loan shall be calculated on the daily outstanding balance of such Loan from (and including) the date it is advanced until (but excluding) the date it is repaid in full. The rates of interest per annum are expressed on the basis of a 365 or 366 day year, as applicable.

Interest owing on a Real Property Loan shall be compounded semi-annually, not in advance. Interest owing on a Personal Property Loan shall be compounded on each payment date (for example, interest shall be compounded monthly if payments are made monthly). All such interest shall be payable both before and after maturity, default and judgment on the amount outstanding from day to day until payment is made.

## 5. Maximum Interest Rate

- (a) In the event that any provision of this Agreement would oblige the Borrower to make any payment of interest or any other payment which is construed by a court of competent jurisdiction to be interest in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by FCC of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted nunc pro tunc to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by FCC of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows:
  - (i) firstly, by reducing the amount or rate of interest required to be paid under this Agreement; and
  - (ii) thereafter, by reducing any fees, commissions, premiums and other amounts which would constitute interest for the purposes of Section 347 of the Criminal Code (Canada).
- (b) If, notwithstanding the provisions of Section 5(a) above and after giving effect to all adjustments contemplated thereby, FCC shall have received an amount in excess of the maximum permitted by such clause, then such excess shall be applied by FCC to the reduction of the principal balance of the Outstanding Obligations and not to the payment of interest or if such excessive interest exceeds such principal balance, such excess shall be refunded to the Borrower; and
- (c) Any amount or rate of interest referred to in this Section 5 shall be determined in accordance with generally accepted actuarial practices and principles at an effective annual rate of interest over the term of this Agreement on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the Criminal Code (Canada)) shall, if they relate to a specific period of time, be prorated over that period of time and otherwise be prorated over the terms of this Agreement and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by FCC shall be conclusive for the purposes of such determination.

## SCHEDULE C - DEFINITIONS

In this Agreement, unless the context otherwise requires, the following terms shall have the meaning set out below:

**“Accounting Standard”** means (i) Canadian Generally Accepted Accounting Principles with respect to any Credit Party that reports its financial statements using such principles, or (ii) International Financial Reporting Standards with respect to any Credit Party that reports its financial results using such standards.

**“Acquisition”** means any transaction, or any series of related transactions, consummated after the Original Closing Date, by which any Credit Party, directly or indirectly, by means of a Take-Over Bid, tender offer, amalgamation, merger, investment, purchase of property and assets or otherwise:

- (a) acquires any business, line of business or business unit or all or substantially all of the property and assets of any Person engaged in any business, line of business or constituting a business unit, or constitutes all or a material part of a business unit, division or line of business of such Person;
- (b) acquires control of securities of a Person engaged in a business representing more than 50% of the ordinary voting power for the election of directors or other governing position if the business affairs of such Person are managed by a board of directors or other governing body;
- (c) acquires control of more than 50% of the ownership interests or economic interests in any Person engaged in any business that is not managed by a board of directors or other governing body; or
- (d) acquires Control of a Person.

**“Advance”** means an advance under any Credit Facility by FCC, and **“Advances”** means all such advances under any Credit Facility or the Credit Facilities, as the context may require.

**“Affiliate”** means with respect to any Person, any Person which, directly or indirectly, controls or is controlled by or is under common control with such person and for the purposes of this definition, “control” (including with correlative meanings, the terms “controlled by” and “under common control with”) shall have the meaning set forth in the *Canada Business Corporations Act* as amended, revised, replaced or re-enacted from time to time.

**“Agreement”** means this second amended and restated credit agreement between FCC and the Borrower and the other Credit Parties to which this Schedule is attached, including this Schedule and any other schedules hereto or thereto, as such agreement and schedules may be amended, restated, renewed, extended, supplemented or otherwise modified from time to time.

**“Applicable Law”** means (i) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise), (ii) any judgment, order, writ, injunction, decision, ruling, decree or award, (iii) any regulatory policy, practice, guideline or directive, or (iv) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law.

**“Asset Disposition”** means, with respect to any Person, the sale, lease, license, transfer, assignment or other disposition of, or the expropriation or condemnation of, all or any portion of its business, assets, rights, revenues or property, real, personal or mixed, tangible or intangible, moveable or immoveable, and whether in one transaction or a series of transactions.

**“Balance Due Date”** means the balance due date for each Credit Facility as set out in Section 2 on which date such Credit Facility matures and is repayable in full or any subsequent date to which the applicable balance due date is extended by FCC in writing and accordance with this Agreement.

**“Banking Day”** means any day other than Saturday or Sunday, on which FCC’s corporate office in Regina, Saskatchewan, is open for normal business.

**“Benefit Plan”** means any plan, fund, program or policy, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, providing employee benefits, including medical, hospital care, dental, sickness, accident, disability, life insurance, pension, retirement or savings benefits, maternity or parental benefits, supplemental unemployment benefits, bonus, profit sharing, executive compensation, current or deferred compensation, incentive compensation, stock compensation, stock purchase, stock option, stock appreciation or phantom stock option, maintained or contributed to by any Credit Party at any time or under which any Credit Party has any liability with respect to any employee or former employee who works or worked, as the case may be, in Canada but excluding any Pension Plan.

**“Borrower”** means Global Food and Ingredients Inc. and its successors and permitted assigns.

**“Capital Expenditures”** means, for any period, any and all expenditures incurred in connection with the acquisition, whether by way of purchase, lease or otherwise, of capital property.

**“Capital Lease Obligations”** of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under the Accounting Standard, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with the Accounting Standard.

**“Change in Control”** means the occurrence of any one of the following:

- (a) the death or incapacity of any Credit Party who is an individual Person;
- (b) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group of Persons acting jointly or otherwise in concert, in a single transaction or in a related series of transactions, of Equity Securities representing 50% or more of the aggregate ordinary voting power represented by the issued and outstanding Equity Securities of the Borrower or any other Credit Party; or
- (c) there is any change in the composition of the officers or directors of the Borrower from those (i) in existence as at the Closing Date, or (ii) Persons which have been approved in writing by FCC from time to time after the Closing Date.

**“Closing Date”** has the meaning set out in Section 2.1 of this Agreement.

**“Collateral”** means any and all real and personal property now owned or hereafter acquired by any Credit Party and all proceeds thereof including, without limitation, all real and personal property upon which FCC has, or is entitled to have, or may hereafter have, any Lien under or pursuant to any of the Security Documents.

**“Compliance Certificate”** means a certificate of a senior officer of the Borrower substantially in the form of Schedule E hereto.

**“Contaminant”** means any pollutants, dangerous substances, liquid waste, industrial waste, hauled liquid waste, toxic substances, hazardous wastes, hazardous materials, hazardous substances or other like substances or material that is regulated by any Environmental Law.

**“Contested”** means contested in good faith by appropriate proceedings promptly initiated and actively and diligently conducted.

**“Control”** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise and, including, without limitation, acting in the capacity of general partner of a limited partnership; and “Controlling” and “Controlled” shall have an analogous meaning.

**“Conversion Fee”** means the fee payable by the Borrower to FCC, in an amount determined by FCC, to convert the loan to a different type of product.

**“Core Business”** means agri-business including, without limitation, businesses related to or ancillary to the agricultural and food processing industries and the current operations of the Credit Parties.

**“Credit Facilities”** means, collectively, all loans and credit facilities established by FCC in favour of the Borrower from time to time and **“Credit Facility”** means any of them as the context may require.

**“Credit Parties”** means, collectively, the Borrower and the Guarantors, and **“Credit Party”** means any one of them.

**“Default”** means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both.

**“Environmental Activity”** means any past, present or future activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its release, escape, leaching, dispersal or migration into the natural environment, including the movement through or in the air, soil, surface water or groundwater.

**“Environmental Law”** means any common law and any federal, provincial, state, municipal or local law, statute, regulation, code, treaty, order, judgment, decree, ordinance, official directive, authorization, policy, guideline, convention or standard relating in any way to the environment, occupational health and safety, or any Environmental Activity.

**“Equity Securities”** means, with respect to any Person, any and all shares, stock or units of, interests, participations or rights in, or other equivalents (however designated and whether voting and non-voting) of, such Person’s capital, whether outstanding on the date hereof or issued after the date hereof, including any interest in a partnership, limited partnership, limited liability company or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, debt securities, options or other rights exchangeable for or convertible into any of the foregoing.

**“Financial Year”** means, with respect to any Credit Party, the 12-month fiscal period on which such Credit Party reports its annual financial results in accordance with the Accounting Standard.

**“GFI Shareholders”** means all Persons holding Equity Securities of the Borrower on the Closing Date, including, without limitation, David Hanna, Samira Sharezay, 35 Oak Holdings Ltd., Michael Wiener, Kevin Wiener, Robert Wolf, Kuriandi Kuriandi, Frank van Biesen, Bill Murray, Jie Zhang and Jaime Rueda and shall include any Person acquiring Equity Securities of the Borrower after the Closing Date.

**“GFI Shareholders Indebtedness”** and **“GFI Shareholders Subordination Agreements”** shall have the meanings given to such terms in Section 3.4(b).

**“Governmental Authority”** means any nation, federal government, province, state, municipality or other political subdivision of any of the foregoing, and any entity exercising executive, legislative, judicial,



regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

**“Guarantee”** means, with respect to a Person, any absolute or contingent liability of that Person under any guarantee, agreement, endorsement (other than for collection or deposit in the ordinary course of business), discount with recourse or other obligation to pay, purchase, repurchase or otherwise be or become liable or obligated upon or in respect of any Indebtedness of any other Person and including any absolute or contingent obligations to:

- (a) advance or supply funds for the payment or purchase of any Indebtedness of any other Person;
- (b) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any other Person to make payment of Indebtedness or to assure the holder thereof against loss; or
- (c) indemnify or hold harmless any other Person from or against any losses, liabilities or damages, in circumstances intended to enable such other Person to incur or pay any Indebtedness or to comply with any agreement relating thereto or otherwise to assure or protect creditors against loss in respect of such Indebtedness.

Each Guarantee shall be deemed to be in an amount equal to the amount of the Indebtedness in respect of which the Guarantee is given, unless the Guarantee is limited to a determinable amount in which case the amount of the Guarantee shall be deemed to be the lesser of the amount of the Indebtedness in respect of which the Guarantee is given and such determinable amount.

**“Guarantors”** means, collectively:

- (a) Global Food and Ingredients (USA) Inc. and its successors and permitted assigns;
- (b) North Lily Foods Inc. and its successors and permitted assigns;
- (c) GFI Brands Inc. and its successors and permitted assigns;
- (d) any other present or future direct or indirect Subsidiary of the Borrower or any other Credit Party that is required to deliver security pursuant to Section 1.1(o) of Schedule A attached hereto; and
- (e) any other Person that, with the prior written consent of FCC, at any time in the future guarantees any of the Outstanding Obligations pursuant to a Guarantee or other guarantee agreement and grants security in support thereof, all in form and substance satisfactory to FCC,

and **“Guarantor”** means any one of them.

**“Indebtedness”** means, with respect to any Person, but without duplication, (i) an obligation of such Person for borrowed money, (ii) an obligation of such Person evidenced by a note, bond, debenture or other similar instrument, (iii) an obligation of such Person for the deferred purchase price of property or services, excluding trade payables and other accrued current liabilities incurred in the ordinary course of business in accordance with customary commercial terms, (iv) a capitalized lease obligation of such Person, (v) a guarantee, indemnity, or financial support obligation of such Person, determined in accordance with the Accounting Standard, (vi) an obligation of such Person or of any other Person secured by a Lien on any property of such Person, even though such Person has not otherwise assumed or become liable for the payment of such obligation, (vii) an obligation arising in connection with an

acceptance facility or letter of credit issued for the account of such Person, or (viii) a share in the capital of such Person that is redeemable by such Person either at a fixed time or on demand by the holder of such share (valued at the maximum purchase price at which such person may be required to redeem, repurchase or otherwise acquire such share). For greater certainty, **"Indebtedness"** excludes trade payables of such Person incurred in the ordinary course of business, the payment of which is not overdue by more than 30 days under the applicable supplier's payment terms.

**"Investment"** means, as applied to any Person (the **"investor"**):

- (a) any direct or indirect purchase or other acquisition by the investor of, or a beneficial interest in, Equity Securities of any other Person that does not otherwise constitute an Acquisition, including any exchange of Equity Securities for indebtedness;
- (b) any direct or indirect loan, advance (other than advances to employees for moving and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contribution (by way of cash or property) by the investor to any other Person, including all indebtedness and accounts receivable owing to the investor from such other Person that did not arise from sales or services rendered to such other Person in the ordinary course of the investor's business; or
- (c) any direct or indirect purchase or other acquisition of bonds, notes, debentures or other debt securities of, any other Person.

The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment minus any amounts: (i) realized upon the disposition of assets comprising an Investment (including the value of any liabilities assumed by any Person other than a Credit Party in connection with such disposition), (ii) constituting repayments of Investments that are loans or advances, or (iii) constituting cash returns of principal or capital thereon (including any dividend, redemption or repurchase of equity that is accounted for, in accordance with the Accounting Standard, as a return of principal or capital).

**"Lajord Facility"** or **"Lajord Plant"** has the meaning set out in Section 3.2(b)(i) of this Agreement.

**"Lajord Lease"** means the lease dated October 1, 2015 between Stewart Southern Railway Inc., as landlord, and CanPulse Foods Ltd., as tenant, in respect of the Lajord Facility and previously assigned by CanPulse Foods Ltd. to 11567403 Canada Inc., as general partner on behalf of GFI LP, and previously assigned pursuant to an assignment of lease made as of the Closing Date between 11567403 Canada Inc., as general partner on behalf of GFI LP, as assignor, and the Borrower, as assignee (the latter agreement being the **"Lajord Lease Assignment Agreement"**).

**"Lajord Landlord"** and **"Lajord Landlord Waiver and Consent"** have the meaning set out in Section 3.6(b) of this Agreement.

**"Lien"** means any mortgage, hypothec, title retention, prior claim, pledge, assignment, lien, right of set-off/compensation, charge, security interest or other encumbrance whatsoever, whether fixed or floating and howsoever created or arising.

**"Loan Documents"** means, collectively, this Agreement, the Security Documents and all other documents, instruments and agreements in favour of FCC related hereto and any other document which, pursuant to the provisions of this Agreement, is stated to be a Loan Document, and, in each case, as may be amended, supplemented, restated, replaced or otherwise modified from time to time.

**“Material Adverse Change”** means any event, development, circumstance or situation that has had or could have a Material Adverse Effect.

**“Material Adverse Effect”** means a material adverse effect on: (i) the business, property, assets, liabilities, operations, condition (financial or otherwise), affairs or prospects of the Credit Parties taken as a whole; (ii) the ability of the Credit Parties, taken as a whole, to perform their obligations under any of the Loan Documents; and (iii) the ability of FCC to enforce its rights and remedies under any of the Loan Documents.

**“Material Contract”** means:

- (a) all pension plans and benefit plans operated by any Credit Party, if any,
- (b) the JPM Intercreditor Agreement and all loan and security documents entered into by the Credit Parties with JPM;
- (c) the Lajord Lease, the Lajord Lease Assignment and the Lajord Landlord Waiver and Consent;
- (d) any other agreement, contract or similar instrument to which any Credit Party is a party or to which any of their property and assets may be subject for which breach, non-performance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

**“Mortgaged Properties”** and **“Properties”** have the meanings given to such term in Section 3.2(b)(i).

**“Original Closing Date”** means November 25, 2019.

**“Outstanding Obligations”** means, at any time without duplication, the aggregate of: (i) all outstanding Advances, (ii) all due and unpaid interest, fees, charges, indemnities and expenses in respect of this Agreement and any other Loan Document required to be paid by any Credit Party to FCC, (iii) all other indebtedness, liabilities and obligations of any Credit Party to FCC, direct or indirect, contingent or otherwise, as principal or as surety, and all unpaid interest, fees, charges, indemnities and expenses in respect thereof required to be paid by any Credit Party to FCC, and (iv) any and all expenses and charges, whether for legal expenses or otherwise, suffered or incurred by FCC in collecting or enforcing any of such indebtedness, obligations, and liabilities outlined in paragraphs (i), (ii) and (iii) immediately above or in realizing on or protecting or preserving any security held therefor, including, without limitation, the Security Documents.

**“PBA”** means the *Pension Benefits Act* (Ontario) and the regulations thereunder as in effect from time to time.

**“Pension Plan”** means any plan, program or arrangement that is a pension plan for the purposes of any applicable pension benefits legislation or any tax laws of Canada or a Province thereof, whether or not registered under Canadian federal or provincial law, that is maintained or contributed to by, or to which there is or may be an obligation to contribute by, any Credit Party for its employees or former employees, but does not include the Canada Pension Plan or the Quebec Pension Plan as maintained by the Government of Canada or the Province of Quebec.

**“Permitted Acquisitions”** means Acquisitions by any one or more of the Credit Parties which satisfy the following conditions:

- (a) the target must be in a similar or complimentary line of Core Business as the Credit Parties and reside in Canada;

- (b) the Acquisition must be non-hostile and the target must become a wholly-owned subsidiary of one of the Credit Parties and, in the case of a limited partnership, one of the Borrower's wholly-owned Subsidiaries becomes the general partner of such limited partnership;
- (c) the Credit Parties shall be in compliance with all terms of this Agreement;
- (d) FCC shall have received financial information, in form and substance satisfactory to FCC, prior to the entry into by the applicable Credit Party of any agreement in respect of the Acquisition demonstrating pro forma compliance by the Borrower of the financial covenants set out in this Agreement for the next two (2) Financial Years following completion of the Acquisition;
- (e) within thirty (30) days of closing the Acquisition, the applicable Credit Party will provide FCC with a Lien in the acquired entity; and
- (f) at the time of and immediately after making any such Acquisition, no Default or Event of Default shall have occurred and be continuing or would result therefrom.

**"Permitted Asset Disposition"** means an Asset Disposition by any Credit Party which satisfies any of the following conditions (without duplication):

- (a) such Asset Disposition is of inventory in the ordinary course of its business upon customary credit terms;
- (b) such Asset Disposition consists of land and buildings, machinery, equipment or inventory of any Credit Party which is surplus, obsolete, worn-out or redundant;
- (c) the net proceeds from the sale of all such property and assets which have been sold are applied to acquire new assets having a similar use or performing a similar function to those assets which are the subject of such Asset Disposition within one hundred and eighty (180) days of such Asset Disposition; or
- (d) Asset Dispositions that have been specifically approved by FCC in writing.

**"Permitted Indebtedness"** means the following Indebtedness of the Credit Parties (without duplication):

- (a) the Outstanding Obligations;
- (b) current accounts payable and accrued expenses arising in the ordinary course of business from the purchase or sale of goods and services, including sureties, guarantees and indemnities given in respect thereof;
- (c) Purchase Money Obligations of the Credit Parties; provided that, the Credit Parties shall be in compliance with the financial covenants set out in this Agreement;
- (d) Capital Lease Obligations of the Credit Parties; provided that, the Credit Parties shall be in compliance with the financial covenants set out in this Agreement;
- (e) Indebtedness in the nature of a Guarantee of any Permitted Indebtedness of any Credit Party;
- (f) Indebtedness under the loan agreement with JPM; provided that, the aggregate principal amount of such Indebtedness shall not exceed \$43,000,000 at any time outstanding;

- (g) Subordinated Debt; provided that, the subordinated lender has executed and delivered a subordination and postponement agreement to FCC and it remains in full force and effect at all times; and
- (h) other Indebtedness in respect of which FCC has provided its prior written consent.

**“Permitted Liens”** means, with respect to any property or asset of any Person, the following Liens:

- (a) encumbrances, including, without limitation, easements, rights of way, encroachments, restrictive covenants, servitudes or other similar rights in land granted to or reserved by other Persons, rights of way for sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real / immovable properties which encumbrances, easements, servitudes, rights of way, other similar rights and restrictions do not in the aggregate materially detract from the value of the said properties or materially impair their use in the operation of the business of such Persons;
- (b) any right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant or permit acquired by such Person, or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other periodic payments as a condition of the continuance thereof;
- (c) security or deposits given by such Person to a public utility or any Governmental Authority when required by such utility or Governmental Authority in connection with the operations of such Person and in the ordinary course of its business;
- (d) reservations, limitations, provisos and conditions, if any, expressed in any original grants from the Crown;
- (e) any lien for taxes or assessments not yet due or, if due, are being Contested and for which a reasonable reserve satisfactory to FCC has been provided;
- (f) any carriers, warehousemen, contractors, subcontractors, suppliers, mechanics or material liens arising in the ordinary course of business in respect of charges accruing in favour of any Person, so long as such charges are not yet due or, if due, are being Contested and for which a reasonable reserve satisfactory to FCC has been provided;
- (g) undetermined or inchoate liens, privileges, hypothecs or charges arising in the ordinary course of business which have not at such time been filed (or are not required to be filed) pursuant to law against such person’s property or assets or which relate to obligations not due or delinquent;
- (h) Liens or deposits to secure the performance of bids, tenders, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature (other than for borrowed money) incurred in the ordinary course of business;
- (i) Purchase Money Liens;
- (j) Liens in favour of JPM; provided that, any such Liens are subject to the JPM Inter-creditor Agreement which is and remains in effect at all times;

- (k) Liens in favour of the Subordinate Investors; provided that, any such Liens are subject to the Subordinate Investors Subordination Agreements which are and remains in effect at all times;
- (l) Liens in favour of the GFI Shareholders; provided that, any such Liens are subject to the GFI Shareholder Subordination Agreements which are and remains in effect at all times
- (m) Liens in favour of FCC in respect of the Outstanding Obligations;
- (n) Liens in respect of Subordinated Debt; provided that such Liens are subject to a subordination and postponement agreement from the applicable subordinated lender (in a form and substance satisfactory to FCC) and it remains in full force and effect at all times; and
- (o) any Liens in respect of which FCC has given its prior written consent,

provided, however, that: (i) the designation in any Loan Document of a lien, encumbrance or claim as a **"Permitted Lien"** is not, and shall not be deemed to be, an acknowledgement by FCC that the lien, encumbrance or claim shall have priority over the liens, encumbrances and claims of FCC against any one or more of the Credit Parties or their respective assets, and (ii) any reference in any Loan Document to "subject to Permitted Liens" or "other than Permitted Liens" shall not be construed to be a subordination or postponement of any lien, encumbrance or claim of FCC to any holder of a Permitted Lien, nor shall such reference elevate the priority of any Permitted Lien above the level it would otherwise have under Applicable Law against any one or more of the Credit Parties or their respective assets.

**"Person"** means an individual, a partnership, a corporation, a trust, an unincorporated organization, a government or any department or agency thereof or any other entity whatsoever and the heirs, executors, administrators or other legal representatives of an individual.

**"PPSA"** means the *Personal Property Security Act* applicable to the Borrower based on the Borrower's location, including all regulations and minister's orders thereunder, as such legislation is amended, revised, replaced or re-enacted from time to time.

**"Project"** has the meaning set out in Section 3.2(1) of in Schedule B.

**"Purchase Money Lien"** means any Lien which secures a Purchase Money Obligation permitted by this Agreement; provided that, such Lien is created not later than 30 days after such Purchase Money Obligation is incurred and does not affect any asset other than the asset financed by such Purchase Money Obligation.

**"Purchase Money Obligations"** means any Indebtedness (including without limitation a capitalized lease obligation) incurred or assumed to finance all or any part of the acquisition price of any asset acquired by the Credit Parties or to finance all or any part of the cost of any improvement to any asset of any of the Credit Parties; provided that, such obligation is incurred or assumed prior to or within 30 days after the acquisition of such asset or the completion of such improvement and does not exceed the lesser of the acquisition price payable by the applicable Credit Party for such asset or improvement and the fair market value of such asset or improvement; and includes any extension, renewal or refunding of any such obligation so long as the principal amount thereof outstanding on the date of such extension, renewal or refunding is not increased.

**"Related Parties"** means, with respect to any Person, such Person's Affiliates and associates, and the directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates and associates (the term "associate" having the meaning ascribed thereto in the *Canada Business Corporations Act*) and **"Related Party"** means any one of them.

“**Receiver**” means a receiver or a receiver and manager and includes, without limitation, an interim receiver under the *Bankruptcy and Insolvency Act* (Canada).

“**Restricted Payment**” means, with respect to any Person, any payment by such Person: (a) of any dividends or other distributions on any of its Equity Securities, (b) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any of the Equity Securities of such Person or any of its Subsidiaries or any warrants, options or rights to acquire any such Equity Securities, or the making by such Person of any other distribution in respect of any of such Equity Securities, (c) of any principal of, or interest or premium on, or of any amount in respect of a sinking or analogous fund or defeasance fund for, any Indebtedness of such Person ranking in right of payment subordinate to any liability of such Person under the Loan Documents (including any Subordinated Debt), (d) of any principal of, or interest or premium on, or of any amount in respect of a sinking or analogous fund or defeasance fund for, any Indebtedness of such Person to a shareholder of such Person or to any non arm’s length party (within the meaning of the *Income Tax Act* (Canada) of such Person or shareholder, or (e) of any: (i) any management, consulting or similar fee or any bonus payment or comparable payment, (ii) by way of gift or other gratuity, or (iii) for services rendered, property leased or acquired, or for any other reason, in each case, to any Related Party or any non arm’s length party (within the meaning of the *Income Tax Act* (Canada) of such Person.

“**Sale/Leaseback Transaction**” means any arrangement with any Person (other than a Credit Party) providing, directly or indirectly, for the leasing by any Credit Party of property (except a lease for a temporary period not to exceed three years by the end of which it is intended that the use of such property by the lessee will be discontinued), which has been or is to be sold or transferred by any Credit Party to such other Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property.

“**Security Documents**” means, collectively, all guarantees, mortgages, hypothecs, security agreements, pledges, assignments and charges executed by any Credit Party in favour of FCC from time to time including, without limitation, any pre-existing guarantees, mortgages, hypothecs, security agreements, pledges, assignments and charges which are by their terms or the terms of this Agreement intended to secure payment and performance of the Outstanding Obligations.

“**Sedley Facility**” or “**Sedley Plant**” has the meaning set out in Section 3.2(a)(i) of this Agreement.

“**Subordinated Debt**” means, at any time, Indebtedness of any Credit Party (i) the primary terms of which (including, without limitation, its interest rate, payment schedule, maturity date and applicable acceleration rights and the proposed use of such funds) are all satisfactory to FCC in its sole discretion, (ii) which has been validly postponed and subordinated in right of payment and collection to the repayment in full of the Outstanding Obligations to the satisfaction of FCC in its sole discretion, and (iii) all security, if any, held for such Indebtedness has been fully subordinated and postponed to the Security Documents to the satisfaction of FCC in its sole discretion.

“**Subordinate Investors**” means all Persons holding Indebtedness of the Credit Parties on the Original Closing Date, including, without limitation, David Hanna, John Hanna, 35 Oak Holdings Ltd., Michael Wiener, Kevin Wiener, Robert Wolf, Kuriandi Kuriandi, Frank van Biesen, and shall include any Person acquiring Indebtedness of the Credit Parties after the Closing Date.

“**Subordinate Investors Indebtedness**” and “**Subordinate Investors Subordination Agreements**” shall have the meanings given to such terms in Section 3.4(a).

“**Subsidiary**” has the meaning attributed to the term “subsidiary body corporate” in the *Canada Business Corporations Act* in effect on the date hereof. For certainty, a limited partnership shall be a Subsidiary of any Person (the “Parent”) if the general partner of such limited partnership is the Parent or one of its Subsidiaries regardless of the level of such Parent’s direct or indirect ownership of limited partnership interests.

**“Take-Over Bid”** shall mean a “take-over bid” as defined by the *Securities Act* (Ontario) except that all references to “Ontario” shall be amended to “any jurisdiction in the world”.

**“Taxes”** means, with respect to any Person, for any particular period, all taxes, rates, levies, imposts, assessments, government fees, dues, stamp taxes, duties, ad valorem taxes or levies, charges to tax, fees, deductions, withholdings and similar impositions paid or payable, levied, collected, withheld or assessed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

**“Variable Mortgage Rate”** means the rate of interest per annum established by FCC from time to time at its head office as its variable mortgage rate charged to borrowers on commercial loans made in Canada.

**“Variable Mortgage Rate Loan”** means any Advance made to the Borrower upon which interest is based on the Variable Mortgage Rate.

**“Wholly-owned Subsidiaries”** means, with respect to any Person at any date, any Subsidiary in respect of which such Person, directly or indirectly, owns 100% of all issued and outstanding Equity Securities in such Subsidiary.

**“Zealandia Facility”** or **“Zealandia Plant”** has the meaning set out in Section 3.2(a)(ii) of this Agreement.





SCHEDULE D - PRE-AUTHORIZED PAYMENT AUTHORITY

1. Bank Account Information

Financial Institution Name: JPMorgan Chase Bank N.A. Toronto Branch
Address: Corporate Office
200 Bay St. Suite 1800
Toronto, ON
M5J 2J2
Bank Code: 0270
Transit #: 00012
Account #: 4011771184

A voided cheque must accompany this Pre-Authorized Payment Authority (the "Authority").

2. Pre-Authorized Payment Details

Table with 5 columns: Loan No., Payment Type, Payment Amount, Payment Start Date, Frequency. It lists two payment types: Interest Payment and Fixed Principal + interest.

The Borrower hereby irrevocably instructs and authorizes FCC to debit the above bank account (the "Account") with the above specified payments for the purpose of repaying the Credit Facilities and all other Outstanding Obligations to FCC.

To the extent that advances have not been made prior to the "Payment Start Date" of any Loan, the "Payment Start Date" shall be re-designated by FCC and advised to the Borrower.

You waive the pre-notification requirements of Payments Canada, including Your right to receive pre-notification of the amount and/or date of any pre-authorized payments. You agree that You do not require advance notice of the amount and/or date of any pre-authorized payments before the debit is processed.

The above payment(s) are made for business purposes.

FCC reserves the right to cancel this Authority at its discretion and without notice. This Authority may be cancelled at any time upon notice being provided by the Borrower, either in writing or orally with proper authorization to verify the person identity, to FCC within 30 days before the next payment is to be made.

The Borrower has certain recourse rights if any debit does not comply with this Authority. For example, the Borrower has the right to receive reimbursement for any debit that is not authorized or is not consistent with this Authority.

The Borrower may contact FCC to make inquiries or obtain information about this Authority at:

Farm Credit Canada  
Customer Service Centre  
1800 Hamilton Street, P.O. Box 4320  
Regina, SK S4P 4L3

Telephone: 1-888-332-3301  
Fax: 1-306-780-8919  
email: [csc@fcc-fac.ca](mailto:csc@fcc-fac.ca)

The Borrower warrants and guarantees that it is duly authorized, in accordance with the account agreement at the financial institution identified above, to debit the Account.

**[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]**

DATED this 17th day of May, 2022.

**GLOBAL FOOD AND INGREDIENTS INC.**

Per:



Name: William Murray

Title: Chief Financial Officer

I have the authority to bind the Corporation.



SCHEDULE E - COMPLIANCE CERTIFICATE

Customer Number

200839292

TO Farm Credit Canada (“FCC”, “us”, “we” or “our”)

FROM Global Food and Ingredients Inc. (the “Borrower”)

DATE [•]

RE Credit facilities established in favour of the Borrower pursuant to a second amended and restated credit agreement dated May 17, 2022 between FCC, as lender, the Borrower, as borrower, and Global Food and Ingredients (USA) Inc., North Lily Foods Inc., and GFI Brands Inc., as guarantors (as the same may be amended, modified, supplemented, extended, renewed, restated or replaced from time to time, the “Credit Agreement”)

I, \_\_\_\_\_, in my capacity as an officer of the Borrower and not in a personal capacity hereby certify for and on behalf of the Borrower, that:

- 1. I am an officer of the Borrower and I make these representations, warranties and certifications knowing that FCC will be acting in reliance thereon in extending or continuing to extend credit under the credit facilities in favour of the Borrower under the Credit Agreement.
2. I am familiar with and have examined the provisions of the Credit Agreement and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower.
3. In accordance with the terms of the Credit Agreement, attached hereto are the Borrower’s annual audited financial statements prepared on a consolidated basis as described below for the period ending March 31, [•]. We [are/are not] in compliance with all financial covenants set out in the Credit Agreement for such period end. The calculations made to determine compliance were the following:

Table with 3 columns: Financial Covenant, Calculation, Compliance. Row 1: Fixed Charge Coverage Ratio. Row 2: The Borrower shall maintain at all times a Fixed Charge Coverage Ratio, calculated on a consolidated basis, as at the last day of each Financial Year of the Borrower, of not greater than 1.25:1.00 for the Financial Year ending March 31, 2022 and for each Financial Year thereafter. Calculation: See Attached. Compliance: [Yes/No]

- 4. I have further reviewed the Credit Agreement and have no knowledge of the occurrence of any Events of Default thereunder or any event that, with the passage of time, would constitute an Event of Default.
5. No events, circumstances or developments have arisen that would have a Material Adverse Effect or would cause any information or other matter previously disclosed to FCC by or on behalf of the Borrower or any of its affiliates, representatives or advisers to be incorrect in any material and

adverse respect as at and immediately following the date of such financial statements or the date of delivery of the last Compliance Certificate.

6. The representations and warranties contained in the Credit Agreement and all Security Documents granted by the Borrower to FCC are complete, true and correct in all material respects and have the same force as if they were made and given as of the date of this Compliance Certificate (except to the extent such representations and warranties expressly relate to an earlier date in which case they should be true and correct in all material respects as of such date).

**[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]**

I acknowledge that this Compliance Certificate will be relied upon by FCC in connection with the Credit Agreement and Security Documents. I certify that it is true and correct in all material respects and does not omit any material information required to make the information contained in it not misleading.

**DATED** as of the date first written above.

\_\_\_\_\_  
(Witness signature)

\_\_\_\_\_  
(Officer signature)

\_\_\_\_\_  
(Print witness name)

\_\_\_\_\_  
(Print officer name)

**This is Exhibit "O" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Wicks*

**A commissioner for Oaths in and for the Province of ~~Prince~~ Edward Island**

*Prina  
SW*

**Guarantee**Customer number: 200839292**To:** Farm Credit Canada ("FCC", "us", "we" or "our")**Provided by:**GFI Brands Inc.  
("you", "your")

**Read this Guarantee carefully. By signing this Guarantee, you are agreeing to a significant financial commitment.**

**We recommend that you obtain independent legal advice as to the meaning of this Guarantee and the obligations and liabilities that you are agreeing to under this Guarantee. You may receive this legal advice from a lawyer (in Quebec, lawyer or notary) of your choice and at your cost.**

**If you wish to obtain independent legal advice before signing this Guarantee, advise Farm Credit Canada immediately.**

**1. What this guarantee does**

- (a) FCC has agreed to lend money to  
**Global Food and Ingredients Inc.**
- (the "**Borrower**") pursuant to one or more agreements or credit facilities (the "**Credit Facility**"), but only if you provide us with this Guarantee.
- (b) In consideration of FCC lending money to the Borrower under the Credit Facility, you are signing this agreement to guarantee the obligations of the Borrower to us in accordance with the terms and conditions of this Guarantee.
- (c) You are guaranteeing payment of money owing by the Borrower to us at any time under the Credit Facility including:
- (i) all principal advanced by us to or for the account of the Borrower,
  - (ii) all interest on that principal at the rate applicable under the Credit Facility,
  - (iii) all fees and other amounts owing to us by the Borrower at any time under the Credit Facility, and
  - (iv) compensation for any costs we may incur if the Borrower fails to pay any amount due under the Credit Facility, or to perform any other obligation under the Credit Facility.

You are guaranteeing payment of these obligations in the amount specified in section 2 below. The amount that you are guaranteeing is called the "**Guaranteed Amount**". In addition to the Guaranteed Amount, you shall also be liable to pay amounts specified in sections 3(c) and 3(d) below.

- (d) In addition to guaranteeing payment of the Guaranteed Amount, you are also guaranteeing that the Borrower shall observe all terms and conditions of the Credit Facility and comply with all of the Borrower's obligations under the Credit Facility. These obligations are called the "**Guaranteed Obligations**".

**2. Guaranteed Amount**

The Guaranteed Amount that you shall be liable to pay to us is:

- Unlimited (the "**Guaranteed Amount**")

**3. Your obligations**

By signing this Guarantee, you agree to do the following:

- (a) You promise to pay the entire Guaranteed Amount to us immediately after you receive our written demand for payment.
- (b) You promise to perform the Guaranteed Obligations if the Borrower fails do so and if we ask.
- (c) If you do not pay us the Guaranteed Amount when we demand, you promise to pay:



- (i) interest on the Guaranteed Amount at the rate of 18 % per year, calculated daily, and if you do not pay the interest, we shall charge interest at this same rate on all unpaid interest, and
  - (ii) the costs we incur in collecting the Guaranteed Amount from you.
- (d) If you do not perform the Guaranteed Obligations when we ask, you promise to compensate us for any costs we incur on your behalf in performing such Guaranteed Obligations.

#### 4. Absolute Guarantee

- (a) Your obligations to pay the Guaranteed Amount and perform the Guaranteed Obligations are equivalent to the Borrower's obligations under the Credit Facility.
- (b) If the Borrower fails to pay us, we may call on you to pay us the Guaranteed Amount even if we do not:
  - (i) request further payment from the Borrower
  - (ii) realize on any security given to us by the Borrower or any other person
  - (iii) take action or exercise any of our rights or remedies against the Borrower or
  - (iv) take action against any other guarantor of the Borrower's obligations.
- (c) You are obligated to pay the Guaranteed Amount and perform the Guaranteed Obligations, even if:
  - (i) the Credit Facility or any security for the Credit Facility is invalid, illegal or unenforceable
  - (ii) the Borrower becomes bankrupt or insolvent or is wound-up, liquidated or dissolved
  - (iii) any law, order or other circumstance discharges the Borrower or any other guarantor of the Borrower's obligations from the obligations owing to us
  - (iv) the Borrower is a corporation that subsequently changes in any way including if it reorganizes, sells its business, amalgamates or changes its name, business, corporate constitution or shareholders
  - (v) the Borrower's directors or officers were not authorized to borrow from us or
  - (vi) the Borrower dies.

#### 5. Waiver of rights, and no release

By signing this Guarantee, you agree to the following:

- (a) We may deal with the Borrower, any other guarantor or any security we hold to secure the Borrower's obligations in any way we see fit without any notice to you, and you consent to all such dealings.
- (b) You waive any right that you may have to argue that you are released from your obligations under the Guarantee if:
  - (i) we do not notify you when the Borrower fails to pay us,
  - (ii) we do not demand the Borrower pay us before we demand you pay the Guaranteed Amount,
  - (iii) we grant the Borrower more time to pay any amount owing to us under the Credit Facility,
  - (iv) we make any compromise or arrangement with the Borrower or if one is imposed or recommended by a court,
  - (v) we give any concession or waiver to the Borrower as an exception to the strict terms of the Credit Facility,
  - (vi) we fail to exercise any rights we have against the Borrower or any other guarantor or any security we hold to secure the Borrower's obligations, or if we delay in exercising any of these rights,
  - (vii) the provisions, terms, and/or conditions of the Credit Facility (including, for example, without limitation, its interest rate, term, or maturity date) or any other agreement relating to the Borrower's obligations are amended, extended, renewed, changed or replaced in any way, without notice and/or without your consent,
  - (viii) we advance all or any part of the loan to the Borrower while the Borrower is in default under the Credit Facility or in any other situation where we could lawfully withhold the advance,
  - (ix) we give up any security or any other guarantee we have for the Borrower's obligations, fail to properly register any security or commit any error that reduces our ability to enforce our rights against the Borrower,
  - (x) we do not insure or require the Borrower to insure any property of the Borrower, or
  - (xi) we do not otherwise ensure that the Borrower performs its obligations under the Credit Facility.

#### 6. What you agree not to do

By signing this Guarantee, you agree not to do the following until all amounts owing to us under the Credit Facility are paid in full:

- (a) You shall not sue the Borrower to recover payment of any amounts that you paid to us on account of the Guaranteed Amount.
- (b) You shall not receive, request or accept any payment, benefit or security from the Borrower, with the exception of salaries and dividends in the ordinary course of business unless otherwise authorized by FCC in writing.
- (c) You shall not rank as a creditor in the bankruptcy, receivership or liquidation of the Borrower in

competition with us.

Until all amounts owing to us under the Credit Facility are paid in full, you must hold in trust (and as mandatory if this Guarantee is governed by the laws of Quebec) for us any payment or benefit that you receive from the Borrower and immediately provide the payment or benefit to us, even if we have settled with the Borrower or have otherwise discharged the Borrower from the Borrower's obligations under the Credit Facility.

## **7. Continuing guarantee**

- (a) This Guarantee is a continuing guarantee, which means that your obligations under the Guarantee shall continue until we receive the full Guaranteed Amount owing by the Borrower to FCC and the Borrower has satisfied all of the obligations owed to FCC. It also means that this Guarantee:
  - (i) has no limits as to the length of time it remains in effect,
  - (ii) shall not be reduced by any other guarantee or security we may hold for any of the obligations of the Borrower,
  - (iii) is in addition to any other guarantee or security we may have from you or any other person, and
  - (iv) shall not terminate upon any termination of or change in the relationship that exists between you and the Borrower, and
  - (v) shall not terminate if you or the Borrower are a corporation and you or the Borrower merge or amalgamate with another entity,
  - (vi) secures the entire Guaranteed Amount for as long as that amount is owing to us at any time by the Borrower, including if the Borrower repays and then re-borrows any amount owing to us.
- (b) You may limit the future Guaranteed Amount or terminate your obligations under this guarantee if you give us at least 30 days advance notice in writing. This means that:
  - (i) you shall continue to be responsible for the entire Guaranteed Amount owing at the end of the 30-day notice period, including any amounts we advance to the Borrower within the 30-day notice period,
  - (ii) you cannot reduce, limit or terminate your obligation to pay the Guaranteed Amount owing by the Borrower at the end of the 30-day notice period, but you shall have no obligation to pay for any amounts we lend to the Borrower after the 30-day notice period expires, and
  - (iii) you shall continue to be responsible for performing the Guaranteed Obligations beyond the end of the 30-day notice period if the Borrower was required to perform but failed to perform such obligations prior to the end of the 30-day notice period.

## **8. Demanding payment of the Guaranteed Amount**

- (a) We may demand you pay us the entire Guaranteed Amount at any time after the Borrower defaults. We shall provide you with a written demand for payment either by hand delivery, ordinary mail or registered mail at your last address known to us.
- (b) The balance that is showing in our books and records as owing by the Borrower or which is admitted by the Borrower or any representatives of the Borrower shall be conclusive evidence of the amount of the Borrower's debt to us. This is the only evidence we need in order to prove that the Guaranteed Amount is in fact owing to us by the Borrower under the Credit Facility, and by you under this Guarantee.

## **9. Failure to pay or perform**

If you fail to pay us the Guaranteed Amount within the time period specified in our written demand, we shall:

- (a) commence a legal action against you to recover payment of the Guaranteed Amount and the costs of collecting the Guaranteed Amount as well as all losses we suffered or incurred by your failure to perform the Guaranteed Obligations.
- (b) enforce any security that you have provided in support of this Guarantee.

## **10. Payments**

- (a) All moneys, securities, payments or other property that we receive from the Borrower or any other person which may reduce the amounts owing under the Credit Facility shall be regarded as conditional, and shall not be deducted from the amounts owing under the Credit Facility or this Guarantee until such payments become absolutely final and unconditional.
- (b) No payment from the Borrower or any other person or any realization on any security shall relieve you from any of your obligations under this Guarantee until all obligations under the Credit Facility have been paid or performed.

## **11. Other clauses that apply to this guarantee**

- (a) This Guarantee is in addition to any other guarantee that you or any other person may have previously provided to us, or that you or any other person may provide in the future. This Guarantee does not replace or terminate any of those other guarantees.
- (b) You agree that we did not make any representations to you or agree to any conditions that must be met before we demand you to pay the Guaranteed Amount, other than those included in this Guarantee.

- (c) If any part of this Guarantee turns out to be invalid for any reason, the rest of this Guarantee shall remain in full force and effect and this Guarantee shall be read as if the invalid part was not included in it.
- (d) We may transfer any of our rights or interests under this Guarantee, the Credit Facility or any security granted to us without obtaining your consent.
- (e) This Guarantee is governed by the laws of the Province of Ontario. We may commence an action or other court proceeding on this Guarantee in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.
- (f) In Quebec, you renounce the benefit of division and discussion and understand that your liability for the Guaranteed Obligations is solidary with the Borrower.
- (g) This Guarantee benefits our successors and assigns and binds your heirs, legal representatives, successors and assigns.
- (h) You agree that this Guarantee and any related document shall be drafted and executed in English.  
Vous acceptez que cette garantie ainsi que les documents connexes seront rédigés et signés en anglais.
- (i) If more than one person has signed this Guarantee with us, everyone who has signed is responsible to us for the obligations specified in this Guarantee on a joint and several (in Quebec, solidary) basis.

**I have read this guarantee and agree to its terms.**

Dated this 17<sup>th</sup> day of May, 2022, at \_\_\_\_\_  
in the Province of Ontario.

**Guarantor - Corporation**

GFI Brands Inc. (Print corporation name),

by William Murray (Print name of person signing on behalf of the corporation)

Chief Financial Officer (Print title of person signing on behalf of the corporation)

**X** Bill Murray  
(Signature of person signing on behalf of the corporation)  
I have authority to bind the corporation.

(Corporate seal if available)

**This is Exhibit "P" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Saul Watk*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*St. W.  
Prince*

## Amending Agreement to the Second Amended and Restated Credit Agreement

Customer number: 200839292

December 30, 2022

### Private and Confidential

#### Global Food and Ingredients Inc.

43 Coborne Street, Suite 400  
Toronto, ON M5E 1E3

Dear Sir/Madam:

Reference is made to the second amended and restated credit agreement dated May 17, 2022 between Farm Credit Canada ("**FCC**"), as lender, Global Food and Ingredients Inc., as borrower, and each of Global Food and Ingredients (USA) Inc., North Lily Foods Inc., and GFI Brands Inc., as guarantors (as it maybe be further amended, restated, replaced, renewed, extended, supplemented or otherwise modified from time to time, the "**Credit Agreement**").

FCC consented to a recent business combination involving the Borrower provided that the amalgamated Global Food and Ingredients Inc. (the "**Borrower**") (the corporation resulting from the amalgamation of Global Food and Ingredients Inc. and 13476669 Canada Inc.) enter into this Amendment (as defined below) to reflect its continuing indebtedness and obligations as borrower under the Credit Agreement and to add Global Food and Ingredients Ltd. as an additional corporate guarantor.

This Amending Agreement (this "**Amendment**") merely amends the Credit Agreement and nothing in this Amendment shall constitute or result in or be construed as constituting or resulting in: (i) a repayment or reborrowing of any Indebtedness owed by the Borrower to FCC under any Credit Facilities owing by the Borrower; or (ii) a novation or rescission of any previous credit agreements or any other Loan Document.

The Borrower and each of the Guarantors acknowledges, confirms, covenants and agrees that each of them is bound by the terms and conditions of all loan, guarantee and security documents to which they are a party that have been entered into or granted in favour of FCC prior to the date hereof (the "**Existing Security Documents**"), and each of the Existing Security Documents to which they are a party continue in full force and effect as general and continuing collateral security for all of the Outstanding Obligations of the Borrower and the Guarantors under the Credit Agreement, as amended by this Amendment, and the other Loan Documents. The Borrower further acknowledges and agrees that is it subject to and bound by all of the Existing Security Documents and the Indebtedness owed to FCC and all other obligations thereunder of its predecessor by amalgamation, Global Food and Ingredients Inc.

The purpose of this Amendment is to set out the amendments to the Credit Agreement to which the parties have mutually agreed.

All terms with initial capital letters used in this Amendment and not defined herein shall have the meanings given to such terms in the Credit Agreement.

**1. Amendments to Credit Agreement**

- (a) The chart listing the Guarantors in Section 1 (Credit Parties) of the Credit Agreement is amended by adding the following guarantor:

Global Food and Ingredients Ltd. 43 Colborne Street, Suite 400 Toronto, ON M5E 1E3
--

- (b) The first chart in Section 2.1 (Credit Facilities) of the Credit Agreement, is amended by deleting it in its entirety and replacing it with the following:

Credit Facility Number	Borrower	Guarantors
712591001	Global Food and Ingredients Inc.	Global Food and Ingredients (USA) Inc.
724230001		North Lily Foods Inc.
739304001		GFI Brands Inc.
762753001		Global Food and Ingredients Ltd.

- (c) Section 3.1 (Guarantees) of the Credit Agreement, is amended by adding the following:

“(d) A **new** guarantee from Global Food and Ingredients Ltd. in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrower.”

- (d) Section 3.4 (Assignment, Postponement, Subordination and Standstill Agreements) of the Credit Agreement, is amended by adding the following:

“(b) A **new** assignment, postponement, subordination and standstill agreement from Global Food and Ingredients Ltd. in favour of FCC in respect of the indebtedness, liabilities and obligations owed by the Borrower to Global Food and Ingredients Ltd.”

- (e) The definition of “Guarantors” under Schedule C – Definitions of the Credit Agreement, is amended by deleting it in its entirety and replacing it with the following:

“**Guarantors**” means, collectively:

- (a) Global Food and Ingredients (USA) Inc. and its successors and permitted assigns;
- (b) North Lily Foods Inc. and its successors and permitted assigns;
- (c) GFI Brands Inc. and its successors and permitted assigns;
- (d) Global Food and Ingredients Ltd. and its successors and permitted assigns;
- (e) any other present or future direct or indirect Subsidiary of the Borrower or any other Credit Party that is required to deliver security pursuant to Section 1.1(o) of Schedule A attached hereto; and

(f) any other Person that, with the prior written consent of FCC, at any time in the future guarantees any of the Outstanding Obligations pursuant to a Guarantee or other guarantee agreement and grants security in support thereof, all in form and substance satisfactory to FCC,

and “**Guarantor**” means any one of them.”

- (f) The RE line of Schedule E – Compliance Certificate of the Credit Agreement, is amended by deleting it in its entirety and replacing it with the following:

**RE** Credit facilities established in favour of the Borrower pursuant to a second amended and restated credit agreement dated May 17, 2022 between FCC, as lender, the Borrower, as borrower, and Global Food and Ingredients (USA) Inc., North Lily Foods Inc. and GFI Brands Inc., as guarantors, as amended by amending agreement dated December 30, 2022 adding Global Food and Ingredients Ltd. as guarantor (as the same may be further amended, modified, supplemented, extended, renewed, restated or replaced from time to time, the “**Credit Agreement**”)

## 2. Representations and Warranties

The Credit Parties represent and warrant to FCC that:

- (a) The representations and warranties set out in the Credit Agreement and the other Loan Documents are true, complete and correct in all respects as at the date of this Amendment unless specifically made as of a certain date; and
- (b) There is no Default or Event of Default which has occurred and is continuing as at the date of this Amendment.

All agreements, representations and warranties made in this Amendment shall survive the execution and delivery of this Amendment and continue to remain in effect so long as the Borrower has any obligations under the Credit Agreement.

## 3. Conditions Precedent

Upon FCC having confirmed in writing that the following events have occurred to the satisfaction of FCC and its legal counsel, this Amendment shall come into effect and the Credit Agreement shall be amended to reflect the amendments contemplated herein:

- (a) FCC shall have received this Amendment executed by the Credit Parties;
- (b) FCC shall have received an executed guarantee from Global Food and Ingredients Ltd. in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrower;
- (c) FCC shall have received an executed assignment, postponement, subordination and standstill agreement from Global Food and Ingredients Ltd. in favour of FCC in respect of the indebtedness, liabilities and obligations owed by the Borrower to Global Food and Ingredients Ltd.;

- (d) FCC shall be satisfied that all existing obligations and existing security to such existing obligations continue to be the ongoing obligations of the Credit Parties and all new obligations created pursuant to this Amendment;
- (e) FCC shall have received officer's certificates in respect of each of the applicable Credit Parties as to general corporate matters including certified copies of articles and by-laws, specimen signatures of officers, and a certified copy of a resolution of the board of directors authorizing the entry into, execution, delivery and performance of this Amendment and all related security and other documents;
- (f) FCC shall have received certificates of status or equivalent documents in respect of each of the applicable Credit Parties;
- (g) FCC shall have received payment of all reasonable legal fees and disbursements of legal counsel to FCC;
- (h) FCC shall be satisfied that no Default or Event of Default has occurred and is continuing; and
- (i) FCC shall have received such other agreements, documents and instruments as FCC shall reasonably require to effect the amendments contemplated in this Amendment.

#### **4. General Provisions**

##### **4.1 Nature of this Amendment**

It is acknowledged and agreed that the terms of this Amendment are in addition to and, unless specifically provided for, shall not limit, restrict, modify, amend or release any of the understandings, agreements or covenants as set out in the Credit Agreement. The Credit Agreement shall be read and construed in conjunction with this Amendment and the Credit Agreement, as amended by this Amendment, together with all of the powers, provisions, conditions, covenants and agreements contained or implied in the Credit Agreement shall be and shall continue to be in full force and effect. References to the "Credit Agreement" or the "Agreement" in the Credit Agreement or in any other document delivered in connection with, or pursuant to, the Credit Agreement, shall mean the Credit Agreement (together with all schedules and exhibits attached thereto), as amended by this Amendment.

##### **4.2 No Other Amendments**

All other terms and conditions of the Credit Agreement remain unamended and the Credit Agreement remains in full force and effect.

##### **4.3 Waiver**

The conditions listed in Section 3 to this Amendment may be waived by FCC in whole or in part and with or without terms or conditions.

##### **4.4 Further Assurances**

The Borrower shall deliver or shall cause to be delivered to FCC duly executed documents in form and substance satisfactory to FCC as may be reasonably requested by FCC or its counsel for the purpose of giving effect to this Amendment or for the purpose of establishing compliance with the representations, warranties and conditions of



this Amendment, the Credit Agreement or the Security Documents contemplated under the Credit Agreement.

**4.5 Severability**

Any provision of this Amendment which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**4.6 Time of Essence**

Time shall, in all respects, be of the essence of this Amendment.

**4.7 Assignment**

The Borrower shall not assign this Amendment or any part hereof without the prior written consent of FCC. FCC may assign this Amendment in accordance with the terms of the Credit Agreement.

**4.8 Governing Law**

This Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Ontario applicable therein and shall be treated in all respects as an Ontario contract. The parties hereby submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

**4.9 Whole Agreement**

The Credit Agreement, this Amendment, the security and any other written agreement delivered pursuant to or referred to in the Credit Agreement or this Amendment constitute the whole and entire agreement between the parties in respect of the Credit Facilities. There are no verbal agreements, undertakings or representations in connection with the Credit Facilities.

**4.10 Successors and Assigns**

This Amendment shall be binding on the Borrower and its successors and assigns, and will enure to the benefit of FCC and its respective successors and assigns.

**4.11 Counterparts**

This Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original agreement and all of which shall constitute one agreement. All counterparts shall be construed together and shall constitute one and the same agreement. This Amendment, to the extent signed and delivered by means of electronic transmission (including, without limitation, facsimile and Internet transmissions), shall be treated in all manner and respects as an original agreement and should be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

**4.12 No Novation**

Nothing in this Amendment, nor in the Credit Agreement when read together with this Amendment, shall constitute novation, payment, re-advance, or otherwise of any existing indebtedness, liabilities and obligations of the Borrower to FCC.

**4.13 Language**

The parties have requested that this Amendment and all other Loan Documents be drafted in English. Les parties ont requis que cette convention et tous les autres documents soient rédigés en anglais.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF** the parties have executed this Amendment as of the day and year first above written.

**Acceptance**

This Agreement may be accepted by signing, dating and returning to FCC on or before \_\_\_\_\_, 2022 the enclosed copy of this Amendment executed by the Credit Parties as set out below. Failing such acceptance, this offer shall be of no further force or effect.

**FARM CREDIT CANADA**

Per: \_\_\_\_\_

Name: Louis Racine  
Title: Legal Counsel

**AGREED TO and ACCEPTED** as at the date first written above.

**GLOBAL FOOD AND INGREDIENTS INC.**

Per:

---

Name:

Title:

I have the authority to bind the Corporation.

**GLOBAL FOOD AND INGREDIENTS (USA) INC.**

Per:

---

Name:

Title:

I have the authority to bind the Corporation.

**NORTH LILY FOODS INC.**

Per:

---

Name:

Title:

I have the authority to bind the Corporation.

**GFI BRANDS INC.**

Per:

---

Name:

Title:

I have the authority to bind the Corporation.

**GLOBAL FOOD AND INGREDIENTS LTD.**

Per:

---

Name:

Title:

I have the authority to bind the Corporation.

**This is Exhibit "Q" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

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**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prince  
Sw.*

**Second Amending Agreement to the Second Amended and Restated Credit Agreement**

Customer number: 200839292

March 17, 2023

**Private and Confidential****Global Food and Ingredients Inc.**43 Colborne Street, Suite 400  
Toronto, ON M5E 1E3

Dear Sir/Madam:

Reference is made to the second amended and restated credit agreement dated May 17, 2022, as amended by a first amending agreement dated December 30, 2022, among, Farm Credit Canada (“**FCC**”), as lender, Global Food and Ingredients Inc. (the “**Borrower**”), as borrower, and each of Global Food and Ingredients (USA) Inc., North Lily Foods Inc., GFI Brands Inc., and Global Food and Ingredients Ltd. (collectively, the “**Guarantors**”), as guarantors (as may have been further amended, restated, replaced, renewed, extended, supplemented or otherwise modified prior to the date hereof, the “**Existing Credit Agreement**”).

This Second Amending Agreement (this “**Second Amendment**”) merely amends the Existing Credit Agreement and nothing in this Second Amendment shall constitute or result in or be construed as constituting or resulting in: (i) a repayment or reborrowing of any Indebtedness owed by the Borrower to FCC under any Credit Facilities; or (ii) a novation or rescission of any previous credit agreements or any other Loan Document.

The Borrower and each of the Guarantors acknowledges, confirms, covenants and agrees that each of them is bound by the terms and conditions of all loan, guarantee and security documents to which they are a party that have been entered into or granted in favour of FCC prior to the date hereof (the “**Existing Security Documents**”), and each of the Existing Security Documents to which they are a party continue in full force and effect as general and continuing collateral security for all of the Outstanding Obligations of the Borrower and the Guarantors under the Existing Credit Agreement, as amended by this Second Amendment (and as may be further amended, restated, replaced, renewed, extended, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), and the other Loan Documents.

The purpose of this Second Amendment is to set out the amendments to the Existing Credit Agreement to which the parties have mutually agreed.

All terms with initial capital letters used in this Second Amendment and not defined herein shall have the meanings given to such terms in the Credit Agreement.

**1. Amendments to Credit Agreement**

- (a) Section 3.1 (Guarantees) of the Existing Credit Agreement is amended by deleting subsections (c) and (d) in their entirety and replacing them with the following:

“(c) An *existing* unlimited guarantee from GFI Brands Inc. in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrower; and

- (d) An *existing unlimited* guarantee from Global Food and Ingredients Ltd. in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrower.”
- (b) Section 3.2 (Real Property Security) of the Existing Credit Agreement is amended by deleting it in its entirety and replacing it with the following:
- “(a) An *existing* mortgage assumption and amending agreement by the Borrower of an existing continuing collateral mortgage granted by 11567403 Canada Inc. on behalf of GFI LP in favour of FCC registered in the Province of Saskatchewan Land Titles Registry on 2019-11-29, and previously amended on 2021-06-04, as Interest Register #123754237 in the principal sum of \$25,000,000, increasing the principal sum to \$50,000,000 (as amended, the “**Sedley/Zealandia Mortgage**”), against the properties described as follows:
- (i) Surface Parcel #111788219  
Reference Land Description: Blk/Par A Plan No. 101331425 Extension 10  
As described on Certificate of Title 99SE01294, description 10.  
  
(the “**Sedley Plant**” or the “**Sedley Facility**”); and
- (ii) Surface Parcel #145169185  
Reference Land Description: Blk/Par A Plan No. 98MW19933 Extension 1  
As described on Certificate of Title 99MW02348.  
  
Surface Parcel #202892519  
Reference Land Description: Blk/Par K Plan No. 102144046 Extension 0  
  
(collectively, the “**Zealandia Plant**” or the “**Zealandia Facility**”).
- (b) An *existing* mortgage assumption and amending agreement by the Borrower of an existing continuing collateral leasehold mortgage granted by 11567403 Canada Inc. on behalf of GFI LP (following an assignment to it of the Lajord Lease) in favour of FCC registered in the Province of Saskatchewan Land Titles Registry on 2019-11-29, and previously amended on 2021-06-04, as Interest Register #123754260 in the principal sum of \$25,000,000, increasing the principal sum to \$50,000,000 (as amended, the “**Lajord Leasehold Mortgage**”), against the leasehold interest in the properties described as follows:
- (iii) Surface Parcel #203169775  
Reference Land Description: SW Sec 9, Twp 15, Rge 16 W2 Plan No. B3490 Extension 4.  
  
(the “**Lajord Plant**” or the “**Lajord Facility**”).
- (c) An *existing* Lajord Lease Assignment Agreement (as such term is defined herein).
- (d) A new continuing collateral mortgage in the principal sum of \$5,000,000.00, granted by the Borrower in favour of FCC (the “**Alberta Mortgage**”), to be registered at the Land Titles Registry Alberta against the properties legally described as Plan 2210313, Block 26, Lots 2 and 3 (the “**Alberta Properties**”, and together with the Sedley Facility, the Zealandia Facility and the Lajord Facility

may be collectively referred to herein as the “**Properties**” or the “**Mortgaged Properties**”.

- (c) Section 3.3 (Personal Property) of the Existing Credit Agreement is amended by deleting subsections (c) and (d) in their entirety and replacing them with the following:
- “(c) An *existing* general security agreement granted by GFI Brands Inc. in favour of FCC granting FCC a security interest in all the present and after acquired personal property of GFI Brands Inc.
  - (d) An *existing* assignment of insurance executed by the Borrower in favour of FCC assigning to FCC by way of security the proceeds of all present and future acquired general insurance policies maintained by it on any collateral charged by the Security Documents.”
- (d) Section 3.4 (Assignment, Postponement, Subordination and Standstill Agreements) of the Existing Credit Agreement is amended by deleting subsection (b) in its entirety and replacing it with the following:
- “(b) An *existing* assignment, postponement, subordination and standstill agreement from Global Food and Ingredients Ltd. in favour of FCC in respect of the indebtedness, liabilities and obligations owed by the Borrower to Global Food and Ingredients Ltd.”
- (e) Section 3.6 (Confirmation and Acknowledgment of Existing Security) of the Existing Credit Agreement is amended by deleting subsection (a) in its entirety and replacing it with the following:
- “(a) An *existing* confirmation and acknowledgement of existing security by the Borrower and the Guarantors that all existing guarantees and security remain in place and are enforceable.”
- (f) Section 3.7 (Inter-Creditor Arrangements) of the Existing Credit Agreement is amended by deleting subsections (a), (b) and (d) in their entirety and replacing them with the following:
- “(a) An *existing* joinder agreement by GFI Brands Inc. to the Intercreditor Agreement dated as of August 27, 2021 between FCC, JPMorgan Chase Bank, N.A., Toronto Branch (“**JPM**”) and the Credit Parties.
  - (b) An existing landlord’s waiver and consent from Stewart Southern Railway Inc. (the “**Lajord Landlord**”) in favour of FCC in respect of the Lajord Lease of the Lajord Facility on such terms as may be acceptable to FCC and Stewart Southern Railway Inc. (the “**Lajord Landlord Waiver and Consent**”).
  - ...
  - (d) An existing fixtures filing registered on title to the Lajord Facility, in respect of all assets of the Credit Parties that might be considered to be fixtures at that location.”
- (g) Section 5.1 (Fixed Charge Coverage Ratio) of the Existing Credit Agreement is amended by deleting the first paragraph in its entirety and replacing it with the following:
- “The Borrower shall maintain at all times a Fixed Charge Coverage Ratio, calculated on a consolidated basis, as at the last day of each Financial Year of the Borrower, of not less



than 1.25:1.00 for the Financial Year ending March 31, 2024 and for each Financial Year thereafter.”

- (h) In respect of the Credit Facilities described in Section 2.1 of the Existing Credit Agreement, FCC hereby consents to a deferral of principal payments in respect thereof, as described in Schedule A hereto.

## **2. Representations and Warranties**

The Credit Parties represent and warrant to FCC that:

- (a) The representations and warranties set out in the Credit Agreement and the other Loan Documents are true, complete and correct in all respects as at the date of this Second Amendment; and
- (b) There is no Default or Event of Default or breach of any covenant, term or condition under the Credit Agreement and any other Loan Document which has occurred and is continuing as at the date of this Second Amendment.

All agreements, representations and warranties made in this Second Amendment shall survive the execution and delivery of this Second Amendment and continue to remain in effect so long as the Borrower has any obligations under the Credit Agreement.

## **3. Conditions Precedent**

Upon FCC having confirmed in writing that the following events have occurred to the satisfaction of FCC and its legal counsel, this Second Amendment shall come into effect and the Existing Credit Agreement shall be amended to reflect the amendments contemplated herein:

- (a) FCC shall have received this Second Amendment duly executed by the Credit Parties;
- (b) FCC shall have received the Alberta Mortgage duly executed by the Borrower;
- (c) FCC shall have completed and be satisfied with the results of its financial, business, accounting, tax, environmental (including to the extent required, a satisfactory Phase 1 or 2 environmental report for the Alberta Properties), legal and other due diligence with respect to the Credit Parties including, without limitation, the corporate, capital, tax, legal and management structure and cash management systems of the Credit Parties, and shall be satisfied, in its sole judgment, with the nature and status of all securities, labour, tax, employee benefit (including pension plan), environmental, health and safety matters, organizational and capital structure matters involving or affecting any Credit Party. FCC shall have received and be satisfied with the results of all personal property, litigation, judgment, bankruptcy, bulk sale, execution and other searches conducted on behalf of FCC with respect to the Credit Parties, as required, in all applicable jurisdictions;
- (d) FCC shall have received and be satisfied with, in form and substance, all appraisals in respect of the Alberta Properties, as requested by FCC and in respect of such other assets secured under the Existing Security Documents, as FCC may require;

- (e) FCC shall have received a certificate of insurance in respect of all policies of insurance maintained by the Borrower in respect of the Alberta Properties, with coverage and FCC listed in accordance with the terms of the Credit Agreement;
- (f) FCC shall have received an officer's certificate in respect of the Borrower as to general corporate matters including a certified copy of its articles and by-laws, specimen signatures of its officers that have executed this Second Amendment and the Alberta Mortgage on behalf of the Borrower, and a certified copy of a resolution of the board of directors authorizing the entry into, execution, delivery and performance of this Second Amendment and the Alberta Mortgage;
- (g) FCC shall have received certificates of status or equivalent documents in respect of the Borrower;
- (h) FCC shall have received payment in full from the Borrower of all fees, out of pocket expenses and other amounts due and payable to FCC, including, without limitation, a non-refundable loan amendment processing fee in the amount of \$1,450.00, and all reasonable legal fees and disbursements of legal counsel to FCC in respect of this Second Amendment and all outstanding accounts receivable;
- (i) FCC shall be satisfied that no Default or Event of Default has occurred and is continuing;
- (j) FCC shall have received title searches for the Alberta Properties evidencing the submission of discharges in the pending queue in respect of the (i) caveat re agreement charging land registered as instrument number 161 111 200 in favour of Alberta Treasury Branches ("**ATB**"), and (ii) caveat re agreement charging land registered as instrument number 171 179 739 in favour of ATB (the "**ATB LTO Instruments**"); and
- (k) FCC shall have received such other agreements, documents and instruments as FCC shall reasonably require to effect the amendments contemplated in this Second Amendment.

#### 4. Undertaking

The Borrower hereby agrees to take or cause to be taken all steps necessary to discharge the ATB LTO Instruments from title to the Alberta Properties, including by way of enforcing its rights under an Approval and Vesting Order, Court File Number 2101-05682, pronounced on September 23, 2021 by Justice Dario, and filed on September 27, 2021.

#### 5. General Provisions

##### 5.1 *Nature of this Second Amendment*

It is acknowledged and agreed that the terms of this Second Amendment are in addition to and, unless specifically provided for, shall not limit, restrict, modify, amend or release any of the understandings, agreements or covenants as set out in the Credit Agreement. The Credit Agreement shall be read and construed in conjunction with this Second Amendment and the Credit Agreement, as amended by this Second Amendment, together with all of the powers, provisions, conditions, covenants and agreements contained or implied in the Credit Agreement shall be and shall continue to be in full force

and effect. References to the "Credit Agreement" or the "Agreement" in the Credit Agreement or in any other document delivered in connection with, or pursuant to, the Credit Agreement, shall mean the Credit Agreement (together with all schedules and exhibits attached thereto), as amended by this Second Amendment.

**5.2 No Other Amendments**

All other terms and conditions of the Credit Agreement remain unamended and the Credit Agreement remains in full force and effect.

**5.3 Waiver**

The conditions listed in Section 3 to this Second Amendment may be waived by FCC in whole or in part and with or without terms or conditions.

**5.4 Further Assurances**

The Borrower shall deliver or shall cause to be delivered to FCC duly executed documents in form and substance satisfactory to FCC as may be reasonably requested by FCC or its counsel for the purpose of giving effect to this Second Amendment or for the purpose of establishing compliance with the representations, warranties and conditions of this Second Amendment, the Credit Agreement or the Security Documents contemplated under the Credit Agreement.

**5.5 Severability**

Any provision of this Second Amendment which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**5.6 Time of Essence**

Time shall, in all respects, be of the essence of this Second Amendment.

**5.7 Assignment**

The Borrower shall not assign this Second Amendment or any part hereof without the prior written consent of FCC. FCC may assign this Second Amendment in accordance with the terms of the Credit Agreement.

**5.8 Governing Law**

This Second Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Ontario applicable therein and shall be treated in all respects as an Ontario contract. The parties hereby submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

**5.9 Whole Agreement**

The Credit Agreement, this Second Amendment, the security and any other written agreement delivered pursuant to or referred to in the Credit Agreement or this Second Amendment constitute the whole and entire agreement between the parties in respect of the Credit Facilities. There are no verbal agreements, undertakings or representations in connection with the Credit Facilities.

**5.10 Successors and Assigns**

This Second Amendment shall be binding on the Borrower and its successors and assigns, and will enure to the benefit of FCC and its respective successors and assigns.

**5.11 Counterparts**

This Second Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original agreement and all of which shall constitute one agreement. All counterparts shall be construed together and shall constitute one and the same agreement. This Second Amendment, to the extent signed and delivered by means of electronic transmission (including, without limitation, facsimile and Internet transmissions), shall be treated in all manner and respects as an original agreement and should be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

**5.12 No Novation**

Nothing in this Second Amendment, nor in the Credit Agreement when read together with this Second Amendment, shall constitute novation, payment, re-advance, or otherwise of any existing indebtedness, liabilities and obligations of the Borrower to FCC.

**5.13 Continuing Effect of Security Documents**

Each of the undersigned acknowledges, confirms and agrees that all mortgage, security and other documents, agreements and instruments executed by it shall remain in full force and effect as binding obligations enforceable against it notwithstanding the execution and delivery of this Second Amendment and secure all present and future indebtedness, liabilities and obligations of the Borrower to FCC.

**5.14 Language**

The parties have requested that this Second Amendment and all other Loan Documents be drafted in English. Les parties ont requis que cette convention et tous les autres documents soient rédigés en anglais.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF** the parties have executed this Second Amendment as of the day and year first above written.

**Acceptance**

This Second Amendment may be accepted by signing, dating and returning to FCC on or before March 31, 2023 the enclosed copy of this Second Amendment executed by the Credit Parties as set out below. Failing such acceptance, this offer shall be of no further force or effect.

**FARM CREDIT CANADA**

Per: 

Name: Louis Racine  
Title: Legal Counsel



AGREED TO and ACCEPTED as at the date first written above.

**GLOBAL FOOD AND INGREDIENTS INC.**

Per:

*Bill Murray*

Name: Bill Murray

Title: CFO

I have the authority to bind the Corporation.

**GLOBAL FOOD AND INGREDIENTS (USA) INC.**

Per:

*Bill Murray*

Name: Bill Murray

Title: CFO

I have the authority to bind the Corporation.

**NORTH LILY FOODS INC.**

Per:

*Bill Murray*

Name: Bill Murray

Title: CFO and Treasurer

I have the authority to bind the Corporation.

**GFI BRANDS INC.**

Per:

*Bill Murray*

Name: Bill Murray

Title: CFO

I have the authority to bind the Corporation.

**GLOBAL FOOD AND INGREDIENTS LTD.**

Per:

*Bill Murray*

Name: Bill Murray

Title: CFO

I have the authority to bind the Corporation.

## SCHEDULE A

Customer number: 200839292  
 Loan number: 712591001 ("Loan")

**This payment schedule amendment is based on:**

Current Principal Balance: \$10,066,666.57  
 Current Security Type: Real property  
 Current Interest Term and Type: 4 years fixed  
 Current Interest Rate: 5.25%

	Current Terms		New Terms	
	Interest	Fixed principal	Interest	Fixed principal
Payment Type:	Interest	Fixed principal	Interest	Fixed principal
Payment Frequency:	Monthly	Monthly	Monthly	Monthly
Next Payment Due:	Apr 1, 2023	Apr 1, 2023	Apr 1, 2023	Oct 1, 2023
Maturity Date:	Dec 2, 2024		Jun 2, 2025	
End of Amortization:	Oct 2, 2035		Apr 1, 2036	

Customer number: 200839292  
 Loan number: 739304001 ("Loan")

**This payment schedule amendment is based on:**

Current Principal Balance: \$1,831,762.12  
 Current Security Type: Real property  
 Current Interest Term and Type: 5 years variable  
 Current Interest Rate: 9.7%

	Current Terms		New Terms	
	Interest	Blended	Interest	Blended
Payment Type:	Interest	Blended	Interest	Blended
Payment Frequency:	Monthly	Monthly	Monthly	Monthly
Next Payment Due:	Apr 1, 2023	Apr 1, 2023	Apr 1, 2023	Oct 1, 2023
Maturity Date:	Jan 2, 2026		Jul 2, 2026	
End of Amortization:	Jan 2, 2032		Jul 2, 2032	

Customer number: 200839292  
 Loan number: 762753001 ("Loan")

**This payment schedule amendment is based on:**

Current Principal Balance: \$3,722,222.20  
 Current Security Type: Real property  
 Current Interest Term and Type: 5 years variable  
 Current Interest Rate: 9.7%

	Current Terms		New Terms	
	Interest	Fixed principal	Interest	Fixed principal
Payment Type:	Interest	Fixed principal	Interest	Fixed principal
Payment Frequency:	Monthly	Monthly	Monthly	Monthly
Next Payment Due:	Apr 1, 2023	Apr 1, 2023	Apr 1, 2023	Oct 1, 2023
Maturity Date:	Apr 1, 2026		Oct 1, 2026	
End of Amortization:	May 1, 2034		Nov 1, 2034	

**This is Exhibit "R" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watt*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Priscilla  
Sw*





**Third Amending Agreement, Consent and Waiver to the Second Amended and Restated Credit Agreement**

Customer number: 200839292

February 1, 2024

**Private and Confidential**

**Global Food and Ingredients Inc.**  
43 Colborne Street, Suite 400  
Toronto, ON M5E 1E3

Dear Sir/Madam:

Reference is made to the second amended and restated credit agreement dated May 17, 2022, as amended by a first amending agreement dated December 30, 2022 and a second amending agreement dated March 17, 2023, among Farm Credit Canada ("**FCC**"), as lender, Global Food and Ingredients Inc., as borrower (the "**Borrower**"), and each of Global Food and Ingredients (USA) Inc., North Lily Foods Inc., GFI Brands Inc. and Global Food and Ingredients Ltd., as guarantors (collectively, the "**Guarantors**") (as may have been further amended, restated, replaced, renewed, extended, supplemented or otherwise modified prior to the date hereof, the "**Existing Credit Agreement**").

This Third Amending Agreement, Consent and Waiver (this "**Third Amendment**") merely amends the Existing Credit Agreement and nothing in this Third Amendment shall constitute or result in or be construed as constituting or resulting in: (i) a repayment or reborrowing of any Indebtedness owed by the Borrower to FCC under any Credit Facilities owing by the Borrower; or (ii) a novation or rescission of any previous credit agreements or any other Loan Document.

Pursuant to Section 6.6(a) of the Existing Credit Agreement, the Borrower has covenanted and agreed, *inter alia*, to prepay all outstanding Advances (until repaid in full) within five (5) Banking Days from the date on which any Credit Party receives any cash proceeds from issuance of certain Indebtedness and equity raised from an initial public or private offering undertaken by any Credit Party, in an aggregate principal amount equal to 100% of the cash proceeds of such issuance of Indebtedness or equity sale (less the reasonable out-of-pocket costs, expenses and fees incurred by such Credit Party in connection with such issuance of Indebtedness or equity sale), unless FCC has consented and agreed in writing to forego any such mandatory payment (the "**Mandatory Prepayment Covenant**").

Pursuant to Section 1.2(g) of Schedule A of the Existing Credit Agreement, the Credit Parties have covenanted and agreed not to effect an Asset Disposition except for Permitted Asset Dispositions (the "**Dispositions Covenant**").

The Borrower intends to effect an Asset Disposition with respect to certain of its assets constituting its plant-based pet food ingredients business (the "**Spinoff Transaction**") to Big Sky Milling Inc. ("**Big Sky**") pursuant to an asset purchase agreement between the Borrower, as vendor, and Big Sky Milling Inc., as purchaser, dated as of the date hereof (the "**Spinoff APA**"). In connection with the Spinoff Transaction, 35 Oak Holdings Ltd. intends to provide (i) Big Sky with a \$5,000,000 revolving credit facility and a \$5,000,000 term credit facility, and (ii) the Borrower with a \$500,000 term credit facility (collectively, the "**Big Sky Loan**"), to be secured on a first-ranking basis by the Alberta Properties and a general security agreement

over all present and after-acquired personal property of Big Sky, and on a third-ranking basis by a general security agreement over all present and after-acquired personal property of the Borrower.

The Borrower has requested that FCC consent to the Spinoff Transaction, notwithstanding that the Spinoff Transaction is not a Permitted Asset Disposition under the Existing Credit Agreement, as required pursuant to the Dispositions Covenant.

The Borrower has further requested that FCC waive the Borrower's compliance with the Mandatory Prepayment Covenant, solely with respect to any advances of loans under and in respect of the Big Sky Loan.

FCC is agreeable to provide the requested waiver and consent subject to the terms and conditions contained herein.

The Borrower and each of the Guarantors acknowledges, confirms, covenants and agrees that each of them is bound by the terms and conditions of all loan, guarantee and security documents to which they are a party that have been entered into or granted in favour of FCC prior to the date hereof (the "**Existing Security Documents**"), and each of the Existing Security Documents to which they are a party continue in full force and effect as general and continuing collateral security for all of the Outstanding Obligations of the Borrower and the Guarantors under the Existing Credit Agreement, as amended by this Third Amendment (and as may be further amended, restated, replaced, renewed, extended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), and the other Loan Documents.

The purpose of this Third Amendment is to set out the amendments to the Existing Credit Agreement to which the parties have mutually agreed.

All terms with initial capital letters used in this Third Amendment and not defined herein shall have the meanings given to such terms in the Credit Agreement.

#### 1. Amendments to Existing Credit Agreement

- (a) The chart listing the Guarantors in Section 1 (Credit Parties) of the Existing Credit Agreement is amended by adding the following guarantor:

Big Sky Milling Inc. 43 Colborne Street, Suite 400 Toronto, ON M5E 1E3
--

- (b) The first chart in Section 2.1 (Credit Facilities) of the Existing Credit Agreement, is amended by deleting it in its entirety and replacing it with the following:

Credit Facility Number	Borrower	Guarantors
712591001	Global Food and Ingredients Inc.	Global Food and Ingredients (USA) Inc.
724230001		North Lily Foods Inc.
739304001		GFI Brands Inc.
762753001		Global Food and Ingredients Ltd. Big Sky Milling Inc.

- (c) Section 3.1 (Guarantees) of the Existing Credit Agreement, is amended as follows:

- (i) By deleting "; and" from Section 3.1(c);

- (ii) By deleting the period at the end of Section 3.1(d) and replacing it with “; and”; and
- (iii) By adding a new Subsection 3.1(e) as follows:
  - “(e) A **new** limited guarantee from Big Sky Milling Inc. in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrower up to \$3,000,000.”
- (d) Section 3.2(d) (Real Property Security) of the Existing Credit Agreement is amended by deleting it in its entirety and replacing it with the following:
  - “(d) A **new** mortgage assumption agreement entered into among the Borrower, Big Sky Milling Inc. and FCC with respect to an existing continuing collateral mortgage in the principal sum of \$5,000,000.00, granted by the Borrower in favour of FCC (the “**Alberta Mortgage**”), registered at the Land Titles Registry Alberta against the properties legally described as Plan 2210313, Block 26, Lots 2 and 3 (the “**Alberta Properties**”, and together with the Sedley Facility, the Zealandia Facility and the Lajord Facility may be collectively referred to herein as the “**Properties**” or the “**Mortgaged Properties**”).”
- (e) Section 3.3 (Personal Property) of the Existing Credit Agreement is amended by adding the following as a new subsection (e):
  - “(e) A **new** general security agreement granted by Big Sky Milling Inc. in favour of FCC granting FCC a security interest in all the present and after acquired personal property of Big Sky Milling Inc.”
- (f) Section 3.7 (Inter-Creditor Arrangements) of the Existing Credit Agreement is amended by deleting subsection (a) in its entirety and replacing it with the following:
  - “(a) A **new** Intercreditor Agreement between FCC, Siena Lending Group LLC (“**Siena**”) and the Credit Parties (the “**Siena Intercreditor Agreement**”).”
- (g) Section 3.7 (Inter-Creditor Arrangements) of the Existing Credit Agreement is amended by adding the following as a new subsection (e):
  - “(e) A **new** limited subordination agreement among 35 Oak Holdings Ltd. (“**35 Oak**”), the Borrower, Big Sky Milling Inc. and FCC in respect of the indebtedness, liabilities and obligations owed by the Borrower and Big Sky Milling Inc. to 35 Oak (the “**35 Oak Limited Subordination Agreement**”).”
- (h) Section 1.2(j) (Negative Covenants – Restricted Payments) of Schedule A – Standard Terms and Conditions of the Existing Credit Agreement, is amended as follows:
  - (i) By deleting “and” from the end of Section 1.2(j)(iv);
  - (ii) By replacing “JPM” with “Siena” in Section 1.2(j)(v) in each instance thereof;
  - (iii) By deleting the comma at the end of Section 1.2(j)(vi) and replacing it with “; and”;
  - (iv) By adding a new Section 1.2(j)(vii) as follows:
    - “(vii) with respect to 35 Oak, payments of principal, interest and fees made in accordance with the terms of the 35 Oak Limited Subordination Agreement,”

- (v) By deleting the language “provided that, at the time of and immediately after making a Restricted Payment in respect of subsections (ii), (iii), (iv), (v) and (vi) immediately above, (A) no Default or Event of Default shall have occurred; and (B) the Borrower shall be in compliance with the financial covenants set out in this Agreement” in the final paragraph of the Section and replacing it with the following:

“provided that, at the time of and immediately after making a Restricted Payment in respect of subsections (ii), (iii), (iv), (v), (vi) and (vii) immediately above, (A) no Default or Event of Default shall have occurred; and (B) the Borrower shall be in compliance with the financial covenants set out in this Agreement.”

- (i) The definition of “Guarantors” under Schedule C – Definitions of the Existing Credit Agreement is amended by deleting it in its entirety and replacing it with the following:

“**Guarantors**” means, collectively:

- (a) Global Food and Ingredients (USA) Inc. and its successors and permitted assigns;
- (b) North Lily Foods Inc. and its successors and permitted assigns;
- (c) GFI Brands Inc. and its successors and permitted assigns;
- (d) Global Food and Ingredients Ltd. and its successors and permitted assigns;
- (e) Big Sky Milling Inc. and its successors and permitted assigns;
- (f) any other present or future direct or indirect Subsidiary of the Borrower or any other Credit Party that is required to deliver security pursuant to Section 1.1(o) of Schedule A attached hereto; and
- (g) any other Person that, with the prior written consent of FCC, at any time in the future guarantees any of the Outstanding Obligations pursuant to a Guarantee or other guarantee agreement and grants security in support thereof, all in form and substance satisfactory to FCC,

and “**Guarantor**” means any one of them.”

- (j) The definition of “Material Contract” under Schedule C – Definitions of the Existing Credit Agreement is amended by deleting it in its entirety and replacing it with the following:

“**Material Contract**” means:

- (a) all pension plans and benefit plans operated by any Credit Party, if any,
- (b) the Siena Intercreditor Agreement and all loan and security documents entered into by the Credit Parties with Siena;
- (c) the 35 Oak Limited Subordination Agreement and all loan and security documents entered into by the Credit Parties with 35 Oak;
- (d) the asset purchase agreement between the Borrower, as vendor, and Big Sky Milling Inc., as purchaser, dated as of February 1, 2024;

(e) the Lajord Lease, the Lajord Lease Assignment and the Lajord Landlord Waiver and Consent; and

(f) any other agreement, contract or similar instrument to which any Credit Party is a party or to which any of their property and assets may be subject for which breach, non-performance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.”

(k) The definition of “**Permitted Indebtedness**” under Schedule C – Definitions of the Existing Credit Agreement is amended as follows:

- (i) By deleting reference to “JPM” from paragraph (f) thereof and replacing such deletion with “Siena”;
- (ii) By deleting referencing to “\$43,000,000” from paragraph (f) thereof and replacing such deletion with “\$25,000,000”;
- (iii) By deleting “; and” from paragraph (g) thereof;
- (iv) By deleting the period at the end of paragraph (h) thereof and replacing it with “;”;  
and
- (v) By adding new paragraphs (i) and (j) as follows:
  - “(i) Indebtedness of Big Sky Milling Inc. under the loan agreement with 35 Oak; provided that, the aggregate principal amount of such Indebtedness shall not exceed \$10,000,000 at any time outstanding; and
  - (j) Indebtedness of the Borrower under the promissory note with 35 Oak; provided that, the aggregate principal amount of such Indebtedness shall not exceed \$500,000 at any time outstanding.”

(l) The definition of “**Permitted Liens**” under Schedule C – Definitions of the Existing Credit Agreement is amended as follows:

- (i) By deleting reference to “JPM” from paragraph (j) thereof and replacing such deletion with “Siena”;
- (ii) By deleting reference to “JPM Intercreditor Agreement” from paragraph (j) thereof and replacing such deletion with “Siena Intercreditor Agreement”;
- (iii) By deleting “; and” from paragraph (n) thereof;
- (iv) By deleting the comma at the end of paragraph (o) thereof and replacing it with “; and”;
- (v) By adding a new paragraph (p) as follows:
  - “(p) Liens in favour of 35 Oak; provided that any such Liens are subject to the 35 Oak Limited Subordination Agreement which is and remains in effect at all times,”

(m) Paragraph 1 entitled “**Bank Account Information**” under Schedule D – Pre-Authorized Payment Authority of the Existing Credit Agreement is amended by deleting it in its entirety and replacing it with the following:

**1. Bank Account Information**

Financial Institution Name: Bank of Montreal  
Address: 100 King Street West  
Toronto, ON  
M5X 1A3  
Bank Code: 001  
Transit #: 00022  
Account #: 1555-523"

- (n) The RE line of Schedule E – Compliance Certificate of the Existing Credit Agreement, is amended by deleting it in its entirety and replacing it with the following:

**"RE** Credit facilities established in favour of the Borrower pursuant to a second amended and restated credit agreement dated May 17, 2022 between FCC, as lender, the Borrower, as borrower, and Global Food and Ingredients (USA) Inc., North Lily Foods Inc. and GFI Brands Inc., as guarantors, as amended by amending agreement dated December 30, 2022 adding Global Food and Ingredients Ltd., as guarantor, as amended by second amending agreement dated March 17, 2023, and as amended by third amending agreement dated February 1, 2024 adding Big Sky Milling Inc., as guarantor (as the same may be further amended, modified, supplemented, extended, renewed, restated or replaced from time to time, the "**Credit Agreement**")."

**2. Consent and Waiver**

Subject to the terms of this Agreement, FCC hereby (i) consents to the Spinoff Transaction, and (ii) waives the Mandatory Prepayment Covenant, solely with respect to loans advanced to the Borrower and Big Sky under the Big Sky Loan from time to time (each, a "**Big Sky Advance**" and collectively, the "**Big Sky Advances**"). The Borrower may retain the proceeds of such Big Sky Advances in accordance with the 35 Oak Limited Subordination Agreement.

**3. Representations and Warranties**

The Credit Parties represent and warrant to FCC that:

- (a) The representations and warranties set out in the Credit Agreement and the other Loan Documents are true, complete and correct in all respects as at the date of this Third Amendment unless specifically made as of a certain date; and
- (b) Subject to Section 2, there is no Default or Event of Default or breach of any covenant, term or condition under the Credit Agreement or any other Loan Document which has occurred and is continuing as at the date of this Third Amendment.

All agreements, representations and warranties made in this Third Amendment shall survive the execution and delivery of this Third Amendment and continue to remain in effect so long as the Borrower has any obligations under the Credit Agreement.

#### 4. Conditions Precedent

Upon FCC having confirmed in writing that the following events have occurred to the satisfaction of FCC and its legal counsel, this Third Amendment shall come into effect and the Existing Credit Agreement shall be amended to reflect the amendments contemplated herein:

- (a) FCC shall have received executed and delivered copies of the following documents:
  - (i) this Third Amendment;
  - (ii) a limited guarantee from Big Sky Milling Inc. in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrower up to \$3,000,000;
  - (iii) a mortgage assumption agreement from Big Sky Milling Inc. with respect to the Alberta Mortgage;
  - (iv) a general security agreement from Big Sky Milling Inc. in favour of FCC securing all of the indebtedness, liabilities and obligations of Big Sky Milling Inc.;
  - (v) the 35 Oak Limited Subordination Agreement; and
  - (vi) the Siena Intercreditor Agreement;
- (b) FCC shall be satisfied that all existing obligations and existing security to such existing obligations continue to be the ongoing obligations of the Credit Parties and all new obligations created pursuant to this Third Amendment;
- (c) FCC shall have received officer's certificates in respect of the Borrower and Big Sky as to (i) general corporate matters including certified copies of articles and by-laws, specimen signatures of officers, and a certified copy of a resolution of the board of directors authorizing the entry into, execution, delivery and performance of this Third Amendment and all related security and other documents, (ii) all material loan and security documents entered into by the Credit Parties with Siena and 35 Oak, as may be requested by FCC, and (iii) the Spinoff APA;
- (d) FCC shall have received such legal opinions from Ontario and Alberta counsel to the Credit Parties addressed to FCC covering matters relating to the Credit Parties, this Third Amendment and the other Loan Documents as FCC may require;
- (e) FCC shall have received certificates of status or equivalent documents in respect of each of the applicable Credit Parties;
- (f) Global Food and Ingredients Ltd. shall have received approval from the TSX Venture Exchange with respect to the Spinoff Transaction;
- (g) the Spinoff Transaction shall be completed contemporaneously with the closing of this Third Amendment, in accordance the Spinoff APA, without material variation or waiver, and all conditions precedent to the Spinoff APA shall have been satisfied;
- (h) FCC shall have received payment in full from the Borrower of all fees, out of pocket expenses and other amounts due and payable to FCC, including, without limitation, a non-refundable administrative fee in the amount of \$5,000.00, and all reasonable

legal fees and disbursements of legal counsel to FCC in respect of this Third Amendment and all outstanding accounts receivable;

- (i) FCC shall be satisfied that no Default or Event of Default has occurred and is continuing; and
- (j) FCC shall have received such other agreements, documents and instruments as FCC shall reasonably require to effect the amendments contemplated in this Third Amendment.

## **5. General Provisions**

### **5.1 Nature of this Third Amendment**

It is acknowledged and agreed that the terms of this Third Amendment are in addition to and, unless specifically provided for, shall not limit, restrict, modify, amend or release any of the understandings, agreements or covenants as set out in the Credit Agreement. The Credit Agreement shall be read and construed in conjunction with this Third Amendment and the Existing Credit Agreement, as amended by this Third Amendment, together with all of the powers, provisions, conditions, covenants and agreements contained or implied in the Existing Credit Agreement shall be and shall continue to be in full force and effect. References to the "Credit Agreement" or the "Agreement" in the Credit Agreement or in any other document delivered in connection with, or pursuant to, the Credit Agreement, shall mean the Credit Agreement (together with all schedules and exhibits attached thereto), as amended by this Third Amendment.

### **5.2 No Other Amendments**

All other terms and conditions of the Credit Agreement remain unamended and the Credit Agreement remains in full force and effect. The Credit Parties acknowledge and agree that, except as expressly provided herein, this Third Amendment shall not constitute an amendment, waiver, consent or release with respect to any provision of the Loan Documents, a waiver of any breach of representation and warranty, breach of covenant, or any Default or Event of Default thereunder, or a waiver or release of FCC's rights or remedies, all of which are expressly reserved, and no delay on the part of FCC in exercising any such rights or remedies, shall be construed as a waiver of any such rights or remedies.

### **5.3 Waiver**

The conditions listed in Section 3 to this Third Amendment may be waived by FCC in whole or in part and with or without terms or conditions.

### **5.4 Further Assurances**

The Borrower shall deliver or shall cause to be delivered to FCC duly executed documents in form and substance satisfactory to FCC as may be reasonably requested by FCC or its counsel for the purpose of giving effect to this Third Amendment or for the purpose of establishing compliance with the representations, warranties and conditions of this Third Amendment, the Credit Agreement or the Security Documents contemplated under the Credit Agreement.

### **5.5 Severability**

Any provision of this Third Amendment which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or



unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**5.6 *Time of Essence***

Time shall, in all respects, be of the essence of this Third Amendment.

**5.7 *Assignment***

The Borrower shall not assign this Third Amendment or any part hereof without the prior written consent of FCC. FCC may assign this Third Amendment in accordance with the terms of the Credit Agreement.

**5.8 *Governing Law***

This Third Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Ontario applicable therein and shall be treated in all respects as an Ontario contract. The parties hereby submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

**5.9 *Whole Agreement***

The Credit Agreement, this Third Amendment, the security and any other written agreement delivered pursuant to or referred to in the Credit Agreement or this Third Amendment constitute the whole and entire agreement between the parties in respect of the Credit Facilities. There are no verbal agreements, undertakings or representations in connection with the Credit Facilities.

**5.10 *Successors and Assigns***

This Third Amendment shall be binding on the Borrower and its successors and assigns, and will enure to the benefit of FCC and its respective successors and assigns.

**5.11 *Counterparts***

This Third Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original agreement and all of which shall constitute one agreement. All counterparts shall be construed together and shall constitute one and the same agreement. This Third Amendment, to the extent signed and delivered by means of electronic transmission (including, without limitation, facsimile and Internet transmissions), shall be treated in all manner and respects as an original agreement and should be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

**5.12 *No Novation***

Nothing in this Third Amendment, nor in the Credit Agreement when read together with this Third Amendment, shall constitute novation, payment, re-advance, or otherwise of any existing indebtedness, liabilities and obligations of the Borrower to FCC.

**5.13 *Language***

The parties have requested that this Third Amendment and all other Loan Documents be drafted in English. Les parties ont requis que cette convention et tous les autres documents soient rédigés en anglais.

**IN WITNESS WHEREOF** the parties have executed this Third Amendment as of the day and year first above written.

**Acceptance**

This Agreement may be accepted by signing, dating and returning to FCC on or before February 1, 2024 the enclosed copy of this Third Amendment executed by the Credit Parties as set out below. Failing such acceptance, this offer shall be of no further force or effect.

**FARM CREDIT CANADA**

Per: *Maude Martin Chantal*

Name: Maude Martin Chantal

Title: Legal Counsel

AGREED TO and ACCEPTED as at the date first written above.

**GLOBAL FOOD AND INGREDIENTS INC.**

Per:

*Bill Murray*

\_\_\_\_\_  
Name: Bill Murray  
Title: Chief Financial Officer

I have the authority to bind the Corporation.

**GLOBAL FOOD AND INGREDIENTS (USA) INC.**

Per:

*Bill Murray*

\_\_\_\_\_  
Name: Bill Murray  
Title: Chief Financial Officer

I have the authority to bind the Corporation.

**NORTH LILY FOODS INC.**

Per:

*Bill Murray*

\_\_\_\_\_  
Name: Bill Murray  
Title: Chief Financial Officer

I have the authority to bind the Corporation.

**GFI BRANDS INC.**

Per:

*Bill Murray*

\_\_\_\_\_  
Name: Bill Murray  
Title: Chief Financial Officer

I have the authority to bind the Corporation.

**GLOBAL FOOD AND INGREDIENTS LTD.**

Per:

*Bill Murray*

\_\_\_\_\_  
Name: Bill Murray  
Title: Chief Financial Officer

I have the authority to bind the Corporation.

**BIG SKY MILLING INC.**

Per:

*Bill Murray*

\_\_\_\_\_  
Name: Bill Murray

Title: Chief Financial Officer, Secretary and Treasurer

**This is Exhibit "S" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

**A commissioner for Oaths in and for the Province of ~~Prince~~ Edward Island**

*Patricia  
She.*



**FCC Detailed Portfolio Summary**

Customer Name: Global Food and Ingredients Inc.(0200839292)

Credit Facility and Loan	Interest Rate	Interest Term/Type	Available Credit	PND	Accrued Interest	Total Arrears	Payment Frequency	Due Date	Total Next Due	Total Early Pay	Total Owing	Loan Product	End of Amortization	Maturity Date
As Borrower1														
0000712591000 - RPL														
0000712591001 -	5.250%	4 years - Fixed	\$0.00	\$9,533,333.21	\$16,211.92	\$112,985.32	Monthly	2024-06-03	\$111,575.02	\$0.00	\$9,662,530.45	Standard	2036-04-01	2025-06-02
Subtotal CDN:				\$9,533,333.21	\$16,211.92	\$112,985.32					\$9,662,530.45			
0000739304000 - RPL														
0000739304001 -	10.200%	5 years - Variable	\$0.00	\$1,742,228.20	\$5,692.04	\$26,169.72	Monthly	2024-06-03	\$26,082.49	\$0.00	\$1,774,089.96	Capacity Builder Loan	2032-07-02	2026-07-02
Subtotal CDN:				\$1,742,228.20	\$5,692.04	\$26,169.72					\$1,774,089.96			
0000762753000 - RPL														
0000762753001 - Splitter Loan	10.200%	5 years - Variable	\$0.00	\$3,499,999.96	\$11,434.86	\$56,851.94	Monthly	2024-06-03	\$59,313.60	\$0.00	\$3,568,286.76	Capacity Builder Loan	2034-11-01	2026-10-01
Subtotal CDN:				\$3,499,999.96	\$11,434.86	\$56,851.94					\$3,568,286.76			
Totals CDN:				\$14,775,561.37	\$33,338.82	\$196,006.98					\$15,004,907.17			

Disclaimer: -The above is based on information known as of 13-May-2024 and does not include any applicable fees, upcoming payments or potential interest rate changes on variable product loans. E. & O.E.- For informational purposes only.

Date: May 13, 2024

**This is Exhibit "T" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watt*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prince  
Sw*

## **Tab 37 - Explanatory Note**

### **Registration of the Collateral Mortgage in the principal amount of \$15,000,000.00 against the Sedley Facility and the Zealandia Facility**

The attached instrument has been registered in Saskatchewan as Interest Register #123754248 and is reflected on the Title Registers at Tabs 48 A, B and C.



The Land Titles Act, 2000  
SPECIFIC MORTGAGE TERMS  
FARM CREDIT CANADA  
PLAIN LANGUAGE MORTGAGE

**YOUR LOAN**

Principal Amount

\$15,000,000.00

Interest Rate

18% Per Annum

Interest Adjustment Date

N/A

Calculation Period

Half - yearly not in advance

Amortization Period

N/A

**YOUR PAYMENT TERMS**

Amount of Each Payment

N/A

First Payment Date

N/A

Payment Date and Period

This Mortgage secures a revolving line of credit up to the Principal Amount shown hereon in accordance with section 27 of *The Land Titles Act, 2000*, as amended from time to time. All payments, dates and other contractual terms shall be determined in accordance with the attached Schedule "A".  
If this mortgage is given wholly or partially in support of a Guarantee provided by the Mortgagor(s) to the Mortgagee, it is payable on the terms set forth in the Guarantee or if the terms of payment are not set forth in the Guarantee then the mortgage will be payable ON DEMAND.

Balance Due Date

ON DEMAND

Last Payment Date

N/A

Additional Terms

The Collateral Mortgage Terms attached hereto as Schedule "A" form part of this mortgage and the Mortgagor(s) acknowledge receiving a copy thereof.

**MORTGAGOR**

Individual  Corporation

Name and address of owner, as in certificate of title

11567403 CANADA INC.

43 Dixon Avenue, Toronto, Ontario, Canada, M3L 1N4

I agree to the terms and conditions of this Mortgage.

11567403 CANADA INC.

Per: 

Authorized Signatory

**MORTGAGEE**

Farm Credit Canada

Street City Province Postal Code

1133 St. George Blvd., Suite 104, Moncton, New Brunswick E1E 4E1

The Land Titles Act, 2000

**SPECIFIC MORTGAGE TERMS  
FARM CREDIT CANADA  
PLAIN LANGUAGE MORTGAGE**

**DESCRIPTION OF THE PROPERTY**

**THE PROPERTY**

Surface Parcel #111788219

Reference Land Description: Blk/Par A Plan No 101331425 Extension 10  
As described on Certificate of Title 99SE01294, description 10.

Surface Parcel # 145169185

Reference Land Description: Blk/Par A Plan No 98MW19933 Extension 1  
As described on Certificate of Title 99MW02348.

Surface Parcel #202892519

Reference Land Description: Blk/Par K Plan No 102144046 Extension 0

**SCHEDULE "A"**  
**COLLATERAL MORTGAGE TERMS**

**FARM CREDIT CANADA**

Plain Language Mortgage - Continuing Collateral Mortgage

**1. DEFINITIONS**

This section defines some of the specific terms You will find in these Collateral Mortgage Terms.

**"Mortgage"** means the Specific Mortgage Terms attached, this set of Collateral Mortgage Terms and any changes made by written agreement with You.

**"You"** and **"Your"** mean each person or corporation who has signed this Mortgage as Mortgagor or Guarantor. This includes the personal and legal representatives of each person or corporation and any person or corporation who has assumed any obligations under the Mortgage.

**"We"**, **"Us"** and **"Our"** mean the Mortgagee, Farm Credit Canada and its legal representatives.

**"Property"** means the lands described on the Specific Mortgage Terms attached. This includes all buildings on that land now and all improvements made before or during the time this Mortgage is in effect.

**"Principal Amount"** or **"Principal Sum"** means the total maximum principal amount of any Loan that is, or may be, secured by this Mortgage as set out in the Specific Mortgage Terms attached.

**"Interest Rate"** means the rate of interest expressed as a percentage rate per annum which is set out in the Specific Mortgage Terms attached.

**"Variable Mortgage Loan Rate"** means the rate of interest expressed as a percentage rate per annum which is set by Us from time to time.

**"Loan Agreement"** means any Promissory Note, Loan Approval and Acceptance, Loan or Credit Agreement, Guarantee, Covenant, Indemnity or any similar agreement evidencing a Loan between You and Us to be secured by this Mortgage. It includes any Guarantee signed by You guaranteeing the repayment of a Loan made by Us to a third party, which contingent indebtedness under the Guarantee is secured by this Mortgage.

**"Loan Amount"** means the outstanding balance of any Loan or Guarantee after demand or of any draw under any Loan. This balance could include unpaid principal, defaulted payments, interest on defaulted payments, Other Charges and interest on Other Charges.

**"Loan"** means all loans made by Us to You from time to time and secured by this Mortgage, including the Loan made at the time this Mortgage is signed, and all loans which We have

made to others which You have guaranteed or covenanted to pay to Us or for which You have otherwise indemnified Us, and which are secured by this Mortgage. Loans may be agreed to in Loan Agreements. The Specific Mortgage Terms attached set out the maximum Principal Amount of the Loan and the maximum interest rate We will charge You on the Loan.

**"Guarantee"** means a form of Guarantee signed by You in which You agree to repay a Loan made by Us to a third party if the third party fails to pay the Loan.

**"Other Charges"** means Our expenses of protecting and enforcing Our rights and of making payments on any Prior Charges against the Property. Other Charges could include but are not limited to the cost of the following:

- investigating the Property, and preparing and registering this Mortgage;
- insurance if We decide to insure You or the Property;
- appraising the Property and undertaking an environmental inspection or clean-up of the Property;
- all of Our administrative, clerical and actual legal costs on a solicitor and client basis; and
- the cost of any receiver or receiver-manager appointed under this Mortgage.

**"Prior Charges"** mean any charges or liens against the Property that affect the priority of this Mortgage.

**"Hazardous Substances"** mean and include any substances declared from time to time to be hazardous, dangerous or toxic or similarly described under any applicable federal, provincial or municipal law, by-law, regulation or other enactment.

## 2. **WHAT THIS MORTGAGE DOES**

By signing the Specific Mortgage Terms attached You acknowledge that You are indebted to Us or may become indebted to Us and agree to repay the Principal Sum or the Loan Amount outstanding with interest. You also mortgage all of Your estate and interest in the Property to Us, as additional and collateral security for the repayment of all the Loan Amounts up to the Principal Sum, plus interest and Other Charges. You also represent to Us that Your Loan and all related Loan Agreements have been entered into for primarily business purposes.

### 2.1 **Your title to the Property**

You guarantee that You are the registered owner of an estate in fee simple in the Property or have an absolute right to acquire such an estate under a registered Agreement for Sale or Right to Purchase or have a registered leasehold interest in the Property and have the right to give Us this Mortgage and hereby mortgage all Your estate and interest in the Property to Us. If you acquire a greater or additional interest in the Property, it too is hereby charged by this Mortgage.

You also guarantee that there are no Prior Charges on the Property, other than those We have agreed to in any Loan approval document or Loan Agreement and You agree to make payments on approved Prior Charges as they become due.

## 2.2 Who is bound by this Mortgage

The obligations under this Mortgage are the collective and individual responsibility of all persons or corporations who have signed it.

Your legal and personal representatives and Our legal representatives must comply with the terms of this Mortgage.

## 2.3 Changing or extending this Mortgage

We may make written agreements with You to change any part of this Mortgage. This could include changing the Principal Amount or Interest Rate or both. We do not have to register any written agreement as to any such change to maintain the priority of this Mortgage.

## 2.4 Additional Collateral Security

This Mortgage provides Us with general and continuing collateral security for repayment of the Loan Amount regardless of any changes in the balance owing or even if there is no balance owing, and this Mortgage will not be deemed to have been redeemed or become void as a result of such event. This mortgage is in addition to any other security We may hold in connection with the Loan and will not in any way affect any rights We may have under any such other security, any Loan Agreement, by rule or law or otherwise to recover the Loan Amount.

## 2.5 Mortgage of Lease

This provision only applies if any of the interest mortgaged in the Specific Mortgage Terms attached is a leasehold interest.

You represent, warrant and agree with Us that:

- You are the lawful tenant of the Property and have a good and marketable leasehold interest in the Property under a good, valid and subsisting lease, free of any encumbrance or claim, except as approved by Us;
- You have paid all rents and other monies payable under Your lease and are not in default under any of Your other obligations under Your lease;
- You have obtained the written consent of Your landlord, or have the right without such consent, to mortgage Your leasehold interest in the Property;
- You will pay all rent and other payments due and perform and observe all of Your other obligations under Your lease, in default of which We may make such payments or perform such obligations and charge same to You as Other Charges;
- You will not surrender Your lease or cause or allow it to be terminated or forfeited;

- You will not agree to any amendment to Your lease without Our prior written consent; and
- You will, as soon as possible after receipt, give Us a copy of any notice, demand or request You receive relating to Your lease.

## 2.6 **Mortgage in support of a guarantee**

This provision applies only if this Mortgage is given in support of a Guarantee given by You to Us guaranteeing the repayment of any Loan made by Us to a third party. If the Mortgage is in support of a Guarantee it will be payable on the terms set forth in the Guarantee or if the terms of payment are not set forth in the Guarantee then the Mortgage will be payable on demand by Us.

## 3. **INTEREST**

### 3.1 **Interest Rate**

You will find the Interest Rate on the Specific Mortgage Terms attached.

### 3.2 **Interest on Your Loan**

We will charge interest from the date each advance under each Loan is made to You at the Interest Rate or such lesser rate or rates as may be provided in the Loan Agreement evidencing each Loan or any subsequent extensions or renewals with respect to each Loan. You agree to pay this interest and to comply with Your obligations under this Mortgage and under any Loan Agreement.

### 3.3 **Interest on defaulted payments**

If You fail to make any payment on time, We will charge interest on the payment. We will calculate interest from the date the payment was due until the date You pay it. The rate of interest on defaulted payments is the Interest Rate or such lesser rate as provided in the applicable Loan Agreement.

### 3.4 **Interest on Other Charges**

We may add Other Charges to the Loan Amount of Your Loan. You agree to pay interest on these Other Charges from the date We incur the cost or pay the Other Charges until the date You pay Us.

In the event We advance more than one Loan to You, We shall have the sole discretion to decide which Loan interest rate applies to Other Charges.

## 4. **VARIABLE INTEREST RATES**

The following applies to You only if interest on Your Loan accrues at Our Variable Mortgage Loan Rate.

#### **4.1 How the rate of interest is calculated and varies**

The Variable Mortgage Loan Rate will change automatically each time We set the rate of interest for Our Variable Mortgage Loan product.

You will not be advised by Us of any increase or decrease in Our Variable Mortgage Loan Rate until You receive an annual Mortgage statement in which any changes in the Variable Mortgage Loan Rate will be set out. We will, however, advise you on an annual basis as to any change required with respect to Your scheduled payments due to a change of Our Variable Mortgage Loan Rate.

Any failure by Us to mail the annual Mortgage statement or the fact that You may not have received it will not prevent the variation of the rate of interest payable on Your Loan.

Our Variable Mortgage Loan Rate is available from any one of Our offices and shall be conclusive and binding as to the rate of interest applicable to Your Loan.

#### **4.2 Deferred Interest**

If the amount of interest that has accrued on the Principal Amount from one payment to the next exceeds the amount of the payment, then such excess (the "Deferred Interest") shall bear interest from and including the payment date at the then Variable Mortgage Loan Rate. All interest that has accrued on Deferred Interest during the payment period shall, on the first day of the following payment period, be added to and become Deferred Interest and shall bear interest from and including the payment period date at the then Variable Mortgage Loan Rate.

### **5. YOUR RESPONSIBILITIES**

By signing this Mortgage You agree to carry out all of Your responsibilities under it. You also agree to be bound by and carry out all the terms and conditions under which We make a Loan. You will find these terms and conditions in the document approving the Loan or the Loan Agreement or both.

#### **5.1 Business plan and financial statements**

You agree to carry out any business plan that We request and have approved. You also agree to provide financial statements to Us when, and in the form, requested by Us.

#### **5.2 Use of Your Loan**

You agree to Use the proceeds of Your Loan(s) as described in the document approving the Loan and/or the Loan Agreement.

#### **5.3 Repaying Your Loan**

You agree to pay to Us in Canadian dollars the Principal Amount of all Loans

secured by this Mortgage, plus the interest calculated half-yearly, not in advance, in regular payments as set out in the Loan Agreement. You will find the amount of each payment in the Loan Agreement related to each Loan.

You agree to make Your payments on the payment date stated in the Loan Agreement related to each Loan.

If You are not in default on any Loan from Us, We will apply each Loan payment to the appropriate Loan as follows:

- first, to pay Other Charges;
- second, to pay the interest due; and
- third, to reduce the Principal Amount.

If You are in default on any Loan from Us, We can apply each Loan payment as We see fit.

#### **5.4 Prepayments**

If You are not in default on any Loan from Us, We may, but are not obligated to, grant You the right to prepay all or part of any Loan.

If We do grant You a right of payment on any Loan, We may require You to pay Us an additional amount representing Our costs incurred by reason of the prepayment, including all interest lost by Us as a result of the prepayment.

#### **5.5 Taxes on the Property**

You agree to pay all liens, taxes and rates levied or charged against the Property.

#### **5.6 Insuring the Property**

You agree to insure all buildings and improvements on the Property subject to this Mortgage, in Our favour, during the time this Mortgage is in effect. We must approve the insurance policy and company. We can require a certified copy of the policy and can require changes in the policy. The insurance policy must cover loss by fire and other hazards, including extended perils coverage. The policy must be for replacement value. The policy must include a Mortgage clause stating that proceeds are payable to Us.

If You do not insure Your buildings and improvements in this manner, We can insure them and the cost will be considered as Other Charges and added to the Loan Amount of the appropriate Loan or Loans.

If any damage or loss occurs, You agree to notify Us promptly and co-operate with the insurance company. At Our sole discretion, We may apply the insurance proceeds to any of the following:

- to repair or rebuild buildings or improvements;
- to reduce Your Loan; or
- pay them to You.



If We pay the insurance proceeds to You, that does not affect Your payment obligations under any Loan Agreement.

#### **5.7 Life Insurance**

If requested by Us, You agree to provide and maintain life insurance on You or others in a form satisfactory to Us. The life insurance, will be assigned and payable to Us during the period of time this Mortgage is in effect. If You do not provide or maintain this insurance, We may do so and the cost will be considered as Other Charges and added to the Loan Amount of the appropriate Loan or Loans.

#### **5.8 Transferring the Property**

You agree not to transfer any of the Property without Our written consent. This includes creating a new parcel from the Property, or giving a lease or a license over any part of the Property.

You agree to assign to Us any agreement relating to the Property under which You receive payments. If You are not in default, We may not require these payments to be made to Us. We are not responsible for Your obligations in any such agreements.

#### **5.9 Removal of resources**

You agree not to remove any trees, gravel or other resources from the Property without Our written consent.

#### **5.10 Keeping the Property in good condition**

You agree to keep the Property in good condition. You shall not do anything that lowers the value of the Property. If You do not maintain the good condition and value of the Property We may enter and take any action We consider necessary to restore the Property. The cost of any such action may be added to the Loan Amount of the Loan or Loans of Our choosing.

#### **5.11 Environmental protection**

You represent and agree that:

- You and all persons You are responsible for in law will, at Your cost, comply with all relevant environmental laws as they may pertain to the Property, including those relating to the management, handling and clean-up of Hazardous Substances;
- the Property has not and will not be Used to store any Hazardous Substances above or below ground, except in the normal course of Your business at the time of this Mortgage. Any such storage in the normal course shall comply with any laws, regulations or by-laws pertaining to safe storage and handling of such Hazardous Substances;
- no Hazardous Substances have or will be released from the Property into the

environment;

- there are no existing or threatened legal proceedings or investigations in relation to any Hazardous Substance affecting the Property or any environmental matter generally nor any grounds for same;
- You will advise Us of any environmental condition involving a Hazardous Substance or breach of environmental law on or near the Property which You may become aware of. You must remedy the environmental condition on the Property and remove any Hazardous Substance at Your expense within a reasonable time as determined by Us. If You fail to do so, We may, but are not obligated to, take steps to remedy this environmental condition and remove such Hazardous Substance. The costs, expenses or damages incurred by Us shall be added to the Loan Amount of the Loan of Our choosing;
- You will provide Us with any environmental information respecting the Property when and as requested by Us during the time this Mortgage is in effect.

#### 5.12 Paying Other Charges

You agree to pay all costs and expenses incurred by Us, including all costs and expenses to enforce or protect our rights under this Mortgage or any

Loan Agreement, including, but not limited to, all legal fees on a solicitor and client basis.

You agree to pay all Other Charges plus any interest thereon.

We may add Other Charges to the Loan Amount for each Loan when they occur.

### 5.13 Assignment of Rents/Leases

This provision only applies if a Loan Agreement provides for an assignment of rents or an assignment of lease as additional security.

You assign and transfer to Us all leases, agreements to lease and rental agreements (the "Rental Agreements") affecting the Property together with all rents payable and all rights, benefits and advantages under them.

We will not be responsible for collecting any rents or doing anything the landlord or the tenant is supposed to do under the Rental Agreements and We will not become a mortgagee in possession by this provision.

We will only be liable for monies We actually receive under this provision, after deduction of Our expenses in collecting such monies, and We will apply all such monies received against the amounts due under this Mortgage.

We will not collect any monies under this provision until You are in default under this Mortgage or in default of any other obligation You have with Us..

You will not accept prepayment of any rent due or to become due under the Rental Agreements, but will only accept payment in the amount, on the days and in the manner set out in the Rental Agreements.

### 5.14 No subdivision, zoning or use change

You agree not to create a new parcel for the Property, subdivide the Property, make an application for a change in the municipal zoning of the Property or change the use of the Property without Our written approval and consent.

## 6. OUR RIGHTS

We have the following rights to ensure that You carry out Your responsibilities under this Mortgage.

### 6.1 Our right of inspection

We have the right to enter and inspect the Property for any reason and at any time, whether or not You are in default under this Mortgage or any Loan Agreement.

### 6.2 What We can do if You default

You are in default if You fail to make any payment required under any Loan Agreement on time or fail to do anything else You agreed to do under this Mortgage or any Loan Agreement.

You are in default if any of the environmental representations are untrue at the time given or are breached during the time this Mortgage is in effect.

If You are a corporation, You are also in default if there is a change in the voting

control, ownership, officers or directors without Our written consent.

If You default, We may take certain actions.

- **We may demand payment**

If We demand payment of the Loan Amount, the Loan Amount is immediately due and payable.

- **We may foreclose**

We may take action in court to foreclose Your title to or interest in the Property and Your right to reclaim the title or interest. If the court grants a final order of foreclosure the Property or Your interest in it legally becomes Ours.

- **We may take sale proceedings**

We may take immediate possession of the Property.

We may carry on all or any part of Your business conducted on the Property.

We may sell all or part of the Property by private sale or public auction for cash or credit or both or We may lease all or part of the Property on any terms and for any period We wish.

Before doing any of these, We will give You notice or obtain court approval if required by any applicable law.

- **We may sue You**

We may sue you for possession.

Where permitted by law, We may sue You for the Loan Amount and if the amount We receive from any sale of the Property does not equal the Loan Amount, We may recover the difference from You.

- **We may appoint a receiver or receiver-manager**

We may appoint or ask a court to appoint someone to manage, sell or liquidate the Property.

- **We may take any other lawful action**

We may take any other action or remedy provided to Us in law.

### 6.3 Non - merger

If We take any action forcing You to comply with any part of this Mortgage or any Loan Agreement relating to any Loan, or obtain a judgement against You, it will not affect Our other rights under this Mortgage or any Loan Agreement. It will also not

affect Our rights under any other mortgage or Loan Agreement You have with Us.

**6.4 Time extension**

If We delay in enforcing any of Our rights under this Mortgage, it will not affect Our other rights under this Mortgage.

**6.5 Partial release**

If We release part of the Property from this Mortgage, it will not affect Your responsibilities under this Mortgage or any Loan Agreement. Our interest will continue in the rest of the Property.

If We release any person or corporation from any obligation under this Mortgage or any Loan Agreement, it will not affect the obligations of the remaining signers.

**6.6 Consolidation**

If You default under any terms of any other mortgage or Loan Agreement with Us, We will consider You in default under this Mortgage.

If You default under any of the terms of this Mortgage or any Loan Agreement, We will consider You in default under any other mortgage with Us.

**6.7 We are under no obligation to make advances to You under this Mortgage**

We may decide for any reason not to give You all or part of any Loan, even if:

- You have signed this Mortgage or a Loan Agreement or both;
- We have registered this Mortgage; and
- We have already given You part of any Loan Amount.

**6.8 Right to Re-advance**

Provided You are not in default under any terms of this Mortgage or any Loan Agreement, We may, in Our sole discretion, re-advance any principal portion of any Loan to an amount not to exceed the original Loan Amount and this Mortgage shall continue to be security therefore.

**6.9 Differences**

Where there is any difference between the terms of this Mortgage and the terms of the document approving Your Loan or any Loan Agreement, the terms of the document approving Your Loan or any Loan Agreement will prevail.

**7. DISCHARGE**

When You have satisfied all of Your obligations in this Mortgage and any Loan Agreements secured by this Mortgage, including payment of all the Loan Amounts outstanding, We agree to discharge this Mortgage.

We will prepare and provide You with a full discharge in a reasonable time after Our interest in the Property ends.

8. **MISCELLANEOUS**

8.1 **Waiver**

If You are a corporation, by executing this Mortgage You waive the provisions of *The Land Contracts (Actions) Act* (Saskatchewan), *The Limitation of Civil Rights Act* (Saskatchewan) and any amendments thereto or successor statutory enactments insofar as they pertain to this mortgage.

8.2 **Interpretation**

In interpreting this Mortgage, whenever the singular number and the masculine gender are used, the same will be construed as including the plural, and feminine and neuter where the fact or context so requires. If this Mortgage is signed by more than one person, all of the promises and agreements contained in this Mortgage will jointly and severally bind the signers.

8.3 **Land Title Mortgage**

This mortgage is made under and in pursuance of *The Land Title Act, 2000* (Saskatchewan).

**This is Exhibit "U" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Wats*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prin  
SW*

DATED: November 22, 2019.

**11567403 CANADA INC.**

Address: 43 Dixon Avenue,  
Toronto, Ontario M3L 1N4

**(Mortgagor)**

TO

**FARM CREDIT CANADA (MORTGAGEE)**

Address: 1133 St. George Blvd., Suite 104  
Moncton, NB, E1E 4E1

**M O R T G A G E**

UNDER

THE LAND TITLES ACT, 2000

MCKERCHER LLP

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Solicitor for the Mortgagee



## MORTGAGE AMENDING AGREEMENT

THIS AGREEMENT made this 28 day of May, 2021.

BETWEEN:

**11567403 CANADA INC.**

(hereinafter called the "Mortgagor")

-and-

**FARM CREDIT CANADA**

(hereinafter called the "Mortgagee")

**WHEREAS** by a mortgage dated November 22, 2019 and registered in the Province of Saskatchewan Land Titles Registry on November 29, 2019, as Interest Register #1237542837 (the "Mortgage"), the Mortgagor mortgaged to the Mortgagee certain lands situated in the Province of Saskatchewan which are included in Schedule "A" attached hereto, unto the Mortgagee to secure payment of the principal sum of \$15,000,000.00, and interest thereon as therein set out;

AND WHEREAS the parties wish to increase the Principal Amount secured by the Mortgage from \$15,000,000.00 to \$25,000,000.00.

NOW THEREFORE the Mortgagor and the Mortgagee agree as follows:

1. The Mortgagor hereby acknowledges and agrees that the Amended and Restated Credit Agreement dated May 28, 2021, (as amended from time to time, both prior to the date hereof and at any time from and after the date hereof) (the "Financing Commitment") shall continue to be binding upon the Mortgagor. The Mortgagor further acknowledges and agrees that:

(a) The Mortgage is hereby amended by increasing the Principal Amount from \$15,000,000.00 to \$25,000,000.00, such that the definition of the Principal Amount in the Mortgage is amended to \$25,000,000.00.

2. The Mortgagor hereby acknowledges and agrees that the Mortgage, in addition to securing other past and present obligations, secures all obligations of the Mortgagor to the Mortgagee under the existing credit agreement between the parties (as the same may be amended from time to time), together with any future credit agreements with respect to the indebtedness.

3. The parties hereby ratify and confirm, and agree that they continue to be bound by the Mortgage as amended by this Agreement. This Agreement and the Mortgage shall be read

together and constitute one agreement with the same effect as if the amendments made by this Agreement had been contained in the Mortgage, but with effect as of the date hereof.

4. It is agreed that all covenants, clauses, agreements, provisos, stipulations, conditions, power, matters and things whatsoever contained in the Mortgage shall continue in full force and effect except as specifically amended herein and shall apply to the amendments herein including any provision allowing for the acceleration of principal and/or interest in the event of default pursuant to the terms of the Mortgage.

5. It is hereby agreed and declared that nothing herein contained shall in any way prejudice the rights of the Mortgagee as against the Mortgagor, its successors and assigns or as against any guarantor or surety or other person whomsoever for the debt evidenced by the Mortgage, or any part thereof, or as against any collateral security which the Mortgagee may now or hereafter hold against the said obligations or any part thereof.

6. Insofar as the law of the Province of Saskatchewan allows, the Mortgagor further covenants and agrees with the Mortgagee as follows:

- (a) That *The Land Contracts (Actions) Act, 2018* of the Province of Saskatchewan shall have no application to any action, as defined in *The Land Contracts (Actions) Act, 2018* with respect to the Mortgage as amended herein; and
- (b) That *The Limitation of Civil Rights Act* of the Province of Saskatchewan or any provisions thereof shall have no application to:
  - (i) the Mortgage as amended herein;
  - (ii) any mortgage, charge or other security for the payment of money made, given or created by the Mortgage as amended herein;
  - (iii) any agreement or instrument renewing or extending or collateral to any mortgage, charge or other security referred to or mentioned in the Mortgage as amended herein;
  - (iv) the rights, powers or remedies of the Mortgagee or any other person under any mortgage, charge, other security agreement or instrument collateral to or referred to in the Mortgage as amended herein.

7. This Agreement shall be construed and enforced in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein and shall be treated, in all respects, as a Saskatchewan contract. Each of the parties hereto irrevocably attorns to the jurisdiction of the courts of the Province of Saskatchewan.

8. If any provision of this Agreement is found to be void, illegal, invalid or unenforceable it shall be severable herefrom, and shall not invalidate, affect or impair the remaining provisions hereof.

9. This Agreement shall not be assigned by either party without the prior written consent of the other party. Subject thereto, this Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

10. This Agreement may be executed in one or more counterparts, each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Any faxed or electronic copy of a signature will be deemed to be an original



## **SCHEDULE "A"**

- (i) Surface Parcel #111788219  
Reference Land Description: Blk/Par A Plan No. 101331425 Extension 10  
As described on Certificate of Title 99SE01294, description 10.
  
- (ii) Surface Parcel #145169185  
Reference Land Description: Blk/Par A Plan No. 98MW19933 Extension 1  
As described on Certificate of Title 99MW02348.
  
- (iii) Surface Parcel #202892519  
Reference Land Description: Blk/Par K Plan No. 102144046 Extension 0

**This is Exhibit "V" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watt*

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**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prina  
Sw*

## MORTGAGE ASSUMPTION AND AMENDING AGREEMENT

THIS AGREEMENT dated the 31st day of March, 2022.

BETWEEN:

**GLOBAL FOOD AND INGREDIENTS INC.**

(“GFI”)

AND:

**11567403 CANADA INC.**

(“7403”)

AND:

**FARM CREDIT CANADA**

(the “Mortgagee”)

**WHEREAS:**

A. By a mortgage dated November 22, 2019 and registered in the Province of Saskatchewan Land Titles Registry on November 29, 2019, as Interest Register #123754237 (the “Mortgage”), 7403 mortgaged to the Mortgagee certain lands situated in the Province of Saskatchewan which are included in Schedule “A” attached hereto (the “Lands”), unto the Mortgagee to secure payment of the principal sum of \$15,000,000.00 (the “Principal Sum”), and interest thereon as therein set out;

B. The Mortgage was amended by a mortgage amending agreement dated May 28, 2021 and registered in the Province of Saskatchewan Land Titles Registry on June 4, 2021 to increase the Principal Sum from \$15,000,000.00 to \$25,000,000.00;

C. GFI, in consideration of the transfer to it of the Lands by 7403, and in consideration of being approved and accepted as the Mortgagor by the Mortgagee has agreed with 7403 to assume payment of the Mortgage or the monies secured thereby and to covenant with the Mortgagee to pay the monies secured thereby and to observe and perform and be bound by the terms, conditions, covenants and provisions contained in the Mortgage, subject to amendments, if any, as hereinafter set out;

D. The parties wish to increase the Principal Amount secured by the Mortgage from \$25,000,000.00 to \$50,000,000.00;

**NOW THEREFORE**, the parties agree as follows:

1. GFI, as principal debtor and not as surety, shall well and truly pay to the Mortgagee all sums of money as are now or shall at any time hereafter become due and payable, whether for principal, interest, charges, costs or otherwise howsoever under or by virtue of the Mortgage or which are secured by the Mortgage, at the times and in the manner provided therein, and GFI will at all times do, observe, perform, keep, be liable under and be bound by every covenant, attornment, licence, power, proviso, condition, agreement and stipulation in the Mortgage contained, to the same extent as if GFI had been the original Mortgagor, and as such had executed the Mortgage.

2. The Mortgagee may release and discharge 7403 and any other person or persons from all liability under their personal covenants in the Mortgage for payment of the monies thereby secured or other monies payable under the Mortgage, but any such release shall be without prejudice to the rights of the Mortgagee under all other covenants and provisions contained in the Mortgage and to their rights and remedies against the Lands, all of which rights and remedies of the Mortgagee are hereby reserved.

3. Except as provided in clause 2 hereof, these presents shall not alter or prejudice the rights and priorities of the Mortgagee as against any guarantor or surety or any subsequent encumbrancer or other person whomsoever interested in the Lands or liable for the monies secured by the Mortgage debt or any part thereof and not a party hereto, or the rights of any such guarantor or surety, subsequent encumbrancer or other person, all of which rights and priorities are hereby reserved.

4. GFI hereby acknowledges and agrees that the Second Amended and Restated Credit Agreement dated April \_\_\_\_\_, 2022, (as amended from time to time, both prior to the date hereof and at any time from and after the date hereof) (the "**Financing Commitment**") shall continue to be binding upon GFI. GFI further acknowledges and agrees that:

- (a) The Mortgage is hereby amended by increasing the Principal Sum from \$25,000,000.00 to \$50,000,000.00, such that the definition of the Principal Sum in the Mortgage is amended to \$50,000,000.00.

5. GFI hereby acknowledges and agrees that the Mortgage, in addition to securing other past and present obligations, secures all obligations of GFI to the Mortgagee under the existing credit agreement between the parties (as the same may be amended from time to time), together with any future credit agreements with respect to the indebtedness.

6. The parties hereby ratify and confirm, and agree that they continue to be bound by the Mortgage as amended by this Agreement. This Agreement and the Mortgage shall be read together and constitute one agreement with the same effect as if the amendments made by this Agreement had been contained in the Mortgage, but with effect as of the date hereof.

7. The parties hereby ratify and confirm, and agree that they continue to be bound by the Mortgage as amended by this Agreement. This Agreement and the Mortgage shall be read together and constitute one agreement with the same effect as if the amendments made by this Agreement had been contained in the Mortgage, but with effect as of the date hereof.

8. It is agreed that all covenants, clauses, agreements, provisos, stipulations, conditions, power, matters and things whatsoever contained in the Mortgage shall continue in full force and effect except as specifically amended herein and shall apply to the amendments herein

including any provision allowing for the acceleration of principal and/or interest in the event of default pursuant to the terms of the Mortgage.

9. It is hereby agreed and declared that nothing herein contained shall in any way prejudice the rights of the Mortgagee as against GFI, its successors and assigns or as against any guarantor or surety or other person whomsoever for the debt evidenced by the Mortgage, or any part thereof, or as against any collateral security which the Mortgagee may now or hereafter hold against the said obligations or any part thereof.

10. Insofar as the law of the Province of Saskatchewan allows, GFI further covenants and agrees with the Mortgagee as follows:

- (a) That *The Land Contracts (Actions) Act, 2018* of the Province of Saskatchewan shall have no application to any action, as defined in *The Land Contracts (Actions) Act, 2018* with respect to the Mortgage as amended herein; and
- (b) That *The Limitation of Civil Rights Act* of the Province of Saskatchewan or any provisions thereof shall have no application to:
  - (i) the Mortgage as amended herein;
  - (ii) any mortgage, charge or other security for the payment of money made, given or created by the Mortgage as amended herein;
  - (iii) any agreement or instrument renewing or extending or collateral to any mortgage, charge or other security referred to or mentioned in the Mortgage as amended herein;
  - (iv) the rights, powers or remedies of the Mortgagee or any other person under any mortgage, charge, other security agreement or instrument collateral to or referred to in the Mortgage as amended herein.

11. As of the date of this Agreement, GFI represents and warrants the following:

- (a) GFI is not a non-resident within the meaning of Section 116 of the *Income Tax Act* (Canada);
- (b) no part of the Lands has ever been occupied by any of the directors or officers, or the spouses of any of the directors or officers of GFI as a matrimonial home within the meaning of *The Family Property Act* (Saskatchewan);
- (c) there are no liens, construction liens (other than liens for services not yet due), easements, rights-of-way, charges, mortgages or encumbrances whatsoever other than as disclosed on title and other than unregistered liens for taxes and similar charges, zoning and land use restrictions that do not materially impede the value of use of the Lands, the reservations and limitations in the grant from the Crown and statutory exceptions to title;
- (d) there are no claims, including but not limited to native land claims, unpatented mining claims or any covenants contained in the original Crown Grant, on or affecting the Lands or any interest in it, which is adverse to or inconsistent with GFI's title;



- (e) the Lands and its use of the Lands comply with any restrictions or agreements registered against the Lands;
- (f) GFI is the legal and beneficial owner of the Lands, and no other person or entity has any legal or beneficial ownership in the Lands;
- (g) the current and proposed use of the Lands complies with all applicable zoning and other land use restriction requirements;
- (h) any easement as disclosed on title wherein the Lands is the servient or the dominant tenement is in good standing and has not been impaired and any agreement or restrictions as disclosed on title have been complied with and are in good standing;
- (i) all contractors and subcontractors have been paid in full for all services and work completed on the Lands which give rise to a lien under *The Builders' Lien Act* (Saskatchewan), except:
  - (i) for accounts for services not yet due;
  - (ii) for statutory hold-backs; and
  - (iii) as otherwise disclosed in writing to the Mortgagee.
- (j) no one has ever made entry on the Lands or brought action to recover the said Lands or any part thereof under or in respect of any claim adverse to the title of GFI;
- (k) there is no dispute about the boundaries of the Lands;
- (l) GFI has never made any acknowledgment in writing of any right, claim or title of any other person or company in respect of any part of the said Lands, and no such acknowledgment has been made by any person on behalf of GFI;
- (m) all taxes due and payable on the said Lands, including local improvement rates, have been paid in full to date;
- (n) GFI has never made any assignment for the benefit of its creditors, nor has any Receiving Order been made against the Mortgagor under the provisions of the *Bankruptcy and Insolvency Act* (Canada), nor has any petition for such an order been served upon GFI;
- (o) there is no overdue amount owing in respect of the Lands or the buildings thereon by the owner to the municipal corporation or to any other corporation or commission owning or operating a public utility, for water, gas, electricity, steam or hot water, or for the use thereof; or for fittings, machines, apparatus, meters or other things leased in respect thereof; or for any work or service performed by such corporation or commission in connection with such public utilities; and GFI has never received any notice or any amounts owing as aforesaid by any tenants;
- (p) GFI has not received from any municipal or other governmental authority any deficiency notice or work order affecting the Lands pursuant to which any deficiencies are required to be remedied and remain outstanding or any

demolition, repairing or replacements are required to be carried out and remain outstanding;

- (q) GFI occupies the Lands and except as GFI has disclosed to the Mortgagee, no part of the Property is rented to anyone;
- (r) there are no unregistered leases, agreements to lease or options to purchase the Lands; and
- (s) no proceeding is pending to amend or surrender or cancel the Articles of GFI, and no winding up, liquidation, dissolution, amalgamation, reorganization or continuation proceedings have been commenced or are being contemplated by GFI.

12. This Agreement shall enure to the benefit of and be binding upon the successors and permitted assigns of GFI and the successors and assigns of the Mortgagee.

13. This Agreement shall be construed and enforced in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein and shall be treated, in all respects, as a Saskatchewan contract. Each of the parties hereto irrevocably attorns to the jurisdiction of the courts of the Province of Saskatchewan.

14. If any provision of this Agreement is found to be void, illegal, invalid or unenforceable it shall be severable herefrom, and shall not invalidate, affect or impair the remaining provisions hereof.

15. This Agreement shall not be assigned by either party without the prior written consent of the other party. Subject thereto, this Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

16. This Agreement may be executed in one or more counterparts, each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Any faxed or electronic copy of a signature will be deemed to be an original signature until such time as an original signature has been received by the other party or parties to this Agreement.

**[Signature Page Follows]**

IN WITNESS WHEREOF this Agreement has been executed as of the date first above written.

) **GLOBAL FOOD AND INGREDIENTS**  
) **INC.**  
)  
) Per: Bill Murray  
)  
) Name: William Murray  
) Title: Chief Financial Officer  
) I/We have the authority to bind the corporation

**SCHEDULE A  
LANDS**

Surface Parcel #111788219

Reference Land Description: Blk/Par A Plan No. 101331425 Extension 10  
As described on Certificate of Title 99SE01294, description 10.

Surface Parcel #145169185

Reference Land Description: Blk/Par A Plan No. 98MW19933 Extension 1  
As described on Certificate of Title 99MW02348.

Surface Parcel #202892519

Reference Land Description: Blk/Par K Plan No. 102144046 Extension 0



**Interest #:**  
**195068357**

Mortgage

**Value:** \$52,000,000.00 CAD  
**Reg'd:** 31 Aug 2021 12:38:08  
**Interest Register Amendment Date:** 04 Oct 2022 15:08:20  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**

JPMORGAN CHASE BANK, N.A.  
Toronto Branch, as Administrative Agent 66 Wellington Street W., Suite  
4500, TD Bank Tower  
Toronto, ON, Canada M5X 1E7  
**Client #:** 137482836

**Int. Register #:** 124714920

**Addresses for Service:**

**Name**

**Address**

**Owner:**

GLOBAL FOOD AND INGREDIENTS INC. 374 THIRD AVENUE SOUTH SASKATOON, Saskatchewan,  
Canada S7K 1M5

Client #: 135510331

**Notes:**

Parcel Class Code: Parcel (Generic)

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195068302

Power Corporation Act  
Easement (s.23)

**Value:** N/A  
**Reg'd:** 07 Mar 2013 14:34:08  
**Interest Register Amendment Date:** 15 Nov  
2013 10:51:09  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
SASKATCHEWAN POWER CORPORATION  
2025 VICTORIA AVE  
REGINA, SK, Canada S4P 0S1  
**Client #:** 100307618

**Int. Register #:** 119014781  
**Feature #:** 100248364

**Interest #:**  
195068313

Mortgage

**Value:** \$50,000,000.00 CAD  
**Reg'd:** 29 Nov 2019 09:18:29  
**Interest Register Amendment Date:** 04 Oct  
2022 15:08:20  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
Farm Credit Canada  
1133 St. George Blvd., Suite 104  
Moncton, NB, Canada E1E 4E1  
**Client #:** 135707878

**Int. Register #:** 123754237

**Interest #:**  
195068324

Mortgage

**Value:** \$52,000,000.00 CAD  
**Reg'd:** 31 Aug 2021 12:38:08  
**Interest Register Amendment Date:** 04 Oct  
2022 15:08:20  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
JPMORGAN CHASE BANK, N.A.  
Toronto Branch, as Administrative Agent 66 Wellington Street W., Suite  
4500, TD Bank Tower  
Toronto, ON, Canada M5X 1E7  
**Client #:** 137482836

**Int. Register #:** 124714920

**Addresses for Service:**

<b>Name</b>	<b>Address</b>
<b>Owner:</b> GLOBAL FOOD AND INGREDIENTS INC.	374 THIRD AVENUE SOUTH SASKATOON, Saskatchewan, Canada S7K 1M5
Client #: 135510331	

**Notes:**

Parcel Class Code: Parcel (Generic)



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**Reg'd:** 29 Nov 2019 09:18:29  
**Interest Register Amendment Date:** 04 Oct 2022 15:08:20  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
Farm Credit Canada  
1133 St. George Blvd., Suite 104  
Moncton, NB, Canada E1E 4E1  
**Client #:** 135707878

**Int. Register #:** 123754237

**Interest #:**  
**195068391**

Mortgage

**Value:** \$52,000,000.00 CAD  
**Reg'd:** 31 Aug 2021 12:38:08  
**Interest Register Amendment Date:** 04 Oct 2022 15:08:20  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
JPMORGAN CHASE BANK, N.A.  
Toronto Branch, as Administrative Agent 66 Wellington Street W., Suite 4500, TD Bank Tower  
Toronto, ON, Canada M5X 1E7  
**Client #:** 137482836

**Int. Register #:** 124714920

**Addresses for Service:**

<b>Name</b>	<b>Address</b>
<b>Owner:</b> GLOBAL FOOD AND INGREDIENTS INC.	374 THIRD AVENUE SOUTH SASKATOON, Saskatchewan, Canada S7K 1M5

Client #: 135510331

**Notes:**

Parcel Class Code: Parcel (Generic)

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**This is Exhibit "W" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Wark*

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**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prince  
St*

## LEASEHOLD MORTGAGE

THIS LEASEHOLD MORTGAGE made this 22<sup>nd</sup> day of November, 2019.

BETWEEN:

**11567403 CANADA INC.**  
(the "Mortgagor")

AND:

**FARM CREDIT CANADA**  
(the "Mortgagee")

WHEREAS by a lease (the "**Lease**") dated the 1<sup>st</sup> day of October, 2015 made between Stewart Southern Railway Inc., as landlord (the "**Landlord**") and Canpulse Foods Ltd., as tenant, which Lease has been assigned to the Mortgagor, as the general partner of GFI LP effective November 25, 2019, the Landlord demised and leased unto the Mortgagor as tenant the lands and premises as more particularly described in the Lease (the "**Leased Land**") to hold for a term expiring September 30, 2025 (the "**Term**"), upon and subject to the terms and conditions set forth in the Lease.

NOW THEREFORE THIS LEASEHOLD MORTGAGE WITNESSES THAT for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Mortgagor hereby agrees as follows:

### 1. Mortgage

(1) The Mortgagor does mortgage, charge and sublease unto the Mortgagee, its successors and assigns, the Lease and all of the Mortgagor's right, title and interest in and to the Leased Land together with the buildings, fixtures, improvements and appurtenances now or hereafter erected thereon, provided however that the last day of the Term is excepted from the mortgage, charge and sublease hereunder.

(2) TO HAVE AND TO HOLD unto the Mortgagee, its successors and assigns, for and during the unexpired residue of the Term and any renewals and extensions thereof, save and except the last day thereof.

(3) Until default hereunder the Mortgagor shall have quiet possession of the Leased Land.

### 2. Payment Provisions

As general and continuing collateral security for payment when due of all present and future indebtedness and liabilities of the Mortgagor, including interest thereon, under the financing provided by the Mortgagee to the Mortgagor pursuant to a credit agreement between the Mortgagee, Global Food and Ingredients Inc., GFI LP and the Mortgagor dated November 22, 2019 (the "**Credit Agreement**") up to the principal amount of \$15,000,000.00 and interest thereon, and the prompt and complete performance of all other present and future obligations of the Mortgagor, whether direct or indirect, contingent or absolute, in respect of the Credit Agreement and the security given thereunder, including this Mortgage, the Mortgagor hereby mortgages, charges and subleases in favour of the Mortgagee and grants a security interest in favour of the Mortgagee in all of the right, title and interest of the Mortgagor in and with respect to the Lease and all of the benefit of the Mortgagor derived therefrom and otherwise to enforce the rights of the Mortgagor under the Lease in the name of the Mortgagor, provided however that

the last day of the term of the Lease is excepted out of the mortgage, charge and sublease created hereunder, but the Mortgagor agrees to stand possessed of such last day in trust for any person acquiring such interest of the Mortgagor.

### **3. Mortgagor's Covenants**

(1) The Mortgagor covenants with the Mortgagee that the Mortgagor shall pay the money due under the Credit Agreement and interest and shall pay as they fall due all rents and other moneys reserved and payable under the Lease.

(2) The Mortgagor hereby releases to the Mortgagee all its claims upon the Leased Land subject to the said proviso for repayment.

(3) The Mortgagor covenants with the Mortgagee that the Mortgagor now has in itself good right, full power and lawful and absolute authority to mortgage, charge and sublet the Leased Land unto the Mortgagee in the manner aforesaid according to the true intent and meaning of this Mortgage. Without limiting the foregoing, the Mortgagor covenants with the Mortgagee that:

- (a) the Mortgagor has obtained any necessary consent of the Landlord under the Lease and has delivered an originally executed copy of such consent to the Mortgagee;
- (b) on default, the Mortgagee shall have quiet possession of the Leased Land free from all encumbrances;
- (c) the Mortgagor shall execute such further assurances as may be required to give full effect to this Mortgage; and
- (d) the Mortgagor has done no act to encumber the Leased Land or the Lease.

(4) The Mortgagor hereby declares that it shall henceforth stand possessed of the Leased Land for the residue vested in it of the Term in trust for the Mortgagee and, in the event of default, shall assign and dispose of it as the Mortgagee may direct, but subject to the right of redemption as is hereby given to the Mortgagor with respect to the derivative term hereby granted. The Mortgagor hereby irrevocably appoints the Mortgagee as its substitute to be the attorney of the Mortgagor or itself and, on its behalf and in its name or otherwise, to assign the Term as the Mortgagee shall at any time direct and, in particular, upon any sale made by it under the power of sale herein granted or under the statutory power, will assign the Term to the purchaser and execute any deeds for that purpose. It is hereby declared that the Mortgagee or any other person for the time being entitled to the money hereby secured may at any time remove the Mortgagor or any other person, firm or corporation from being a trustee of the Term under the declaration of trust hereinbefore declared and, on the removal of the Mortgagor or any future trustee of the Term, may appoint a new trustee or trustees in its place.

(5) The Mortgagor covenants with the Mortgagee that the Mortgagor shall, in the event of default, at the request of the Mortgagee, but at the cost, charge and expense of the Mortgagor, grant and assign unto the Mortgagee, or any party whom it may appoint, the last day of the Term hereinbefore excepted or of any extended or substituted term. In the event of the Mortgagee making any sale under the power of sale herein given, the Mortgagor shall stand seized and possessed of the last day of the Term hereinbefore excepted and of any extended or substituted term, in trust for the purchaser or purchasers and its or their legal representatives, heirs, executors, administrators, successors and assigns, as the case may be.

(6) The Mortgagor covenants with the Mortgagee that the Lease is, at the time of the execution and delivery of this Mortgage, a good, valid and subsisting lease in law and in full force, unmodified, unforfeited and unsurrendered and in no way void or voidable, and that the rents and covenants therein reserved and contained have been duly paid and performed by the

Mortgagor up to the time of the execution and delivery hereof.

(7) The Mortgagor covenants with the Mortgagee as follows:

- (a) the Mortgagor shall, at all times, fully and promptly perform and observe each and every term, covenant and condition required to be performed or observed by the tenant under the Lease without relying on any grace period provided therein and, if the Mortgagor shall fail to do so, the Mortgagee may, but shall not be obliged to, take any such action (without awaiting the expiration of any grace period) as the Mortgagee deems necessary or desirable to prevent or to cure any default by the Mortgagor thereunder;
- (b) the Mortgagor shall give prompt notice to the Mortgagee of any notice of default by the tenant under the Lease received by the Mortgagor. The Mortgagor hereby expressly grants to the Mortgagee and agrees that the Mortgagee shall have the absolute and immediate right to enter in and upon the Leased Land or any part thereof to such extent and as often as the Mortgagee in its sole discretion deems necessary or desirable in order to prevent or to cure any such default by the Mortgagor. The Mortgagor shall pay to the Mortgagee, immediately and without demand, all sums paid by the Mortgagee pursuant to this covenant with interest thereon at the rate aforesaid and all sums so paid and expended by the Mortgagee and the interest thereon shall be added to and be secured by this Mortgage;
- (c) the Mortgagor shall not surrender its interest in the Leased Land nor terminate the Lease, and will not take any action or give any notice which would have the effect of terminating or permitting the termination of the Lease and will notify the Mortgagee promptly in writing after learning of any condition that, with or without the passage of time or the giving of any notice, might result in a default under or the termination of the Lease;
- (d) the Mortgagor shall not, without the express written consent of the Mortgagee, surrender its interest in the Leased Land or terminate the Lease or modify, change, supplement, alter or amend the Lease, either orally or in writing and, as further security for the repayment of the moneys secured by this Mortgage and for the performance of the covenants herein and in the Lease contained, the Mortgagor hereby assigns to the Mortgagee for the duration of the Term all of its rights, privileges and prerogatives as tenant under the Lease to terminate, surrender, cancel, modify, change, supplement, alter or amend the Lease, and any such termination, cancellation, surrender, modification, change, supplement, alteration or amendment of the Lease without the prior written consent thereto by the Mortgagee shall be void and of no effect. Notwithstanding the foregoing, for so long as the Mortgagor is not in default hereunder, the Mortgagee shall have no right to terminate, surrender, cancel, modify, change, supplement, alter or amend the Lease;
- (e) the Mortgagee shall have the right to declare a default under this Mortgage in the event of a default in the performance by the Mortgagor, as tenant under the Lease, of any of the terms, covenants or conditions contained in the Lease;
- (f) no release or forbearance of any of the Mortgagor's obligations under the Lease shall release the Mortgagor from any of its obligations under this Mortgage, including its obligation with respect to the payment of rent as provided for in the Lease and the performance of all of the terms, provisions, covenants, conditions and agreements contained in the Lease to be kept, performed and complied with by the tenant

thereunder;

- (g) unless the Mortgagee shall otherwise expressly consent in writing, the freehold estate in the Leased Land and the leasehold estate demised by the Lease shall not merge but shall always remain separate and distinct, notwithstanding the union of such estates either in the landlord or the tenant under the Lease or in a third party by purchase or otherwise;
- (h) if the Mortgagor, at any time before payment in full of the moneys secured by this Mortgage, acquires the freehold title to the Leased Land, the charge of this Mortgage shall attach, extend to, cover and be a charge and lien upon such freehold estate, subject to any prior mortgages existing at the time such freehold title is acquired;
- (i) the Mortgagor shall preserve its title to the leasehold estate created under the Lease and its interest in the Leased Land and shall forever warrant and defend such title to and for the Mortgagee against the claims of all persons and parties whomsoever; and
- (j) the Mortgagor shall, at its cost and without expense to the Mortgagee, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all and every further act, deed, conveyance, mortgage, assignment, transfer and assurance in the law as the Mortgagee shall require for the better assuring, granting, mortgaging, charging, assigning, transferring, setting over and confirming unto the Mortgagee the Mortgagor's interest in the Leased Land, including property which may hereafter become subject to the charge of this Mortgage.

(8) The Mortgagor covenants with the Mortgagee that it shall keep the Leased Land in good condition and repair according to the nature and description thereof and that the Mortgagee may, whenever it deems it necessary, by itself and/or by its agents and representatives, enter upon and inspect the Leased Land at the cost of the Mortgagee. If the Mortgagor neglects to keep the Leased Land in good condition and repair, or commits or permits any act of waste on the Leased Land or makes default as to any of the covenants or provisos herein contained, the principal amount hereby secured shall, at the option of the Mortgagee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Mortgagee may make such repairs as it deems necessary, and the cost thereof with interest thereon shall be a charge upon the Leased Land prior to all claims thereon subsequent to this Mortgage.

(9) The Mortgagor covenants with the Mortgagee to promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every governmental authority or agency concerning the Leased Land and further agrees, at its cost and expense, to make any and all improvements thereon or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future law, rule, requirement, order, direction, ordinance or regulation.

(10) The Mortgagor shall pay (to the extent required under the Lease), as and when due and payable, all taxes, levies, rates and assessments of every type and nature that may be imposed, charged or levied upon the Leased Land and the underlying freehold land and shall, upon request, produce evidence of such payment to the Mortgagee. The Mortgagor shall also pay, as and when due and payable, all taxes, levies, rates and amounts of every type and nature that may be imposed, charged or levied upon this Mortgage or the money hereby secured (other than income or excess profits taxes assessed upon the income of the Mortgagee), notwithstanding any law heretofore, now or hereafter in force requiring payment of the whole or any part thereof by the Mortgagee.



#### 4. Insurance

(1) The Mortgagor covenants with the Mortgagee to take out and maintain insurance policies and coverages in accordance with its obligations under the Lease, and to provide satisfactory evidence that such insurance policies are in fact being maintained, which evidence shall be in the form of certificates of insurance or, if required by the Mortgagee, certified copies of each such insurance policy.

(2) The Mortgagor shall provide to the Mortgagee evidence of continuation of such insurance at least ten (10) days prior to the expiration thereof, failing which the Mortgagee may arrange for such insurance and charge the premium paid therefor and interest thereon to the Mortgagor and the same shall also be a charge upon the Leased Land.

(3) To the extent the Mortgagor is entitled to any insurance proceeds in relation to the insurance required to be maintained by the Mortgagor under the Lease, the Mortgagor hereby assigns same to the Mortgagee. Such policies shall provide that loss, if any, shall be paid to the Mortgagee as its interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada.

#### 5. Remedies

(1) The Mortgagee, upon an Event of Default as defined in the Credit Agreement, may, enter on and lease or sell the leasehold interest of the Mortgagor in and to the Leased Land. A sale may be made hereunder by public auction or private contract or partly one and partly the other, with or without entry on the Leased Land and without any notice whatsoever, it being understood and agreed however that if the giving of notice by the Mortgagee shall be required by law then notice shall be given to such persons and in such manner and from and within such time as so required by law.

(2) Upon the Mortgagee exercising any power of sale hereunder:

- (a) the whole or any part or parts of the Leased Land may be sold;
- (b) the proceeds may be applied in payment of any costs, charges and expenses incurred for taking, recovering or keeping possession of the Leased Land or by reason of non-payment or procuring payment of moneys secured hereby or otherwise;
- (c) the Mortgagee may sell the Leased Land or any part thereof on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulation as to title or evidence of commencement of title or otherwise which it shall deem proper;
- (d) the Mortgagee may rescind or vary any contract for the sale of the whole or any part of the Leased Land and resell without being answerable for any loss occasioned thereby;
- (e) in the case of a sale on credit, the Mortgagee shall be bound to pay the Mortgagor only such moneys as have been actually received from purchasers after the satisfaction of the claims of the Mortgagee;
- (f) for any of said purposes the Mortgagee may make and execute all agreements and assurances as it shall think fit; and
- (g) any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper, and no

want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

(3) The Mortgagee may pay any rents or other moneys which fall due under the Lease or are the Mortgagor's obligation to pay pursuant to the Lease and are unpaid and may pay any other moneys which fall due and are a lien on the Mortgagee's interest in the Leased Land in priority to the charge created by this Mortgage. Any such payments, together with all costs, charges and expenses (between solicitor and client) which may be incurred in taking, recovering and keeping possession of the Leased Land and generally in any other proceedings taken in connection with or to realize this security shall be, with interest at the rate aforesaid, a charge upon the Mortgagor's interest in the Leased Land in favour of the Mortgagee. The Mortgagee may pay or satisfy any lien, charge or encumbrance existing or hereafter created or claimed upon the Mortgagor's interest in the Leased Land and any amount paid by the Mortgagee shall be added to the debt hereby secured and shall be payable forthwith with interest at the rate aforesaid.

(4) The Mortgagor hereby attorns to the Mortgagee and becomes a tenant of the Leased Land from year to year from the day of the execution hereof during the term of this Mortgage and any renewal or renewals thereof at a rental equivalent to, applicable in satisfaction of, and payable at the same times as the installments of principal and/or interest hereinbefore provided to be paid, the legal relation of landlord and tenant being hereby constituted between the Mortgagee and the Mortgagor. Notwithstanding the foregoing, neither the existence of this provision nor anything done by virtue hereof shall render the Mortgagee a mortgagee in possession or accountable for any moneys except those actually received by it, and the Mortgagee may, in default of payment or on breach of any of the covenants in this Mortgage contained, enter on the Leased Land and terminate the tenancy hereby created without notice.

(5) The Mortgagee may distrain for arrears of principal and/or interest. In default of the payment of installments of principal and/or interest hereby secured, the entire debt shall, at the option of the Mortgagee, become due and payable. The Mortgagee may, in writing, at any time or times after default, waive such default and, upon such waiver, the time or times for payment of the installments of principal and/or interest shall be as set out in the above proviso for redemption. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other future default.

(6) Should default be made by the Mortgagor in the observance and performance of any of the covenants, provisos, agreements or conditions contained in the Credit Agreement, this Mortgage or in the Lease or in any mortgage to which this Mortgage may be subject, then and in that event the moneys hereby secured shall forthwith become due and payable, at the option of the Mortgagee, and all the powers in and by this Mortgage conferred shall become exercisable, and the powers of sale herein contained may be exercised forthwith without any notice.

(7) If the Mortgagor files, in any court, a petition in bankruptcy or insolvency or for any reorganization resulting from insolvency or for the appointment of a receiver or trustee of all or a portion of its property or if there is filed against it a petition in bankruptcy or insolvency or for reorganization resulting from insolvency or for the appointment of a receiver or trustee of all or a portion of its property and it is not proceeding in good faith to contest any such petition until such petition has been finally dismissed, or if it makes an assignment for the benefit of creditors, then and in any such event the moneys hereby secured shall, at the option of the Mortgagee, forthwith become due and payable and all powers in and by this Mortgage conferred shall become exercisable, and the powers of sale herein contained may be exercised forthwith without any notice.

(8) At any time and from time to time when there shall be default under the provisions of this Mortgage, the Mortgagee may, at such time and from time to time and with or without entry into possession of the Leased Land or any part thereof, appoint a receiver of the Leased Land or any part thereof and of the rents and profits thereof (which receiver shall not be the Mortgagee or a corporate affiliate or subsidiary thereof) and with or without security and may, from time to time by similar writing, remove any receiver and appoint another in its place. In making any such appointment or removal, the Mortgagee shall be deemed to be acting as the agent or attorney of the Mortgagor. Upon the appointment of any such receiver or receivers from time to time, the following provisions shall apply:

- (a) the statutory declaration of an officer of the Mortgagee as to default under the provisions of the Credit Agreement shall be conclusive evidence thereof;
- (b) every such receiver shall be the irrevocable agent or attorney of the Mortgagor for the collection of all amounts falling due in respect of the Leased Land or any part thereof or any business or undertaking carried on by the Mortgagor in the Leased Land;
- (c) every such receiver may, in the discretion of the Mortgagee, be vested with all or any of the powers and discretions of the Mortgagee;
- (d) the Mortgagee may from time to time fix the remuneration of every such receiver and every such receiver shall be entitled to deduct the same out of the Leased Land or the proceeds thereof;
- (e) every such receiver shall, so far as responsibility for its acts or omissions is concerned, be deemed the agent or attorney of the Mortgagor, and in no event the agent or attorney of the Mortgagee;
- (f) the appointment of every such receiver by the Mortgagee shall not incur or create any liability on the part of the Mortgagee to the receiver in any respect, and such appointment or anything which may be done by any such receiver or the removal of any such receiver or the termination of any such receivership shall not have the effect of constituting the Mortgagee a mortgagee in possession in respect of the Leased Land or any part thereof;
- (g) every such receiver shall, from time to time, have the power to rent any portion of the Leased Land which may become vacant for such term and subject to such provisions as it may deem advisable, and shall have full power to complete any unfinished construction upon the Leased Land with the intent that the Leased Land, when so completed, shall be a complete structure;
- (h) every such receiver shall have full power to manage, operate, amend, repair or alter the Leased Land or any part thereof and to carry on any business or undertaking of the Mortgagor in the name of the Mortgagor for the purpose of securing the payment of all amounts due under the Credit Agreement from the Leased Land or any part thereof;
- (i) no such receiver shall be liable to the Mortgagor to account for the moneys or damages, other than cash received by it in respect of the Leased Land or any part thereof and, out of such cash so received, every such receiver shall pay:
  - (i) its remuneration aforesaid;
  - (ii) all payments made or incurred by it in connection with the management, operation, amendment, repair or alteration of the Leased Land or any part thereof or any business or undertaking carried on in the Leased Land by the receiver;
  - (iii) interest, principal and other money which may, from time to time, be or become charged upon the Leased Land in priority to this Mortgage, and all taxes, insurance

premiums and every other proper expenditure made or incurred by it in respect of the Leased Land or any part thereof and in payment of all interest due or falling due hereunder with the balance to be applied upon principal due and payable and secured by this Mortgage; and

- (iv) thereafter any surplus remaining in the hands of every such receiver and after payments made as aforesaid shall be accountable to the Mortgagor;
- (j) the Mortgagee may, at any time and from time to time, terminate any such receivership by notice in writing to the Mortgagor and to any such receiver; and
- (k) save as to claims for accounting under Section 5(8)(i), the Mortgagor hereby releases and discharges the Mortgagee and every such receiver from every claim of every nature, whether in damages or not, which may arise or be caused to the Mortgagor or any person claiming through or under it by reason or as a result of anything done by the Mortgagee or any successor or assign claiming through or under it or any such receiver under the provisions of this Section 5(8), unless such claim is the direct and proximate result of dishonesty or gross negligence.

## 6. Miscellaneous

(1) The Mortgagee may, at its discretion and at all times, release any part or parts of the Leased Land or any other security or other surety for the money hereby secured, with or without any sufficient consideration therefor, without responsibility therefor and without thereby releasing any other part of the Leased Land or any person from this Mortgage or from any of the covenants herein contained, it being agreed that each part or lot into which the Leased Land are or may hereafter be divided does and shall stand charged with the whole money hereby secured and no person shall have the right to require the mortgage moneys to be apportioned. The Mortgagee shall not be accountable to the Mortgagor for the value of any such part or parts released or for any moneys except those actually received by the Mortgagee.

(2) Without affecting the liability of the Mortgagor or any other person, firm or corporation (except such as may be expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of the Mortgagee with respect to any security not expressly released in writing, the Mortgagee may, at any time and from time to time, either before or after the maturity of this Mortgage, and without notice or consent:

- (a) release any person, firm or corporation liable for payment of all or any part of the indebtedness or for performance of any obligation;
- (b) make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness, or modifying or waiving any obligations, or subordinating, modifying or otherwise dealing with this Mortgage;
- (c) exercise or refrain from exercising or waive any right the Mortgagee may have; and
- (d) accept additional security of any kind.

(3) No sale or other dealing by the Mortgagor with the equity of redemption in the Leased Land or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of the moneys hereby secured

(4) The taking of a judgment or judgments on any of the covenants contained in the Credit Agreement shall not operate as a merger of the said covenants or affect the Mortgagee's right to interest at the rate and times therein provided. Any such judgment shall provide that interest

thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

(5) This Mortgage shall be governed in all respects by the laws of the Province of Saskatchewan.

(6) If any provision of this Mortgage is or becomes illegal or unenforceable, in whole or in part, the remaining provisions shall nevertheless be valid, binding and subsisting.

(7) The Mortgagor hereby agrees, from time to time and at any time hereafter, to execute such further assurances as may be necessary or desirable to more effectively charge its interest in the Lease and the Leased Land and to carry out the true intention of this Mortgage.

(8) The rights and liabilities of the parties shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns, as the case may be.

(9) The Mortgagor agrees that *The Land Contracts (Actions) Act* of Saskatchewan shall have no application to any action, as defined in *The Land Contracts (Actions) Act* of Saskatchewan, respecting this mortgage, any mortgage, charge or other security for the payment of money made, given or created by this mortgage, any agreement or instrument which renews or extends or is collateral to this mortgage, or the rights, powers or remedies of the Mortgagee under this mortgage or any charge created by this mortgage; and that *The Limitation of Civil Rights Act* of Saskatchewan shall have no application to this mortgage, any mortgage, charge or other security for the payment of money made, given or created by this mortgage, any agreement or instrument which renews or extends or is collateral to this mortgage, or the rights, powers or remedies of the Mortgagee under this mortgage or any mortgage or charge created by this mortgage.

(10) The Mortgagor acknowledges having received a true copy of this Mortgage.

IN WITNESS WHEREOF the Mortgagor has executed this Mortgage.

**11567403 Canada Inc.**

Per: David Hanna  
Name: David Hanna  
Title: President  
I have the authority to bind the corporation

**ASSIGNMENT OF LEASE**

This Agreement made as of the 26 day of November, 2019.

BETWEEN:

**CANPULSE FOODS LTD.**  
(hereinafter called the "Assignor")

- and -

**11567403 CANADA INC., in its capacity a general partner  
on behalf of GFI LP**  
(hereinafter called the "Assignee")

**WHEREAS:**

A. By a lease made effective October 1, 2015 (the "Lease"), a copy of which is attached hereto as Schedule A, the Landlord leased to the Assignor that certain portion of the following lands owned by the Landlord:

Surface Parcel #203169775  
Reference Land Description: SW Sec 9, Twp 15 Rge 16 W2 Plan B3490 Extension 4

as more particularly described in the Lease and being comprised of those parcels identified as 197220 together with the most westerly 50 feet in perpendicular width of parcel 197210, as such numbered parcels are delineated on the Plan attached to the Lease, and generally referred to as the Lajord Station Grounds and hereinafter referred to as the "Leased Premises";

B. The Assignor wishes to assign the Lease to the Assignee in conjunction with the sale of certain assets by the Assignor to the Assignee with the assignment to be effective from and after November 26 2019 (the "Assignment Date");

**NOW, THEREFORE**, in consideration of the mutual covenants and premises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party, the parties agree as follows:

**ARTICLE 1  
ASSIGNMENT OF LEASE**

1.01. **ASSIGNMENT.** The Assignor hereby assigns, transfers and sets over unto the Assignee the Leases, all of the Assignor's right, title, estate and interest in the Lease and in the Leased Premises, including the unexpired portion of the term of the Lease and all advantages, benefits and obligations to be derived therefrom, to have and to hold the same absolutely, from and after the Assignment Date.

1.02. **ASSUMPTION.** The Assignee hereby accepts the assignment set forth in Section 1.01 hereof and covenants and agrees with the Assignor to assume and thereafter pay, perform, discharge and satisfy all covenants, agreements, liabilities and obligations of the Assignor under the Lease accruing from or after the Assignment Date, in a due and proper manner, and to the

same extent as if the Assignee had been a party to the Lease in the place and stead of the Assignor from the Assignment Date.

## **ARTICLE 2 REPRESENTATIONS**

**2.01 ASSIGNOR REPRESENTATIONS.** The Assignor represents to the Assignee that:

- (a) the Lease is in full force and effect and binding upon the Assignor;
- (b) the Assignor is not in default under the Lease including but not limited to the obligation of the Assignor for payment of rent;
- (c) to the knowledge of the Assignor, the landlord is not in default of its obligations under the Lease;
- (d) the Assignor has not surrendered the Lease nor has it abandoned the Leased Premises;
- (e) the Assignor has the right, power and authority to assign the Lease and all of its rights as tenant thereunder free and clear of all liens, charges or other encumbrances.

**2.01 ASSIGNEE REPRESENTATIONS.** The Assignee represents to the Assignor that it has the right, power and authority to enter into this Assignment.

## **ARTICLE 3 COVENANTS**

**3.01 ASSIGNOR COVENANTS.** The Assignor covenants that it shall::

- (a) remain liable for and shall duly and punctually pay all rent, additional rent and other amounts payable on the part of the Assignor as tenant under the Lease that accrue or are otherwise payable under the Lease up to the Assignment Date;
- (b) completely and punctually perform and observe all the terms, covenants, conditions and agreements contained on the part of the tenant under the Lease that accrue or are otherwise arise under the Lease up to the Assignment Date; and
- (c) execute and deliver the agreement with the Assignee and the Landlord respecting the consent from the Landlord to the assignment of the Lease.

**3.02 ASSIGNEE COVENANTS.** The Assignee covenants that:

- (a) it will duly and punctually pay all rent, additional rent and other amounts payable by the tenant pursuant to the terms of the Lease that accrue from and after the Assignment Date;
- (b) completely and punctually perform and observe all the terms, covenants,

conditions and agreements contained on the part of the tenant under the Lease that accrue or are otherwise arise under the Lease from and after the Assignment Date; and

- (c) execute and deliver the agreement with the Assignor and the Landlord respecting the consent from the Landlord to the assignment of the Lease.

#### **ARTICLE 4 INDEMNITIES**

4.01 **ASSIGNOR INDEMNITY.** The Assignor hereby indemnifies and agrees to save harmless the Assignee from all actions, suits, costs, losses, charges, demands and expenses for and in respect of any non-fulfilment of the obligations of the tenant under the Lease that accrue or occur up to the Assignment Date including any costs or expenses in respect thereof.

4.01 **ASSIGNEE INDEMNITY.** The Assignee hereby indemnifies and agrees to save harmless the Assignor from all actions, suits, costs, losses, charges, demands and expenses for and in respect of any non-fulfilment of the obligations of the tenant under the Lease that may occur from and after the Assignment Date including any costs or expenses in respect thereof.

#### **ARTICLE 5 GENERAL PROVISIONS**

5.01. **TIME.** Time shall be of the essence of this Assignment.

5.02. **ENUREMENT.** This Assignment shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

5.03. **CHOICE OF LAW.** This Assignment shall be governed by and construed and interpreted in accordance with the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein.

5.04. **NOTICES.** Any notice, request or demand given hereunder shall be sufficiently given if personally delivered or if mailed by registered mail, return receipt requested, addressed as follows:

Assignor:           Canpulse Foods Ltd.  
                          2570 Matheson Blvd. East  
                          Mississauga, ON L4W 4Z3  
                          Attention: Tanvir Zaidi  
                          Email: tanvir@globeways.com



with a copy to (which shall not constitute notice):

Miller Thomson LLP  
600 – 2103 11<sup>th</sup> Ave.  
Regina, SK S4P 3Z8  
Attention: Rick M. Van Beselaere, Q.C.  
E-mail: rvanbeselaere@millerthomson.com

Assignee: Global Food and Ingredients Inc., as general partner for GFI LP  
43 Colborne Street, Suite 400,  
Toronto, ON, M5E 1E3, Canada  
Attention: David Hanna  
Email: david.hanna@gfiglobalfood.com

with a copy to (which shall not constitute notice):

SkyLaw Professional Corporation  
3 Bridgman Avenue, Suite 204  
Toronto, ON M5R 3V4  
Attention: Kevin R. West  
E-mail: kevin.west@skylaw.ca

5.05 **FURTHER ASSURANCES.** Each party shall promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things in connection with this Assignment that the other party may reasonably require for the purpose of giving effect to this Assignment and carrying out its provisions and completing the transactions contemplated by this Assignment.

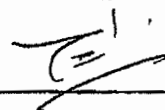
5.06 **COUNTERPARTS.** This Assignment may be executed by the parties in one or more counterparts, each of which when so executed and delivered shall be an original, and such counterparts shall together constitute one and the same instrument. Any faxed copy of a signature will be deemed to be an original signature until such time as an original signature has been received by the other party or parties to this Assignment.

**[signature page continues on the following page]**

IN WITNESS WHEREOF the parties have duly executed this Assignment as of the day and year first above written.

**ASSIGNOR:**

**CANPULSE FOODS LTD.**

Per:   
Name:  
Title:

I have the authority to bind the Corporation

**ASSIGNEE:**

**11567403 CANADA INC. In its capacity as  
general partner on behalf of GFI LP**

Per: \_\_\_\_\_  
Name:  
Title:

I have the authority to bind the Corporation

IN WITNESS WHEREOF the parties have duly executed this Assignment as of the day and year first above written.

**ASSIGNOR:**

**CANPULSE FOODS LTD.**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the Corporation

**ASSIGNEE:**

**11567403 CANADA INC. in its capacity as  
general partner on behalf of GFI LP**

Per: \_\_\_\_\_

Name: *David Hanna*

Title: *President*

I have the authority to bind the Corporation

**This is Exhibit "X" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watt*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prina  
8/2*

## MORTGAGE AMENDING AGREEMENT

THIS AGREEMENT made this 28 day of May, 2021.

BETWEEN:

**11567403 CANADA INC.**

(hereinafter called the "Mortgagor")

-and-

**FARM CREDIT CANADA**

(hereinafter called the "Mortgagee")

**WHEREAS** by a leasehold mortgage dated November 22, 2019 and registered in the Province of Saskatchewan Land Titles Registry on November 29, 2019, as Interest Register #123754260 (the "Mortgage"), the Mortgagor mortgaged to the Mortgagee their leasehold interest in certain lands situated in the Province of Saskatchewan, described in Schedule "A" attached hereto, pursuant to a lease dated the 1<sup>st</sup> day of October, 2015 made between Stewart Southern Railway Inc., as landlord and Canpulse Foods Ltd., as tenant, which lease has been assigned to the Mortgagor as the general partner of GFI LP effective November 26, 2019, to secure payment of the principal sum of \$15,000,000.00, and interest thereon as therein set out;

**AND WHEREAS** the parties wish to increase the Principal Amount secured by the Mortgage from \$15,000,000.00 to \$25,000,000.00.

**NOW THEREFORE** the Mortgagor and the Mortgagee agree as follows:

1. The Mortgagor hereby acknowledges and agrees that the Amended and Restated Credit Agreement dated May 28, 2021, (as amended from time to time, both prior to the date hereof and at any time from and after the date hereof) (the "Financing Commitment") shall continue to be binding upon the Mortgagor. The Mortgagor further acknowledges and agrees that:
  - (a) The Mortgage is hereby amended by increasing the Principal Amount from \$15,000,000.00 to \$25,000,000.00, such that the definition of the Principal Amount in the Mortgage is amended to \$25,000,000.00.
2. The Mortgagor hereby acknowledges and agrees that the Mortgage, in addition to securing other past and present obligations, secures all obligations of the Mortgagor to the Mortgagee under the existing credit agreement between the parties (as the same may be amended from time to time), together with any future credit agreements with respect to the indebtedness.
3. The parties hereby ratify and confirm, and agree that they continue to be bound by the Mortgage as amended by this Agreement. This Agreement and the Mortgage shall be read

together and constitute one agreement with the same effect as if the amendments made by this Agreement had been contained in the Mortgage, but with effect as of the date hereof.

4. It is agreed that all covenants, clauses, agreements, provisos, stipulations, conditions, power, matters and things whatsoever contained in the Mortgage shall continue in full force and effect except as specifically amended herein and shall apply to the amendments herein including any provision allowing for the acceleration of principal and/or interest in the event of default pursuant to the terms of the Mortgage.

5. It is hereby agreed and declared that nothing herein contained shall in any way prejudice the rights of the Mortgagee as against the Mortgagor, its successors and assigns or as against any guarantor or surety or other person whomsoever for the debt evidenced by the Mortgage, or any part thereof, or as against any collateral security which the Mortgagee may now or hereafter hold against the said obligations or any part thereof.

6. Insofar as the law of the Province of Saskatchewan allows, the Mortgagor further covenants and agrees with the Mortgagee as follows:

- (a) That *The Land Contracts (Actions) Act, 2018* of the Province of Saskatchewan shall have no application to any action, as defined in *The Land Contracts (Actions) Act, 2018* with respect to the Mortgage as amended herein; and
- (b) That *The Limitation of Civil Rights Act* of the Province of Saskatchewan or any provisions thereof shall have no application to:
  - (i) the Mortgage as amended herein;
  - (ii) any mortgage, charge or other security for the payment of money made, given or created by the Mortgage as amended herein;
  - (iii) any agreement or instrument renewing or extending or collateral to any mortgage, charge or other security referred to or mentioned in the Mortgage as amended herein;
  - (iv) the rights, powers or remedies of the Mortgagee or any other person under any mortgage, charge, other security agreement or instrument collateral to or referred to in the Mortgage as amended herein.

7. This Agreement shall be construed and enforced in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein and shall be treated, in all respects, as a Saskatchewan contract. Each of the parties hereto irrevocably attorns to the jurisdiction of the courts of the Province of Saskatchewan.

8. If any provision of this Agreement is found to be void, illegal, invalid or unenforceable it shall be severable herefrom, and shall not invalidate, affect or impair the remaining provisions hereof.

9. This Agreement shall not be assigned by either party without the prior written consent of the other party. Subject thereto, this Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

10. This Agreement may be executed in one or more counterparts, each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Any faxed or electronic copy of a signature will be deemed to be an original

signature until such time as an original signature has been received by the other party or parties to this Agreement.

IN WITNESS WHEREOF this agreement has been executed as of the date first above written.

(c/s)

)  
)  
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)  
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)  
)  
)  
)  
)

11567403 CANADA INC.

Per:

*Bill Murray*

Name: Bill Murray

Title: Chief Financial Officer

I have the authority to bind the corporation

**SCHEDULE "A"**

- (i) Surface Parcel #203169775  
Reference Land Description: SW Sec 9, Twp 15 Rge 16 W2  
Plan B3490, Extension 4





**195068458**

Mortgage

**Value:** \$52,000,000.00 CAD**Reg'd:** 31 Aug 2021 12:38:08**Interest Register Amendment Date:** 04 Oct 2022 15:08:20**Interest Assignment Date:** N/A**Interest Scheduled Expiry Date:** N/A**Expiry Date:** N/A**Holder:**

JPMORGAN CHASE BANK, N.A.

Toronto Branch, as Administrative Agent 66 Wellington Street W.,

Suite 4500, TD Bank Tower

Toronto, ON, Canada M5X 1E7

**Client #:** 137482836**Int. Register #:** 124714920**Interest #:**  
**186671290**Personal Property Security  
Interest**Value:** \$25,000,000.00 CAD**Reg'd:** 29 Nov 2019 09:18:31**Interest Register Amendment Date:** 04 Jun 2021 09:44:18**Interest Assignment Date:** N/A**Interest Scheduled Expiry Date:** N/A**Expiry Date:** N/A**Holder:**

Farm Credit Canada

1133 St. George Blvd., Suite 104

Moncton, NB, Canada E1E 4E1

**Client #:** 135707878**Int. Register #:** 123754282**Interest #:**  
**193862830**Personal Property Security  
Interest**Value:** \$25,000,000.00 CAD**Reg'd:** 11 May 2022 15:46:08**Interest Register Amendment Date:** N/A**Interest Assignment Date:** N/A**Interest Scheduled Expiry Date:** N/A**Expiry Date:** 09 May 2037 00:00:00**Holder:**

Farm Credit Canada

1133 St. George Blvd. Suite 104

Moncton, NB, Canada E1E 4E1

**Client #:** 138182429**Int. Register #:** 125086428**Addresses for Service:****Name****Address****Owner:**

STEWART SOUTHERN RAILWAY INC.

BOX 12 FILLMORE, SK, Canada S0G 1N0

Client #: 124102842

**Notes:**

Under The Planning and Development Act, 2007, the title for this parcel and parcels 108125243, 203169809 may not be transferred or, in certain circumstances, mortgaged or leased separately without the approval of the appropriate planning authority.

Parcel Class Code: Railway

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**This is Exhibit "Y" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Saul Watts*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prince  
Sw*

**MORTGAGE ASSUMPTION AND AMENDING AGREEMENT**

THIS AGREEMENT dated the 31 day of March, 2022.

BETWEEN:

**GLOBAL FOOD AND INGREDIENTS INC.**

("GFI")

AND:

**11567403 CANADA INC.**

("7403")

AND:

**FARM CREDIT CANADA**

(the "Mortgagee")

**WHEREAS:**

A. By a leasehold mortgage dated November 22, 2019 and registered in the Province of Saskatchewan Land Titles Registry on November 29, 2019, as Interest Register #123754260 (the "**Mortgage**"), 7403 mortgaged to the Mortgagee its leasehold interest in certain lands situated in the Province of Saskatchewan, described in Schedule "A" attached hereto (the "**Lands**"), pursuant to a lease dated October 1, 2015 made between Stewart Southern Railway Inc., as landlord and Canpulse Foods Ltd., as tenant, which lease has been assigned to 7403, as the general partner of GFI LP effective November 26, 2019 (the "**Lease**"), to secure payment of the principal sum of \$15,000,000.00 (the "**Principal Sum**"), and interest thereon as therein set out;

B. The Mortgage was amended by a mortgage amending agreement dated May 28, 2021 and registered in the Province of Saskatchewan Land Titles Registry on June 4, 2021 to increase the Principal Sum from \$15,000,000.00 to \$25,000,000.00;

C. Pursuant to an assignment of lease dated the 31 day of March, 2022, 7403 assigned the Lease to GFI;

D. GFI, in consideration of the assignment to it of the Lease by 7403, and in consideration of being approved and accepted as the Mortgagor by the Mortgagee has agreed with 7403 to assume payment of the Mortgage or the monies secured thereby and to covenant with the Mortgagee to pay the monies secured thereby and to observe and perform and be bound by the terms, conditions, covenants and provisions contained in the Mortgage, subject to amendments, if any, as hereinafter set out;

E. The parties wish to increase the Principal Amount secured by the Mortgage from \$25,000,000.00 to \$50,000,000.00;

**NOW THEREFORE**, the parties agree as follows:

1. GFI, as principal debtor and not as surety, shall well and truly pay to the Mortgagee all sums of money as are now or shall at any time hereafter become due and payable, whether for principal, interest, charges, costs or otherwise howsoever under or by virtue of the Mortgage or which are secured by the Mortgage, at the times and in the manner provided therein, and GFI will at all times do, observe, perform, keep, be liable under and be bound by every covenant, attornment, licence, power, proviso, condition, agreement and stipulation in the Mortgage contained, to the same extent as if GFI had been the original Mortgagor, and as such had executed the Mortgage.
2. The Mortgagee may release and discharge 7403 and any other person or persons from all liability under their personal covenants in the Mortgage for payment of the monies thereby secured or other monies payable under the Mortgage, but any such release shall be without prejudice to the rights of the Mortgagee under all other covenants and provisions contained in the Mortgage and to their rights and remedies against the Lands, all of which rights and remedies of the Mortgagee are hereby reserved.
3. Except as provided in clause 2 hereof, these presents shall not alter or prejudice the rights and priorities of the Mortgagee as against any guarantor or surety or any subsequent encumbrancer or other person whomsoever interested in the Lands or the Lease or liable for the monies secured by the Mortgage debt or any part thereof and not a party hereto, or the rights of any such guarantor or surety, subsequent encumbrancer or other person, all of which rights and priorities are hereby reserved.
4. GFI hereby acknowledges and agrees that the Second Amended and Restated Credit Agreement dated ~~April~~ **March 31**, 2022, (as amended from time to time, both prior to the date hereof and at any time from and after the date hereof) (the "**Financing Commitment**") shall continue to be binding upon GFI. GFI further acknowledges and agrees that:
  - (a) The Mortgage is hereby amended by increasing the Principal Sum from \$25,000,000.00 to \$50,000,000.00, such that the definition of the Principal Sum in the Mortgage is amended to \$50,000,000.00.
5. GFI hereby acknowledges and agrees that the Mortgage, in addition to securing other past and present obligations, secures all obligations of GFI to the Mortgagee under the existing credit agreement between the parties (as the same may be amended from time to time), together with any future credit agreements with respect to the indebtedness.
6. The parties hereby ratify and confirm, and agree that they continue to be bound by the Mortgage as amended by this Agreement. This Agreement and the Mortgage shall be read together and constitute one agreement with the same effect as if the amendments made by this Agreement had been contained in the Mortgage, but with effect as of the date hereof.
7. The parties hereby ratify and confirm, and agree that they continue to be bound by the Mortgage as amended by this Agreement. This Agreement and the Mortgage shall be read together and constitute one agreement with the same effect as if the amendments made by this Agreement had been contained in the Mortgage, but with effect as of the date hereof.
8. It is agreed that all covenants, clauses, agreements, provisos, stipulations, conditions, power, matters and things whatsoever contained in the Mortgage shall continue in full force and effect except as specifically amended herein and shall apply to the amendments herein

including any provision allowing for the acceleration of principal and/or interest in the event of default pursuant to the terms of the Mortgage.

9. It is hereby agreed and declared that nothing herein contained shall in any way prejudice the rights of the Mortgagee as against GFI, its successors and assigns or as against any guarantor or surety or other person whomsoever for the debt evidenced by the Mortgage, or any part thereof, or as against any collateral security which the Mortgagee may now or hereafter hold against the said obligations or any part thereof.

10. Insofar as the law of the Province of Saskatchewan allows, GFI further covenants and agrees with the Mortgagee as follows:

- (a) That *The Land Contracts (Actions) Act, 2018* of the Province of Saskatchewan shall have no application to any action, as defined in *The Land Contracts (Actions) Act, 2018* with respect to the Mortgage as amended herein; and
- (b) That *The Limitation of Civil Rights Act* of the Province of Saskatchewan or any provisions thereof shall have no application to:
  - (i) the Mortgage as amended herein;
  - (ii) any mortgage, charge or other security for the payment of money made, given or created by the Mortgage as amended herein;
  - (iii) any agreement or instrument renewing or extending or collateral to any mortgage, charge or other security referred to or mentioned in the Mortgage as amended herein;
  - (iv) the rights, powers or remedies of the Mortgagee or any other person under any mortgage, charge, other security agreement or instrument collateral to or referred to in the Mortgage as amended herein.

11. As of the date of this Agreement, GFI represents and warrants the following:

- (a) GFI is not a non-resident within the meaning of Section 116 of *the Income Tax Act (Canada)*;
- (b) no person or persons or corporations having any liens, construction liens (other than liens for services not yet due), easements, rights-of-way, charges, mortgages or encumbrances whatsoever other than as disclosed on title and other than unregistered liens for taxes and similar charges, zoning and land use restrictions that do not materially impede the value of use of the Lands, the reservations and limitations in the grant from the Crown and statutory exceptions to title;
- (c) any easement as disclosed on title wherein the Lands are the servient or the dominant tenement is in good standing and has not been impaired and any agreement or restrictions as disclosed on title have been complied with and are in good standing;
- (d) the Lands and its use comply with any restrictions or agreements registered against the Lands;

- (e) the current and proposed use of the Lands complies with all applicable zoning and other land use restriction requirements;
- (f) there are no known violations of covenants, conditions and restrictions which affect the Lands;
- (g) there are no outstanding work orders, which affect the Lands;
- (h) all contractors and subcontractors have been paid in full for all services and work completed on the Lands which give rise to a lien under *The Builders' Lien Act* (Saskatchewan), except:
  - (i) for accounts for services not yet due;
  - (ii) for statutory hold-backs; and
  - (iii) as otherwise disclosed in writing to the Mortgagee.
- (i) there is no dispute about the boundaries of the Lands;
- (j) there are no actions, suits or other proceedings or adverse possession or otherwise on the part of any person whomsoever that will affect GFI's right to occupation and possession of the Lands or affect GFI's right, title, interest or claim upon the Lands;
- (k) all taxes due and payable on the said Lands, including local improvement rates, have been paid in full to date;
- (l) GFI has never made any assignment for the benefit of its creditors, nor has any Receiving Order been made against GFI under the provisions of the *Bankruptcy and Insolvency Act* (Canada), nor has any petition for such an order been served upon GFI;
- (m) there is no overdue amount owing in respect of the Lands or the buildings thereon by GFI to the municipal corporation or to any other corporation or commission owning or operating a public utility, for water, gas, electricity, steam or hot water, or for the use thereof; or for fittings, machines, apparatus, meters or other things leased in respect thereof; or for any work or service performed by such corporation or commission in connection with such public utilities;
- (n) GFI has not received from any municipal or other governmental authority any deficiency notice or work order affecting the Lands pursuant to which any deficiencies are required to be remedied and remain outstanding or any demolition, repairing or replacements are required to be carried out and remain outstanding; and
- (o) no proceeding is pending to amend or surrender or cancel the Articles of GFI; and no winding up, liquidation, dissolution, amalgamation, reorganization or continuation proceedings have been commenced or are being contemplated by GFI.

12. This Agreement shall enure to the benefit of and be binding upon the successors and permitted assigns of GFI and the successors and assigns of the Mortgagee.



13. This Agreement shall be construed and enforced in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein and shall be treated, in all respects, as a Saskatchewan contract. Each of the parties hereto irrevocably attorns to the jurisdiction of the courts of the Province of Saskatchewan.

14. If any provision of this Agreement is found to be void, illegal, invalid or unenforceable it shall be severable herefrom, and shall not invalidate, affect or impair the remaining provisions hereof.

15. This Agreement shall not be assigned by either party without the prior written consent of the other party. Subject thereto, this Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

16. This Agreement may be executed in one or more counterparts, each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Any faxed or electronic copy of a signature will be deemed to be an original signature until such time as an original signature has been received by the other party or parties to this Agreement.

**[Signature Page Follows]**

IN WITNESS WHEREOF this Agreement has been executed as of the date first above written.

) **GLOBAL FOOD AND INGREDIENTS**  
) **INC.**  
)  
) Per: Bill Murray  
) Name: Bill Murray  
) Title: Chief Financial Officer  
) We have the authority to bind the corporation

**SCHEDULE A  
LANDS**

Surface Parcel #203169775  
Reference Land Description: SW Sec 9, Twp 15 Rge 16 W2  
Plan B3490, Extension 4

**This is Exhibit "Z" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Webb*

---

**A commissioner for Oaths in and for the Province of ~~Prince~~ Edward Island**

*Priscilla  
Stu*



## GENERAL SECURITY AGREEMENT

PROTECTED

Customer number: 200839292

TO: Farm Credit Canada ("FCC", "us", "we" or "our")  
PROVIDED BY: Global Food and Ingredients Inc. ("you", "your" or the "Debtor")  
DATE: November 26, 2019

**1. What this Security Agreement does, and what property is secured**

In consideration of FCC lending money to you, you are signing and delivering this Security Agreement to give FCC a security interest in the property described in Schedule "A" attached to this Security Agreement (this property is called the "Collateral"). Our security interest in the Collateral secures the repayment of all money you owe to us at any time and the performance of your obligations under this Security Agreement and any present or future Credit Agreement or other agreement you have with us (each a "Credit Facility"). You confirm that value has been given and acknowledge that our security interest shall attach to the Collateral as soon as you have rights in such Collateral.

**2. What debts are covered by this Security Agreement**

This Security Agreement secures the full amount that we lend to you, plus interest on your loans and all of the costs, charges and expenses you have agreed to pay under any Credit Facility. If the amount you owe us is reduced and then later increases, this Security Agreement still applies to the total amount that you owe us at any time.

**3. Ownership and use of the Collateral**

By signing this Security Agreement you are assuring us that you are the owner of the Collateral and that no one else holds any mortgages or rights to any of that Collateral other than Permitted Liens. If you acquire any future property that is covered by this Security Agreement, you must make sure that you obtain "good title" and that no one else has any rights in the property other than Permitted Liens unless we have consented to it. Under this Security Agreement, you are not allowed to sell, lease, or transfer ownership or possession of any of the Collateral except in the ordinary course of your business. For example, you may sell inventory such as the goods you produce in your business. With our written permission, you may also sell equipment that has been replaced by new equipment or that is not needed for your business. Also, you will keep the Collateral at your place of business, unless FCC agrees otherwise. If the collateral includes quota, you agree to: (i) maintain all quota and license rights in good standing and to comply with all of the requirements of the issuing Board or authority; and (ii) renew and maintain any assignment of quota given to FCC before any expiry of the same, whether pursuant to rules or regulations of the issuing Board or authority or otherwise.

**4. Insurance**

You must keep the Collateral insured against loss or damage by fire and other risks that are normally insured or as we may require. The Collateral must be insured to its full insurable value. We may require that you transfer the insurance policies to us or have us named as the loss payee. You must give us copies of the policies or proof of insurance if we ask. If you fail to maintain the insurance required by this clause, we can insure the Collateral for you and charge you for the cost, which would be added to the amount you owe us and covered by this Security

Agreement. You must let us know as soon as possible of any loss or damage to any part of the Collateral.

## **5. Your ongoing obligations**

By signing this Security Agreement, you agree to the following things concerning your business:

- (a) Carrying on business - You must carry on your business as a going concern in a proper, efficient and businesslike manner so as to protect and preserve the Collateral. We have the right at any time to inspect the Collateral to ensure that the Collateral exists and that you are maintaining the Collateral in good condition. You must observe and conform to all valid requirements of any governmental or municipal authority relative to the Collateral;
- (b) Books and records - You must keep proper accounting books and records covering your business and affairs and concerning the Collateral. We are allowed to inspect these books and records and make copies of them, if we ask. You agree to provide us with information with respect to the Collateral if we request;
- (c) Taxes - You must pay all taxes, license fees, assessments or other charges applicable to your business on their due dates; and
- (d) Environmental Permits - You must maintain all environmental permits, consents, clearance, etc. that are needed to lawfully carry on your business. By signing this Security Agreement you are confirming that you are presently in compliance in all material respects with all environmental laws, regulations, rules and guidelines that apply to your business. You must stay in such compliance at all times.

## **6. Out-of-pocket costs and expenses, lawsuits and claims**

You are responsible for all out-of-pocket costs that we incur under this Security Agreement. Examples include but are not limited to:

- (a) legal fees to prepare, register or enforce this Security Agreement;
- (b) costs paid to register our security interest in the Collateral or prepare a priority agreement or similar agreement; and
- (c) costs we incur to preserve, insure or seize the Collateral.

You must reimburse us for our out-of-pocket costs on demand. If you fail to pay, we are entitled to add these costs to your loan and to charge interest on these costs at the highest interest rate then applicable to any Credit Facility under the Credit Agreement.

Repayment of our out-of-pocket expenses is secured by the Collateral to the same extent as the loans we advance to you.

If anyone sues us as a result of the use of the Collateral or any damage it has caused, we can require that you pay our costs and any loss resulting from the lawsuit, even if we agree to pay an out-of-court settlement.

**7. Limitations on the use of money**

The proceeds of any loan secured by the Collateral must be used for the purpose stated in your credit application relating to such loan.

**8. Default**

You shall be in default under this Security Agreement if any of the following things happen:

- (a) If you fail to pay any amount owed to us on its due date.
- (b) If you fail to strictly comply with or perform any term or condition contained in this Security Agreement or any Credit Facility.
- (c) If any written statement you have made to us in this Security Agreement or in any other document you have signed is untrue in any material respect.
- (d) If you cannot pay your debts when they become due (insolvency) or become bankrupt or apply for protection from your creditors under any insolvency laws, if you attempt to compromise or settle your debts with creditors, or if any bankruptcy or insolvency court proceedings are started against you or by you.
- (e) If a receiver, trustee, custodian or other similar official is appointed for you or any of your property.
- (f) If you sell, transfer or in any other way give up possession of all or any part of the Collateral in a manner not permitted under this Security Agreement or any Credit Facility; or if you move any Collateral out of the province in which you carry on business without our written permission.
- (g) If you give a security interest or other interest, other than a purchase money security interest, in the Collateral to someone else without our written permission.
- (h) If your business is incorporated, it is also a default if there is a change in who owns the shares of the corporation, unless we give written permission. If your business is run by a partnership, it is a default if any partner quits or resigns, any new partner is added or the partnership is ended without our written permission.
- (i) If someone else seizes or takes control of any Collateral, or threatens to do so.
- (j) If you stop carrying on your business in the normal course, or threaten to do so, or sell all or substantially all of your assets.

**9. Our rights if you default**

If you default we can take any one or more of the following steps and/or do anything else permitted by law to recover the amounts you owe us:

- (a) Serious consequences on default – We can demand that you repay the balance of all your loans on the date specified in the notice demanding payment, including interest and other amounts added to it under the Security Agreement or the applicable Credit Facilities. We may also notify credit bureaus of your default. If you default, you shall be responsible for the payment of our costs incurred to collect your loans and/or repossess and sell the Collateral, plus court costs and legal fees. If you default under this Security

Agreement or the Credit Facilities, we may consider you to be in default under any other security agreement or Credit Facility you have signed with us. You may face other serious consequences.

- (b) **Seizing Collateral** – To the extent permitted by applicable law, we can take possession of all or any part of the Collateral either ourselves or through a receiver. We can demand that you deliver the Collateral to a place designated by us so that we may take possession. We shall be entitled to receive any rents and profits from the Collateral, to carry on your business, and sell, lease or otherwise dispose of the Collateral on terms and conditions that we consider suitable. For this purpose we are allowed to enter your place of business or any other place where the Collateral is located.
- (c) **Selling Collateral** – We may sell the Collateral or dispose of it in any commercially reasonable way.
- (d) **Collecting receivables** – We may collect or sell any debts owed to you by others (“receivables”) on terms and conditions that we see fit. In doing this, we may agree to accept less than the amount that is owed to you in full settlement of any receivables. Even if you are not in default, you agree we can advise anyone who owes you money about this Security Agreement and require that they confirm the amount they owe you. You shall provide us with a list of all of your receivables, upon reasonable request.
- (e) **Putting you into receivership** – We can appoint a receiver or manager (the “receiver”) to manage the Collateral or to operate your business. If we appoint a receiver, the following provisions shall apply:
  - (i) the receiver shall be considered to be your agent for all purposes,
  - (ii) you shall be required to pay the receiver’s remuneration, as fixed by us,
  - (iii) we shall have no liability to you or anyone else concerning the appointment of a receiver or for anything the receiver does or does not do, and
  - (iv) you shall no longer have any right to use the Collateral or operate your business without our written permission.
- (f) **Powers of a receiver** – If we appoint a receiver:
  - (i) the receiver shall have the same rights and remedies that we have under this Security Agreement and any applicable Credit Facility,
  - (ii) the receiver can operate your business in any way it sees fit, and
  - (iii) the receiver can manage and make all decisions about your business, including without limitation entering into agreements, hiring employees and purchasing equipment and inventory.

We can also ask the court to appoint a receiver and, if the court does so, the receiver shall have the powers listed in the court order. If you default we can take all such steps, plus we can do anything else permitted by law to recover the amount you owe us.

## 10. **Deficiency**

Where permitted by applicable laws, you shall remain liable to us for payment, and agree to pay us, of any amounts that are still owing to us following the sale or other disposal of all or any part of the Collateral.



## **11. Use of proceeds from Collateral**

All proceeds we receive from the Collateral shall be applied in the following order:

- (a) first, to pay the receiver's remuneration if one has been appointed;
- (b) second, to pay any other expenses we incur to enforce our rights under this Security Agreement;
- (c) third, to pay rents, taxes, insurance premiums and other expenses affecting the Collateral. These expenses might be incurred to preserve, repair, process or maintain the Collateral, or make it better or prepare it for sale. This clause also applies to payments we make to other creditors who have claims on the Collateral that rank ahead of ours; and
- (d) lastly, to pay the amounts you owe us.

## **12. Extensions and modifications**

- (a) If we consider it appropriate, we may grant extensions of time or other indulgences to you that depart from the strict terms of this Security Agreement. We may also obtain additional security or release security we hold. We may also settle or release your obligations or otherwise deal with you or any other security or credit facilities we hold. None of these things affect your liability to us, or our right to hold the Collateral or enforce our rights against it, until we have been paid in full.
- (b) No change of any provision of this Security Agreement may be made except by a written agreement signed by us and by you. No waiver of any provision of this Security Agreement shall be effective unless it is in writing.

## **13. We have no obligation to advance funds**

Even after this Security Agreement has been signed and registered, we still do not have to advance funds to you if we decide, in our sole discretion, that it is not in our best interests to do so.

## **14. Other clauses that apply to this security agreement**

- (a) This Security Agreement is in addition to any other guarantee, security agreement or Credit Facility we now have with you or that is signed at a later date. These other agreements do not affect our rights or your obligations under this Security Agreement and this Security Agreement does not replace or terminate any of those other agreements.
- (b) If any part of this Security Agreement turns out to be invalid for any reason, the rest of the Security Agreement shall still remain in full force and effect. In this case, this Security Agreement shall be read as if the invalid part was not included in it.
- (c) The Collateral does not include the last day of the term of any lease held by you, but if you sell your interest under any such lease, you shall hold such last day in trust for us and assign it as we request.
- (d) The Collateral does not include any of your rights under contracts that state that such rights cannot be subject to our security interest, but you shall hold your interest in such

rights in trust for us and shall assign such rights to us if you obtain permission to do so. If we ask you to do so, you shall do your best to obtain such permission.

- (e) We are not liable to you, or any other person, for any failure or delay in exercising any of our rights under this Security Agreement. The same applies to any failure on our part to take any steps to preserve rights against you or other persons, or any delay in doing so.
- (f) If more than one person has signed this Security Agreement with us, everyone who has signed is responsible to us for all the obligations specified in this Security Agreement on a joint and several basis.
- (g) This Security Agreement shall remain in full force and effect and we shall not discharge the security interest until all present and future debt or other obligations owing to us by you are paid or performed in full.
- (h) You agree to sign all other documents that we consider necessary to carry out the intent of this Security Agreement or to exercise our rights over the Collateral. Nevertheless, you agree that we (or any receiver we may appoint or that a court may appoint) may sign any document or do anything else on your behalf as your attorney whenever necessary or expedient.
- (i) A reference to this Security Agreement includes any schedules attached to it.
- (j) You acknowledge that you have received a copy of this Security Agreement.
- (k) To the extent permitted by law, you acknowledge that you are giving up your right to receive a copy of any financing statement, financing change statement or verification statement (that we obtain when we register our security interest in the Collateral each a "**Registration Statement**") unless you provide written request for any such Registration Statement. We agree to provide to you a copy of any Registration Statement you request in writing.
- (l) This Security Agreement benefits our successors and binds you and your heirs, legal representatives, successors and permitted assigns. You may not transfer your obligations under this Security Agreement to anyone else without our written permission. We may transfer our rights under this Security Agreement without your permission.
- (m) This Security Agreement is governed by the laws of the Province of Ontario and the laws of Canada applicable therein. We may commence an action or other court proceeding on this Security Agreement in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

I have read this Security Agreement and agree to its terms.

DATED as of the date first written above.

**GLOBAL FOOD AND INGREDIENTS INC.**

Per:



\_\_\_\_\_  
Name: David Hanna

Title: President

\_\_\_\_\_  
Name:

Title:

I/We have the authority to bind the Corporation.

## SCHEDULE A

You grant FCC a security interest in the following:

### **General Security Agreement**

All present and after-acquired personal property of the Debtor.

*All types and kinds of personal property which are proceeds of the Collateral, including without limitation, goods, crops, chattel paper, securities, investment property, documents of title, instruments, money and intangibles (including accounts).*

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**This is Exhibit "AA" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*P. Inman*

## ASSIGNMENT OF MATERIAL CONTRACTS

**THIS ASSIGNMENT** effective as of November 26, 2019 made by **GLOBAL FOOD AND INGREDIENTS INC.** and **GFI LP** (together with their respective successors and permitted assigns, collectively, the “**Grantors**” and each a “**Grantor**”) in favour of **FARM CREDIT CANADA** (the “**Lender**”);

**WHEREAS** pursuant to the Credit Agreement, the Lender has agreed to extend certain credit facilities in favour of the Grantor subject to the terms and conditions set out in the Credit Agreement;

**AND WHEREAS** as general and continuing collateral security for the payment and fulfillment of the Secured Obligations, the Grantor has agreed, *inter alia*, to grant, charge, pledge and assign to the Lender a security interest in the Collateral.

**NOW THEREFORE** for good and valuable consideration, the receipt and sufficiency of which are conclusively acknowledged by the Grantor, the Grantor agrees and covenants with the Lender as follows:

**Section 1. Defined Terms.** Unless otherwise defined in this Assignment, terms defined in the Credit Agreement and used herein shall have the meaning given to them in the Credit Agreement. The following terms shall have the following meanings:

- (a) “**Collateral**” has the meaning given to it in Section 2 of this Assignment;
- (b) “**Credit Agreement**” means the credit agreement dated as of November 22, 2019 between the Grantors, as borrowers, and 11567403 Canada Inc. and David Hanna, as guarantors, and the Lender, as lender, as such agreement may be amended, restated, supplemented, renewed, replaced or otherwise modified from time to time;
- (c) “**Release Date**” means the date on which all the Secured Obligations have been paid and satisfied in full, all commitments under the Credit Agreement have been cancelled or terminated and there are no further obligations of the Lender under the Loan Documents pursuant to which further Secured Obligations might arise;
- (d) “**Secured Obligations**” means (i) all Outstanding Obligations of the Grantor, (ii) all indebtedness, liabilities and obligations of the Grantor to the Lender arising under, relating to or in connection with any Loan Document to which the Grantor is a party, and (iii) the payment of all costs and expenses incurred by the Lender in enforcing any rights under this Agreement and all Outstanding Obligations of the Grantor; and
- (e) “**Security Interest**” means a mortgage, charge, floating charge, pledge, hypothec, assignment, lien, interest claim, encumbrance, conditional sale agreement or other title retention agreement or other security interest or arrangement of any kind or character intended to create a security interest in substance regardless of whether the Person creating the interest retains an equity of redemption, and any agreement to provide or enter into at any time or on the happening of any event such a security interest or arrangement.

**Section 2. Grant of Security.** As general and continuing collateral security for the prompt and complete payment and performance of the Secured Obligations, the Grantor hereby grants, assigns,

conveys, transfers, pledges, hypothecates, charges and grants a Security Interest to and in favour of the Lender in and to the following:

- (a) all right, title and interest of the Grantor in and to those agreements set out in Schedule "A" attached hereto (all such agreements are hereinafter collectively referred to as the "**Material Contracts**" and each a "**Material Contract**") and including, without limitation, the Grantor's beneficial interest in (i) any Material Contract which may be held in trust for the Grantor by a third party, and (ii) any Material Contract which may be held in trust by the Grantor for the Lender pursuant to Section 9(b) hereof; and
- (b) all present and future books and accounts, letters, invoices, papers and documents in any way evidencing or relating to the Material Contracts.

In this Assignment, the security interests hereby constituted are called the "**Security**", and the subject matter of the Security is called the "**Collateral**".

**Section 3. Representations and Warranties.** The Grantor represents and warrants that (i) the Material Contracts are valid and enforceable in accordance with their terms, have not been modified, amended, altered or changed in any material manner (except as described in Schedule "A" attached hereto) and are in full force and effect, there being no material default thereunder by any party thereto of which it is aware; and (ii) it has the right, power and authority to assign its right, title and interest in and to any and all of the Material Contracts to the Lender upon the terms and conditions hereof (except for any Material Contract which by the provisions thereof or by law is not assignable or which requires the consent of any third party to its assignment unless such consent has been obtained); and the Grantor has not heretofore assigned, mortgaged, pledged, encumbered or otherwise hypothecated its right, title and interest in and to any or all of the Material Contracts in any manner, nor will the Grantor do so at any time hereafter without the Lender's prior written consent in each instance, except to the extent permitted by the Credit Agreement. Any such assignment, mortgage, pledge or encumbrance in violation of the foregoing shall be void and of no force and effect

**Section 4. Performance under the Material Contracts.** The Grantor will keep and perform the material obligations on its part to be kept and performed by it under any and all of the Material Contracts.

**Section 5. Amendment of the Material Contracts.** The Grantor will not, without the prior written consent of the Lender, make any material amendments to the Material Contracts and will do all things necessary and proper to keep the Material Contracts in full force and effect.

**Section 6. No Assumption of Secured Obligations.**

(a) The Grantor specifically acknowledges and agrees that by virtue of the execution and delivery of this Assignment, the Lender does not assume, and shall have no responsibility for, the payment of any sums due or to become due under any of the Material Contracts or the performance of any obligations to be performed under or with respect to any of the Material Contracts by the Grantor, and the Grantor hereby agrees to indemnify and hold the Lender harmless with respect to any and all claims by any Person relating thereto.

(b) Upon the occurrence of an Event of Default that is continuing, the Lender may, however, at its option, assume or perform any such obligations which the Lender considers necessary or desirable to obtain the benefit of any Material Contract free of any set-off, deduction or abatement, and any money so expended by the Lender shall form part of the Secured Obligations and bear interest at the rate from time to time applicable to the outstanding balance of the Secured Obligations.



**Section 7. Default under the Material Contracts.** If there shall be a default under any of the Material Contracts on the part of the Grantor, for any reason, the Lender may, at its option, upon the occurrence of an Event of Default that is continuing, without assuming any of the obligations of the Grantor under the relevant Material Contracts and without waiving or releasing the Grantor from any of the terms hereof or any of the Secured Obligations, cure the default.

**Section 8. Separate Assignments.** Each of the rights, privileges, benefits, contracts, permits, policies or other documents or interests comprised in the Material Contracts shall be deemed to be the subject of a separate and individual assignment by the provisions hereof. The Lender may exercise all rights hereunder in respect of each Material Contract separately and whether or not the Lender in its discretion exercises its rights in respect of all or any of the other Material Contracts.

**Section 9. Consents.**

(a) Nothing herein shall constitute an assignment or attempted assignment of any Material Contract which by the provisions thereof or by law is not assignable or which requires the consent of any third party to its assignment unless such consent has been obtained. In each such case, the Grantor shall, upon the written request of the Lender, attempt to obtain the consent of any necessary third party to its assignment hereby and to its further assignment by the Lender to any third party who may acquire same as a result of the exercise by the Lender of remedies after the occurrence and during the continuance of an Event of Default. Upon such consent being obtained or waived, this Assignment shall apply to the applicable Material Contract without regard to this section and without the necessity of any further assurance to effect the assignment thereof.

(b) Unless and until consent to assignment is obtained as provided above, the Grantor shall, to the extent it may do so by law or pursuant to the provisions of the document or interest therein referred to, hold all benefit to be derived from the applicable Material Contracts in trust for the Lender (including, without limitation, the Grantor's beneficial interest in any Material Contract which may be held in trust for the Grantor by a third party) as additional security for payment of the Secured Obligations and shall deliver up all such benefit to the Lender, forthwith upon demand by the Lender.

(c) The consent to assignment in respect of any Material Contract shall be substantially in a form as may be approved by the Lender, acting reasonably.

**Section 10. Default.** Upon the occurrence and during the continuance of an Event of Default, at the option of the Lender, the Security shall be enforceable against the Grantor, and in addition to all other rights and remedies of the Lender pursuant to any agreements of the Grantor in favour of or assigned to and held by the Lender pursuant to Applicable Law or otherwise, the Lender or its successors or assignees shall have all of the rights, title and interest in and to the Material Contracts, including, without limitation, any and all rights to indemnification and guarantee, without modifying or discharging any of the Grantor's obligations to the Lender.

**Section 11. Appointment of Attorney.** The Grantor hereby appoints any officer of the Lender, or any receiver appointed by the Lender, as attorney of the Grantor (with full power of substitution) to, from and after the occurrence of an Event of Default and for so long as such Event of Default is continuing:

- (a) execute and deliver for and on behalf of the Grantor any and all instruments, documents, agreements and other writings necessary or advisable for the exercise on behalf of the Grantor of any rights, benefits or options created or existing under or pursuant to the Material Contracts;

- (b) endorse the name of the Grantor on its behalf on any and all notes, acceptances, cheques, drafts, money orders, instruments or other evidences of collateral, that may come into the Lender's possession;
- (c) execute proofs of claim and loss;
- (d) execute endorsements, assignments or other instruments of conveyance and transfer;
- (e) adjust and compromise any claims under insurance policies or otherwise;
- (f) execute releases; and
- (g) do all other acts and things necessary and advisable in the discretion of the Lender to carry out and enforce this Assignment.

All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act or any other matter or thing in connection therewith, except as a result of its own gross negligence or wilful misconduct as determined in a final non-appealable judgment of a court of competent jurisdiction. Such appointment and power of substitution, being coupled with an interest, are irrevocable until all of the Secured Obligations are paid in full.

**Section 12. Dealing with the Security.** The Lender shall not be obliged to exhaust its recourse against the Grantor, or any other Person or Persons or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Security in such manner as the Lender considers desirable. The Lender may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Grantor and with other parties, sureties or securities as the Lender may see fit without prejudice to the liability of the Grantor, or the rights of the Lender in respect of the Security.

**Section 13. No Merger.** No judgment recovered by the Lender shall operate by way of merger of or in any way affect the Security, which is in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of the Secured Obligations.

**Section 14. Waivers.** No consent or waiver by the Lender shall be effective unless made in writing and signed by an authorized officer of the Lender.

**Section 15. Further Assurances.** The Grantor shall from time to time, whether before or after default being made in the payment of any of the Secured Obligations when due or the occurrence of any default in the performance of any other obligation or covenant in favour of the Lender, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Lender may reasonably require for perfecting the Security constituted hereby and for exercising all powers, authorities and discretions hereby conferred upon the Lender, and the Grantor shall, from time to time after any such default, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Lender may reasonably require for facilitating the sale of the Collateral in connection with any realization thereof.

**Section 16. Successors and Assigns.** This Assignment will enure to the benefit of, and be binding on, the Grantor and its successors and permitted assigns, and will enure to the benefit of, and be binding on, the Lender and the Lenders and their respective successors and assigns. The Grantor may not assign this Assignment, or any of its rights or obligations under this Assignment, without the prior written

consent of the Lender. The Lender may assign this Assignment and any and all benefits hereunder in accordance with the assignment provisions set out in the Credit Agreement.

**Section 17. Amalgamation.** The Grantor acknowledges and agrees that if it merges, amalgamates, continues, reorganizes or consolidates with any other Person, it is the intention of the parties to this Assignment that the Security Interest (i) shall extend to Collateral owned by such Persons and the resultant Person at the time of merger, amalgamation, reorganization or consolidation and to any Collateral thereafter owned or acquired by the resultant Person, such that the term the "Grantor" when used in this Agreement will apply to each of the amalgamating, merging, reorganizing or consolidating Persons and the resultant Person, and (ii) shall secure the Secured Obligations of each of the merging, amalgamating, reorganizing or consolidating Persons and the resultant Person to the Lender at the time of merger, amalgamation or reorganization and any of the Secured Obligations of the resultant Person to the Lender thereafter arising. The Security Interest shall attach to the additional Collateral at the time of amalgamation, merger or reorganization and to any Collateral thereafter owned or acquired by the resultant Person when such Collateral is acquired by such Person.

**Section 18. Governing Law.** This Assignment will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and will be treated, in all respects, as an Ontario contract. The Grantor submits and attorns to the non-exclusive jurisdiction of the courts of Ontario. To the extent permitted by Applicable Law, the Grantor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Assignment in courts of such Province.

**Section 19. Release of Grantor.** Upon the written request of and at the expense of the Grantor given at any time on or after the Release Date, the Lender will release the Grantor and the Collateral from the Security Interests and such release will serve to terminate any licence granted in this Agreement. Upon such release, and at the request and expense of the Grantor, the Lender will return any original pledged property delivered to it by the Grantor and will execute and deliver to the Grantor such releases and discharges as the Grantor may reasonably request.

**Section 20. Conflict.** In the event that there is any conflict or inconsistency between the provisions contained in this Assignment and the provisions contained in the Credit Agreement, then the provisions of the Credit Agreement shall have priority over and shall govern to the extent of such conflict or inconsistency, provided, however, that the existence of a particular representation, warranty, covenant or other provision in this Assignment which is not contained in the Credit Agreement shall not be deemed to be a conflict or inconsistency, and that particular representation, warranty, covenant or other provision shall continue to apply.

**Section 22. Additional Security.** The Security created by this Assignment is in addition and without prejudice to any other Security now or later held by the Lender. No Security held by the Lender will be exclusive of or dependent upon or merge in any other Security, and the Lender may exercise its rights under such Security separately or in combination.

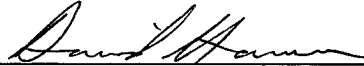
**Section 23. Electronic Signature.** This Assignment, to the extent signed and delivered by means of electronic transmission (including, without limitation, facsimile and PDF transmissions), shall be treated in all manner and respects as an original agreement and should be considered to have the same binding legal effect as if it were the original signed version thereof personally delivered.

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IN WITNESS WHEREOF each Grantor has caused this Assignment to be executed as of the day set forth above.

**GLOBAL FOOD AND INGREDIENTS INC.**

Per:



Name: David Hanna

Title: President

Name:

Title:

I/We have the authority to bind the Corporation.

**GFI LP,**

**By its General Partner,**

**11567403 CANADA INC.**

Per:



Name: David Hanna

Title: *PRESIDENT*

Name:

Title:

I/We have the authority to bind the General Partner and the Limited Partnership.

SCHEDULE "A"

LIST OF MATERIAL CONTRACTS

1. Asset purchase agreement dated November 26, 2019 between CanPulse Foods Ltd., as seller, GFI LP, as purchaser, and Global Food and Ingredients Inc., Globeways Canada Inc. and Hakan Agro DMCC, as additional parties, together with the schedules and exhibits attached thereto (the "**CanPulse Asset Purchase Agreement**").
2. Toll processing agreement dated November 26, 2019 between GFI LP, Global Food and Ingredients Inc., CanPulse Foods Ltd., Globeways Canada Inc. and Hakan Agro DMCC (the "**Toll Processing Agreement**").
3. Guarantee from Globeways Canada Inc. in favour of GFI LP in respect of the obligations of CanPulse under the CanPulse Asset Purchase Agreement.
4. Guarantee from Globeways Canada Inc. in favour of GFI LP in respect of the obligations of CanPulse under the Toll Processing Agreement.
5. Guarantee from Hakan Agro DMCC in favour of GFI LP in respect of the obligations of CanPulse under the CanPulse Asset Purchase Agreement.
6. Guarantee from Hakan Agro DMCC in favour of GFI LP in respect of the obligations of CanPulse under the Toll Processing Agreement.

**CONSENT AND ACKNOWLEDGMENT  
TO ASSIGNMENT OF MATERIAL CONTRACTS**

Consent and Acknowledgement dated as of November 26, 2019 made by **CANPULSE FOODS LTD., GLOBEWAYS CANADA INC.** and **HAKAN AGRO DMCC** (collectively, the “**Third Parties**” and each individually, a “**Third Party**”) in favour of **FARM CREDIT CANADA** (the “**Lender**”).

**RECITALS:**

A. GFI Food and Ingredients Inc. and GFI LP (collectively, the “**Grantors**” and each individually a “**Grantor**”) are parties to a credit agreement dated on or about November 22, 2019 between the Grantors, as borrowers, 11567403 Canada Inc. and David Hanna, as guarantors, and the Lender, as lender (as such agreement may be amended, modified, restated, supplemented, extended, renewed, or replaced from time to time, the “**Credit Agreement**”).

B. The Grantors have agreed to execute and deliver separate general security agreements and assignments of material contracts, each dated on or about November 26, 2019, in favour of the Lender granting a security interest in all present and after-acquired personal property, assets and undertaking of the Grantors (including, without limitation, an assignment by way of security of the Material Contracts set out in Schedule “A” attached hereto to which the Third Parties are parties (collectively, the “**Specific Contracts**” and individually, a “**Specific Contract**”)) as continuing collateral security for the payment and performance of the Outstanding Obligations of the Grantors under and as defined in the Credit Agreement.

**NOW THEREFORE** for good and valuable consideration, the receipt and sufficiency whereof are hereby duly acknowledged by the Third Parties, each Third Party agrees as follows:

**Section 1. Consent.** The Third Party hereby consents to the assignment as and by way of security (the “**Assignment**”) by each Grantor to the Lender of all of the Grantor’s right, title and interest in and to, and the benefits enuring to the Grantor under each of the Specific Contracts, as security for the obligations of each Grantor to the Lender under the Credit Agreement. The Third Party further consents to the assignment of each of the Specific Contracts by the Lender to any other third party who may acquire the Grantor’s right, title and interest in and to each of the Specific Contracts as a result of the exercise by the Lender of remedies upon the occurrence of a Default or Event of Default under and as defined in the Credit Agreement.

**Section 2. No Assumption of Obligations.** The Lender shall not assume, and shall have no responsibility for, the payment of any sums due or to become due under any of the Specific Contracts, or the performance of any obligations to be performed under any of the Specific Contracts by the Grantor.

**Section 3. Full Force and Effect.** The Third Party confirms that each of the Specific Contracts are in full force and effect as at the date hereof and that there are no payment arrears due to the Third Party under any of the Specific Contracts.

**Section 4. Notice of Default and Realization.** Prior to the termination of a Specific Contract by reason of the occurrence of any breach or default in the observance or performance of any covenants of the Grantor under such Specific Contract, the Third Party shall provide the Lender with the same written notice to which the Grantor is entitled under such Specific Contract (the “**Notice**”). The Third Party agrees that the Lender has the ability to cure the breach or default set out and identified in the Notice within (i) the applicable cure period provided under such Specific Contract, or (ii) if no specified cure

period, sixty (60) days, in each case, such cure period to commence upon the Lender's receipt of the Notice.

If the Lender cures such default, it shall be deemed to do so on behalf of the Grantor, and the Lender shall in no circumstances be considered to be a contracting party under such Specific Contract nor shall it be subject to any of the obligations of the Grantor under such Specific Contract. In the event any such default is not cured by the Grantor or by the Lender, the Third Party agrees to provide the Lender with any written notice of termination of such Specific Contract delivered by the Third Party to the Grantor.

**Section 5. Third Party Obligations.** Except as otherwise expressly provided herein, prior to receipt of any notice from the Lender that it has exercised its rights as assignee from the Grantor or Grantors, the Third Party shall be entitled to deal with the Grantor(s) under each Specific Contract in accordance with the terms thereof.

**Section 6. Notice.** Any notice given pursuant to this consent and acknowledgement shall be in writing, personally delivered, if to the Lender:

Farm Credit Canada  
Loan Administration Centre  
1133 St. George Blvd, Suite 104  
Moncton, NB E1E 4E1  
Fax No.: 506-851-6613

**- in the case of a notice to Canpulse addressed to it at:**

Canpulse Foods Ltd.  
110 - 2570 Matheson Blvd. E  
Mississauga ON L4W 4Z3  
Attention: Tanvir Zaidi  
Email: tanvir@globeways.com

**- in the case of a notice to Hakan addressed to it at:**

Hakan Agro DMCC  
34th Floor, Mazaya Business Avenue, BB2 Tower  
Jumeirah Lakes Towers,  
Sheikh Zayed Road, P.O. Box 31489  
Dubai, United Arab Emirates

**- in the case of a notice to Globeways addressed to it at:**

Globeways Canada Inc.  
110 - 2570 Matheson Blvd. E  
Mississauga ON L4W 4Z3  
Attention: Tanvir Zaidi  
Email: tanvir@globeways.com

- with a copy in each of the above three cases to (which shall not constitute notice):

Miller Thomson LLP  
600 - 2103 11th Avenue  
Regina SK S4P 3Z8  
Attention: Rick M. Vanbeselaere, Q.C.  
E-mail: rvanbeselaere@millerthomson.com

or sent by facsimile transmission or similar means of communication, charged or pre-paid to the applicable address, or to such other address as the Lender or the Third Parties may from time to time designate. Any notice shall, when personally delivered or telexed or transmitted by facsimile transmission, be effective when personally delivered or transmitted by facsimile transmission, respectively.

**Section 6. Receiver.** All references to the term "Lender" herein shall include any privately appointed receiver or receiver and manager, or court appointed receiver, receiver and manager or interim receiver, as applicable.

**Section 7. Successors and Assigns.** This Consent and Acknowledgement shall be binding on the Third Parties and their respective successors and assigns.

**Section 8. Electronic Signature.** A signed copy of this Consent and Acknowledgement delivered by facsimile, e-mail, PDF or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Consent and Acknowledgement.

**Section 9. Governing Law.** This Consent will be governed by and construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein, and will be treated, in all respects, as an Saskatchewan contract.

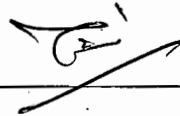
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IN WITNESS WHEREOF the Third Parties have caused this Consent and Acknowledgement to be executed as of the day set forth above.

**CANPULSE FOODS LTD.**

Per:



\_\_\_\_\_  
Name:

Title:

I have authority to bind the Corporation.

**GLOBEWAYS CANADA INC.**

Per:



\_\_\_\_\_  
Name:

Title:

I have authority to bind the Corporation.

**HAKAN AGRO DMCC**

Per:

\_\_\_\_\_  
Name:

Title:

I have authority to bind the Corporation.

**IN WITNESS WHEREOF** the Third Parties have caused this Consent and Acknowledgement to be executed as of the day set forth above.

**CANPULSE FOODS LTD.**

Per:

\_\_\_\_\_  
Name:

Title:

I have authority to bind the Corporation.

**GLOBEWAYS CANADA INC.**

Per:

\_\_\_\_\_  
Name:

Title:

I have authority to bind the Corporation.

**HAKAN AGRO DMCC**

Per:

\_\_\_\_\_  
Name:

Title:

I have authority to bind the Corporation.

## SCHEDULE "A"

### LIST OF SPECIFIC CONTRACTS

1. Asset purchase agreement dated November 26, 2019 between CanPulse Foods Ltd., as seller, GFI LP, as purchaser, and Global Food and Ingredients Inc., Globeways Canada Inc. and Hakan Agro DMCC, as additional parties, together with the schedules and exhibits attached thereto (the "**CanPulse Asset Purchase Agreement**").
2. Toll processing agreement dated November 26, 2019 between GFI LP, Global Food and Ingredients Inc., CanPulse Foods Ltd., Globeways Canada Inc. and Hakan Agro DMCC (the "**Toll Processing Agreement**").
3. Guarantee from Globeways Canada Inc. in favour of GFI LP in respect of the obligations of CanPulse under the CanPulse Asset Purchase Agreement.
4. Guarantee from Globeways Canada Inc. in favour of GFI LP in respect of the obligations of CanPulse under the Toll Processing Agreement.
5. Guarantee from Hakan Agro DMCC in favour of GFI LP in respect of the obligations of CanPulse under the CanPulse Asset Purchase Agreement.
6. Guarantee from Hakan Agro DMCC in favour of GFI LP in respect of the obligations of CanPulse under the Toll Processing Agreement.

EDC\_LAW\ 21109974

**This is Exhibit "BB" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Savel Watt*

---

**A commissioner for Oaths in and for the Province of ~~Prince~~ Edward Island**

*Princa  
SW*



**GENERAL SECURITY AGREEMENT**

**CONFIDENTIAL**

Customer number: 200839292

**To: Farm Credit Canada ("FCC", "us", "we" or "our")**

**Provided by: GFI Brands Inc. ("you", "your" or the "Debtor")**

**Date:     May 17    , 2022**

**1. What this Security Agreement does, and what property is secured**

For valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the FCC and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to FCC (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "**Obligations**"), you are signing and delivering this Security Agreement to give FCC a security interest in the property described in Schedule "A" attached to this Security Agreement (this property is called the "**Collateral**"). Our security interest in the Collateral secures the Obligations, including, without limitation, under the guarantee by you of repayment of all money owing by Global Food and Ingredients Inc., to us at any time dated on or about the date hereof (as may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Guarantee**") and the performance of your obligations under the Guarantee, this Security Agreement and any present or future Credit Agreement or other agreement you have with us (each a "**Credit Facility**"). You confirm that value has been given and acknowledge that our security interest shall attach to the Collateral as soon as you have rights in such Collateral.

**2. What debts are covered by this Security Agreement**

This Security Agreement secures the full amount of the Obligations and all of the costs, charges and expenses you have agreed to pay under any Credit Facility. If the amount you owe us is reduced and then later increases, this Security Agreement still applies to the total amount that you owe us at any time.

**3. Ownership and use of the Collateral**

By signing this Security Agreement you are assuring us that you are the owner of the Collateral and that no one else holds any mortgages or rights to any of that Collateral other than Permitted Liens. If you acquire any future property that is covered by this Security Agreement, you must make sure that you obtain "good title" and that no one else has any rights in the property other than Permitted Liens unless we have consented to it. Under this Security Agreement, you are not allowed to sell, lease, or transfer ownership or possession of any of the Collateral except in the ordinary course of your business. For example, you may sell inventory such as the goods you produce in your business. With our written permission, you may also sell equipment that has been replaced by new equipment or that is not needed for your business. Also, you will keep the Collateral at your place of business, unless FCC agrees otherwise. If the collateral includes quota, you agree to: (i) maintain all quota and license rights in good standing and to comply with all of the requirements of the issuing Board or authority; and (ii) renew and maintain any assignment of quota given to FCC before any expiry of the same, whether pursuant to rules or regulations of the issuing Board or authority or otherwise.

**4. Insurance**

You must keep the Collateral insured against loss or damage by fire and other risks that are normally insured or as we may require. The Collateral must be insured to its full insurable value. We may require that you transfer the insurance policies to us or have us named as the loss payee. You must give us copies of the policies or proof of insurance if we ask. If you fail to maintain the insurance required by this clause, we can insure the Collateral for you and charge you for the cost, which would be added to the amount you owe us and covered by this Security Agreement. You must let us know as soon as possible of any loss or damage to any part of the Collateral.

**5. Your ongoing obligations**

By signing this Security Agreement, you agree to the following things concerning your business.

- (a) Carrying on business - You must carry on your business as a going concern in a proper, efficient and businesslike manner so as to protect and preserve the Collateral. We have the right at any time to inspect the Collateral to ensure that the Collateral exists and that you are maintaining the Collateral in good condition. You must observe and conform to all valid requirements of any governmental or municipal authority relative to the Collateral;
- (b) Books and records - You must keep proper accounting books and records covering your business and affairs and concerning the Collateral. We are allowed to inspect these books and records and make copies of them, if we ask. You agree to provide us with information with respect to the Collateral if we request;
- (c) Taxes - You must pay all taxes, license fees, assessments or other charges applicable to your business on their due dates; and
- (d) Environmental Permits - You must maintain all environmental permits, consents, clearance, etc. that are needed to lawfully carry on your business. By signing this Security Agreement you are confirming that you are presently in compliance in all material respects with all environmental laws, regulations, rules and guidelines that apply to your business. You must stay in compliance at all times.

#### **6. Out-of-pocket costs and expenses, lawsuits and claims**

You are responsible for all out-of-pocket costs that we incur under this Security Agreement. Examples include but are not limited to:

- (a) legal fees to prepare, register or enforce this Security Agreement;
- (b) costs paid to register our security interest in the Collateral or prepare a priority agreement or similar agreement; and
- (c) costs we incur to preserve, insure or seize the Collateral.

You must reimburse us for our out-of-pocket costs on demand. If you fail to pay, we are entitled to add these costs to your Obligations and to charge interest on these costs at the highest interest rate then applicable to any Credit Facility under the Credit Agreement.

Repayment of our out-of-pocket expenses is secured by the Collateral to the same extent as the loans we advance to you.

If anyone sues us as a result of the use of the Collateral or any damage it has caused, we can require that you pay our costs and any loss resulting from the lawsuit, even if we agree to pay an out-of-court settlement.

#### **7. Limitations on the use of money**

The proceeds of any loan secured by the Collateral must be used for the purpose stated in your credit application relating to such loan.

## 8. Default

You shall be in default under this Security Agreement if any of the following things happen:

- (a) If you fail to pay any amount owed to us on its due date.
- (b) If you fail to strictly comply with or perform any term or condition contained in this Security Agreement or any Credit Facility.
- (c) If any written statement you have made to us in this Security Agreement or in any other document you have signed is untrue in any material respect.
- (d) If you cannot pay your debts when they become due (insolvency) or become bankrupt or apply for protection from your creditors under any insolvency laws, if you attempt to compromise or settle your debts with creditors, or if any bankruptcy or insolvency court proceedings are started against you or by you.
- (e) If a receiver, trustee, custodian or other similar official is appointed for you or any of your property.
- (f) If you sell, transfer or in any other way give up possession of all or any part of the Collateral in a manner not permitted under this Security Agreement or any Credit Facility; or if you move any Collateral out of the province in which you carry on business without our written permission.
- (g) If you give a security interest or other interest, other than a purchase money security interest, in the Collateral to someone else without our written permission.
- (h) If your business is incorporated, it is also a default if there is a change in who owns the shares of the corporation, unless we give written permission. If your business is run by a partnership, it is a default if any partner quits or resigns, any new partner is added or the partnership is ended without our written permission.
- (i) If someone else seizes or takes control of any Collateral, or threatens to do so.
- (j) If you stop carrying on your business in the normal course, or threaten to do so, or sell all or substantially all of your assets.

## 9. Our rights if you default

If you default we can take any one or more of the following steps and/or do anything else permitted by law to recover the amounts you owe us:

- (a) Serious consequences on default – We can demand that you repay the balance of all Obligations on the date specified in the notice demanding payment, including interest and other amounts added to it under the Security Agreement, the Guarantee or the applicable Credit Facilities. We may also notify credit bureaus of your default. If you default, you shall be responsible for the payment of our costs incurred to collect your Obligations and/or repossess and sell the Collateral, plus court costs and legal fees. If you default under this Security Agreement or the Credit Facilities, we may consider you to be in default under any other security agreement or Credit Facility you have signed with us. You may face other serious consequences.



- (b) Seizing Collateral – To the extent permitted by applicable law, we can take possession of all or any part of the Collateral either ourselves or through a receiver. We can demand that you deliver the Collateral to a place designated by us so that we may take possession. We shall be entitled to receive any rents and profits from the Collateral, to carry on your business, and sell, lease or otherwise dispose of the Collateral on terms and conditions that we consider suitable. For this purpose we are allowed to enter your place of business or any other place where the Collateral is located.
- (c) Selling Collateral – We may sell the Collateral or dispose of it in any commercially reasonable way.
- (d) Collecting receivables – We may collect or sell any debts owed to you by others (“receivables”) on terms and conditions that we see fit. In doing this, we may agree to accept less than the amount that is owed to you in full settlement of any receivables. Even if you are not in default, you agree we can advise anyone who owes you money about this Security Agreement and require that they confirm the amount they owe you. You shall provide us with a list of all of your receivables, upon reasonable request.
- (e) Putting you into receivership – We can appoint a receiver or manager (the “receiver”) to manage the Collateral or to operate your business. If we appoint a receiver, the following provisions shall apply:
  - (i) the receiver shall be considered to be your agent for all purposes,
  - (ii) you shall be required to pay the receiver’s remuneration, as fixed by us,
  - (iii) we shall have no liability to you or anyone else concerning the appointment of a receiver or for anything the receiver does or does not do, and
  - (iv) you shall no longer have any right to use the Collateral or operate your business without our written permission.
- (f) Powers of a receiver – If we appoint a receiver:
  - (i) the receiver shall have the same rights and remedies that we have under this Security Agreement and any applicable Credit Facility,
  - (ii) the receiver can operate your business in any way it sees fit, and
  - (iii) the receiver can manage and make all decisions about your business, including without limitation entering into agreements, hiring employees and purchasing equipment and inventory.

We can also ask the court to appoint a receiver and, if the court does so, the receiver shall have the powers listed in the court order. If you default we can take the following steps, plus we can do anything else permitted by law to recover the amount you owe us.

## 10. Deficiency

Where permitted by applicable laws, you shall remain liable to us for payment, and agree to pay us, of any amounts that are still owing to us following the sale or other disposal of all or any part of the Collateral.

## **11. Use of proceeds from Collateral**

All proceeds we receive from the Collateral shall be applied in the following order:

- (a) first, to pay the receiver's remuneration if one has been appointed;
- (b) second, to pay any other expenses we incur to enforce our rights under this Security Agreement;
- (c) third, to pay rents, taxes, insurance premiums and other expenses affecting the Collateral. These expenses might be incurred to preserve, repair, process or maintain the Collateral, or make it better or prepare it for sale. This clause also applies to payments we make to other creditors who have claims on the Collateral that rank ahead of ours; and
- (d) lastly, to pay the amounts you owe us.

## **12. Extensions and modifications**

- (a) If we consider it appropriate, we may grant extensions of time or other indulgences to you that depart from the strict terms of this Security Agreement. We may also obtain additional security or release security we hold. We may also settle or release your Obligations or otherwise deal with you or any other security or credit facilities we hold. None of these things affect your liability to us, or our right to hold the Collateral or enforce our rights against it, until we have been paid in full.
- (b) No change of any provision of this Security Agreement may be made except by a written agreement signed by us and by you. No waiver of any provision of this Security Agreement shall be effective unless it is in writing.

## **13. We have no obligation to advance funds**

Even after this Security Agreement has been signed and registered, we still do not have to advance funds to you if we decide, in our sole discretion, that it is not in our best interests to do so.

## **14. Other clauses that apply to this security agreement**

- (a) This Security Agreement is in addition to any other guarantee, security agreement or Credit Facility we now have with you or that is signed at a later date. These other agreements do not affect our rights or your obligations under this Security Agreement and this Security Agreement does not replace or terminate any of those other agreements.
- (b) If any part of this Security Agreement turns out to be invalid for any reason, the rest of the Security Agreement shall still remain in full force and effect. In this case, this Security Agreement shall be read as if the invalid part was not included in it.
- (c) The Collateral does not include the last day of the term of any lease held by you, but if you sell your interest under any such lease, you shall hold such last day in trust for us and assign it as we request.
- (d) The Collateral does not include any of your rights under contracts that state that such rights cannot be subject to our security interest, but you shall hold your interest in such rights in trust for us and shall assign such rights to us if you obtain permission to do so. If we ask you to do so, you shall do your best to obtain such permission.

- (e) We are not liable to you, or any other person, for any failure or delay in exercising any of our rights under this Security Agreement. The same applies to any failure on our part to take any steps to preserve rights against you or other persons, or any delay in doing so.
- (f) If more than one person has signed this Security Agreement with us, everyone who has signed is responsible to us for all the obligations specified in this Security Agreement on a joint and several basis.
- (g) This Security Agreement shall remain in full force and effect and we shall not discharge the security interest until all present and future debt or other obligations owing to us by you are paid or performed in full.
- (h) You agree to sign all other documents that we consider necessary to carry out the intent of this Security Agreement or to exercise our rights over the Collateral. Nevertheless, you agree that we (or any receiver we may appoint or that a court may appoint) may sign any document or do anything else on your behalf as your attorney whenever necessary or expedient.
- (i) A reference to this Security Agreement includes any schedules attached to it.
- (j) You acknowledge that you have received a copy of this Security Agreement.
- (k) To the extent permitted by law, you acknowledge that you are giving up your right to receive a copy of any financing statement, financing change statement or verification statement (that we obtain when we register our security interest in the Collateral each a "**Registration Statement**") unless you provide written request for any such Registration Statement. We agree to provide to you a copy of any Registration Statement you request in writing.
- (l) This Security Agreement benefits our successors and binds you and your heirs, legal representatives, successors and permitted assigns. You may not transfer your obligations under this Security Agreement to anyone else without our written permission. We may transfer our rights under this Security Agreement without your permission.
- (m) This Security Agreement is governed by the laws of the Province of Ontario and the laws of Canada applicable therein. We may commence an action or other court proceeding on this Security Agreement in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**I have read this Security Agreement and agree to its terms.**

**DATED** as of the date first written above.

**GFI BRANDS INC.**

Per

*Bill Murray*

\_\_\_\_\_  
Name: William Murray

Title: Chief Financial Officer

\_\_\_\_\_  
Name:

Title:

I/We have authority to bind the Corporation.

## Schedule "A"

You grant FCC a security interest in the following:

### **General Security Agreement**

All present and after-acquired personal property of the Debtor.

*All types and kinds of personal property which are proceeds of the Collateral, including without limitation, goods, crops, chattel paper, securities, investment property, documents of title, instruments, money and intangibles (including accounts).*

**This is Exhibit "CC" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Senel wats*

**A commissioner for Oaths in and for the Province of ~~P~~ree Edward Island**

*Senel  
sw*



## ACKNOWLEDGEMENT AND CONFIRMATION OF EXISTING SECURITY

PROTECTED

**TO:** Farm Credit Canada ("FCC" or the "Lender") **Customer Number:** 200839292

**AND TO:** Gowling WLG (Canada) LLP

**RE:** Credit facilities to be established or continued in favour of Global Food and Ingredients Inc. and GFI LP (collectively, the "**Borrowers**") pursuant to amendment no. 1 to the credit agreement dated August 31, 2020, 2020 between FCC, as lender, the Borrowers, as borrower, and 11567403 Canada Inc. and David Hanna, as guarantors (the "**Amendment**")

**DATE:** September 1, 2020

---

**RECITALS:**

- A. Pursuant to one or more existing credit agreements between the Lender, as lender, and the Borrowers, as borrower (collectively, the "**Original Credit Agreement**"), the Lender has made certain existing credit facilities available to the Borrowers;
- B. Pursuant to the terms of the Original Credit Agreement, each of the undersigned has granted certain guarantees and security documents for the payment and performance of the indebtedness, liabilities and obligations of the Borrowers to the Lender under the Original Credit Agreement including, without limitation, the guarantees and security documents listed in Schedule "A" hereto (collectively, the "**Existing Security**");
- C. The Lender has agreed to extend certain additional credit facilities to the Borrowers pursuant to the Amendment (together with the Original Credit Agreement, collectively, the "**Credit Documents**");
- D. It is a condition of the Lender entering into the Amendment and continuing to provide the credit facilities contemplated in the Original Credit Agreement that each party to this Acknowledgement and Confirmation of Existing Security (the "**Acknowledgement**") confirms that the Existing Security executed by it continues to apply and extend to all present and future indebtedness, liabilities and obligations of each such party to the Lender under the Credit Documents, including, without limitation, the Outstanding Obligations (as defined in the Original Credit Agreement) (collectively, the "**Consolidated Obligations**"); and
- E. Each party to this Acknowledgement wishes to acknowledge and confirm that, *inter alia*, as of the date hereof the Existing Security shall continue to secure all of the Consolidated Obligations.

In consideration of the foregoing and for other good and valuable consideration (the receipt and adequacy of which are hereby acknowledged), each of the undersigned parties to this Acknowledgement acknowledges, confirms and agrees in favour of the Lender as follows:

1. The above recitals are true and correct, and form part of this Acknowledgement;
2. Notwithstanding the terms and conditions under which the Existing Security was originally delivered to the Lender:
  - (a) All Existing Security granted or issued by them to and in favour of the Lender, continues to stand as security for and secure payment and performance of the Consolidated Obligations;
  - (b) The covenants and agreements contained in each of the Existing Security to which it is party are hereby ratified and confirmed;

- (c) Each of the Existing Security to which it is party is and shall remain in full force and effect and the same is hereby ratified and confirmed in all respects;
- (d) Any Guarantee included in the Existing Security granted by it shall extend to and constitute a guarantee of the payment and performance of the Consolidated Obligations;
- (e) Each of the Existing Security executed by it constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms as amended hereby; and
- (f) Any security interest granted by it under the Existing Security continues to secure the full and punctual payment and performance when due, whether at stated maturity, by required payment, by acceleration, declaration, demand or otherwise of the Consolidated Obligations and all other present and future indebtedness, liabilities and obligations of any kind owing by such party to the Lender, whether direct or indirect, absolute or contingent, present or future, arising pursuant to, or in respect of the Credit Documents together with interest thereon and all costs, charges and expenses incurred in connection therewith (including counsel fees and expenses) upon the terms and conditions and subject to the limitations set out in the Existing Security (as amended hereby).

All Existing Security shall be deemed to be amended so as to give effect to the foregoing, without the need for further documentation.

- 3. It has received a copy of each of the Credit Documents and understands the terms thereof.
- 4. The terms of this Acknowledgement are in addition to and, unless specifically provided for, shall not limit, restrict, modify, amend or release any of the understandings, agreements or covenants as set out in the Credit Documents.
- 5. Each of the representations and warranties made by it in or pursuant to the Credit Documents, the Existing Security or any other document, agreement, certificate or instrument executed by them in favour of the Lender remains true and correct after giving effect to this Acknowledgement, as if made on and as of the date hereof.
- 6. Nothing in this Acknowledgement or the Existing Security when read together with the Credit Documents shall constitute novation, payment, re-advance, or otherwise of any Consolidated Obligations or any other existing indebtedness, liabilities or obligations of the undersigned.
- 7. This Acknowledgement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein.
- 8. This Acknowledgement may be executed in any number of counterparts (including by facsimile, PDF or similar electronic counterparts) and all such counterparts taken together shall be deemed to be one and the same instrument.
- 9. If any provision of this Acknowledgement shall be deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect.

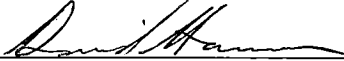
**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**



DATED as of the date first written above.

**GLOBAL FOOD AND INGREDIENTS INC.**


Per:

  
Name: David Hanna  
Title: President

I have the authority to bind the Corporation.

**GFI LP,  
By its General Partner,  
11567403 CANADA INC.**


Per:

  
Name: David Hanna  
Title: President

I have the authority to bind the General Partner and the Limited Partnership.

**11567403 CANADA INC.**

Per:

  
Name: David Hanna  
Title: President

I have the authority to bind the Corporation.

  
(Witness signature)

Bill Murray  
(Print witness name)

  
(Signature)

**DAVID HANNA**  
(Name)

**SCHEDULE "A"**  
**EXISTING SECURITY**

1. an unlimited guarantee dated November 26, 2019 from 11567403 Canada Inc. in favour of Farm Credit Canada in respect of all indebtedness, liabilities and obligations of Global Food and Ingredients Inc. and GFI LP.
2. a guarantee dated November 26, 2019 from David Hanna in favour of Farm Credit Canada in respect of all indebtedness, liabilities and obligations of Global Food and Ingredients Inc. and GFI LP, limited to \$1,000,000.
3. a continuing collateral charge/mortgage in the principal amount of \$15,000,000.00 granted by 11567403 Canada Inc. in favour of Farm Credit Canada registered on title to the following properties on November 29, 2019:
  - i. Surface Parcel #145169185: Reference Land Description: Blk/Par A, Plan No 98MW19933 Extension 1;
  - ii. Surface Parcel #202892519: Reference Land Description: Blk/Par K, Plan 102144046 Extension 0; and
  - iii. Surface Parcel #111788219: Reference Land Description: Blk/Par A, Plan No 101331425 Extension 10
4. a leasehold mortgage in the principal amount of \$15,000,000 from 11567403 Canada Inc. (on behalf of GFI LP) in favour of Farm Credit Canada registered on title to the following property on November 29, 2019:
  - i. Surface Parcel #203169775: Reference Land Description: SW Sec 9, Twp 15, Rge 16 W2 Plan No. B3490 Extension 4
5. a general security agreement executed by Global Food and Ingredients Inc. in favour of Farm Credit Canada dated November 26, 2019 providing, *inter alia*, a security interest over all of the present and after-acquired personal property of Global Food and Ingredients Inc.
6. a general security agreement executed by GFI LP in favour of Farm Credit Canada dated November 26, 2019 providing, *inter alia*, a security interest over all of the present and after-acquired personal property of GFI LP
7. a general security agreement executed by 11567403 Canada Inc. in favour of Farm Credit Canada dated November 26, 2019 providing, *inter alia*, a security interest over all of the present and after-acquired personal property of 11567403 Canada Inc.
8. an assignment, postponement, subordination and standstill agreement from David Hanna, as a subordinate investor of GFI LP, in favour of Farm Credit Canada dated November 26, 2019 in respect of the debts, liabilities and obligations owed by Global Food and Ingredients Inc. and GFI LP and 11567403 Canada Inc. to David Hanna.
9. an assignment, postponement, subordination and standstill agreement from David Hanna, as a shareholder of Global Food and Ingredients Inc., in favour of Farm Credit Canada dated November 26, 2019 in respect of the debts, liabilities and obligations owed by Global Food and Ingredients Inc. to David Hanna.
10. an assignment of life insurance from Global Food and Ingredients Inc. on the life of David Hanna in an amount not less than \$1,000,000.00 being policy #FA0091261L dated July 19, 2019 issued by Empire Life Insurance.
11. an assignment of insurance from Global Food and Ingredients Inc., GFI LP, and 11567403 Canada Inc. in favour of Farm Credit Canada dated November 26, 2019 in respect of all present and future acquired insurance policies maintained by them and their proceeds.

12. an assignment by way of security from Global Food and Ingredients Inc. of the Credit Insurance policy #2033 issued by The Guarantee Company of North America, dated November 26, 2019.
13. an assignment of Insurance from Global Food and Ingredients Inc. of the Credit Insurance policy #2033 issued by The Guarantee Company of North America, on Farm Credit Canada's standard form, dated November 26, 2019.
14. an assignment of material contracts in favour of Farm Credit Canada from Global Food and Ingredients Inc., GFI LP, and 11567403 Canada Inc. dated November 26, 2019.
15. an assignment, postponement, subordination and standstill agreement from Global Food and Ingredients Inc. in respect of the indebtedness, liabilities and obligations owed by GFI LP to Global Food and Ingredients Inc., dated November 26, 2019.
16. an inter-creditor agreement between Farm Credit Canada, Conexus Credit Union, Global Food and Ingredients Inc. and GFI LP, 11567403 Canada Inc. and David Hanna, and Samira Sharezay, dated November 26, 2019.

**This is Exhibit "DD" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watt*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prina  
SW*

# Province of Saskatchewan Land Titles Registry Title

**Title #:** 155846560 **As of:** 13 May 2024 11:20:06  
**Title Status:** Active **Last Amendment Date:** 08 Feb 2024 10:26:41.113  
**Parcel Type:** Surface **Issued:** 04 Oct 2022 15:08:19.390  
**Parcel Value:** \$2,277,014.00 CAD  
**Title Value:** \$2,277,014.00 CAD **Municipality:** TOWN OF ZEALANDIA  
**Converted Title:** 84S06426 / 92S00584  
**Previous Title and/or Abstract #:** 152484688

GLOBAL FOOD AND INGREDIENTS INC. is the registered owner of Surface  
Parcel #202892519

Reference Land Description: Blk/Par K Plan No 102144046 Extension 0

This title is subject to any registered interests set out below and the exceptions, reservations and interests mentioned in section 14 of *The Land Titles Act, 2000*.

## Registered Interests:

**Interest #:**  
**195068368** CNV Easement

**Value:** N/A  
**Reg'd:** 26 Apr 1937 00:29:50  
**Interest Register Amendment Date:** N/A  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
Saskatchewan Power Commission  
N/A  
N/A, Saskatchewan, Canada  
**Client #:** 101006738

**Int. Register #:** 104537314  
**Converted Instrument #:** DT179

**Interest #:**  
**195068379** Power Corporation Act  
Easement (s.23)

**Value:** N/A  
**Reg'd:** 08 Jan 2014 13:19:23  
**Interest Register Amendment Date:** N/A  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
SASKATCHEWAN POWER CORPORATION  
2025 VICTORIA AVE  
REGINA, SK, Canada S4P 0S1  
**Client #:** 100307618

**Int. Register #:** 119711303

**Interest #:**  
**195068380** Mortgage

**Value:** \$50,000,000.00 CAD

**Reg'd:** 29 Nov 2019 09:18:29  
**Interest Register Amendment Date:** 04 Oct 2022 15:08:20  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
Farm Credit Canada  
1133 St. George Blvd., Suite 104  
Moncton, NB, Canada E1E 4E1  
**Client #:** 135707878

**Int. Register #:** 123754237

**Interest #:**  
**198477028**

Mortgage

**Value:** \$30,000,000.00 CAD  
**Reg'd:** 07 Feb 2024 09:11:43  
**Interest Register Amendment Date:** N/A  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
Siena Lending Group Canada LLC  
9 W Broad St., Suite 540  
Stamford, CT, United States of America 06902  
**Client #:** 139915020

**Int. Register #:** 125976415

**Addresses for Service:**

<b>Name</b>	<b>Address</b>
<b>Owner:</b> GLOBAL FOOD AND INGREDIENTS INC. Client #: 135510331	400-43 COLBORNE ST TORONTO, Ontario, Canada M5E 1E3

**Notes:**

Parcel Class Code: Parcel (Generic)



[Back to top](#)

**This is Exhibit "EE" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Samuel Wark*

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Plus  
86*

# Province of Saskatchewan Land Titles Registry Title

**Title #:** 155846537 **As of:** 13 May 2024 11:19:32  
**Title Status:** Active **Last Amendment Date:** 08 Feb 2024 10:26:41.086  
**Parcel Type:** Surface **Issued:** 04 Oct 2022 15:08:18.360  
**Parcel Value:** \$2,277,014.00 CAD  
**Title Value:** \$2,277,014.00 CAD **Municipality:** TOWN OF ZEALANDIA  
**Converted Title:** 99MW02348  
**Previous Title and/or Abstract #:** 152484677

GLOBAL FOOD AND INGREDIENTS INC. is the registered owner of Surface Parcel #145169185

Reference Land Description: Blk/Par A Plan No 98MW19933 Extension 1  
As described on Certificate of Title 99MW02348.

This title is subject to any registered interests set out below and the exceptions, reservations and interests mentioned in section 14 of *The Land Titles Act, 2000*.

## Registered Interests:

**Interest #:**  
**195068289** CNV Easement

**Value:** N/A  
**Reg'd:** 26 Apr 1937 00:29:50  
**Interest Register Amendment Date:** N/A  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
SaskPower  
N/A  
N/A, Saskatchewan, Canada  
**Client #:** 100882065

**Int. Register #:** 104537336  
**Converted Instrument #:** DT179

**Interest #:**  
**195068290** Power Corporation Act  
Easement (s.23)

**Value:** N/A  
**Reg'd:** 28 May 2007 08:27:08  
**Interest Register Amendment Date:** N/A  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
SASKATCHEWAN POWER CORPORATION  
2025 VICTORIA AVE  
REGINA, SK, Canada S4P 0S1  
**Client #:** 100307618

**Int. Register #:** 112863900  
**Feature #:** 100168792

**Interest #:**



195068302

Power Corporation Act  
Easement (s.23)

**Value:** N/A  
**Reg'd:** 07 Mar 2013 14:34:08  
**Interest Register Amendment Date:** 15 Nov 2013 10:51:09  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
SASKATCHEWAN POWER CORPORATION  
2025 VICTORIA AVE  
REGINA, SK, Canada S4P 0S1  
**Client #:** 100307618

**Int. Register #:** 119014781  
**Feature #:** 100248364

**Interest #:**  
195068313

Mortgage

**Value:** \$50,000,000.00 CAD  
**Reg'd:** 29 Nov 2019 09:18:29  
**Interest Register Amendment Date:** 04 Oct 2022 15:08:20  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
Farm Credit Canada  
1133 St. George Blvd., Suite 104  
Moncton, NB, Canada E1E 4E1  
**Client #:** 135707878

**Int. Register #:** 123754237

**Interest #:**  
198477040

Mortgage

**Value:** \$30,000,000.00 CAD  
**Reg'd:** 07 Feb 2024 09:11:43  
**Interest Register Amendment Date:** N/A  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
Siena Lending Group Canada LLC  
9 W Broad St., Suite 540  
Stamford, CT, United States of America 06902  
**Client #:** 139915020

**Int. Register #:** 125976415

**Addresses for Service:**

<b>Name</b>	<b>Address</b>
<b>Owner:</b> GLOBAL FOOD AND INGREDIENTS INC. Client #: 135510331	400-43 COLBORNE ST TORONTO, Ontario, Canada M5E 1E3

**Notes:**

Parcel Class Code: Parcel (Generic)

**Back to top**

**This is Exhibit "FF" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Dina  
SW*

# Province of Saskatchewan Land Titles Registry Title

**Title #:** 155846559 **As of:** 13 May 2024 11:15:39  
**Title Status:** Active **Last Amendment Date:** 08 Feb 2024 10:26:41.103  
**Parcel Type:** Surface **Issued:** 04 Oct 2022 15:08:19.170  
**Parcel Value:** \$4,356,882.00 CAD  
**Title Value:** \$4,356,882.00 CAD **Municipality:** RM OF LAJORD NO. 128  
**Converted Title:** 99SE01294  
**Previous Title and/or Abstract #:** 152484699

GLOBAL FOOD AND INGREDIENTS INC. is the registered owner of Surface Parcel #111788219

Reference Land Description: Blk/Par A Plan No 101331425 Extension 10  
As described on Certificate of Title 99SE01294, description 10.

This title is subject to any registered interests set out below and the exceptions, reservations and interests mentioned in section 14 of *The Land Titles Act, 2000*.

## Registered Interests:

**Interest #:**  
**195068335** CNV Easement

**Value:** N/A  
**Reg'd:** 25 Feb 1977 02:08:28  
**Interest Register Amendment Date:** 14 Nov 2003 12:14:00  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

as to Plan 77R08278 and rights of access thereto

**Holder:**  
PKM COCHIN ULC  
1500 - 1874 SCARTH STREET  
REGINA, Saskatchewan, Canada S4P 4E9  
**Client #:** 100407642

**Int. Register #:** 101506441  
**Converted Instrument #:** 77R07911  
**Feature #:** 999999

**Interest #:**  
**195068346** Mortgage

**Value:** \$50,000,000.00 CAD  
**Reg'd:** 29 Nov 2019 09:18:29  
**Interest Register Amendment Date:** 04 Oct 2022 15:08:20  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
Farm Credit Canada  
1133 St. George Blvd., Suite 104  
Moncton, NB, Canada E1E 4E1  
**Client #:** 135707878

**Int. Register #:** 123754237

**Interest #:**  
**198477051**

Mortgage

**Value:** \$30,000,000.00 CAD  
**Reg'd:** 07 Feb 2024 09:11:43  
**Interest Register Amendment Date:** N/A  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**

Siena Lending Group Canada LLC  
9 W Broad St., Suite 540  
Stamford, CT, United States of America 06902  
**Client #:** 139915020

**Int. Register #:** 125976415

**Addresses for Service:**

<b>Name</b>	<b>Address</b>
<b>Owner:</b> GLOBAL FOOD AND INGREDIENTS INC. Client #: 135510331	400-43 COLBORNE ST TORONTO, Ontario, Canada M5E 1E3

**Notes:**

Parcel Class Code: [Parcel \(Generic\)](#)



[Back to top](#)

**This is Exhibit "GG" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Saul Witts*

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prince  
80*

# Province of Saskatchewan Land Titles Registry Title

**Title #:** 147236070 **As of:** 13 May 2024 11:13:58  
**Title Status:** Active **Last Amendment Date:** 08 Feb 2024 10:26:41.186  
**Parcel Type:** Surface **Issued:** 05 Nov 2015 16:23:58.600  
**Parcel Value:** \$0.00 CAD **Municipality:** RM OF LAJORD NO. 128  
**Title Value:** \$0.00 CAD  
**Converted Title:** 164AME  
**Previous Title and/or Abstract #:** 147220040

STEWART SOUTHERN RAILWAY INC. is the registered owner of Surface Parcel  
#203169775

Reference Land Description: SW Sec 09 Twp 15 Rge 16 W 2 Plan No B3490  
Extension 4

This title is subject to any registered interests set out below and the exceptions, reservations and interests mentioned in section 14 of *The Land Titles Act, 2000*.

## Registered Interests:

**Interest #:**  
**186671267**

Lease - less than 10 years

**Value:** N/A  
**Reg'd:** 29 Nov 2019 09:18:30  
**Interest Register Amendment Date:** N/A  
**Interest Assignment Date:** 04 Oct 2022  
15:08:20  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
GLOBAL FOOD AND INGREDIENTS INC.  
400-43 COLBORNE ST  
TORONTO, Ontario, Canada M5E 1E3  
**Client #:** 135510331

**Int. Register #:** 123754259

**Interest #:**  
**195068447**

Mortgage

**Value:** \$50,000,000.00 CAD  
**Reg'd:** 29 Nov 2019 09:18:30  
**Interest Register Amendment Date:** 04  
Oct 2022 15:08:20  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**  
Farm Credit Canada  
1133 St. George Blvd., Suite 104  
Moncton, NB, Canada E1E 4E1  
**Client #:** 135707878

**Int. Register #:** 123754260

**Interest #:**

198477039

Mortgage

**Value:** \$30,000,000.00 CAD  
**Reg'd:** 07 Feb 2024 09:11:43  
**Interest Register Amendment Date:** N/A  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**

Siena Lending Group Canada LLC  
9 W Broad St., Suite 540  
Stamford, CT, United States of America 06902  
**Client #:** 139915020

**Int. Register #:** 125976415

**Interest #:**  
**186671290**

Personal Property Security  
Interest

**Value:** \$25,000,000.00 CAD  
**Reg'd:** 29 Nov 2019 09:18:31  
**Interest Register Amendment Date:** 04 Jun  
2021 09:44:18  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** N/A

**Holder:**

Farm Credit Canada  
1133 St. George Blvd., Suite 104  
Moncton, NB, Canada E1E 4E1  
**Client #:** 135707878

**Int. Register #:** 123754282

**Interest #:**  
**193862830**

Personal Property Security  
Interest

**Value:** \$25,000,000.00 CAD  
**Reg'd:** 11 May 2022 15:46:08  
**Interest Register Amendment Date:** N/A  
**Interest Assignment Date:** N/A  
**Interest Scheduled Expiry Date:** N/A  
**Expiry Date:** 09 May 2037 00:00:00

**Holder:**

Farm Credit Canada  
1133 St. George Blvd. Suite 104  
Moncton, NB, Canada E1E 4E1  
**Client #:** 138182429

**Int. Register #:** 125086428

**Addresses for Service:**

**Name**

**Address**

**Owner:**

STEWART SOUTHERN RAILWAY INC.      BOX 12 FILLMORE, Saskatchewan, Canada S0G 1N0  
Client #: 124102842

**Notes:**

Under The Planning and Development Act, 2007, the title for this parcel and parcels 108125243, 203169809 may not be transferred or, in certain circumstances, mortgaged or leased separately without the approval of the appropriate planning authority.

Parcel Class Code: Railway





**Back to top**

**This is Exhibit "HH" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watt*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Princa  
SW*



PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 13:09:21  
ACCOUNT : 009233-0001 FAMILY : 2 OF 8 ENQUIRY PAGE : 2 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

00 FILE NUMBER : 502259067 EXPIRY DATE : 29JAN 2029 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :  
REG NUM : 20240129 0804 1590 8365 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: GLOBAL FOOD AND INGREDIENTS LTD.

OCN :  
04 ADDRESS : 43 COLBORNE STREET, SUITE 400  
CITY : TORONTO PROV: ON POSTAL CODE: M5E 1E3  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
SIENA LENDING GROUP CANADA LLC  
09 ADDRESS : 9 W BROAD STREET, 5TH FLOOR  
CITY : STAMFORD PROV: CT POSTAL CODE: 06902  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X  
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION  
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16 AGENT: GOODMAN'S LLP (DW/MB)  
17 ADDRESS : 3400-333 BAY STREET  
CITY : TORONTO PROV: ON POSTAL CODE: M5H 2S7

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 13:09:21  
ACCOUNT : 009233-0001 FAMILY : 3 OF 8 ENQUIRY PAGE : 3 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

00 FILE NUMBER : 502278309 EXPIRY DATE : 29JAN 2029 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :  
REG NUM : 20240129 1237 1590 8430 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: GLOBAL FOOD AND INGREDIENTS INC.

OCN :  
04 ADDRESS : 43 COLBORNE STREET, SUITE 400  
CITY : TORONTO PROV: ON POSTAL CODE: M5E 1E3  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
35 OAK HOLDINGS LTD.

09 ADDRESS : 35 OAK STREET  
CITY : NORTH YORK PROV: ON POSTAL CODE: M9N 1A1  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X  
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION  
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16 AGENT: BLAKE, CASSELS & GRAYDON LLP S. WISE/MELD  
17 ADDRESS : 4000 COMMERCE COURT WEST, 199 BAY STREET  
CITY : TORONTO PROV: ON POSTAL CODE: M5L 1A9

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 13:09:22  
ACCOUNT : 009233-0001 FAMILY : 4 OF 8 ENQUIRY PAGE : 4 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

00 FILE NUMBER : 502444134 EXPIRY DATE : 02FEB 2029 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED :  
REG NUM : 20240202 1438 1590 9401 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: GLOBAL FOOD AND INGREDIENTS INC.

OCN :  
04 ADDRESS : 43 COLBORNE STREET SUITE 400  
CITY : TORONTO PROV: ON POSTAL CODE: M5E 1E3  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
JPMORGAN CHASE BANK, N.A., AS AGENT  
09 ADDRESS : 66 WELLINGTON STREET WEST, SUITE 4500,  
CITY : TORONTO PROV: ON POSTAL CODE: M5K 1E7  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X  
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION  
13 ALL CASH MAINTAINED BY THE SECURED PARTY AS CASH COLLATERAL AND ALL  
14 DEPOSIT ACCOUNTS HELD BY THE SECURED PARTY CONTAINING SUCH CASH  
15 COLLATERAL AND ANY REPLACEMENTS, AMENDMENTS, RENEWALS OR  
16 AGENT: NORTON ROSE FULBRIGHT CANADA LLP (JW/MT)  
17 ADDRESS : 222 BAY STREET, SUITE 3000  
CITY : TORONTO PROV: ON POSTAL CODE: M5K 1E7

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 13:09:23  
ACCOUNT : 009233-0001 FAMILY : 4 OF 8 ENQUIRY PAGE : 5 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

00 FILE NUMBER : 502444134 EXPIRY DATE : 02FEB 2029 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 3 MV SCHEDULE ATTACHED :  
REG NUM : 20240202 1438 1590 9401 REG TYP: REG PERIOD:  
02 IND DOB : IND NAME:  
03 BUS NAME:

OCN :  
04 ADDRESS :  
CITY : PROV: POSTAL CODE:  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:  
08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS : TD BANK TOWER  
CITY : PROV: POSTAL CODE:  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 YEAR MAKE MODEL V.I.N.

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12  
GENERAL COLLATERAL DESCRIPTION  
13 SUBSTITUTIONS MADE IN RESPECT OF SUCH AMOUNT AND ANY ACCRETIONS  
14 THERETO OR PROCEEDS THEREOF FROM TIME TO TIME, INCLUDING ANY INTEREST  
15 AND INCOME THEREON.  
16 AGENT:  
17 ADDRESS :  
CITY : PROV: POSTAL CODE:

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 13:09:23  
ACCOUNT : 009233-0001 FAMILY : 4 OF 8 ENQUIRY PAGE : 6 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

00 FILE NUMBER : 502444134 EXPIRY DATE : 02FEB 2029 STATUS :  
01 CAUTION FILING : PAGE : 003 OF 3 MV SCHEDULE ATTACHED :  
REG NUM : 20240202 1438 1590 9401 REG TYP: REG PERIOD:  
02 IND DOB : IND NAME:  
03 BUS NAME: OCN :  
04 ADDRESS :  
CITY : PROV: POSTAL CODE:  
05 IND DOB : IND NAME:  
06 BUS NAME: OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:  
08 SECURED PARTY/LIEN CLAIMANT :  
JPMORGAN CHASE BANK, N.A., AS AGENT  
09 ADDRESS : 10 S. DEARBORN, FLOOR L2, IL1-1145  
CITY : CHICAGO PROV: IL POSTAL CODE: 60603  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 YEAR MAKE MODEL V.I.N.  
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GENERAL COLLATERAL DESCRIPTION  
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16 AGENT:  
17 ADDRESS :  
CITY : PROV: POSTAL CODE:

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 13:09:24  
ACCOUNT : 009233-0001 FAMILY : 5 OF 8 ENQUIRY PAGE : 7 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

00 FILE NUMBER : 756524655 EXPIRY DATE : 15OCT 2029 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :  
REG NUM : 20191015 1448 1590 7470 REG TYP: P PPSA REG PERIOD: 10  
02 IND DOB : IND NAME:  
03 BUS NAME: GLOBAL FOOD AND INGREDIENTS INC.

OCN :  
04 ADDRESS : 43 COLBORNE STREET, SUITE 400  
CITY : TORONTO PROV: ON POSTAL CODE: M5E 1E3  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
FARM CREDIT CANADA

09 ADDRESS : 1133 ST. GEORGE BOULEVARD, SUITE 104  
CITY : MONCTON PROV: NB POSTAL CODE: E1E 4E1  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X  
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: GOWLING WLG (CANADA) LLP - HAMILTON  
17 ADDRESS : ONE MAIN STREET WEST  
CITY : HAMILTON PROV: ON POSTAL CODE: L8P 4Z5

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 13:09:24  
ACCOUNT : 009233-0001 FAMILY : 6 OF 8 ENQUIRY PAGE : 8 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

00 FILE NUMBER : 756524664 EXPIRY DATE : 15OCT 2029 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :  
REG NUM : 20191015 1449 1590 7471 REG TYP: P PPSA REG PERIOD: 10  
02 IND DOB : IND NAME:  
03 BUS NAME: GFI LP

OCN :  
04 ADDRESS : 43 COLBORNE STREET, SUITE 400  
CITY : TORONTO PROV: ON POSTAL CODE: M5E 1E3  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
FARM CREDIT CANADA

09 ADDRESS : 1133 ST. GEORGE BOULEVARD, SUITE 104  
CITY : MONCTON PROV: NB POSTAL CODE: E1E 4E1  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X  
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: GOWLING WLG (CANADA) LLP - HAMILTON  
17 ADDRESS : ONE MAIN STREET WEST  
CITY : HAMILTON PROV: ON POSTAL CODE: L8P 4Z5

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 13:09:25  
ACCOUNT : 009233-0001 FAMILY : 6 OF 8 ENQUIRY PAGE : 9 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

FILE NUMBER 756524664

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 001 OF 1 MV SCHED: 20220414 1135 1590 7671  
21 REFERENCE FILE NUMBER : 756524664  
22 AMEND PAGE: NO PAGE: CHANGE: E TRANSFER REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: GFI LP

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE: GFI BRANDS INC.

OCN:

04/07 ADDRESS: 43 COLBORNE STREET, SUITE 400  
CITY: TORONTO PROV: ON POSTAL CODE: M5E 1E3

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :  
CONS. MV DATE OF NO FIXED  
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : MILLER THOMSON LLP (SWO)

17 ADDRESS : 255 QUEENS AVENUE, SUITE 2010

CITY : LONDON PROV : ON POSTAL CODE : N6A 5R8

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 13:09:26  
ACCOUNT : 009233-0001 FAMILY : 6 OF 8 ENQUIRY PAGE : 10 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

FILE NUMBER 756524664

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 001 OF 2 MV SCHED: 20220504 1730 1590 0945  
21 REFERENCE FILE NUMBER : 756524664  
22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: GFI LP

25 OTHER CHANGE:

26 REASON: TO CORRECT FINANCING CHANGE STATEMENT REGISTRATION NUMBER 20220414  
27 /DESCR: 1135 1590 7671, GFI BRANDS INC. WAS INCORRECTLY LISTED AS THE  
28 : TRANSFEREE. THE REGISTRATION OF A DEBTOR TRANSFER SHOULD HAVE BEEN  
02/05 IND/TRANSFEREE:  
03/06 BUS NAME/TRFEE: GLOBAL FOOD AND INGREDIENTS INC.

OCN:

04/07 ADDRESS: 43 COLBORNE STREET, SUITE 400  
CITY: TORONTO PROV: ON POSTAL CODE: M5E 1E3  
29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :  
CONS. MV DATE OF NO FIXED  
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : MILLER THOMSON LLP (SWO)  
17 ADDRESS : 255 QUEENS AVENUE, SUITE 2010  
CITY : LONDON PROV : ON POSTAL CODE : N6A 5R8

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PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 13:09:26  
ACCOUNT : 009233-0001 FAMILY : 6 OF 8 ENQUIRY PAGE : 11 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

FILE NUMBER 756524664

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 002 OF 2 MV SCHED: 20220504 1730 1590 0945  
21 REFERENCE FILE NUMBER : 756524664  
22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON: FROM GFI LP TO GLOBAL FOOD AND INGREDIENTS INC. THE CURRENT DEBTOR  
27 /DESCR: OF FILE NO. 756524664 IS GLOBAL FOOD AND INGREDIENTS INC.

28 :  
02/05 IND/TRANSFEE:  
03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:  
CITY: PROV: POSTAL CODE:  
29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :  
CITY : PROV : POSTAL CODE :  
CONS. MV DATE OF NO FIXED  
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME :  
17 ADDRESS :  
CITY : PROV : POSTAL CODE :

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 13:09:27  
ACCOUNT : 009233-0001 FAMILY : 7 OF 8 ENQUIRY PAGE : 12 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

00 FILE NUMBER : 756524673 EXPIRY DATE : 15OCT 2029 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :  
REG NUM : 20191015 1449 1590 7472 REG TYP: P PPSA REG PERIOD: 10  
02 IND DOB : IND NAME:  
03 BUS NAME: 11567403 CANADA INC.

OCN :  
04 ADDRESS : 43 COLBORNE STREET, SUITE 400  
CITY : TORONTO PROV: ON POSTAL CODE: M5E 1E3  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
FARM CREDIT CANADA

09 ADDRESS : 1133 ST. GEORGE BOULEVARD, SUITE 104  
CITY : MONCTON PROV: NB POSTAL CODE: E1E 4E1  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
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YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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15  
16 AGENT: GOWLING WLG (CANADA) LLP - HAMILTON  
17 ADDRESS : ONE MAIN STREET WEST  
CITY : HAMILTON PROV: ON POSTAL CODE: L8P 4Z5

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 13:09:28  
ACCOUNT : 009233-0001 FAMILY : 7 OF 8 ENQUIRY PAGE : 13 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

FILE NUMBER 756524673

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 001 OF 1 MV SCHED: 20220414 1135 1590 7672  
21 REFERENCE FILE NUMBER : 756524673  
22 AMEND PAGE: NO PAGE: CHANGE: E TRANSFER REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: 11567403 CANADA INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE: GFI BRANDS INC.

OCN:

04/07 ADDRESS: 43 COLBORNE STREET, SUITE 400  
CITY: TORONTO PROV: ON POSTAL CODE: M5E 1E3

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :	PROV :	POSTAL CODE :	DATE OF	NO FIXED
CONS.	MV	AMOUNT	MATURITY OR	MAT DATE
GOODS INVTRY	EQUIP	ACCTS	OTHER	
INCL				

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16 NAME : MILLER THOMSON LLP (SWO)

17 ADDRESS : 255 QUEENS AVENUE, SUITE 2010

CITY : LONDON PROV : ON POSTAL CODE : N6A 5R8

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 13:09:29  
ACCOUNT : 009233-0001 FAMILY : 7 OF 8 ENQUIRY PAGE : 14 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

FILE NUMBER 756524673

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 001 OF 2 MV SCHED: 20220504 1731 1590 0946  
21 REFERENCE FILE NUMBER : 756524673  
22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: 11567403 CANADA INC.

25 OTHER CHANGE:

26 REASON: TO CORRECT FINANCING CHANGE STATEMENT REGISTRATION NUMBER 20220414  
27 /DESCR: 1135 1590 7672, GFI BRANDS INC. WAS INCORRECTLY LISTED AS THE  
28 : TRANSFEREE. THE REGISTRATION OF A DEBTOR TRANSFER SHOULD HAVE BEEN  
02/05 IND/TRANSFEREE:  
03/06 BUS NAME/TRFEE: GLOBAL FOOD AND INGREDIENTS INC.

OCN:

04/07 ADDRESS: 43 COLBORNE STREET, SUITE 400  
CITY: TORONTO PROV: ON POSTAL CODE: M5E 1E3  
29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :  
CONS. MV DATE OF NO FIXED  
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : MILLER THOMSON LLP (SWO)  
17 ADDRESS : 255 QUEENS AVENUE, SUITE 2010  
CITY : LONDON PROV : ON POSTAL CODE : N6A 5R8

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PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 13:09:29  
ACCOUNT : 009233-0001 FAMILY : 7 OF 8 ENQUIRY PAGE : 15 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

FILE NUMBER 756524673

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 002 OF 2 MV SCHED: 20220504 1731 1590 0946  
21 REFERENCE FILE NUMBER : 756524673  
22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON: FROM 11567403 CANADA INC. TO GLOBAL FOOD AND INGREDIENTS INC. THE  
27 /DESCR: CURRENT DEBTOR OF FILE NO. 756524673 IS GLOBAL FOOD AND INGREDIENTS  
28 : INC.

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY:

PROV:

POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

INCL

AMOUNT

MATURITY OR

MAT DATE

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16 NAME :

17 ADDRESS :

CITY :

PROV :

POSTAL CODE :

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 13:09:30  
ACCOUNT : 009233-0001 FAMILY : 8 OF 8 ENQUIRY PAGE : 16 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

00 FILE NUMBER : 778276755 EXPIRY DATE : 16NOV 2027 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20211116 1958 1902 5574 REG TYP: P PPSA REG PERIOD: 06  
02 IND DOB : IND NAME:  
03 BUS NAME: GLOBAL FOOD AND INGREDIENTS INC.

OCN :  
04 ADDRESS : 43 COLBORNE STREET  
CITY : TORONTO PROV: ON POSTAL CODE: M5E 1E3  
05 IND DOB : IND NAME:  
06 BUS NAME: GFI LP

OCN :  
07 ADDRESS : 43 COLBORNE STREET  
CITY : TORONTO PROV: ON POSTAL CODE: M5E 1E3  
08 SECURED PARTY/LIEN CLAIMANT :  
MERIDIAN ONECAP CREDIT CORP.

09 ADDRESS : SUITE 1500, 4710 KINGSWAY  
CITY : BURNABY PROV: BC POSTAL CODE: V5H 4M2  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X  
YEAR MAKE MODEL V.I.N.  
11 2021 CLARK GTS30 LPG 0283-12013

12  
GENERAL COLLATERAL DESCRIPTION  
13 FORKLIFT(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS  
14 REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL  
15 PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE  
16 AGENT: ESC CORPORATE SERVICES LTD.  
17 ADDRESS : 201-1325 POLSON DRIVE  
CITY : VERNON PROV: BC POSTAL CODE: V1T 8H2

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 13:09:30  
ACCOUNT : 009233-0001 FAMILY : 8 OF 8 ENQUIRY PAGE : 17 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

00 FILE NUMBER : 778276755 EXPIRY DATE : 16NOV 2027 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20211116 1958 1902 5574 REG TYP: REG PERIOD:  
02 IND DOB : IND NAME:  
03 BUS NAME:

OCN :  
04 ADDRESS :  
CITY : PROV: POSTAL CODE:  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:  
08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :  
CITY : PROV: POSTAL CODE:  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 YEAR MAKE MODEL V.I.N.

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12  
GENERAL COLLATERAL DESCRIPTION  
13 AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE  
14 PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR  
15 DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL  
16 AGENT:  
17 ADDRESS :  
CITY : PROV: POSTAL CODE:

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PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 13:09:31  
ACCOUNT : 009233-0001 FAMILY : 8 OF 8 ENQUIRY PAGE : 18 OF 18  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GLOBAL FOOD AND INGREDIENTS INC.

FILE NUMBER 778276755

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 001 OF 1 MV SCHED: 20240123 1548 5064 2566  
21 REFERENCE FILE NUMBER : 778276755  
22 AMEND PAGE: NO PAGE: CHANGE: E TRANSFER REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: GLOBAL FOOD AND INGREDIENTS INC.

25 OTHER CHANGE:

26 REASON: ADD DEBTOR BIG SKY MILLING INC. (43 COLBORNE STREET, SUITE 400)  
27 /DESCR: DELETE DEBTOR GLOBAL FOOD AND INGREDIENTS INC. (43 COLBORNE STREET)  
28 : DELETE DEBTOR GFI LP (43 COLBORNE STREET)

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE: BIG SKY MILLING INC.

OCN:

04/07 ADDRESS: 43 COLBORNE STREET, SUITE 400  
CITY: TORONTO PROV: ON POSTAL CODE: M5E 1E3

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :  
CONS. MV DATE OF NO FIXED  
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : ESC CORPORATE SERVICES LTD.

17 ADDRESS : 445 KING STREET WEST, SUITE 400  
CITY : TORONTO PROV : ON POSTAL CODE : M5V 1K4

---

**END OF REPORT**

**This is Exhibit "II" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Saul Watt*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Princ  
SW*



PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 13:09:35  
ACCOUNT : 009233-0001 FAMILY : 2 OF 4 ENQUIRY PAGE : 2 OF 10  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GFI BRANDS INC.

00 FILE NUMBER : 756524664 EXPIRY DATE : 15OCT 2029 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :  
REG NUM : 20191015 1449 1590 7471 REG TYP: P PPSA REG PERIOD: 10  
02 IND DOB : IND NAME:  
03 BUS NAME: GFI LP

OCN :  
04 ADDRESS : 43 COLBORNE STREET, SUITE 400  
CITY : TORONTO PROV: ON POSTAL CODE: M5E 1E3  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
FARM CREDIT CANADA

09 ADDRESS : 1133 ST. GEORGE BOULEVARD, SUITE 104  
CITY : MONCTON PROV: NB POSTAL CODE: E1E 4E1  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X  
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: GOWLING WLG (CANADA) LLP - HAMILTON  
17 ADDRESS : ONE MAIN STREET WEST  
CITY : HAMILTON PROV: ON POSTAL CODE: L8P 4Z5

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 13:09:36  
ACCOUNT : 009233-0001 FAMILY : 2 OF 4 ENQUIRY PAGE : 3 OF 10  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GFI BRANDS INC.

FILE NUMBER 756524664

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 001 OF 1 MV SCHED: 20220414 1135 1590 7671  
21 REFERENCE FILE NUMBER : 756524664  
22 AMEND PAGE: NO PAGE: CHANGE: E TRANSFER REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: GFI LP

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE: GFI BRANDS INC.

OCN:

04/07 ADDRESS: 43 COLBORNE STREET, SUITE 400  
CITY: TORONTO PROV: ON POSTAL CODE: M5E 1E3

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :	PROV :	POSTAL CODE :	DATE OF	NO FIXED
CONS.	MV	AMOUNT	MATURITY OR	MAT DATE
GOODS	INVTRY	EQUIP	ACCTS	OTHER
		INCL		

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16 NAME : MILLER THOMSON LLP (SWO)

17 ADDRESS : 255 QUEENS AVENUE, SUITE 2010

CITY : LONDON PROV : ON POSTAL CODE : N6A 5R8



PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 13:09:37  
ACCOUNT : 009233-0001 FAMILY : 2 OF 4 ENQUIRY PAGE : 4 OF 10  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GFI BRANDS INC.

FILE NUMBER 756524664

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 001 OF 2 MV SCHED: 20220504 1730 1590 0945  
21 REFERENCE FILE NUMBER : 756524664  
22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: GFI LP

25 OTHER CHANGE:

26 REASON: TO CORRECT FINANCING CHANGE STATEMENT REGISTRATION NUMBER 20220414  
27 /DESCR: 1135 1590 7671, GFI BRANDS INC. WAS INCORRECTLY LISTED AS THE  
28 : TRANSFEREE. THE REGISTRATION OF A DEBTOR TRANSFER SHOULD HAVE BEEN  
02/05 IND/TRANSFEREE:  
03/06 BUS NAME/TRFEE: GLOBAL FOOD AND INGREDIENTS INC.

OCN:

04/07 ADDRESS: 43 COLBORNE STREET, SUITE 400  
CITY: TORONTO PROV: ON POSTAL CODE: M5E 1E3  
29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :  
CONS. MV DATE OF NO FIXED  
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : MILLER THOMSON LLP (SWO)  
17 ADDRESS : 255 QUEENS AVENUE, SUITE 2010  
CITY : LONDON PROV : ON POSTAL CODE : N6A 5R8

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PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 13:09:37  
ACCOUNT : 009233-0001 FAMILY : 2 OF 4 ENQUIRY PAGE : 5 OF 10  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GFI BRANDS INC.

FILE NUMBER 756524664

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 002 OF 2 MV SCHED: 20220504 1730 1590 0945  
21 REFERENCE FILE NUMBER : 756524664  
22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON: FROM GFI LP TO GLOBAL FOOD AND INGREDIENTS INC. THE CURRENT DEBTOR  
27 /DESCR: OF FILE NO. 756524664 IS GLOBAL FOOD AND INGREDIENTS INC.

28 :  
02/05 IND/TRANSFEE:  
03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:  
CITY: PROV: POSTAL CODE:  
29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :  
CITY : PROV : POSTAL CODE :  
CONS. MV DATE OF NO FIXED  
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME :  
17 ADDRESS :  
CITY : PROV : POSTAL CODE :

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 13:09:38  
ACCOUNT : 009233-0001 FAMILY : 3 OF 4 ENQUIRY PAGE : 6 OF 10  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GFI BRANDS INC.

00 FILE NUMBER : 756524673 EXPIRY DATE : 15OCT 2029 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :  
REG NUM : 20191015 1449 1590 7472 REG TYP: P PPSA REG PERIOD: 10  
02 IND DOB : IND NAME:  
03 BUS NAME: 11567403 CANADA INC.

OCN :  
04 ADDRESS : 43 COLBORNE STREET, SUITE 400  
CITY : TORONTO PROV: ON POSTAL CODE: M5E 1E3  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
FARM CREDIT CANADA

09 ADDRESS : 1133 ST. GEORGE BOULEVARD, SUITE 104  
CITY : MONCTON PROV: NB POSTAL CODE: E1E 4E1  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X  
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: GOWLING WLG (CANADA) LLP - HAMILTON  
17 ADDRESS : ONE MAIN STREET WEST  
CITY : HAMILTON PROV: ON POSTAL CODE: L8P 4Z5

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 13:09:39  
ACCOUNT : 009233-0001 FAMILY : 3 OF 4 ENQUIRY PAGE : 7 OF 10  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GFI BRANDS INC.

FILE NUMBER 756524673

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 001 OF 1 MV SCHED: 20220414 1135 1590 7672  
21 REFERENCE FILE NUMBER : 756524673  
22 AMEND PAGE: NO PAGE: CHANGE: E TRANSFER REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: 11567403 CANADA INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE: GFI BRANDS INC.

OCN:

04/07 ADDRESS: 43 COLBORNE STREET, SUITE 400  
CITY: TORONTO PROV: ON POSTAL CODE: M5E 1E3

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :  
CONS. MV DATE OF NO FIXED  
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : MILLER THOMSON LLP (SWO)

17 ADDRESS : 255 QUEENS AVENUE, SUITE 2010

CITY : LONDON PROV : ON POSTAL CODE : N6A 5R8

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 13:09:39  
ACCOUNT : 009233-0001 FAMILY : 3 OF 4 ENQUIRY PAGE : 8 OF 10  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GFI BRANDS INC.

FILE NUMBER 756524673

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 001 OF 2 MV SCHED: 20220504 1731 1590 0946  
21 REFERENCE FILE NUMBER : 756524673  
22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: 11567403 CANADA INC.

25 OTHER CHANGE:

26 REASON: TO CORRECT FINANCING CHANGE STATEMENT REGISTRATION NUMBER 20220414  
27 /DESCR: 1135 1590 7672, GFI BRANDS INC. WAS INCORRECTLY LISTED AS THE  
28 : TRANSFEREE. THE REGISTRATION OF A DEBTOR TRANSFER SHOULD HAVE BEEN  
02/05 IND/TRANSFEREE:  
03/06 BUS NAME/TRFEE: GLOBAL FOOD AND INGREDIENTS INC.

OCN:

04/07 ADDRESS: 43 COLBORNE STREET, SUITE 400  
CITY: TORONTO PROV: ON POSTAL CODE: M5E 1E3  
29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :  
CONS. MV DATE OF NO FIXED  
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : MILLER THOMSON LLP (SWO)  
17 ADDRESS : 255 QUEENS AVENUE, SUITE 2010  
CITY : LONDON PROV : ON POSTAL CODE : N6A 5R8

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PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 13:09:40  
ACCOUNT : 009233-0001 FAMILY : 3 OF 4 ENQUIRY PAGE : 9 OF 10  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GFI BRANDS INC.

FILE NUMBER 756524673

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 002 OF 2 MV SCHED: 20220504 1731 1590 0946  
21 REFERENCE FILE NUMBER : 756524673  
22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON: FROM 11567403 CANADA INC. TO GLOBAL FOOD AND INGREDIENTS INC. THE  
27 /DESCR: CURRENT DEBTOR OF FILE NO. 756524673 IS GLOBAL FOOD AND INGREDIENTS  
28 : INC.

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY:

PROV:

POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

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MAT DATE

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16 NAME :

17 ADDRESS :

CITY :

PROV :

POSTAL CODE :

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/13/2024  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 13:09:41  
ACCOUNT : 009233-0001 FAMILY : 4 OF 4 ENQUIRY PAGE : 10 OF 10  
FILE CURRENCY : 12MAY 2024  
SEARCH : BD : GFI BRANDS INC.

00 FILE NUMBER : 782043858 EXPIRY DATE : 14APR 2030 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :  
REG NUM : 20220414 1136 1590 7673 REG TYP: P PPSA REG PERIOD: 8  
02 IND DOB : IND NAME:  
03 BUS NAME: GFI BRANDS INC.

OCN :  
04 ADDRESS : 43 COLBORNE STREET, SUITE 400  
CITY : TORONTO PROV: ON POSTAL CODE: M5E 1E3  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
FARM CREDIT CANADA

09 ADDRESS : 1133 ST. GEORGE BOULEVARD, SUITE 104  
CITY : MONCTON PROV: NB POSTAL CODE: E1E 4E1  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X  
YEAR MAKE MODEL V.I.N.

11  
12  
GENERAL COLLATERAL DESCRIPTION

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14  
15  
16 AGENT: MILLER THOMSON LLP (SWO)  
17 ADDRESS : 255 QUEENS AVENUE, SUITE 2010  
CITY : LONDON PROV: ON POSTAL CODE: N6A 5R8

---

**END OF REPORT**

**This is Exhibit "JJ" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarel Watt*

**A commissioner for Oaths in and for the Province of ~~Prince~~ Edward Island**

*Prina  
SWS*





## Saskatchewan Personal Property Registry Search Result

**Searching Party:** ELDOR-WAL REGISTRATION (1987) LTD.  
**Search Date:** 13-May-2024 11:06:22  
**Search Type:** Standard

**Search #:** 204429743  
**Client Reference:**  
**Control #:**

**Search Criteria**

**Search By:** Business Debtor Name  
**Business Name**

Global Food and Ingredients Inc.

The following list displays all matches & indicates the ones that were selected.  
4 Registration(s) Found: Exacts (3) - Similar (1)

Selected	Match	Reg #	Registration Type	Debtor Name	City	Enforcement Instruction Reg #
Yes	Exact	301965227	Personal Property Security Agreement	Global Food and Ingredients Inc.	Toronto	N/A
Yes	Exact	302306859	Personal Property Security Agreement	GLOBAL FOOD AND INGREDIENTS INC.	ZEALANDIA	N/A
Yes	Exact	302510581	Personal Property Security Agreement	GLOBAL FOOD AND INGREDIENTS INC.	TORONTO	N/A
No	Similar	301903543	Personal Property Security Agreement	GLOBEFEATHER MANAGEMENT CORPORATION	SASKATOON	N/A



# Saskatchewan Personal Property Registry Search Result

## Current - Exact

**Registration Type:** Personal Property Security Agreement  
**Registration Date:** 16-Oct-2019 13:51:51

**Registration #:** 301965227  
**Expiry Date:** 16-Oct-2029

**Event Type:** Setup  
**Transaction Reason:** Regular

### Notations

**Trust Indenture:** No

### Registrant

---

<b>Party ID:</b>	152030914-1	<b>Address:</b>	800 - 1801 Hamilton Street
<b>Entity Type:</b>	Business		Regina, Saskatchewan
<b>Name:</b>	McKercher LLP		S4P4B4 Canada

### Secured Party

---

<b>Item #:</b>	1	<b>Address:</b>	1133 St. George Blvd., Suite 104
<b>Party ID:</b>	153338014-1		Moncton, New Brunswick
<b>Entity Type:</b>	Business		E1E4E1
<b>Name:</b>	Farm Credit Canada		Canada

### Debtor Party

---

<b>* Item #:</b>	1	<b>Address:</b>	43 Colborne Street, Suite 400
<b>Party ID:</b>	153338015-1		Toronto, Ontario
<b>Entity Type:</b>	Business		M5E1E3
<b>Name:</b>	Global Food and Ingredients Inc.		Canada

### General Property

---

All present and after-acquired personal property of the Debtor.

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---



# Saskatchewan Personal Property Registry Search Result

## Current - Exact

**Registration Type:** Personal Property Security Agreement  
**Registration Date:** 22-Jun-2022 12:48:13

**Registration #:** 302306859  
**Expiry Date:** 22-Jun-2028

**Event Type:** Setup  
**Transaction Reason:** Regular

**Notations**

**Trust Indenture:** NO

**Registrant**

<b>Party ID:</b> 150000519-1	<b>Address:</b> 4126 Norland Avenue
<b>Entity Type:</b> Business	Burnaby, British Columbia
<b>Name:</b> Canadian Securities Registration Systems	V5G3S8 Canada

**Secured Party**

<b>Item #:</b> 1	<b>Address:</b> 5046 Mainway, Unit 1
<b>Party ID:</b> 153910790-1	Burlington, Ontario
<b>Entity Type:</b> Business	L7L5Z1
<b>Name:</b> DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.	Canada

**Debtor Party**

<b>* Item #:</b> 1	<b>Address:</b> 100 ELEVATOR ROAD
<b>Party ID:</b> 153939065-1	ZEALANDIA, Saskatchewan
<b>Entity Type:</b> Business	S0L3N0
<b>Name:</b> GLOBAL FOOD AND INGREDIENTS INC.	Canada

**Serial Property**

<b>Item #:</b> 1	<b>Year:</b> 2022
<b>Serial Type:</b> Motor Vehicle	<b>Make/Desc:</b> TEU / FTB20
<b>Serial #:</b> D21N00012	<b>Model:</b>
<b>Override:</b> Yes	<b>Color:</b>

**General Property**

All personal property of the debtor described herein by vehicle identification number or serial number, as applicable, wherever situated, together with all parts and accessories relating thereto, all attachments, accessories and accessions thereto or thereon, all replacements, substitutions, additions and improvements of all or any part of the foregoing and all proceeds in any form derived therefrom. Proceeds: all of the debtor's present and after acquired personal property which is derived, directly or indirectly, from any dealing with or disposition of the above-described collateral, including without limitation, all insurance and other payments payable as indemnity or compensation for loss or damage thereto, accounts, rents or other payments arising from the lease of the above-described collateral, goods, chattel paper, investment property, documents of title, instruments, money, cheques, deposits, securities and intangibles.



**Saskatchewan  
Personal Property Registry  
Search Result**

**Current - Exact**

**Registration Type:** Personal Property Security Agreement  
**Registration Date:** 29-Jan-2024 07:05:04

**Registration #:** 302510581  
**Expiry Date:** 22-Jan-2029

**Event Type:** Setup  
**Transaction Reason:** Regular

**Notations**

**Trust Indenture:** NO

**Registrant**

---

<b>Party ID:</b>	152893718-1	<b>Address:</b>	3400-333 Bay Street
<b>Entity Type:</b>	Business		Toronto, Ontario
<b>Name:</b>	Goodmans LLP		M5H2S7 Canada

**Secured Party**

---

<b>Item #:</b>	1	<b>Address:</b>	9 W BROAD STREET, 5TH FLOOR
<b>Party ID:</b>	154297451-1		STAMFORD, Connecticut
<b>Entity Type:</b>	Business		06902
<b>Name:</b>	SIENA LENDING GROUP CANADA LLC		United States of America

**Debtor Party**

---

<b>* Item #:</b>	1	<b>Address:</b>	43 COLBORNE STREET, SUITE 400
<b>Party ID:</b>	154297450-1		TORONTO, Ontario
<b>Entity Type:</b>	Business		M5E1E3
<b>Name:</b>	GLOBAL FOOD AND INGREDIENTS INC.		Canada

**General Property**

---

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

---

**End of Search Result**

**This is Exhibit "KK" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watt*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prina  
SW*



## Saskatchewan Personal Property Registry Search Result

**Searching Party:** ELDOR-WAL REGISTRATION (1987) LTD.  
**Search Date:** 13-May-2024 11:06:09  
**Search Type:** Standard

**Search #:** 204429742  
**Client Reference:**  
**Control #:**

**Search Criteria**

**Search By:** Business Debtor Name

**Business Name**

GFI BRANDS INC.

---

The following list displays all matches & indicates the ones that were selected.

1 Registration(s) Found: Exacts (1) - Similar (0)

Selected	Match	Reg #	Registration Type	Debtor Name	City	Enforcement Instruction Reg #
Yes	Exact	302288275	Personal Property Security Agreement	GFI Brands Inc.	Toronto	N/A



# Saskatchewan Personal Property Registry Search Result

## Current - Exact

**Registration Type:** Personal Property Security Agreement  
**Registration Date:** 04-May-2022 13:41:54

**Registration #:** 302288275  
**Expiry Date:** 04-May-2030

**Event Type:** Setup  
**Transaction Reason:** Regular

### Notations

**Trust Indenture:** No

### Registrant

---

<b>Party ID:</b>	152185255-1	<b>Address:</b>	600, 2103 - 11th Avenue
<b>Entity Type:</b>	Business		Regina, Saskatchewan
<b>Name:</b>	Miller Thomson LLP		S4P3Z8 Canada

### Secured Party

---

<b>Item #:</b>	1	<b>Address:</b>	1133 St. George Boulevard, Suite 104
<b>Party ID:</b>	153905589-1		Moncton, New Brunswick
<b>Entity Type:</b>	Business		E1E4E1
<b>Name:</b>	Farm Credit Canada		Canada

### Debtor Party

---

<b>* Item #:</b>	1	<b>Address:</b>	43 Colborne Street, Suite 400
<b>Party ID:</b>	153905590-1		Toronto, Ontario
<b>Entity Type:</b>	Business		M5E1E3
<b>Name:</b>	GFI Brands Inc.		Canada

### General Property

---

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND PROCEEDS THEREOF.

---

---

End of Search Result

**This is Exhibit "LL" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Alicia  
Saw*



Search ID #: Z17371280

**Transmitting Party**

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW  
EDMONTON, AB T5J 3H1

Party Code: 50073881

Phone #: 780 429 5969

Reference #:

Search ID #: Z17371280

Date of Search: 2024-May-13

Time of Search: 11:03:18

**Business Debtor Search For:**

GLOBAL FOOD AND INGREDIENTS INC.

Exact Result(s) Only Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z17371280

**Business Debtor Search For:**

GLOBAL FOOD AND INGREDIENTS INC.

Search ID #: Z17371280

Date of Search: 2024-May-13

Time of Search: 11:03:18

---

Registration Number: 23031324805

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Mar-13

Registration Status: Current

Expiry Date: 2033-Mar-13 23:59:59

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

1 GLOBAL FOOD AND INGREDIENTS INC.  
43 COLBORNE STREET, SUITE 400  
TORONTO, ON M5E 1E3

Current

**Secured Party / Parties**

**Block**

**Status**

1 FARM CREDIT CANADA  
1133 ST. GEORGE BLVD, SUITE 104  
MONCTON, NB E1E 4E1  
Email: LoanClosing@fcc-fac.ca

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Current

Search ID #: Z17371280

**Business Debtor Search For:**

GLOBAL FOOD AND INGREDIENTS INC.

Search ID #: Z17371280

Date of Search: 2024-May-13

Time of Search: 11:03:18

---

Registration Number: 24012901702

Registration Type: SECURITY AGREEMENT

Registration Date: 2024-Jan-29

Registration Status: Current

Expiry Date: 2029-Jan-29 23:59:59

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

1 GLOBAL FOOD AND INGREDIENTS INC.  
43 COLBORNE STREET, SUITE 400  
TORONTO, ON M5E 1E3

Current

**Secured Party / Parties**

**Block**

**Status**

1 SIENA LENDING GROUP CANADA LLC  
9 W BROAD STREET, 5TH FLOOR  
STAMFORD, CT 06902  
Email: ssnicola@sienalending.com

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY. Current

Search ID #: Z17371280

**Business Debtor Search For:**

GLOBAL FOOD AND INGREDIENTS INC.

Search ID #: Z17371280

Date of Search: 2024-May-13

Time of Search: 11:03:18

---

Registration Number: 24013110312

Registration Type: SECURITY AGREEMENT

Registration Date: 2024-Jan-31

Registration Status: Current

Expiry Date: 2029-Jan-31 23:59:59

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

1 GLOBAL FOOD AND INGREDIENTS INC.  
43 COLBORNE STREET, SUITE 400  
TORONTO, ON M5E 1E3

Current

**Secured Party / Parties**

**Block**

**Status**

1 35 OAK HOLDINGS LTD.  
35 OAK STREET  
NORTH YORK, ON M9N 1A1  
Email: Fvanbiesen@35oak.com

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 All of the Debtor's present and after-acquired personal property.

Current

Result Complete

**This is Exhibit "MM" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watt*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prince  
SW*

Search ID #: Z17371303

**Transmitting Party**

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW  
EDMONTON, AB T5J 3H1

Party Code: 50073881  
Phone #: 780 429 5969  
Reference #:

Search ID #: Z17371303

Date of Search: 2024-May-13

Time of Search: 11:04:20

**Business Debtor Search For:**

GFI BRANDS INC.

Exact Result(s) Only Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z17371303

**Business Debtor Search For:**

GFI BRANDS INC.

Search ID #: Z17371303

Date of Search: 2024-May-13

Time of Search: 11:04:20

---

Registration Number: 24012901651

Registration Type: SECURITY AGREEMENT

Registration Date: 2024-Jan-29

Registration Status: Current

Expiry Date: 2029-Jan-29 23:59:59

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

1 GFI BRANDS INC.  
43 COLBORNE STREET, SUITE 400  
TORONTO, ON M5E 1E3

Current

**Secured Party / Parties**

**Block**

**Status**

1 SIENA LENDING GROUP CANADA LLC  
9 W BROAD STREET, 5TH FLOOR  
STAMFORD, CT 06902  
Email: ssanicola@sienalending.com

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Current

Result Complete

**This is Exhibit "NN" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watt*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prince  
Edward*



**LOAN AND SECURITY AGREEMENT**

**Dated as of February 1, 2024**

**between**

**SIENA LENDING GROUP CANADA LLC**

**as Lender,**

**GLOBAL FOOD AND INGREDIENTS INC.,  
GFI BRANDS INC. &  
NORTH LILY FOODS INC.**

**as Borrowers**

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**SCHEDULES**

Schedule A - Description of Certain Terms

Schedule B - Definitions

Schedule C - Fees

Schedule D - Reporting

Schedule E - Financial Covenants

**EXHIBITS**

Exhibit A - Form of Notice of Borrowing

Exhibit B – Closing Checklist

Exhibit C - Client User Form

Exhibit D - Authorized Accounts Form

Exhibit E - Form of Account Debtor Notification

Exhibit F - Form of Compliance Certificate

Exhibit G - Form of Monthly Financial Model

## Loan and Security Agreement

This Loan and Security Agreement (as it may be amended, restated or otherwise modified from time to time, this “**Agreement**”) is entered into as of February 1, 2024 by and among (1) Siena Lending Group Canada LLC, together with its successors and assigns (“**Lender**”), (2) Global Food and Ingredients Inc., GFI Brands Inc. and North Lily Foods Inc. and any other Person who from time to time becomes a borrower hereunder, collectively, the “**Borrowers**” and each individually, a “**Borrower**”), (3) the parent company of the Borrowers and each of the direct and indirect Subsidiaries of the Borrowers signatory to this Agreement from time to time as guarantors (each a “**Guarantor**” and collectively, the “**Guarantors**”) and (4) the Loan Parties (as defined herein) set forth on the signature pages to this Agreement. The Schedules and Exhibits to this Agreement are an integral part of this Agreement and are incorporated herein by reference. Terms used, but not defined elsewhere, in this Agreement are defined in Schedule B.

### ARTICLE 1 LOANS AND LETTERS OF CREDIT

#### 1.1 Amount of Loans / Letters of Credit

- (a) Revolving Loans and Letters of Credit. Subject to the terms and conditions contained in this Agreement, including Sections 1.3 and 1.6, Lender shall, from time to time prior to the Maturity Date, at Borrowing Agent’s request, (i) make revolving loans to Borrowers (“**Revolving Loans**”), and (ii) make, or cause or permit a Participant (as defined in Section 10.10) to make, letters of credit (“**Letters of Credit**”) available to Borrowers; provided, that after giving effect to each such Revolving Loan and each such Letter of Credit, (A) the outstanding balance of all Revolving Loans and the Letter of Credit Balance will not exceed the lesser of (x) the Maximum Revolving Facility Amount, minus Reserves and (y) the Borrowing Base, and (B) none of the other Loan Limits for Revolving Loans will be exceeded. All Revolving Loans shall be made in and repayable Canadian Dollars.
- (b) Facility Increase. The Borrowers may, from time to time, request in writing that the Lender increase the Maximum Revolving Facility Amount (each a “**Facility Increase**”) and the Maximum Revolving Facility Amount shall be so increased, subject to the following terms and conditions:
  - (i) the effective date of such Facility Increase (the “**Increase Effective Date**”) shall be the date that the terms and conditions below have been met, in form and substance satisfactory to Lender;
  - (ii) immediately before and after giving effect to such Facility Increase, there shall exist no Default or Event of Default;
  - (iii) after giving effect to such Facility Increase, the Maximum Revolving Facility Amount shall not exceed \$25,000,000;
  - (iv) no single Facility Increase shall be for an amount less than \$1,000,000;

- (v) Borrowers shall deliver to Lender on or before the Increase Effective Date the following documents in form and substance reasonably satisfactory to Lender: (i) certifications of corporate secretary of the Borrowers and each Guarantor with attached resolutions certifying that the increase in the Maximum Revolving Facility Amount has been authorized by Borrowers' and each Guarantor's board of directors, (ii) a certificate dated as of the Increase Effective Date certifying that (A) immediately before and after giving effect to such Facility Increase on the Increase Effective Date, there shall exist no Default or Event of Default and (B) that the representations and warranties made by Borrowers and the Guarantors herein and in the other Loan Documents are true and complete with the same force and effect as if made on and as of such date (except to the extent any such representation or warranty expressly relates only to any earlier and/or specified date, in which case it shall be true and correct as of such date) and (iii) such other agreements, instruments and information (including supplements or modifications to this Agreement and/or the other Loan Documents executed by the Borrowers and each of the Guarantors as Lender reasonably deems necessary in order to document such Facility Increase and to protect, preserve and continue the perfection and priority of the Liens, security interests, rights and remedies of Lender hereunder and under the other Loan Documents in light of such increase;
- (vi) on the Increase Effective Date, Borrowers shall pay (x) all reasonable fees, costs and expenses incurred by Lender in connection with the preparation, negotiation, execution and delivery of all agreements and instruments executed and delivered by Lender and Borrowers in connection with such increase and (y) a Revolving Loan Increase Fee set forth on Schedule C, which fee shall be deemed to be fully earned and payable as of the Increase Effective Date.

## 1.2 Reserves re Revolving Loans / Letters of Credit

Lender may, with or without notice to Borrowing Agent, from time to time establish and revise reserves against the Borrowing Base and/or the Maximum Revolving Facility Amount in such amounts and of such types as Lender deems appropriate in its Permitted Discretion, including with respect to Priority Payables (“**Reserves**”). Such Reserves shall be available for Borrowing Agent to view in ABLServe simultaneously with the imposition thereof; provided, that, unless an Event of Default has occurred and is continuing, Lender shall provide email notice advising Borrowing Agent of such Reserves two (2) Business Days prior to the imposition of such Reserves (during which period (x) Lender shall be available to discuss any such proposed Reserves with the Borrowing Agent to afford the Borrowing Agent an opportunity to take such action as may be required so that the event, condition or circumstance that is the basis for such Reserve no longer exists in the manner and to the extent satisfactory to the Lender in its Permitted Discretion and (y) Borrowers may not obtain any new Revolving Loan or Letter of Credit to the extent that, after giving pro forma effect to such proposed Reserves, such Revolving Loan or Letter of Credit would cause the outstanding balance of all Revolving Loans and the Letter of Credit Balance to exceed the lesser of (a) the Maximum Revolving Facility Amount minus Reserves and (b) the Borrowing

Base). Without limiting the foregoing, references to Reserves shall include, without limitation, the Dilution Reserve and reserves for Priority Payables, including, without limitation, amounts owing under the *Wage Earner Protection Program Act* (Canada) and in respect of sales taxes and payroll deductions and shall, at the sole discretion of the Lender, also include amounts due and payable to shipping and transportation suppliers used by the Loan Parties to ship product to a customer after such product has been invoiced to such customer by a Loan Party. In no event shall the establishment of a Reserve in respect of a particular actual or contingent liability obligate Lender to make advances to pay such liability or otherwise obligate Lender with respect thereto.

### **1.3 Protective Advances**

Any contrary provision of this Agreement or any other Loan Document notwithstanding, Lender is hereby authorized by Borrowers at any time during the existence of a Default or an Event of Default, regardless of (a) whether any of the other applicable conditions precedent set forth in Section 1.6 hereof have not been satisfied or the commitment of Lender to make Loans hereunder has been terminated for any reason, or (b) any other contrary provision of this Agreement, to make Revolving Loans to, or for the benefit of, Borrowers that Lender, in its sole discretion, deems necessary or desirable (i) to preserve or protect the Collateral, or any portion thereof, or its desired priority position, (ii) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations, or (iii) to pay any other amount chargeable to Borrowers or Guarantors pursuant to the terms of this Agreement (the “Protective Advances”). Any contrary provision of this Agreement or any other Loan Document notwithstanding, Lender may direct the proceeds of any Protective Advance to Borrowers or to such other Person as Lender determines in its Permitted Discretion. All Protective Advances shall be payable promptly upon Lender’s demand, shall constitute Obligations hereunder, and shall bear interest at the rate applicable from time to time to the Loans.

### **1.4 Notice of Borrowing; Manner of Revolving Loan Borrowing**

Borrowing Agent shall request each Revolving Loan by an Authorized Officer submitting such request via ABLServe (or, if requested by Lender, by delivering, in writing or via an Approved Electronic Communication, a Notice of Borrowing substantially in the form of Exhibit A hereto) (each such request a “**Notice of Borrowing**”). Subject to the terms and conditions of this Agreement, including Sections 1.1 and 1.6, Lender shall, except as provided in Section 1.3, deliver the amount of the Revolving Loan requested in the Notice of Borrowing for credit to any account of Borrowers at a bank in the United States of America or Canada as Borrowing Agent may specify (provided that such account must be one identified on Section 39 of the Information Certificate(s) and approved by Lender as an account to be used for funding of loan proceeds) by wire transfer of immediately available funds (a) on the same day if the Notice of Borrowing is received by Lender on or before 11:00 a.m. Eastern Time on a Business Day, or (b) on the immediately following Business Day if the Notice of Borrowing is received by Lender after 11:00 a.m. Eastern Time on a Business Day, or is received by Lender on any day that is not a Business Day. Lender shall charge to the Revolving Loan, Lender’s usual and customary fees for the wire transfer of each Loan.



## **1.5 Other Provisions Applicable to Letters of Credit**

Lender shall, on the terms and conditions set forth in this Agreement (including the terms and conditions set forth in Section 1.1 and Section 1.6), make Letters of Credit available to Borrowers either by issuing them, or by causing other financial institutions to issue them supported by Lender's guarantee or indemnification; provided, that after giving effect to each Letter of Credit, the Letter of Credit Balance will not exceed the Letter of Credit Limit. Notwithstanding anything in this Agreement, the parties agree that in connection with Lender's option to make Letters of Credit available to Borrowers by causing other financial institutions to issue Letters of Credit, Lender may cause or permit any Participant under this Agreement to cause other financial institutions to issue such Letters of Credit and thereafter (a) all such Letters of Credit shall be treated for all purposes under this Agreement as if such Letters of Credit were requested by Borrowing Agent and made available by Lender, (b) such Participant's support of such Letters of Credit in the form of a guarantee or indemnification shall be treated as if such support had been made by Lender, (c) Borrowers hereby unconditionally and irrevocably, jointly and severally agree to pay to Lender the amount of each payment or disbursement made by such Participant or the applicable issuer under any such Letter of Credit honoring any demand for payment thereunder upon demand in accordance with the reimbursement provisions of this Section 1.5 and agrees that such reimbursement obligations of Borrowers constitute Obligations under this Agreement, and (d) any and all amounts paid by such Participant or the applicable issuer in respect of any such Letter of Credit will, at the election of Lender, be treated for all purposes as a Revolving Loan, and be payable, in the same manner as a Revolving Loan. Borrowers agree to execute all documentation reasonably required by Lender and/or the issuer of any Letter of Credit in connection with any such Letter of Credit. Borrowers hereby unconditionally and irrevocably, jointly and severally agree to reimburse Lender and/or the applicable issuer for each payment or disbursement made by Lender and/or the applicable issuer under any Letter of Credit honoring any demand for payment made thereunder, in each case on the date that such payment or disbursement is made. Borrowers' reimbursement obligations hereunder shall be irrevocable and unconditional under all circumstances, including (w) any lack of validity or enforceability of any Letter of Credit, this Agreement or any other Loan Document, (x) the existence of any claim, set-off, defense or other right which any Loan Party may have at any time against a beneficiary named in a Letter of Credit, any transferee of any Letter of Credit (or any Person for whom any such transferee may be acting), Lender, any Participant, the applicable issuer under any Letter of Credit, or any other Person, whether in connection with any Letter of Credit, this Agreement, any other Loan Document, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between any Loan Party and the beneficiary named in any Letter of Credit), (y) any lack of validity, sufficiency or genuineness of any document which Lender or the applicable issuer has determined complies on its face with the terms of the applicable Letter of Credit, even if such document should later prove to have been forged, fraudulent, invalid or insufficient in any respect or any statement therein shall have been untrue or inaccurate in any respect, or (z) the surrender or impairment of any security for the performance or observance of any of the terms hereof. Any and all amounts paid by Lender and any Participant in respect of a Letter of Credit will, at the election of Lender, be treated for all purposes as a Revolving Loan, and bear interest, and be payable, in the same manner as a Revolving Loan.

## 1.6 Conditions of Making the Loans and Issuing Letters of Credit

Lender's obligation to make any Loan or issue or cause any Letter of Credit to be issued under this Agreement is subject to the following conditions precedent (as well as any other conditions set forth in this Agreement or any other Loan Document), all of which must be satisfied in a manner acceptable to Lender (and as applicable, pursuant to documentation which in each case is in form and substance acceptable to Lender) as of each day that such Loan is made or such Letter of Credit is issued, as applicable:

- (a) **Loans and Letters of Credit Made and/or Issued on the Closing Date:** With respect to Loans made, and/or Letters of Credit issued, on the Closing Date, (i) each applicable Loan Party shall have duly executed and/or delivered, or, as applicable, shall have caused such other applicable Persons to have duly executed and or delivered, to Lender such agreements, instruments, documents and/or certificates listed on the closing checklist attached hereto as Exhibit B (the "**Closing Checklist**"); (ii) Lender shall have completed its business and legal due diligence pertaining to the Loan Parties, their respective businesses and assets, and insurance matters (including without limitation, satisfaction with insurance coverage provided to Borrowers by EDC and Intact including, without limitation, the Grains Payable Insurance Policy, the sale of the Pet Foods Business and the 35 Oak Subordinated Indebtedness and the 35 Oak Big Sky Financing) set out on the Closing Checklist with results thereof satisfactory to Lender in its sole discretion; (iii) Lender's obligations and commitments under this Agreement shall have been approved by Lender's Credit Committee; (iv) after giving effect to such Loans and Letters of Credit, as well as to the payment of all trade payables older than sixty (60) days past due and the consummation of all transactions contemplated hereby to occur on the Closing Date, closing costs and any book overdraft, Excess Availability shall be no less than \$3,500,000 (inclusive of the Availability Block); and (v) Borrowers shall have paid to Lender all fees due on the date hereof, and shall have paid or reimbursed Lender for all of Lender's reasonable costs, charges and expenses incurred through the Closing Date (and in connection herewith, Borrowers hereby irrevocably authorize Lender to charge such fees, costs, charges and expenses as Revolving Loans); and
- (b) **All Loans and/or Letters of Credit:** With respect to Loans made and/or Letters of Credit issued, on the Closing Date and/or at any time thereafter, in addition to the conditions specified in clause (a) above as applicable, (i) Borrowers shall have provided to Lender such information as Lender may require in order to determine the Borrowing Base, as of such borrowing or issue date, after giving effect to such Loans and/or Letters of Credit, as applicable; (ii) each applicable Loan Party shall have duly executed and/or delivered a Notice of Borrowing; (iii) each of the representations and warranties set forth in this Agreement, the Information Certificate(s) and in the other Loan Documents shall be true and correct in all material respects (without duplication of materiality qualifiers therein) as of the date such Loan is made and/or such Letter of Credit is issued (or to the extent any representations or warranties are expressly made solely as of an earlier date, such representations and warranties shall be true and correct in all material respects

(without duplication of materiality qualifiers therein) as of such earlier date), both before and after giving effect thereto; and (iv) no Default or Event of Default shall be in existence, both before and after giving effect thereto.

## 1.7 Repayments

- (a) **Revolving Loans/Letters of Credit.** If at any time for any reason whatsoever (including without limitation as a result of currency fluctuations) (i) the sum of the outstanding balance of all Revolving Loans and the Letter of Credit Balance exceeds the lesser of (x) the Maximum Revolving Facility Amount and (y) the Borrowing Base, or (ii) any of the Loan Limits for Revolving Loans or Letters of Credit are exceeded, then in each case, Borrowers will promptly following Lender's demand jointly and severally pay to Lender such amounts (or, with respect to the Letter of Credit Balance, provide cash collateral to Lender in the manner set forth in clause (c) below) as shall cause Borrowers to eliminate such excess (such excess, an "**Overadvance**").
- (b) **[Reserved].**
- (c) **Maturity Date Payments / Cash Collateral.** All remaining outstanding monetary Obligations (including, all accrued and unpaid fees described on Schedule C shall be payable in full on the Maturity Date. Without limiting the generality of the foregoing, if, on the Maturity Date, there are any outstanding Letters of Credit, then on such date Borrowers shall provide to Lender cash collateral in an amount equal to 105% of the Letter of Credit Balance to secure all of the Obligations (including estimated attorneys' fees and other expenses) relating to said Letters of Credit, pursuant to a cash pledge agreement in form and substance reasonably satisfactory to Lender.
- (d) **Currency Due.** If, notwithstanding the terms of this Agreement or any other Loan Document, Lender receives any payment from or on behalf of Borrowers or any other Person in a currency other than the Currency Due, Lender may convert the payment (including the monetary proceeds of realization upon any Collateral and any funds then held in a cash collateral account) into the Currency Due at exchange rate selected by Lender in the manner contemplated by Section 6.2(b) and Borrowers shall jointly and severally reimburse Lender on demand for all reasonable costs it incurs with respect thereto. To the extent permitted by law, the obligation shall be satisfied only to the extent of the amount actually received by Lender upon such conversion.

## 1.8 Prepayments / Voluntary Termination / Application of Prepayments

- (a) **Certain Mandatory Prepayment Events.** Borrowers shall be required to prepay the unpaid principal balance of the Revolving Loans within three (3) Business Days following the date of each and every Prepayment Event (and within three (3) Business Days following any date thereafter on which proceeds pertaining thereto are received by any Loan Party), in each case without any demand or notice from

Lender or any other Person, all of which is hereby expressly waived by Borrowers, in the amount of 100% of the Net Cash Proceeds received by any Loan Party with respect to such Prepayment Event. No prepayment made pursuant to this Section 1.8(a) or in connection with any Prepayment Event shall be subject to the Early Payment/Termination Premium.

- (b) **[Reserved].**
- (c) **[Reserved].**
- (d) **[Reserved].**
- (e) **Voluntary Termination of Loan Facilities.** Borrowers may, on at least thirty (30) days prior written and irrevocable notice received by Lender, permanently terminate the Loan facilities by repaying all of the outstanding Obligations, including all principal, interest and fees with respect to the Revolving Loans, and an Early Payment/Termination Premium in the amount specified in Schedule C. If, on the date of a voluntary termination pursuant to this Section 1.8(e), there are any outstanding Letters of Credit, then on such date, and as a condition precedent to such termination, Borrowers shall provide to Lender cash collateral in an amount equal to 105% of the Letter of Credit Balance to secure all of the Obligations (including estimated attorneys' fees and other expenses) relating to said Letters of Credit, pursuant to a cash pledge agreement in form and substance reasonably satisfactory to Lender. From and after such date of termination, Lender shall have no obligation whatsoever to extend any additional Loans or Letters of Credit and all of its lending commitments hereunder shall be terminated.
- (f) **[Reserved].**

## **1.9 Obligations Unconditional**

- (a) The payment and performance of all Obligations shall constitute the absolute and unconditional obligations of each Loan Party and shall be independent of any defense or rights of set-off, recoupment or counterclaim which any Loan Party or any other Person might otherwise have against Lender or any other Person. All payments required by this Agreement and/or the other Loan Documents shall be made in Canadian Dollars (unless payment in a different currency is expressly provided otherwise in the applicable Loan Document).
- (b) If, at any time and from time to time after the Closing Date (or at any time before or after the Closing Date with respect to (x) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith, or (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case for purposes of this clause (y) pursuant to Basel III, regardless of the date enacted, adopted or issued), (i) any change in any existing law, regulation, treaty or directive or in the interpretation or

application thereof, (ii) any new law, regulation, treaty or directive enacted or application thereof, or (iii) compliance by Lender with any request or directive (whether or not having the force of law) from any Governmental Authority, central bank or comparable agency (A) subjects Lender to any tax, levy, impost, deduction, assessment, charge or withholding of any kind whatsoever with respect to any Loan Document, or changes the basis of taxation of payments to Lender of any amount payable thereunder (other than (1) Indemnified Taxes, (2) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (3) Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes), or (B) imposes on Lender any other condition or increased cost in connection with the transactions contemplated thereby or participations therein, and the result of any of the foregoing is to increase the cost to Lender of making or continuing any Loan or Letter of Credit or to reduce any amount receivable hereunder or under any other Loan Documents, then, in any such case, Borrowers shall within ten (10) days after demand jointly and severally pay to Lender, when notified to do so by Lender, any additional amounts necessary to compensate Lender, on an after-tax basis, for such additional cost or reduced amount as determined by Lender. Each such notice of additional amounts payable pursuant to this Section 1.9(b) submitted by Lender to Borrowing Agent shall, absent manifest error, be final, conclusive and binding for all purposes.

- (c) This Section 1.9 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Obligations.

## **1.10 Reversal of Payments**

To the extent that any payment or payments made to or received by Lender pursuant to this Agreement or any other Loan Document are subsequently invalidated, declared to be fraudulent or preferential, set aside, or required to be repaid to any trustee, receiver or other Person under any state, provincial, territorial, federal or other bankruptcy or other such applicable law, then, to the extent thereof, such amounts (and all Liens, rights and remedies therefore) shall be revived as Obligations (secured by all such Liens) and continue in full force and effect under this Agreement and under the other Loan Documents as if such payment or payments had not been received by Lender. This Section 1.10 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Obligations.

## **ARTICLE 2 INTEREST AND FEES; LOAN ACCOUNT**

### **2.1 Interest**

All Loans and other monetary Obligations shall bear interest at the interest rate(s) set forth in Section 3 of Schedule A, and accrued interest shall be payable (a) on the first day of each month in arrears, (b) upon a prepayment of such Loan in accordance with Section 1.8, and (c) on the Maturity Date; provided, that after the occurrence and during the continuation of an Event of Default, all Loans and other monetary Obligations shall bear interest at a rate per annum equal to

three (3) percentage points in excess of the rate otherwise applicable thereto (the “**Default Rate**”), and all such interest shall be payable on demand.

## **2.2 Fees**

Borrowers shall jointly and severally pay Lender the fees set forth on Schedule C hereto on the dates set forth therein, which fees are in addition to all fees and other sums payable by Borrowers or any other Person to Lender under this Agreement or under any other Loan Document, and, in each case are not refundable once paid.

## **2.3 Computation of Interest and Fees**

All interest and fees shall be calculated daily on the outstanding monetary Obligations based on the actual number of days elapsed in a year of 360 days. For the purposes of disclosure pursuant to the *Interest Act* (Canada), the annual rates of interest or fees to which the rates of interest or fees provided in this Agreement and the other Loan Documents (and stated herein or therein, as applicable, to be computed on the basis of 360 days, or any other period of time less than a calendar year) are equivalent are the rates so determined multiplied by the actual number of days in the applicable calendar year and divided by 360 or such other period of time, respectively. All calculations of interest and fees under this Agreement and the other Loan Documents shall be made on the basis of the nominal rates described in this Agreement and not on the basis of effective yearly rates or any other basis that gives effect to the principle of deemed reinvestment. The parties acknowledge that there is a material difference between the stated nominal rates and effective yearly rates taking into account reinvestment, and that they are capable of making the calculations required to determine effective yearly rates.

## **2.4 Loan Account; Monthly Accountings**

Lender shall maintain a loan account for Borrowers reflecting all outstanding Loans and the Letters of Credit Balance, along with interest accrued thereon and such other items reflected therein (the “**Loan Account**”), and shall provide Borrowing Agent with a monthly accounting reflecting the activity in the Loan Account, viewable by Borrowing Agent on ABLServe. Each accounting shall be deemed correct, accurate and binding on Borrowers and an account stated (except for reverses and reapplications of payments made and corrections of errors discovered by Lender), unless Borrowing Agent notifies Lender in writing to the contrary within thirty (30) days after such account is rendered, describing the nature of any alleged errors or omissions. However, Lender’s failure to maintain the Loan Account or to provide any such accounting shall not affect the legality or binding nature of any of the Obligations. Interest, fees and other monetary Obligations due and owing under this Agreement (including fees and other amounts paid by Lender to issuers of Letters of Credit) may, in Lender’s discretion, be charged to the Loan Account, and will thereafter be deemed to be Revolving Loans and will bear interest at the same rate as other Revolving Loans.

## **2.5 Further Obligations; Maximum Lawful Rate**

With respect to all monetary Obligations for which the interest rate is not otherwise specified herein (whether such Obligations arise hereunder or under any other Loan Document, or otherwise), such Obligations shall bear interest at the rate(s) in effect from time to time with respect to the applicable Loan to which such Obligations relate and shall be payable upon demand by

Lender. In no event shall the interest charged with respect to any Loan or any other Obligation exceed the maximum amount permitted under applicable law. Notwithstanding anything to the contrary herein or elsewhere, if at any time the rate of interest payable or other amounts hereunder or under any other Loan Document (the “**Stated Rate**”) would exceed the highest rate of interest or other amount permitted under any applicable law to be charged (the “**Maximum Lawful Rate**”), then for so long as the Maximum Lawful Rate would be so exceeded, the rate of interest and other amounts payable shall be equal to the Maximum Lawful Rate; provided, that if at any time thereafter the Stated Rate is less than the Maximum Lawful Rate, Borrowers shall, to the extent permitted by applicable law, continue to pay interest and such other amounts at the Maximum Lawful Rate until such time as the total interest and other such amounts received is equal to the total interest and other such amounts which would have been received had the Stated Rate been (but for the operation of this provision) the interest rate payable or such other amounts payable. Thereafter, the interest rate and such other amounts payable shall be the Stated Rate unless and until the Stated Rate again would exceed the Maximum Lawful Rate, in which event this provision shall again apply. In no event shall the total interest or other such amounts received by Lender exceed the amount which it could lawfully have received had the interest and other such amounts been calculated for the full term hereof at the Maximum Lawful Rate. If, notwithstanding the prior sentence, Lender has received interest or other such amounts hereunder in excess of the Maximum Lawful Rate, such excess amount shall be applied to the reduction of the principal balance of the Loans or to other Obligations (other than interest) payable hereunder, and if no such principal or other Obligations are then outstanding, such excess or part thereof remaining shall be paid to Borrowers. In computing interest payable with reference to the Maximum Lawful Rate applicable to any Lender, such interest shall be calculated at a daily rate equal to the Maximum Lawful Rate divided by the number of days in the year in which such calculation is made.

## **2.6 Illegality; Alternate Rate of Interest**

Notwithstanding anything to the contrary herein or in any other Loan Document:

- (a) **Replacing CDOR.** On May 16, 2022 Refinitiv Benchmark Services (UK) Limited (“**RBSL**”), the administrator of CDOR, announced in a public statement that the calculation and publication of all tenors of CDOR will permanently cease immediately following a final publication on Friday, June 28, 2024. On the date that all Available Tenors of CDOR have either permanently or indefinitely ceased to be provided by RBSL (the “**CDOR Cessation Date**”), if the then-current Benchmark is CDOR, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document. If the Benchmark Replacement is Daily Compounded CORRA, all interest payments will be payable on a monthly basis.
- (b) **Replacing Future Benchmarks.** Upon the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (Toronto time) on the fifth (5<sup>th</sup>) Business Day after the date notice of such Benchmark Replacement is provided to the Borrowers without

any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Lender has not received, by such time, written notice of objection to such Benchmark Replacement from the Borrowers. At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the administrator or the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrowers may revoke any request for a borrowing of, conversion to or continuation of Loans to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrowers' receipt of notice from the Lender that a Benchmark Replacement has replaced such Benchmark, and, failing that, the Borrowers will be deemed to have converted any such request into a request for a borrowing of or conversion to Loans at the Canadian Prime Rate.

- (c) **Benchmark Replacement Conforming Changes.** In connection with the implementation and administration of a Benchmark Replacement, the Lender will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.
- (d) **Notices; Standards for Decisions and Determinations.** The Lender will promptly notify the Borrowers (i) the implementation of any Benchmark Replacement, (ii) any occurrence of a Term CORRA Transition Event, and (iii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Lender pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section.
- (e) **Unavailability of Tenor of Benchmark.** At any time (including in connection with the implementation of a Benchmark Replacement), if the then-current Benchmark is a term rate (including Term CORRA or CDOR), then (i) the Lender may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings, and (ii) the Lender may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.
- (f) **Secondary Term CORRA Conversion.** Notwithstanding anything to the contrary herein or in any Loan Document and subject to the proviso below in this clause, if a Term CORRA Transition Event and its related Term CORRA Transition Date



have occurred, then on and after such Term CORRA Transition Date (i) the Benchmark Replacement described in clause (i)(A) of such definition will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; and (ii) each Loan outstanding on the Term CORRA Transition Date bearing interest based on the then-current Benchmark shall convert, at the start of the next interest payment period into a Loan bearing interest at the Benchmark Replacement described in clause (i)(A) of such definition having a tenor approximately the same length as the interest payment period applicable to such Loan immediately prior to the conversion or such other Available Tenor as may be selected by the Borrowers and agreed by the Lender; provided that, this clause (f) shall not be effective unless the Lender has delivered to the Borrowers a Term CORRA Notice.

(g) **Definitions.**

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an interest period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

“**Benchmark**” means, initially, CDOR; provided that if a replacement of the Benchmark has occurred pursuant to this Section titled “Benchmark Replacement Setting”, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to “Benchmark” shall include, as applicable, the published component used in the calculation thereof.

“**Benchmark Replacement**” means, for any Available Tenor:

- (i) For purposes of clause (a) of this Section, the first alternative set forth below that can be determined by the Lender:
  - (A) the sum of: (i) Term CORRA and (ii) 0.29547% (29.547 basis points) for an Available Tenor of one-month’s duration, and 0.32138% (32.138 basis points) for an Available Tenor of three-months’ duration; or
  - (B) the sum of: (i) Daily Compounded CORRA and (ii) 0.29547% (29.547 basis points) for an Available Tenor of one-month’s duration, and 0.32138% (32.138 basis points) for an Available Tenor of three-months’ duration; and
- (ii) For purposes of clause (b) of this Section, the sum of (a) the alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Lender and the

Borrowers as the replacement for such Available Tenor of such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for Canadian Dollar-denominated syndicated credit facilities at such time;

provided that, if the Benchmark Replacement as determined pursuant to clause (i) or (ii) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

**“Benchmark Replacement Conforming Changes”** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Canadian Prime,” the definition of “Business Day,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters, including with respect to the obligation of the Lender to create, maintain or issue bankers’ acceptances) that the Lender decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents). Without limiting the foregoing, Benchmark Replacement Conforming Changes made in connection with the replacement of CDOR with a Benchmark Replacement may include the implementation of mechanics for borrowing loans that bear interest by reference to the Benchmark Replacement, to replace the creation or purchase of drafts or bankers’ acceptances.

**“Benchmark Transition Event”** means, with respect to any then-current Benchmark other than CDOR, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Bank of Canada, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark or (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

**“Canadian Prime Rate”** means, the rate of interest equal to the greater of (i) the annual rate of interest publicly announced from time to time by Bank of Montreal as its reference

rate of interest for loans made in Canadian Dollars to Canadian customers and designated as its “prime” rate, and (ii) the 30-day CDOR plus 1.00%. The Canadian Prime Rate is a rate set by Bank of Montreal based upon various factors including Bank of Montreal’s costs and desired return, general economic conditions and other factors and is used as a reference point for pricing some loans.

“**CORRA**” means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

“**Daily Compounded CORRA**” means, for any day, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by the Lender in accordance with the methodology and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded CORRA for business loans; provided that if the Lender decides that any such convention is not administratively feasible for the Lender, then the Lender may establish another convention in its reasonable discretion; and provided that if the administrator has not provided or published CORRA and a Benchmark Transition Event with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

“**Relevant Governmental Body**” means the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada, or any successor thereto.

“**Term CORRA**” means, for the applicable corresponding tenor, the forward-looking term rate based on CORRA that has been selected or recommended by the Relevant Governmental Body, and that is published by an authorized benchmark administrator and is displayed on a screen or other information service, as identified or selected by the Lender in its reasonable discretion at approximately a time and as of a date prior to the commencement of an interest period determined by the Lender in its reasonable discretion in a manner substantially consistent with market practice.

“**Term CORRA Notice**” means the notification by the Lender to the Borrowers of the occurrence of a Term CORRA Transition Event.

“**Term CORRA Transition Date**” means, in the case of a Term CORRA Transition Event, the date that is set forth in the Term CORRA Notice provided to the Borrowers, for the replacement of the then-current Benchmark with the Benchmark Replacement described in clause (i)(A) of such definition, which date shall be at least thirty (30) Business Days from the date of the Term CORRA Notice.

“**Term CORRA Transition Event**” means the determination by the Lender that (a) Term CORRA has been recommended for use by the Relevant Governmental Body, and is determinable for any Available Tenor, (b) the administration of Term CORRA is administratively feasible for the Lender and (c) a Benchmark Replacement, other than Term CORRA, has replaced CDOR in accordance with paragraph (a) of the Section titled “Benchmark Replacement Setting”.

**ARTICLE 3**  
**SECURITY INTEREST GRANT / POSSESSORY COLLATERAL / REAL PROPERTY**  
**SECURITY / FURTHER ASSURANCES**

**3.1 Grant of Security Interest**

To secure the full payment and performance of all of the Obligations, each Loan Party hereby assigns to Lender and grants to Lender a continuing security interest in all property of such Loan Party, whether tangible or intangible, real or personal, now or hereafter owned, existing, acquired or arising and wherever now or hereafter located, and whether or not eligible for lending purposes, including, without limitation,: (a) all Accounts (whether or not Eligible Accounts) and all Goods whose sale, lease or other disposition by such Loan Party has given rise to Accounts and have been returned to, or repossessed or stopped in transit by, such Loan Party; (b) all Chattel Paper (including Electronic Chattel Paper), Instruments, Documents, and General Intangibles (including all patents, patent applications, industrial designs, industrial design applications, trademarks, trademark applications, trade names, trade secrets, goodwill, copyrights, copyright applications, registrations, licenses, software, franchises, customer lists, tax refund claims, claims against carriers and shippers, guarantee claims, contracts rights, payment intangibles, security interests, security deposits and rights to indemnification); (c) all Inventory (whether or not Eligible Inventory); (d) all Goods (other than Inventory), including Equipment, Farm Products, Health-Care-Insurance Receivables, vehicles, and Fixtures; (e) all Investment Property (f) all Deposit Accounts, bank accounts, deposits and cash; (g) all Letter-of-Credit Rights; (h) all Commercial Tort Claims listed in Section 40 of the Information Certificate(s); (i) all Supporting Obligations; (j) any other property of such Loan Party now or hereafter in the possession, custody or control of Lender or any agent or any parent, Affiliate or Subsidiary of Lender or any Participant with Lender in the Loans, for any purpose (whether for safekeeping, deposit, collection, custody, pledge, transmission or otherwise), and (k) all additions and accessions to, substitutions for, and replacements, products and Proceeds of the foregoing property, including proceeds of all insurance policies insuring the foregoing property, and all of such Loan Party's books and records relating to any of the foregoing and to such Loan Party's business.

Notwithstanding the foregoing, no Loan Party shall pledge, and the Collateral shall not include, (i) Equipment or other property owned by any Loan Party on the date hereof or hereafter acquired that is subject to a Lien securing capitalized leases and purchase money Indebtedness permitted to be incurred pursuant to clause (a) of the definition of Permitted Liens to the extent and for so long as the documentation providing for such capitalized leases and purchase money Indebtedness prohibits the creation of a Lien on such assets (other than to the extent that any such term or prohibition would be rendered ineffective after giving effect to Section 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions), the PPSA or any other applicable law (including the Bankruptcy Code and any Canadian Insolvency Law), (ii) any United States intent-to-use trademark applications to the extent that the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable Federal law, (iii) assets and property to the extent such assets and property are subject to a term or a rule of law, statute or regulation that restricts, prohibits, or requires a consent (that has not been obtained) of a Person (other than such Loan Party) to, the creation, attachment or perfection of the security interest granted herein, and any such restriction, prohibition and/or requirement of consent is effective and enforceable under applicable law and is not rendered ineffective by applicable law

(including, without limitation, pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or the corresponding provisions of the PPSA), (iv) (a) any property held in trust by Borrowers and lawfully belonging to others; (v) the last day of the term of any lease of real property which is not assignable without the consent of a landlord which consent has not been received, provided that Borrowers shall stand possessed of such last day and shall on the exercise by Lender of its rights under this Agreement following an Event of Default that is continuing, assign and transfer such interest as instructed by Lender; (vi) any rights or interests of a Loan Party in or under any license, contract, permit, Instrument, Investment Property or franchise to which such Loan Party is a party or any of its rights or interests thereunder to the extent, but only to the extent, that a grant of a security interest to Lender therein would, under the terms of such license, contract, permit, Instrument, Investment Property or franchise, result in a breach of the terms of, or constitute a default under, such license, contract, permit, Instrument, Investment Property or franchise (other than to the extent that any such term would be rendered ineffective pursuant to the UCC, the PPSA or any other applicable law or principles of equity); (vii) motor vehicles and other assets subject to a certificate of title, and (viii) any “consumer goods” as such term is defined in the PPSA or the UCC; provided, that with respect to any such limitation described in the foregoing clauses (i) and (iii) and (vi) (1) immediately upon the ineffectiveness, lapse or termination of any such restriction, the Collateral shall include, and such Loan Party shall be deemed to have granted a Lien on such property under the applicable Loan Documents as if such restriction had never been in effect; and (2) notwithstanding any such restriction, the Collateral shall, to the extent such restriction does not by its terms apply thereto and such rights and proceeds do not otherwise constitute Excluded Collateral, include all rights incident or appurtenant to any such property, and the right to receive all proceeds derived from, or in connection with the sale, assignment or transfer of, such property (collectively, “**Excluded Collateral**”).

To further secure the full payment and performance of all of the Obligations, each Loan Party hereby hypothecates to and in favor of Lender the “l’universalité de ses biens meubles, corporels et incorporels, présents et à venir, de quelque nature qu’ils soient et où qu’ils puissent être situés.” The parties agree that the English version of the foregoing description is as follows: “the universality of its movable property, corporeal and incorporeal, present and future, of any nature whatsoever and wherever situate”. The aforesaid hypothec is created for a sum of CAD\$30,000,000 with interest thereon at the rate of 25% per annum. Each Loan Party hereby confirms that this Agreement has been freely negotiated by the parties hereto. The parties hereto confirm that they have expressly requested that this Agreement (except for any French language set out therein), and all related documents be drafted in the English language. Chaque Partie du Prêt confirme que la présente convention a été librement négociée par les parties aux présentes. Les parties aux présentes confirment qu’elles ont expressément exigé que la présente convention (à l’exception de quelconque texte en français prévu aux présentes) et tous les documents connexes soient rédigés en langue anglaise. This paragraph entitled “Province of Quebec” shall be governed by and enforced in accordance with the laws of the Province of Quebec without regard to principles of conflicts of laws that would require the application of any other law, the whole so to create a valid and enforceable hypothec pursuant to the laws of the Province of Quebec.

### **3.2 Possessory Collateral**

Promptly, but in any event no later than five (5) Business Days after any Loan Party’s receipt of any portion of the Collateral outside the ordinary course of its business evidenced by any

(i) agreement, Instrument or Document, including any Tangible Chattel Paper, in each case with a value in excess of \$50,000 individually, and (ii) any Investment Property consisting of certificated securities, (other than certificates representing ULC Interests) such Loan Party shall deliver the original thereof to Lender together with an appropriate endorsement or other specific evidence of assignment thereof to Lender (in form and substance acceptable to Lender). If an endorsement or assignment of any such items shall not be made for any reason, Lender is hereby irrevocably authorized, as attorney and agent-in-fact (coupled with an interest) for each Loan Party, to, upon written notice to such Loan Party, endorse or assign the same on such Loan Party's behalf.

### **3.3 Real Property Security**

On or before the Closing Date, each of the Loan Parties will, and will cause each of the other Loan Parties to, execute and deliver to Lender any and all financing statements, fixture filings, security agreements, pledges, assignments, mortgages, deeds of trust, opinions of counsel, and all other documents, certificates and filings necessary to give Lender a valid and enforceable second-ranking priority charge on all real property interests (owned, leased or otherwise) of the Loan Parties. The real property rights and assets of the Loan Parties charged and encumbered by such real property security shall constitute and form part of the "Collateral".

### **3.4 Further Assurances**

- (a) Each Loan Party will, at the time that any Loan Party forms any direct or indirect Subsidiary, acquires any direct or indirect Subsidiary after the Closing Date, within thirty (30) days of such event (or such later date as permitted by Lender in its sole discretion) (i) cause such new Subsidiary to become a Loan Party and to grant Lender a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary), (ii) provide, or cause the applicable Loan Party to provide, to Lender a pledge agreement and appropriate certificates and powers or financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary in form and substance reasonably satisfactory to Lender (which pledge, if reasonably requested by Lender, shall be governed by the laws of the jurisdiction of such Subsidiary), and (iii) provide to Lender all other documentation, including one or more opinions of counsel reasonably satisfactory to Lender, which, in its opinion, is appropriate with respect to the execution and delivery of the applicable documentation referred to above (including policies of title insurance, flood certification documentation or other documentation with respect to all real property owned in fee and subject to a mortgage). Any document, agreement, or instrument executed or issued pursuant to this Section 3.3 shall constitute a Loan Document.
- (b) Each Loan Party will, and will cause each of the other Loan Parties to, at any time upon the reasonable request of Lender, execute or deliver to Lender any and all financing statements, fixture filings, security agreements, pledges, assignments, mortgages, deeds of trust, opinions of counsel, and all other documents (the "**Additional Documents**") that Lender may reasonably request in form and substance reasonably satisfactory to Lender, to create, perfect, and continue to be perfected the security interests granted to Lender in the Collateral, to create and

perfect Liens in favor of Lender in any real property acquired by any other Loan Party with a fair market value in excess of \$100,000, and in order to fully consummate all of the transactions contemplated hereby and under the other Loan Documents. To the maximum extent permitted by applicable law, if any Borrower or any other Loan Party refuses or fails to execute or deliver any reasonably requested Additional Documents within a reasonable period of time following the request to do so, each Borrower and each other Loan Party hereby authorizes Lender to execute any such Additional Documents in the applicable Loan Party's name and authorizes Lender to file such executed Additional Documents in any appropriate filing office.

- (c) Each Loan Party shall, at its own cost and expense, promptly and duly take, execute, acknowledge and deliver (and/or use commercially reasonable efforts to cause such other applicable Person to take, execute, acknowledge and deliver) all such further acts, documents, agreements and instruments as Lender shall deem reasonably necessary in order to (i) carry out the intent and purposes of the Loan Documents and the transactions contemplated thereby, (ii) establish, create, preserve, protect and perfect a first priority lien (subject only to Permitted Liens) in favor of Lender in all Collateral (wherever located) from time to time owned by the Loan Parties, (iii) cause each Loan Party to guarantee all of the Obligations, all pursuant to documentation that is in form and substance satisfactory to Lender in its Permitted Discretion and (iv) facilitate the collection of the Collateral. Without limiting the foregoing, each Loan Party shall, at its own cost and expense, promptly and duly take, execute, acknowledge and deliver (and/or use commercially reasonable efforts to cause such other applicable Person to take, execute, acknowledge and deliver) to Lender all promissory notes, security agreements, agreements with landlords, mortgagees and processors and other bailees, subordination and intercreditor agreements and other agreements, instruments and documents, in each case in form and substance reasonably acceptable to Lender, as Lender may request from time to time to perfect, protect, and maintain Lender's security interests in the Collateral, including the required priority thereof, and to fully carry out the transactions contemplated by the Loan Documents.

### **3.5 UCC and PPSA Financing Statements**

Each Loan Party authorizes Lender to file, transmit, or communicate, as applicable, from time to time, Uniform Commercial Code and/or PPSA financing statements and finance change statements, along with amendments and modifications thereto, in all filing offices selected by Lender, listing such Loan Party as the debtor and Lender as the secured party, and describing the collateral covered thereby in such manner as Lender may elect, including using descriptions such as "all personal property of debtor" or "all assets of debtor" or words of similar effect. Each Loan Party also hereby ratifies its authorization for Lender to have filed in any filing office any financing statements filed prior to the date hereof.

### **3.6 ULC Interests**

Notwithstanding the grant of security interest made by each Loan Party in favor of the Lender of all of its Collateral, or any provision to the contrary contained in this Agreement, any Loan Party that controls any interest (for the purposes of this Section 3.6, “**ULC Interests**”) in any unlimited liability company (for the purposes of this Section 3.6, a “**ULC**”) pledged hereunder shall remain registered as the sole registered and beneficial owner of such ULC Interests and will remain as registered and beneficial owner until such time as such ULC Interests are effectively transferred into the name of the Lender or any other Person on the books and records of such ULC. Nothing in this Agreement is intended to or shall constitute the Lender or any Person as a shareholder or member of any ULC until such time as notice is given to such ULC and further steps are taken thereunder so as to register the Lender or any other Person as the holder of the ULC Interests of such ULC. To the extent any provision hereof would have the effect of constituting the Lender or any other Person as a shareholder or member of a ULC prior to such time, such provision shall be severed therefrom and ineffective with respect to the ULC Interests of such ULC without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Collateral which are not ULC Interests. Except upon the exercise of rights to sell or otherwise dispose of ULC Interests following the occurrence and during the continuance of an Event of Default hereunder, no Loan Party shall cause or permit, or enable any ULC in which it holds ULC Interests to cause or permit, the Lender to: (a) be registered as shareholders or members of such ULC; (b) have any notation entered in its favor in the share register of such ULC; (c) be held out as a shareholder or member of such ULC; (d) receive, directly or indirectly, any dividends, property or other distributions from such ULC by reason of the Lender holding a security interest in such ULC; or (e) act as a shareholder or member of such ULC, or exercise any rights of a shareholder or member of such ULC including the right to attend a meeting of, or to vote the shares of, such ULC.

### **3.7 Valid Security Interest**

Each Loan Party and the Lender hereby acknowledge that (a) value has been given, (b) such Loan Party has rights in the Collateral in which it has granted a security interest, (c) this Agreement constitutes a “security agreement” as that term is defined in the UCC and the PPSA, and (d) the security interest attaches upon the execution of this Agreement (or in the case of any after-acquired property, at the time of acquisition thereof).

## **ARTICLE 4**

### **CERTAIN PROVISIONS REGARDING ACCOUNTS, INVENTORY, COLLECTIONS, APPLICATIONS OF PAYMENTS, INSPECTION RIGHTS, AND APPRAISALS**

#### **4.1 Lock Boxes and Blocked Accounts**

Each Loan Party hereby represents and warrants that all Deposit Accounts and all other depository and other accounts maintained by each Loan Party as of the Closing Date are described in Section 39 of the Information Certificate(s), which description includes for each such account the name of the Loan Party maintaining such account, the name, of the financial institution at which such account is maintained, the account number, and the purpose of such account. After the Closing Date, no Loan Party shall open any new Deposit Accounts or any other depository or other



accounts without the prior written consent of Lender and without updating Section 39 of the Information Certificate(s) to reflect such Deposit Accounts or other accounts, as applicable. No Deposit Accounts or other accounts of any Loan Party shall at any time constitute a Restricted Account other than accounts expressly indicated on Section 39 of the Information Certificate(s) as being a Restricted Account (and each Loan Party hereby represents and warrants that each such account shall at all times meet the requirements set forth in the definition of Restricted Account to qualify as a Restricted Account). Each Loan Party will, at its expense, establish (and revise from time to time as Lender may require) procedures acceptable to Lender, in Lender's Permitted Discretion, for the collection of checks, wire transfers and all other proceeds of all of such Loan Party's Accounts and other Collateral ("**Collections**"), which shall include (a) directing all Account Debtors to send all Account proceeds directly to a post office box designated by Lender either in the name of such Loan Party (but as to which Lender has exclusive access) or, at Lender's option, in the name of Lender (a "**Lock Box**"), and/or (b) depositing all Collections received by such Loan Party into one or more bank accounts maintained in the name of such Loan Party (but as to which Lender has exclusive access) or, at Lender's option, in the name of Lender (each, a "**Blocked Account**"), under an arrangement acceptable to Lender with a depository bank acceptable to Lender, pursuant to which all funds deposited into each Blocked Account are to be transferred to Lender in such manner, and with such frequency, as Lender shall reasonably specify, and/or (c) a combination of the foregoing. Each Loan Party agrees to execute, and to cause its depository banks and other account holders to execute, such Lock Box and Blocked Account control agreements and other documentation as Lender shall reasonably require from time to time in connection with the foregoing, all in form and substance acceptable to Lender, and in any event such arrangements and documents must be in place on the date hereof with respect to accounts in existence on the date hereof, or prior to any such account being opened with respect to any such account opened after the date hereof, in each case excluding Restricted Accounts; each Loan Party shall provide Lender with online read-only access to such Loan Party's Deposit Accounts, securities accounts and any investment accounts constituting securities accounts and maintain such access in effect for Lender throughout the term of this Agreement and until all Obligations have been paid in full, all in a manner acceptable to Lender in its Permitted Discretion. Prior to the Closing Date, Borrowing Agent shall deliver to Lender a complete and executed Authorized Accounts form regarding Borrowers' operating account(s) into which the proceeds of Loans are to be paid in the form of Exhibit D annexed hereto. The parties hereto hereby acknowledge, confirm and agree that the implementation of the cash management arrangements is a contractual right provided to the Lender hereunder in order for the Lender to manage and monitor its collateral position and not a proceeding for enforcement or recovery of a claim, or pursuant to, or an enforcement of, any security or remedies whatsoever, that the cash management arrangements contemplated herein are critical to the structure of the lending arrangements contemplated herein, that the Lender is relying on the Loan Parties' acknowledgement, confirmation and agreement with respect to such cash management arrangements in making accommodations of credit available to the Borrowers and in particular that any accommodations of credit are being provided by the Lender to the Borrowers strictly on the basis of a borrowing base calculation to fully support and collateralize any such accommodations of credit hereunder. Notwithstanding the foregoing, North Lily may maintain up to USD\$500,000 in the aggregate in one or more deposit accounts to fund its operations; provided that any such deposit account shall be made subject to a springing deposit account control agreement (a "**DACA**") and such account shall, upon the occurrence and

continuance of an Event of Default, and subject to the Lender providing notice to the applicable account bank under the DACA, shall be under the sole dominion and control of the Lender.

#### **4.2 Application of Payments**

All amounts paid to or received by Lender in respect of the monetary Obligations, from whatever source (whether from any Borrower or any other Loan Party pursuant to such other Loan Party's guarantee of the Obligations, any realization upon any Collateral, or otherwise) shall, unless otherwise directed by Borrowing Agent with respect to any particular payment (unless an Event of Default shall then be continuing, in which event Lender may disregard Borrowing Agent's direction), be applied by Lender to the Obligations in such order as Lender may elect, and absent such election shall be applied as follows:

- (a) FIRST, to reimburse Lender for all documented out-of-pocket costs and expenses, and all indemnified losses, incurred by Lender which are reimbursable to Lender in accordance with this Agreement and/or any of the other Loan Documents,
- (b) SECOND, to any accrued but unpaid interest on any Protective Advances,
- (c) THIRD, to the outstanding principal of any Protective Advances,
- (d) FOURTH, to any accrued but unpaid fees owing to Lender under this Agreement and/or any other Loan Documents,
- (e) FIFTH, to any unpaid accrued interest on the Obligations,
- (f) SIXTH, to the outstanding principal of the Obligations, and, to the extent required by this Agreement, to cash collateralize the Letter of Credit Balance, and
- (g) SEVENTH, to the payment of any other outstanding Obligations; and after payment in full in cash of all of the outstanding monetary Obligations, any further amounts paid to or received by Lender in respect of the Obligations (so long as no monetary Obligations are outstanding) shall be paid over to Borrowers or such other Person(s) as may be legally entitled. For purposes of determining the Borrowing Base, such amounts will be credited to the Loan Account and the Collateral balances to which they relate upon Lender's receipt of an advice from Lender's Bank (set forth in Section 5 of Schedule A) that such items have been credited to Lender's account at Lender's Bank (or upon Lender's deposit thereof at Lender's Bank in the case of payments received by Lender in kind), in each case subject to final payment and collection. However, for purposes of computing interest on the Obligations, such items shall be deemed applied by Lender two (2) Business Day after Lender's receipt of advice of deposit thereof at Lender's Bank.

#### **4.3 Notification; Verification**

Lender or its designee may, from time to time: (a) whether or not a Default or an Event of Default has occurred, verify directly with the Account Debtors of the Loan Parties (or by any reasonable manner and through any reasonable medium Lender considers advisable in the exercise of its

Permitted Discretion) the validity, amount and other matters relating to the Accounts and Chattel Paper of the Loan Parties, by means of mail, telephone or otherwise, either in the name of the applicable Loan Party or Lender or such other name as Lender may choose, (b) following the occurrence and during the continuance of an Event of Default: (i) notify Account Debtors of the Loan Parties that Lender has a security interest in the Accounts of the Loan Parties, (ii) require any Loan Party to cause all invoices and statements which it sends to Account Debtors or other third parties to be marked, in a manner satisfactory to Lender, to reflect Lender's security interest therein and payment instructions acceptable to Lender (iii) direct such Account Debtors to make payment thereof directly to Lender; such notification to be sent on the letterhead of such Loan Party and substantially in the form of Exhibit E annexed hereto; and (iv) demand, collect or enforce payment of any Accounts and Chattel Paper (but without any duty to do so). If an Event of Default has occurred and is continuing, (x) each Loan Party hereby authorizes Account Debtors to make payments directly to Lender and to rely on notice from Lender without further inquiry and (y) Lender may on behalf of each Loan Party endorse all items of payment received by Lender that are payable to such Loan Party for the purposes described above.

#### **4.4 Power of Attorney**

Each Loan Party hereby grants to Lender an irrevocable power of attorney, coupled with an interest, authorizing and permitting Lender (acting through any of its officers, employees, attorneys or agents), at Lender's option (and solely with respect to any actions taken by Lender under Section 4.4(a) below, in the exercise of its Permitted Discretion), but without obligation, with or without notice to such Loan Party, and at such Loan Party's expense, to do any or all of the following, in such Loan Party's name or otherwise:

- (a) (i) execute on behalf of such Loan Party any documents that Lender may deem reasonably necessary in order to perfect, protect and maintain Lender's security interests, and priority thereof, in the Collateral (including such financing statements, financing change statements and continuation financing statements, and amendments or other modifications thereto, as Lender shall deem necessary or appropriate); (ii) endorse such Loan Party's name on all checks and other forms of remittances received by Lender; (iii) receive and otherwise take control in any manner of any cash or non-cash items of payment or Proceeds of Collateral; (iv) endorse or assign to Lender on such Loan Party's behalf any portion of Collateral evidenced by an agreement, Instrument or Document if an endorsement or assignment of any such items is not made by Borrowers pursuant to Section 3.2; and (v) receive, open and process all mail addressed to such Loan Party at any post office box/lockbox maintained by Lender for such Loan Party or at any other business premises of Lender with Collections to be promptly transferred to the Blocked Account and any mail unrelated to Collections to be promptly remitted to such Loan Party along with copies of all other mail addressed to such Loan Party and received by Lender;
- (b) after the occurrence and during the continuance of an Event of Default and subject to the terms and conditions of Article 7 of this Agreement: (i) execute on behalf of such Loan Party any document exercising, transferring or assigning any option to purchase, sell or otherwise dispose of or lease (as lessor or lessee) any real or

personal property which is part of the Collateral or in which Lender has an interest; (ii) execute on behalf of such Loan Party any invoices relating to any Accounts, any draft against any Account Debtor, any proof of claim in bankruptcy or other insolvency, liquidation or wind-up, reorganization or arrangement proceeding, any notice of Lien or claim, and any assignment or satisfaction of mechanic's, materialman's, landlord or other Lien; (iii) except as otherwise provided in Section 4.3 hereof, execute on behalf of such Loan Party any notice to any Account Debtor; (iv) pay, contest or settle any Lien, charge, encumbrance, security interest and adverse claim in or to any of the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; (v) grant extensions of time to pay, compromise claims relating to, and settle Accounts, Chattel Paper and General Intangibles for less than face value and execute all releases and other documents in connection therewith; (vi) settle and adjust, and give releases of, any insurance claim that relates to any of the Collateral and obtain payment therefor; (vii) instruct any third party having custody or control of any Collateral or books or records belonging to, or relating to, such Loan Party to give Lender the same rights of access and other rights with respect thereto as Lender has under this Agreement or any other Loan Document; (viii) change the address for delivery of such Loan Party's mail; (ix) vote any right or interest with respect to any Investment Property; (x) instruct any Account Debtor to make all payments due to such Loan Party directly to Lender; (xi) pay any sums required on account of such Loan Party's taxes or Priority Payables or to secure the release of any Liens therefor; and (xii) pay any amounts necessary to obtain, or maintain in effect, any of the insurance described in Section 5.14; and

Any and all sums paid, and any and all costs, expenses, liabilities, obligations and reasonable and documented attorneys' fees incurred, by Lender with respect to the foregoing shall be added to and become part of the Obligations, shall be payable on demand, and shall bear interest at a rate equal to the highest interest rate applicable to any of the Obligations at such time. Each Loan Party agrees that Lender's rights under the foregoing power of attorney and/or any of Lender's other rights under this Agreement or the other Loan Documents shall not be construed to indicate that Lender is in control of the business, management or properties of such Loan Party.

#### **4.5 Disputes**

Each Loan Party shall promptly notify Lender of all disputes or claims relating to its Accounts and Chattel Paper, the amount of which exceeds, individually or in the aggregate \$50,000. Each Loan Party agrees that it will not, without Lender's prior written consent, compromise or settle any of its Accounts or Chattel Paper for less than the full amount thereof, grant any extension of time for payment of any of its Accounts or Chattel Paper, release (in whole or in part) any Account Debtor or other person liable for the payment of any of its Accounts or Chattel Paper or grant any credits, discounts, allowances, deductions, return authorizations or the like with respect to any of its Accounts or Chattel Paper; except (unless otherwise directed by Lender during the existence of a Default or an Event of Default) such Loan Party may take any of such actions in the ordinary course of its business, provided, that Borrowers promptly report the same to Lender with respect to any Account or Chattel Paper that individually has a value in excess of \$50,000.

#### 4.6 Inventory

- (a) **Returns.** No Loan Party will accept returns of any Inventory from any Account Debtor except in the ordinary course of its business. In the event the value of returned Inventory in any one calendar month exceeds \$100,000 (collectively for all Loan Parties), Borrowers will promptly (and in any event within three (3) Business Days) notify Lender (which notice shall specify the value of all such returned Inventory, the reasons for such returns, and the locations and the condition of such returned Inventory).
- (b) **Sale on Return, etc.** No Loan Party will, without Lender's prior written consent, at any time, sell or receive any Inventory on a sale-or-return, guaranteed sale, consignment, or other contingent basis.
- (c) **Fair Labor Standards Act.** Each Loan Party represents and warrants, and covenants that at all times, that all of the Inventory of each Loan Party has been, at all times will be, produced only in accordance with the Fair Labor Standards Act of 1938 and all rules, regulations and orders promulgated thereunder.

#### 4.7 Access to Collateral, Books and Records

At reasonable times and, so long as no Event of Default has occurred and is continuing, with reasonable prior written notice, Lender and/or its representatives or agents shall have the right to inspect the Collateral, and the right to examine and copy each Loan Party's books and records. Each Loan Party agrees to give Lender access to any or all of such Loan Party's, and each of its Subsidiaries', premises to enable Lender to conduct such inspections and examinations. Such inspections and examinations shall be at Borrowers' expense and the charge therefor shall be \$1,500 per person per day (or such higher amount as shall represent Lender's then current standard charge), plus out-of-pocket expenses; provided, that Borrowers shall only be required to reimburse Lender for up to three (3) such inspections and examinations in any Fiscal Year plus any additional inspections and examinations that are conducted during the existence of an Event of Default. Upon the occurrence and during the continuance of an Event of Default, Lender may, at Borrowers' expense, use each Loan Party's personnel, computer and other equipment, programs, printed output and computer readable media, supplies and premises for the collection, sale or other disposition of Collateral to the extent Lender, in its sole discretion, deems appropriate. Each Loan Party hereby irrevocably authorizes all accountants and other financial professional third parties to disclose and deliver to Lender, at Borrowers' expense, all financial information, books and records, work papers, management reports and other information in their possession regarding the Loan Parties.

#### 4.8 Appraisals

Each Loan Party will permit Lender and each of its representatives or agents to conduct appraisals and valuations of the Collateral at such times and intervals as Lender may designate. Such appraisals and valuations shall be at Borrowers' expense; provided, that the Borrowers shall only be required to reimburse Lender for: (i) up to two (2) full Inventory appraisals and valuations in any Fiscal Year and (ii) Equipment appraisals at Lenders' sole discretion from time to time , and

(iii) any additional appraisals and valuations that are conducted during the existence of an Event of Default.

## **ARTICLE 5 REPRESENTATIONS, WARRANTIES AND COVENANTS**

To induce Lender to enter into this Agreement, each Loan Party represents, warrants and covenants as follows (it being understood and agreed that (a) each such representation and warranty (i) will be made as of the date hereof and be deemed remade as of each date on which any Loan is made or Letter of Credit is issued (except to the extent any such representation or warranty expressly relates only to any earlier and/or specified date, in which case such representation or warranty will be made as of such earlier and/or specified date), and (ii) shall not be affected by any knowledge of, or any investigation by, Lender, and (b) each such covenant shall continuously apply with respect to all times commencing on the date hereof and continuing until the Termination Date):

### **5.1 Existence and Authority**

Each Loan Party is duly organized, incorporated, validly existing and in good standing under the laws of its jurisdiction of organization (which jurisdiction as of the Closing Date is identified in Section 3 of the Information Certificate(s)) and is qualified to do business in each jurisdiction in which the operation of its business requires that it be qualified (which each such jurisdiction as of the Closing Date is identified in Section 15 of the Information Certificate(s)), except where the failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect. Each Loan Party will, and will cause each of its Subsidiaries to, at all times preserve and keep in full force and effect such Person's valid existence and good standing in its jurisdiction of organization and, except as could not reasonably be expected to result in a Material Adverse Effect, good standing with respect to all other jurisdictions in which it is qualified to do business and any rights, franchises, permits, licenses, accreditations, authorizations, or other approvals material to their businesses. Each Loan Party has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby. The execution, delivery and performance by each Loan Party of this Agreement and all of the other Loan Documents to which such Loan Party is a party have been duly and validly authorized, do not violate such Loan Party's Organizational Documents, or any law or any agreement or instrument or any court order which is binding upon any Loan Party or its property, do not constitute grounds for acceleration of any Indebtedness or obligation under any agreement or instrument which is binding upon any Loan Party or its property, and do not require the consent of any Person, other than any such consents obtained on or prior to the date hereof. No Loan Party is required to obtain any government approval, consent, or authorization from, or to file any declaration or statement with, any Governmental Authority in connection with or as a condition to the execution, delivery or performance of any of the Loan Documents. This Agreement and each of the other Loan Documents have been duly executed and delivered by, and are enforceable against each of the Loan Parties who have signed them, in accordance with their respective terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Section 18 of the Information Certificate(s) sets

forth the ownership of each Borrower as of the Closing Date. Section 20 of the Information Certificate(s) sets forth the ownership of each of Borrowers' Subsidiaries as of the Closing Date.

## **5.2 Names; Trade Names and Styles**

The name of each Loan Party set forth in Section 1 of each Information Certificate(s) is its correct and complete legal name as of the date hereof, and no Loan Party has used any other name at any time in the past five years, or at any time will use any other name, in any tax filing made in any jurisdiction. Listed in Section 8 of the Information Certificate(s) are all prior names used by each Loan Party at any time in the past five years prior to the date hereof. Listed in Section 7 of the Information Certificate(s) are all of the present and prior trade names used by any Loan Party at any time in the past five years prior to the date hereof. Borrowers shall give Lender at least thirty (30) days' prior written notice (and will deliver an updated Section 7 or Section 8 of the Information Certificate(s), as applicable, to reflect the same) before it or any other Loan Party changes its legal name or does business under any other name.

## **5.3 Title to Collateral; Third Party Locations; Permitted Liens**

Each Loan Party has, and at all times will continue to have, good and marketable title to all of the Collateral. The Collateral now is, and at all times will remain, free and clear of any and all Liens, except for Permitted Liens. Lender now has, and will at all times continue to have, a first-priority (or second priority, as applicable, pursuant to the terms of the Intercreditor Agreement) perfected and enforceable security interest in all of the Collateral, subject to the Permitted Liens, and each Loan Party will at all times defend Lender and the Collateral against all claims of others. None of the Collateral which is Equipment is, or will at any time, be affixed to any real property that is not subject to a mortgage in favor of Lender in such a manner, or with such intent, as to become a fixture. The Loan Parties shall deliver to Lender a landlord's waiver in form and substance satisfactory to Lender for any leased or subleased locations where any of the Loan Parties: (i) maintain books and records and/or where Eligible Inventory valued in an amount in excess of \$100,000 are located. Prior to causing or permitting any books and records and/or Eligible Inventory to at any time be located upon premises other than the locations listed in Sections 27-32 of the Information Certificate(s), in which any third party (including any landlord, warehouseman, or otherwise) has an interest, Borrowers shall give Lender no less than 30 days prior written notice thereof and the applicable Loan Party shall use commercially reasonable efforts to cause each such third party to execute and deliver to Lender, in form and substance acceptable to Lender, such waivers, collateral access agreements, and subordinations as Lender shall specify, for any leased or subleased locations where any of the Loan Parties maintain books and records and/or where any Eligible Inventory valued in an amount in excess of \$100,000 of any of the Loan Parties are located. Each applicable Loan Party will keep at all times in full force and effect, and will comply in all material respects at all times with all the terms of, any lease of real property where any of the Eligible Inventory now or in the future may be located.

## **5.4 Accounts, Chattel Paper and Inventory**

- (a) As of each date reported by Borrowers, all Accounts which Borrowers have then reported to Lender as then being Eligible Accounts comply in all respects with the criteria for eligibility set forth in the definition of Eligible Accounts. All such

Accounts and Chattel Paper are genuine and in all respects what they purport to be, arise out of a completed, bona fide and unconditional and non-contingent sale and delivery of goods or rendition of services by Borrowers in the ordinary course of its business and in accordance with the terms and conditions of all purchase orders, contracts or other documents relating thereto, each Account Debtor thereunder had the capacity to contract at the time any contract or other document giving rise to such Accounts and Chattel Paper were executed, and the transactions giving rise to such Accounts and Chattel Paper comply with all applicable laws and governmental rules and regulations in all material respects.

- (b) As of each date reported by Borrowers, all Inventory which Borrowers have then reported to Lender as then being Eligible Inventory complies in all respects with the criteria for eligibility set forth in the definition of Eligible Inventory.

### **5.5 Electronic Chattel Paper**

To the extent that any Loan Party obtains or maintains any Electronic Chattel Paper with an individual or aggregate value in excess of \$50,000, such Loan Party shall at all times create, store and assign the record or records comprising the Electronic Chattel Paper in such a manner that (a) a single authoritative copy of the record or records exists which is unique, identifiable and except as otherwise provided below, unalterable, (b) the authoritative copy identifies Lender as the assignee of the record or records, (c) the authoritative copy is communicated to and maintained by Lender or its designated custodian, (d) copies or revisions that add or change an identified assignee of the authoritative copy can only be made with the participation of Lender, (e) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy and (f) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

### **5.6 Capitalization; Investment Property**

- (a) No Loan Party, directly or indirectly, owns, or shall at any time own, any Equity Interests of any other Person except as set forth in Sections 20 and 41 of the Information Certificate(s), which such Sections of the Information Certificate(s) list all Investment Property owned by each Loan Party, except in each case for Permitted Investments.
- (b) The Pledged Equity pledged by each Loan Party hereunder constitutes all of the issued and outstanding Equity Interests of each Issuer owned by such Loan Party.
- (c) All of the Pledged Equity has been duly and validly issued and is fully paid and non-assessable, and the holders thereof are not entitled to any pre-emptive, first refusal, or other similar rights. There are no outstanding options, warrants or similar agreements, documents, or instruments with respect to any of the Pledged Equity.
- (d) Each Loan Party has caused each Issuer to amend or to otherwise modify its Organizational Documents, books, records, and related agreements, documents, and instruments, as applicable, to reflect the rights and interests of Lender hereunder, and to the extent required to enable and empower Lender to exercise



and enforce its rights and remedies hereunder in respect of the Pledged Equity and other Investment Property.

- (e) **[Reserved]**.
- (f) Each Loan Party will take any and all actions required or requested by Lender, from time to time, to (i) cause Lender to obtain exclusive control of any Investment Property in a manner reasonably acceptable to Lender and (ii) obtain from any Issuers and such other Persons as Lender shall specify, for the benefit of Lender, written confirmation of Lender's exclusive control over such Investment Property and take such other actions as Lender may request to perfect Lender's security interest in any Investment Property. For purposes of this Section 5.6, Lender shall have exclusive control of Investment Property if (A) pursuant to Section 3.2, such Investment Property consists of certificated securities and the applicable Loan Party delivers such certificated securities to Lender (with all appropriate endorsements); (B) such Investment Property consists of uncertificated securities and either (x) the applicable Loan Party delivers such uncertificated securities to Lender or (y) the Issuer thereof agrees, pursuant to documentation in form and substance satisfactory to Lender, that it will comply with instructions originated by Lender without further consent by the applicable Loan Party, and (C) such Investment Property consists of security entitlements and either (x) Lender becomes the entitlement holder thereof or (y) the appropriate securities intermediary agrees, pursuant to documentation in form and substance satisfactory to Lender, that it will comply with entitlement orders originated by Lender without further consent by the applicable Loan Party. Each Loan Party that is a limited liability company or a partnership hereby represents and warrants that it has not, and at no time will, elect pursuant to the provisions of Section 8-103 of the UCC to provide that its Equity Interests are securities governed by Article 8 of the UCC.
- (g) No Loan Party owns, or has any present intention of acquiring, any "margin security" or any "margin stock" within the meaning of Regulations T, U or X of the Board of Governors of the Federal Reserve System (herein called "margin security" and "margin stock"). None of the proceeds of the Loans will be used, directly or indirectly, for the purpose of purchasing or carrying, or for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry, any margin security or margin stock or for any other purpose which might constitute the transactions contemplated hereby a "purpose credit" within the meaning of said Regulations T, U or X, or cause this Agreement to violate any other regulation of the Board of Governors of the Federal Reserve System or the Exchange Act or any similar federal or provincial statute of Canada, or any rules or regulations promulgated under such statutes.
- (h) No Loan Party shall vote to enable, or take any other action to cause or to permit, any Issuer to issue any Equity Interests of any nature, or to issue any other securities or interests convertible into or granting the right to purchase or exchange for any Equity Interests of any nature of any Issuer.

- (i) No Loan Party shall take, or fail to take, any action that would in any manner impair the value or the enforceability of Lender's Lien on any of the Investment Property, or any of Lender's rights or remedies under this Agreement or any other Loan Document with respect to any of the Investment Property.
- (j) In the case of any Loan Party which is an Issuer, such Issuer agrees that the terms of Section 7.3(g)(iii) of this Agreement shall apply to such Loan Party with respect to all actions that may be required of it pursuant to such Section 7.3(g)(iii) regarding the Investment Property issued by it.

## **5.7 Commercial Tort Claims**

No Loan Party has any Commercial Tort Claims with a claimed value in excess of \$50,000 pending other than those listed in Section 40 of the Information Certificate(s), and each Loan Party shall promptly (but in any case no later than five (5) Business Days thereafter) notify Lender in writing upon incurring or otherwise obtaining a Commercial Tort Claim after the date hereof against any third party. Such notice shall constitute such Loan Party's authorization to amend such Section 40 to add such Commercial Tort Claim and shall automatically be deemed to amend such Section 40 to include such Commercial Tort Claim.

## **5.8 Jurisdiction of Organization; Location of Collateral**

Sections 14 and 27-32 of the Information Certificate(s) set forth (a) each place of business of each Loan Party (including its chief executive office, registered office and domicile (as determined under the Civil Code of Quebec)), (b) all locations where all Inventory, Equipment, and other Collateral owned by each Loan Party is kept, and (c) whether each such Collateral location and/or place of business (including each Loan Party's chief executive office, registered office and domicile (as determined under the Civil Code of Quebec)) is owned by a Loan Party or leased (and if leased, specifies the complete name and notice address of each lessor). No Collateral is located outside the United States, Canada, or in the possession of any lessor, bailee, warehouseman or consignee, in each case, except as expressly indicated in Sections 27-32 of the Information Certificate(s). Each Loan Party will give Lender at least thirty (30) days' prior written notice before changing its jurisdiction of organization, opening any additional place of business, changing its chief executive office, registered office, or domicile (as determined under the Civil Code of Quebec) or the location of its books and records, or moving any of the Collateral to a location other than one of the locations set forth in Section 14 and 27-32 of the Information Certificate(s) and will execute and deliver all financing statements, financing change statements, landlord waivers, collateral access agreements, deeds of hypothec, mortgages, and all other agreements, instruments and documents which Lender shall require in connection therewith prior to making such change.

## **5.9 Financial Statements and Reports; Solvency**

- (a) All financial statements delivered to Lender by or on behalf of any Loan Party have been, and at all times will be, prepared in conformity with IFRS, in all material respects, and completely and fairly reflect the financial condition of each Loan Party and its Subsidiaries covered thereby, at the times and for the periods therein stated.

- (b) As of the date hereof (after giving effect to the Loans and Letters of Credit to be made or issued on the date hereof, and the consummation of the transactions contemplated hereby, and as of each other day that any Loan or Letter of Credit is made or issued (after giving effect thereof), (i) the fair saleable value of all of the assets and properties of each Loan Party, individually, exceeds the aggregate liabilities and Indebtedness of each such Loan Party (including contingent liabilities), (ii) each Loan Party, individually, is solvent and able to pay its debts as they come due, (iii) each Loan Party, individually, has sufficient capital to carry on its business as now conducted and as proposed to be conducted, (iv) no Loan Party is contemplating either the liquidation of all or any substantial portion of its assets or property, or the filing of any petition under any state, provincial, territorial, federal, or other bankruptcy or insolvency law or the equivalent in any relevant jurisdiction, and (v) no Loan Party has knowledge of any Person contemplating the filing of any such petition against any Loan Party.

#### **5.10 Tax Returns and Payments; Pension Contributions**

- (a) Each Loan Party has timely filed all federal and provincial tax returns, state, provincial and local income, sales and use and payroll tax returns and other material tax returns and reports required by applicable law, has timely paid all Priority Payables when due and all applicable Taxes, assessments, deposits and contributions owing by such Loan Party and will timely pay all such items in the future as they become due and payable. Each Loan Party may, however, defer payment of any contested Taxes; provided, that such Loan Party (a) in good faith contests its obligation to pay such Taxes by appropriate proceedings promptly and diligently instituted and conducted; (b) notifies Lender in writing of the commencement of, and any material development in, the proceedings; (c) posts bonds or takes any other commercially reasonable steps required to keep the contested taxes from becoming a Lien upon any of the Collateral and (d) maintains adequate reserves therefor in conformity with IFRS. No Loan Party is aware of any claims or adjustments proposed for any prior tax years that could result in additional taxes becoming due and payable by any Loan Party. Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code, the Income Tax Act (Canada) and other applicable laws. Each Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter or opinion letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the Internal Revenue Service. To the best knowledge of each Loan Party, nothing has occurred that would prevent or cause the loss of such tax-qualified status. There are no pending or, to the best knowledge of any Loan Party or any ERISA Affiliate, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to result in liabilities individually or in the aggregate in excess of \$50,000 on any Loan Party. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has

resulted or could reasonably be expected to result in liabilities individually or in the aggregate on any Loan Party in excess of \$50,000. No ERISA Event has occurred, and no Loan Party or any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan, in each case that could reasonably be expected to result in liabilities individually or in the aggregate in excess of \$50,000. Each Loan Party and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained, in each case except as could not reasonably be expected to result in liabilities individually or in the aggregate to any Loan Party or any ERISA Affiliate in excess of \$50,000. As of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or higher and no Loan Party or any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; no Loan Party or any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid, except as could not reasonably be expected to result in liabilities individually or in the aggregate to any Loan Party or ERISA Affiliate in excess of \$200,000. No Loan Party nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA except as could not reasonably be expected to result in liabilities individually or in the aggregate to the Loan Parties in excess of \$50,000. No Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan except as could not reasonably be expected to result in liabilities individually or in the aggregate to the Loan Parties in excess of \$50,000.

- (b) No Loan Party, nor any Subsidiary thereof, maintains, sponsors, administers, contributes to, participates in or has any liability in respect of any Canadian Defined Benefit Plan. No Loan Party, nor any Subsidiary thereof has any Canadian Pension Plan other than those listed in Section 54 of the Information Certificate. Except as could not reasonably be expected to result in liabilities individually or in the aggregate to any Loan Party in excess of \$50,000: (i) the Canadian Pension Plans are duly registered under the ITA and all other laws which require registration and no event has occurred which is reasonably likely to cause the loss of such registered status, (ii) the Canadian Pension Plans have been administered and invested in compliance with their terms and requirements of law and there have been no improper withdrawals or application of the assets of the Canadian Pension Plans, (iii) there are no outstanding disputes concerning the assets of the Canadian Pension Plans or Canadian Benefit Plans, (iv) no promises of benefit improvements under the Canadian Pension Plans have been made and there are no taxes, penalties or interest owing in respect of any Canadian Pension Plan, (v) there has been no partial termination of any Canadian Pension Plan and no facts or circumstances have

occurred or existed that could result, or be reasonably expected to result, in the declaration of a partial termination of any Canadian Pension Plan, (vi) all payments and contributions required to be made by any Loan Party, or any of its Subsidiaries, to or in respect of any Canadian Pension Plan have been made on a timely basis in accordance with the current terms of such plans and all requirements of law, (vii) no Loan Party or Subsidiary has a material liability with respect to any post-retirement benefit under a Canadian Benefit Plan they maintain; and (viii) as of the date hereof, no Canadian Pension Event has occurred.

### **5.11 Compliance with Laws; Intellectual Property; Licenses**

- (a) Each Loan Party has complied, and will continue at all times to comply, in all material respects with all provisions of all applicable laws and regulations, including those relating to the ownership, use or operations of real or personal property, the conduct and licensing of each Loan Party's business, the payment and withholding of Taxes, ERISA, the equivalent laws in any relevant jurisdiction applicable to a Loan Party, Canadian Pension Plans and other employee matters, and safety and environmental matters applicable to any Loan Party.
- (b) No Loan Party has received written notice of default or violation, nor is any Loan Party in default or violation, with respect to any judgment, order, writ, injunction, decree, demand or assessment issued by any court or any federal, provincial, territorial, state, local, municipal or other Governmental Authority relating to any aspect of any Loan Party's business, affairs, properties or assets. No Loan Party has received written notice of or been charged with, or is, to the knowledge of any Loan Party, under investigation with respect to, any violation in any material respect of any provision of any applicable law. No Loan Party or any real property owned, leased or used in the operation of the business of any Loan Party is subject to any federal, provincial, territorial, state or local investigation to determine whether any remedial action is needed to address any hazardous materials or an environmental release (as that term is defined under environmental and health and safety laws) at, on, or under any real property currently leased, owned or used by a Loan Party nor is a Loan Party liable for any environmental release identified or under investigation at, on or under any real property previously owned, leased or used by a Loan Party. No Loan Party has any contingent liability with respect to any environmental release, environmental pollution or hazardous material on any real property now or previously owned, leased or operated by it.
- (c) No Loan Party owns any Intellectual Property, except as set forth in Sections 34-36 of the Information Certificate(s). Except as set forth in Section 37 of the Information Certificate(s), none of the Intellectual Property owned by any Loan Party is the subject of any licensing or franchise agreement pursuant to which such Loan Party is the licensor or franchisor. Each Loan Party shall promptly (but in any event within thirty (30) days thereafter) notify Lender in writing of any additional Intellectual Property acquired or arising after the Closing Date and shall submit to Lender a supplement to Sections 34-36 of the Information Certificate(s) to reflect such additional rights (provided, that such Loan Party's failure to do so shall not

impair Lender's security interest therein). Each Loan Party shall execute a security agreement granting Lender a security interest in such Intellectual Property (whether owned on the Closing Date or thereafter), in form and substance acceptable to Lender and suitable for registering such security interest in such Intellectual Property with the United States Patent and Trademark Office, United States Copyright Office and/ /or the Canadian Intellectual Property Office, as applicable (provided, that such Loan Party's failure to do so shall not impair Lender's security interest therein). Each Loan Party owns or has, and will at all times continue to own or have, the valid right to use all material patents, industrial designs, trademarks, copyrights, software, computer programs, equipment designs, network designs, equipment configurations, technology and other Intellectual Property used, marketed and sold in such Loan Party's business, and each Loan Party is in compliance, and will continue at all times to comply, in all material respects with all licenses, user agreements and other such agreements regarding the use of Intellectual Property. No Loan Party has any knowledge that, or has received any notice claiming that, any of such Intellectual Property infringes upon or violates the rights of any other Person.

- (d) Each Loan Party has and will continue at all times to have, all federal, provincial, territorial, state, governmental, local and other licenses and permits required to be maintained in connection with such Loan Party's business operations, and its ownership, use and operation of any real property, and all such licenses and permits, necessary for the operation of the business are valid and will remain and in full force and effect. Each Loan Party has, and will continue at all times to have, complied with the requirements of such licenses and permits in all material respects, and has received no written notice of any pending or threatened proceedings for the suspension, termination, revocation or limitation thereof. No Loan Party is aware of any facts or conditions that could reasonably be expected to cause or permit any of such licenses or permits to be voided, revoked or withdrawn.
- (e) In addition to and without limiting the generality of clause (a) above, each Loan Party shall (i) comply in all material respects with applicable provisions of ERISA and the IRC with respect to all Plans, (ii) without the prior written consent of Lender, not take any action or fail to take action the result of which could result in a Loan Party or ERISA Affiliate incurring a material liability to the PBGC or to a Multiemployer Plan (other than to pay contributions or premiums payable in the ordinary course), (iii) not allow any facts or circumstances to exist with respect to one or more Plans that, in the aggregate, reasonably could be expected to result in a Material Adverse Effect, (iv) not participate in any prohibited transaction that could result in other than a de minimis civil penalty excise tax, fiduciary liability or correction obligation under ERISA or the IRC, (v) operate each Plan in such a manner that will not incur any material tax liability under the IRC (including Section 4980B of the IRC), and (vi) furnish to Lender upon Lender's written request such additional information about any Plan for which any Loan Party or ERISA Affiliate could reasonably expect to incur any material liability. With respect to each Pension Plan (other than a Multiemployer Plan) except as could not reasonably be expected to result in liability to the Loan Parties, the Loan Parties

and the ERISA Affiliates shall (y) satisfy in full and in a timely manner, without incurring any late payment or underpayment charge or penalty and without giving rise to any Lien, all of the contribution and funding requirements of the IRC and of ERISA, and (z) pay, or cause to be paid, to the PBGC in a timely manner, without incurring any late payment or underpayment charge or penalty, all premiums required pursuant to ERISA.

- (f) Each Loan Party will comply with and perform in all material respects all of its obligations under and in respect of each Canadian Pension Plan, including under any funding agreements and all applicable laws (including any fiduciary, funding, investment and administration obligations) and pay or remit in a timely fashion in accordance with the terms of any funding agreements and all applicable laws all employee or employee contributions or premiums required to be remitted, paid to or in respect of each Canadian Pension Plan. Each of the Loan Parties will not, nor will it permit any of its Subsidiaries to, contribute to or assume or cause an obligation to contribute to or have any liability under any Canadian Defined Benefit Plan or acquire an interest in any Person that sponsors, maintains or contributes to or at any time in the five-year period preceding such acquisition has sponsored, maintained or contributed to a Canadian Defined Benefit Plan, without the prior written consent of the Lender.

## **5.12 Litigation**

Section 50 of the Information Certificate(s) discloses all claims, proceedings, litigation or investigations pending or (to the best of each Loan Party's knowledge) threatened against any Loan Party as of the Closing Date. There is no claim, suit, litigation, proceeding or investigation pending or (to the best of each Loan Party's knowledge) threatened by or against or affecting any Loan Party in any court or before any Governmental Authority (or any basis therefor known to any Loan Party) which would reasonably be expected to result, either separately or in the aggregate, in liability in excess of \$50,000 for the Loan Parties, in any Material Adverse Effect, or in any material impairment in the ability of any Loan Party to carry on its business in substantially the same manner as it is now being conducted.

## **5.13 Use of Proceeds**

All proceeds of all Loans and Letters of Credit shall be used by Borrowers solely (a) with respect to Loans made on the Closing Date, to repay in full the JPM Indebtedness (b) to pay the fees, costs, and expenses incurred in connection with this Agreement, the other Loan Documents, and the transactions contemplated hereby and thereby, (c) for Borrowers' working capital purposes and (d) for such other purposes as specifically permitted pursuant to the terms of this Agreement. All proceeds of all Loans and Letters of Credit will be used solely for lawful business purposes.

## **5.14 Insurance**

- (a) Each Loan Party will at all times carry property, liability and other insurance, including Credit Insurance, with insurers acceptable to Lender, in such form and amounts, and with such deductibles and other provisions, as are customary for

similarly situated companies and reasonably acceptable to Lender, and upon Lender's request Borrowers will provide Lender with evidence satisfactory to Lender that such insurance is, at all times, in full force and effect. A true and complete listing of such insurance as of the Closing Date, including issuers, coverages and deductibles, is set forth in Section 49 of the Information Certificate(s). Each property insurance policy shall name Lender as lender loss payee and shall contain a lender's loss payable endorsement in form acceptable to Lender, each liability insurance policy shall name Lender as an additional insured, and each business interruption insurance policy shall be collaterally assigned to Lender, all in form and substance reasonably satisfactory to Lender. All policies of insurance shall provide that they may not be cancelled or changed without at least thirty (30) days' prior written notice to Lender (or ten (10) days in the case of cancellation for non-payment of premium), and shall otherwise be in form and substance reasonably satisfactory to Lender. Borrowers shall advise Lender promptly of any policy cancellation, non-renewal, reduction, or material amendment with respect to any insurance policies maintained by any Loan Party or any receipt by any Loan Party of any notice from any insurance carrier regarding any intended or threatened cancellation, non-renewal, reduction or material amendment of any of such policies, and Borrowers shall promptly deliver to Lender copies of all notices and related documentation received by any Loan Party in connection with the same.

- (b) Borrowers shall deliver to Lender no later than fifteen (15) days prior to the expiration of any then current insurance policies, insurance certificates evidencing renewal of all such insurance policies required by this Section 5.14. Borrowers shall deliver to Lender, upon Lender's request, certificates evidencing such insurance coverage in such form as Lender shall reasonably request. If any Loan Party fails to provide Lender with a certificate of insurance or other evidence of the continuing insurance coverage required by this Agreement within the time period set forth in the first sentence of this Section 5.14(b), Lender may purchase insurance required by this Agreement at Borrowers' expense. This insurance may, but need not, protect any Loan Party's interests.

### **5.15 Financial, Collateral and Other Reporting / Notices**

Each Loan Party has kept and will at all times keep adequate records and books of account with respect to its business activities and the Collateral in which proper entries are made in accordance with IFRS reflecting all its financial transactions. Each Loan Party will cause to be prepared and furnished to Lender, in each case in a form and in such detail as is acceptable to Lender the following items (the items to be provided under this Section 5.15 shall be delivered to Lender by posting on ABLServe (or, if requested by Lender, by another form of Approved Electronic Communication or in writing)).

- (a) **Annual Financial Statements.** Not later than one hundred twenty (120) days after the close of each Fiscal Year, unqualified, audited financial statements of the Parent and unaudited financial statements of each Loan Party as of the end of such Fiscal Year, including balance sheet, income statement, and statement of cash flow for



such Fiscal Year, in each case on a consolidated and consolidating basis, audited and certified (without qualification) by a firm of independent certified public accountants of recognized standing selected by Borrowers but acceptable to Lender, together with a copy of any management letter issued in connection therewith. Concurrently with the delivery of such financial statements, Borrowing Agent shall deliver to Lender a Compliance Certificate, indicating whether (i) Borrowers are in compliance with each of the covenants specified in Section 5.26, and setting forth a detailed calculation of such covenants, and (ii) any Default or Event of Default is then in existence;

- (b) **Interim Financial Statements.** Not later than thirty (30) days after the end of each month hereafter, including the last month of each Fiscal Year, (i) the Monthly Financial Model and (ii) unaudited interim financial statements of each Loan Party as of the end of such month and of the portion of such Fiscal Year then elapsed, including balance sheet, income statement, statement of cash flow, and results of their respective operations during such month and the then-elapsed portion of the Fiscal Year, together with comparative figures for the same periods in the immediately preceding Fiscal Year and the corresponding figures from the budget for the Fiscal Year covered by such financial statements, in each case on a consolidated and consolidating basis, certified by an Authorized Officer of Borrowing Agent as prepared in accordance with IFRS and fairly presenting the consolidated financial position and results of operations (including management discussion and analysis of such results) of each Loan Party for such month and period subject only to changes from ordinary course year-end audit adjustments and except that such statements need not contain footnotes. Concurrently with the delivery of such financial statements, Borrowing Agent shall deliver to Lender a Compliance Certificate, indicating whether (i) Borrowers are in compliance with each of the covenants specified in Section 5.26, and setting forth a detailed calculation of such covenants, and (ii) any Default or Event of Default is then in existence;
- (c) **Borrowing Base / Collateral Reports / Insurance Certificates / Information Certificate(s) / Other Items.** The items described on Schedule D hereto by the respective dates set forth therein.
- (d) **Projections, Etc.** Not later than fifteen (15) days prior to the end of each Fiscal Year, monthly business projections for the following Fiscal Year for the Loan Parties on a consolidated and consolidating basis, which projections shall include for each such period Borrowing Base projections, profit and loss projections, balance sheet projections, income statement projections and cash flow projections, together with appropriate supporting details and a statement of underlying assumptions used in preparing such projections;
- (e) **[Reserved].**
- (f) **ERISA Reports, Canadian Pension Events.** Copies of any annual report to be filed pursuant to the requirements of ERISA in connection with each plan subject

thereto promptly upon written request by Lender and in addition, each Loan Party shall promptly notify Lender upon having knowledge of any ERISA Event or any Canadian Pension Event; and

- (g) **Tax Returns.** Upon request from Lender, each federal, provincial, territorial and state income tax return filed by any Loan Party promptly, together with such supporting documentation as is supplied to the applicable tax authority with such return and proof of payment of any amounts owing with respect to such return and Priority Payables.
- (h) **Notification of Certain Changes.** Borrowers will promptly (and in no case later than the earlier of (i) three (3) Business Days after the occurrence of any of the following and (ii) such other date that such information is required to be delivered pursuant to this Agreement or any other Loan Document) notify Lender in writing of: (i) the occurrence of any Default or Event of Default, (ii) the occurrence of any event that has had, or could reasonably be expected to have, a Material Adverse Effect, (iii) any change in any Loan Party's Senior Officers or directors, (iv) any investigation, action, suit, proceeding or claim (or any development with respect to any existing investigation, action, suit, proceeding or claim) relating to any Loan Party, any officer or director of a Loan Party, the Collateral or which could reasonably be expected to have a Material Adverse Effect, (v) any violation or asserted violation of any applicable law (including OSHA or any environmental laws), if an adverse resolution could reasonably be expected to have a Material Adverse Effect or otherwise result in material liability to any Loan Party, (vi) any other event or the existence of any circumstance that has resulted in, or could reasonably be expected to result in a Material Adverse Effect, (vii) any actual or alleged breaches of any Material Contract or termination or threat to terminate any Material Contract or any material amendment to or modification of a Material Contract, or the execution of any new Material Contract by any Loan Party, and (viii) any change in any Loan Party's certified accountant. In the event of each such notice under this Section 5.15(h), Borrowers shall give notice to Lender of the action or actions that each Loan Party has taken, is taking, or proposes to take with respect to the event or events giving rise to such notice obligation.
- (i) **Canadian Pension Plan.** Promptly after any Borrower or any Subsidiary or any Affiliate knows or has reason to know of the occurrence of (i) any violation or asserted violation of any applicable law (including any applicable provincial pension benefits legislation) in any material respect with respect to any Canadian Pension Plan or; (ii) any Canadian Pension Event, the applicable Borrower will deliver to the Lender a certificate of a Senior Officer of the applicable Borrower setting forth details as to such occurrence and the action, if any, that such Borrower, such Subsidiary or Affiliate is required or proposes to take, together with any notices (required, proposed or otherwise) given to or filed with or by such Borrower, such Subsidiary, such Affiliate, a Canadian Pension Plan participant (other than notices relating to an individual participant's benefits) or the Canadian Pension Plan administrator with respect thereto.

- (j) **Other Information.** Promptly upon request, such other data and information (financial and otherwise) as Lender, from time to time, may reasonably request, bearing upon or related to the Collateral or each Loan Party's business or financial condition or results of operations.

### **5.16 Litigation Cooperation**

Should any third-party suit, regulatory action, or any other judicial, administrative, or similar proceeding be instituted by or against Lender with respect to any Collateral or in any manner relating to any Loan Party, this Agreement, any other Loan Document or the transactions contemplated hereby, each Loan Party shall, without expense to Lender, make available each Loan Party, such Loan Party's officers, employees and agents, and any Loan Party's books and records, without charge, to the extent that Lender may deem them reasonably necessary in order to prosecute or defend any such suit or proceeding.

### **5.17 Maintenance of Collateral, Etc.**

Each Loan Party will maintain all of the Collateral in good working condition, ordinary wear and tear excepted, and no Loan Party will use the Collateral for any unlawful purpose.

### **5.18 Material Contracts**

Except as expressly disclosed in Section 53 of the Information Certificate(s), no Loan Party is (a) a party to any contract or agreement, the breach, non-performance or cancellation of which could reasonably be expected to have a Material Adverse Effect or (b) in default in the performance, observance or fulfillment of any of the material obligations, covenants or conditions contained in any contract to which it is a party or by which any of its assets or properties is bound, which default, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or result in liabilities in excess of \$500,000 (a "Material Contract").

### **5.19 No Default**

No Default or Event of Default has occurred and is continuing.

### **5.20 No Material Adverse Change**

Since March 31, 2023, there has been no material adverse change in the financial condition, business, prospects, operations, or properties of any Loan Party.

### **5.21 Full Disclosure**

No written report, notice, certificate, information or other statement delivered or made (including, in electronic form) by or on behalf of any Loan Party or any of their respective Affiliates to Lender in connection with this Agreement or any other Loan Document contains or will at any time contain any untrue statement of a material fact, or omits or will at any time omit to state any material fact necessary to make any statements contained herein or therein not misleading. Except for matters of a general economic or political nature which do not affect any Loan Party uniquely, there is no

fact presently known to any Loan Party which has not been disclosed to Lender, which has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

## **5.22 Sensitive Payments**

No Loan Party (a) has made or will at any time make any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the applicable laws of the United States, Canada or the jurisdiction in which made or any other applicable jurisdiction, (b) has established or maintained or will at any time establish or maintain any unrecorded fund or asset for any purpose or made any false or artificial entries on its books, (c) has made or will at any time make any payments to any Person with the intention that any part of such payment was to be used for any purpose other than that described in the documents supporting the payment, or (d) has engaged in or will at any time engage in any “trading with the enemy” or other transactions violating any rules or regulations of the Office of Foreign Assets Control or any similar applicable laws, rules or regulations, including any Canadian anti-terrorism, bribery or corruption laws. No Loan Party organized under the laws of Canada or any province or other political subdivision thereof is a charity registered with the Canada Revenue Agency and no such Loan Party solicits charitable financial donations from the public and none of the Loans under this Agreement and none of the other services and products, if any, to be provided by the Lender under or in connection with this Agreement will be used by, on behalf of or for the benefit, of any Person other than the Borrowers.

## **5.23 Parent**

- (a) Parent does not and shall not at any time (a) engage in any business activities other than serving as a passive, publicly traded holding company for the Borrowers, the Guarantors and Big Sky, (b) have any material assets other than: (i) one hundred percent (100%) of the issued and outstanding Equity Interests of GFI and (ii) at least fifty-point one percent (50.1%) of the issued and outstanding Equity Interests of Big Sky, (c) have any Subsidiaries other than those set forth in Section 20 the Information Certificate(s), or (d) have any material liabilities.
- (b) The Parent is a “reporting issuer” and is not in default in any material respect of any requirement under applicable securities laws and shall maintain its status as a “reporting issuer” and not be in default in any material respect of any requirements under applicable securities laws. The public disclosure documents filed by the Parent pursuant to applicable securities laws or the requirements of the TSX Venture Exchange did not contain any misrepresentations (as defined in applicable Canadian securities legislation) as of the effective date of such documents and any such public disclosure documents filed hereafter shall not contain any misrepresentations as of the effective date of such documents.
- (c) Since March 31, 2023, there has not been any material change in respect of the Parent which has not been publicly disclosed and no event has occurred or circumstances have arisen which have or could have a material adverse effect on

the Parent and its subsidiaries financial position, business, assets or affairs, taken as a whole.

- (d) The consolidated historical financial statements of the Parent filed on SEDAR+ (the “**Historical Financial Statements**”) present fairly, in all material respects, the financial condition, results of operations and cash flows of the Parent and its consolidated subsidiaries as of the dates and for the periods indicated, comply as to form, in all material respects, with applicable accounting requirements and have been prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. There have been no changes in the consolidated assets or liabilities of the Parent from the position thereof as set forth in the latest statement of financial position included in the Historical Financial Statements, except changes arising from transactions in the ordinary course of business which, in the aggregate, have not been material to the Parent and its consolidated subsidiaries.

#### **5.24 FCC Indebtedness, Subordinated Debt**

- (a) Borrowers have furnished Lender a true, correct and complete copy of each of the FCC Debt Documents and the Subordinated Debt Documents. No statement or representation made in any of the FCC Debt Documents or the Subordinated Debt Documents by Borrowers or any other Loan Party or, to Borrowers’ knowledge, any other Person, contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading in any material respect as of the time that such statement or representation is made. Each of the representations and warranties of the Loan Parties set forth in each of the FCC Debt Documents and the Subordinated Debt Documents are true and correct in all material respects. No portion of the FCC Indebtedness or the Subordinated Debt is, or at any time shall be, (a) secured by any assets of any of the Loan Parties or any other Person or any Equity Interests issued by any of the Loan Parties or any other Person (except to the extent expressly permitted by the Intercreditor Agreement or the Subordinated Debt Subordination Agreement), or (b) guaranteed by any Person (except to the extent expressly permitted by the Intercreditor Agreement or the Subordinated Debt Subordination Agreement).
- (b) Each Borrower and each other Loan Party acknowledge that Lender is entering into this Agreement and extending credit and making the Loans in reliance upon the Intercreditor Agreement and this Section 5.24.
- (c) The provisions of the Subordinated Debt Subordination Agreement are enforceable against each holder of the Subordinated Debt. Each Borrower and each other Loan Party acknowledges that Lender is entering into this Agreement and extending credit and making the Loans in reliance upon the Subordinated Debt Subordination Agreement and this Section 5.24. All Obligations constitute senior Indebtedness

entitled to the benefits of the subordination provisions contained in the Subordinated Debt Documents.

## 5.25 Negative Covenants

No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, without Lender's prior written consent:

- (a) merge, amalgamate or consolidate with another Person, except that a Loan Party may merge, amalgamate or consolidate with another Loan Party so long as (i) such Loan Party shall provide Lender with ten (10) days' prior written notice of such merger, amalgamation or consolidation, (ii) in connection with any merger, amalgamation or consolidation to which a Borrower is a party, such Borrower must be the surviving entity of such merger, amalgamation or consolidation, (iii) in connection with any merger, amalgamation or consolidation between a Loan Party and any of its Subsidiaries which is not a Loan Party, such Loan Party must be the surviving entity of such merger, amalgamation or consolidation, and (iv) such Loan Party shall deliver to Lender all of the relevant agreements, documents and instruments evidencing such merger, amalgamation or consolidation;
- (b) acquire any assets except in the ordinary course of business and as otherwise expressly permitted by this Agreement;
- (c) enter into any transaction outside the ordinary course of business that is not expressly permitted by this Agreement;
- (d) sell, transfer, return, or dispose of any Collateral or other assets with an aggregate value in excess of \$50,000 in any calendar month, other than:
  - (i) the sale by Loan Parties of Inventory (including obsolete and slow moving Inventory) in the ordinary course of its business,
  - (ii) any sale, lease, transfer or other disposition by a Loan Party to any other Loan Party in the ordinary course of business and not otherwise prohibited by this Agreement,
  - (iii) any sale, disposition, or transfer of obsolete, worn-out or unneeded Equipment and other non-inventory assets and property, so long as the proceeds of such sale, disposition or transfer are applied to repay the Loans in accordance with Section 1.8(a) of this Agreement,
  - (iv) any sale, lease, transfer or other disposition constituting a Permitted Investment,
  - (v) dispositions and transfers of cash and cash equivalents in the ordinary course of business and not in violation of this Agreement,

- (e) make any loans to, or investments in, any Affiliate or other Person in the form of money or other assets;
- (f) incur any Indebtedness other than the Obligations and Permitted Indebtedness;
- (g) create, incur, assume or suffer to exist any Lien or other encumbrance of any nature whatsoever, other than in favor of Lender to secure the Obligations, on any of the Collateral whether now or hereafter owned, other than Permitted Liens;
- (h) guarantee or otherwise become liable with respect to the obligations of any Person other than (i) the Obligations and (ii) guarantees in respect of Permitted Indebtedness;
- (i) pay or declare any dividends or other distributions on any Loan Party's Equity Interests (except for dividends payable solely in capital stock or other Equity Interests of such Loan Party and dividends and distributions to Borrowers);
- (j) redeem, retire, purchase or otherwise acquire, directly or indirectly, any of Loan Party's Equity Interests;
- (k) dissolve or elect to dissolve;
- (l) engage, directly or indirectly, in a business other than the business which is being conducted on the date hereof or any business reasonably related, incidental or ancillary thereto, wind up its business operations or cease substantially all, or any material portion, of its normal business operations, or suffer any material disruption, interruption or discontinuance of a material portion of its normal business operations;
- (m) pay any principal or other amount on any Indebtedness that is contractually subordinated to Lender in violation of the applicable subordination or intercreditor agreement or optionally prepay, redeem, defease, purchase, or otherwise acquire any Indebtedness of any Loan Party or its Subsidiaries, other than the Obligations in accordance with this Agreement;
- (n) enter into any transaction with an Affiliate other than (i) transactions between or among Loan Parties expressly permitted by this Agreement and (ii) transactions on arms-length terms in the ordinary course of business in a manner consistent with past practices; provided that, at any time, the aggregate amount owing from Big Sky to the Borrowers and Guarantors, collectively, in connection with ordinary course sales shall not exceed \$1,000,000 and shall not be paid later than thirty (30) days after invoice issuance
- (o) change its jurisdiction of organization or incorporation or enter into any transaction which has the effect of changing its jurisdiction of organization or incorporation except as provided for in Section 5.8;

- (p) agree, consent, permit or otherwise undertake to amend or otherwise modify any of the terms or provisions of any Loan Party's Organizational Documents, except for such amendments or other modifications required by applicable law or that are not adverse to Lender, and then, only to the extent such amendments or other modifications are fully disclosed in writing to Lender no less than five (5) Business Days prior to being effectuated;
- (q) enter into or assume any agreement prohibiting the creation or assumption of any Lien on the Collateral to secure the Obligations upon its properties or assets, whether now owned or hereafter acquired;
- (r) create or otherwise cause or suffer to exist or become effective any encumbrance or restriction (other than any Loan Documents) of any kind on the ability of any such Person to pay or make any dividends or distributions to Borrowers, to pay any of the Obligations, to make loans or advances or to transfer any of its property or assets to Borrowers, except customary terms and conditions in respect of any Permitted Indebtedness or Permitted Liens;
- (s) agree, consent, permit or otherwise undertake to amend or otherwise modify any of the terms or provisions of any Subordinated Debt Document in violation of the Subordinated Debt Subordination Agreement;
- (t) agree, consent, permit or otherwise undertake to amend or otherwise modify any of the terms or provisions of the FCC Debt Documents in violation of the terms of the Intercreditor Agreement or this Agreement; or
- (u) (i) divide or enter into any plan of division pursuant to section 18-217 of the *Delaware Limited Liability Company Act* or any similar statute or provision under any applicable law or otherwise, (ii) dispose of any property through a plan of division under the *Delaware Limited Liability Company Act* or any comparable transaction under any similar law or (iii) make any payment or distribution pursuant to a plan of division under the *Delaware Limited Liability Company Act* or any comparable transaction under any similar law.

## 5.26 Optional Financial Covenants

If Borrowers maintain a Fixed Charge Coverage Ratio (as described and defined on Schedule E hereto) of 1.1x for a period of twelve (12) consecutive months and have reported on same to Lender in their Compliance Certificates, at Borrower's option, the Availability Block shall be removed by Lender. Once such Availability Block is removed at Borrower's option, Borrower shall be obligated to maintain a Fixed Charge Coverage Ratio of 1.1x at all times thereafter during the term hereof and failure to do so shall constitute an Event of Default.

## 5.27 Employee and Labor Matters

There is (a) no unfair labor practice complaint pending or, to the knowledge of any Borrower, threatened against any Loan Party or its Subsidiaries before any Governmental Authority and no grievance or arbitration proceeding pending or threatened against any Loan Party or its



Subsidiaries which arises out of or under any collective bargaining agreement and that could reasonably be expected to result in a Material Adverse Effect, (b) no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened in writing against any Loan Party or its Subsidiaries that could reasonably be expected to result in a Material Adverse Effect, or (c) to the knowledge of any Borrower, after due inquiry, no union representation question existing with respect to the employees of any Loan Party or its Subsidiaries and no union organizing activity taking place with respect to any of the employees of any Loan Party or its Subsidiaries. None of any Loan Party or its Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of each Loan Party and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements. All material payments due from any Loan Party or its Subsidiaries on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of Borrowers, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

### **5.28 Grain Payables**

At any time, the total Canadian Dollar amount of Grain Payables of the Loan Parties, on a consolidated basis, shall not exceed the total Canadian Dollar amount of insurance coverage provided to the Loan Parties under the Grain Payables Insurance Policy.

### **5.29 Post Closing Matters**

Loan Parties shall execute and deliver the documents and take such actions (or cause such actions to be taken by other Persons) as are set forth in the Closing Checklist and/or the section labeled “Post Closing Deliverables and Covenants” on Exhibit B, in each case, on or prior to the deadlines specified on Exhibit B (or such later dates as Lender may agree in its sole discretion).

### **5.30 35 Oak Big Sky Financing**

No Borrower or Guarantor has or shall: (i) have any obligations, liabilities or indebtedness in connection with the 35 Oak Big Sky Financing or (ii) execute any documents, instruments or agreements in favour of 35 Oak in connection with the 35 Oak Big Sky Financing.

### **5.31 Big Sky Inventory**

No inventory of Big Sky shall be stored on any premises of any Borrower or Guarantor.

### **5.32 US Intellectual Property**

The trademarks registered in the name of GFI Brands and GFI in the United States Patent and Trademark Office related to “Harvest Craft”, “Bentilia”, “Pulsera”, and “Five Peas” are of negligible value, are not materially important to the current business of the Borrowers and Guarantors and are used only in connection with a limited amount of discontinued or soon to be discontinued products (the “**Discontinued Products**”) valued in the aggregate at less than \$500,000. The Borrowers shall give advance notice of at least five (5) Business Days to Lender of the creation, acquisition or manufacture of any additional Discontinued Products.

### 5.33 JPM Bank Accounts

The JPM bank accounts set out below shall be closed by the Borrowers on the dates specified below:

No.	Account	Date to be Closed
JPM Canada Accounts		
1.	4011771185 (GFI, CAD)	Within sixty (60) days of the date hereof.
2.	4011771184 (GFI, CAD)	Within sixty (60) days of the date hereof.
3.	4011771499 (GFI Brands, CAD)	On the date hereof.
4.	4011764270 (GFI, USD)	On the date hereof.
5.	4011764271 (GFI, USD)	Within sixty (60) days of the date hereof.
JPM U.S. Accounts		
6.	763682389 (North Lily, USD)	Within thirty (30) days of the date hereof.
7.	763682363 (North Lily, USD)	On the date hereof.
8.	793816569 (GFI Brands, USD)	On the date hereof.
9.	761603676 (GFI US, USD)	Within sixty (60) days of the date hereof.

## ARTICLE 6 LIMITATION OF LIABILITY AND INDEMNITY

### 6.1 Limitation of Liability

In no circumstance will Lender, any Participant, any of their respective successors and assigns, any of their respective Affiliates, or any of their respective directors, officers, employees, attorneys or agents (the “Released Parties”) be liable for lost profits or other special, punitive, or consequential damages. Notwithstanding any provision in this Agreement to the contrary, this Section 6.1 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Loans.

### 6.2 Indemnity/Currency Indemnity

- (a) Each Loan Party hereby agrees to indemnify the Released Parties and hold them harmless from and against any and all claims, debts, liabilities, losses, demands, obligations, actions, causes of action, fines, penalties, costs and expenses (including

attorneys' fees and consultants' fees), of every nature, character and description (including, without limitation, natural resources damages, property damage and claims for personal injury), which the Released Parties may sustain or incur based upon or arising out of any of the transactions contemplated by this Agreement or any other Loan Documents or any of the Obligations, including any transactions or occurrences relating to the issuance of any Letter of Credit, any Collateral relating thereto, any drafts thereunder and any errors or omissions relating thereto (including, without limitation, any loss or claim due to any action or inaction taken by the issuer of any Letter of Credit or Lender) (and for this purpose any charges to Lender by any issuer of Letters of Credit shall be conclusive as to their appropriateness and may be charged to the Loan Account), or any other matter, including any breach of any covenant or representation or warranty relating to any environmental and health and safety laws or an environmental release, cause or thing whatsoever occurred, done, omitted or suffered to be done by Lender relating to any Loan Party or the Obligations (except any such amounts sustained or incurred solely as the result of the gross negligence or willful misconduct of such Released Parties, as finally determined by a court of competent jurisdiction). Notwithstanding any provision in this Agreement to the contrary, this Section 6.2 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Obligations.

- (b) If, for the purposes of obtaining or enforcing a judgment in any court in any jurisdiction with respect to this Agreement or any Loan Document, it becomes necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due under this Agreement or under any Loan Document in any currency other than the Judgment Currency (the "Currency Due") (or for the purposes of Section 1.7(d)), then, to the extent permitted by law, conversion shall be made at the exchange rate reasonably selected by Lender on the Business Day before the day on which judgment is given (or for the purposes of Section 1.7(d), on the Business Day on which the payment was received by the Lender). In the event that there is a change in such exchange rate between the Business Day before the day on which the judgment is given and the date of receipt by the Lender of the amount due, each Loan Party shall to the extent permitted by law, on the date of receipt by Lender, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any as may be necessary to ensure that the amount received by Lender on such date is the amount in the Judgment Currency which (when converted at such exchange rate on the date of receipt by Lender in accordance with normal banking procedures in the relevant jurisdiction) is the amount then due under this Agreement or such Loan Document in the Currency Due. If the amount of the Currency Due (including any Currency Due for purposes of Section 1.7(c)) which the Lender is so able to purchase is less than the amount of the Currency Due (including any Currency Due for purposes of Section 1.7(c)) originally due to it, each Loan Party shall to the extent permitted by law jointly and severally indemnify and save Lender harmless from and against loss or damage arising as a result of such deficiency.

**ARTICLE 7**  
**EVENTS OF DEFAULT AND REMEDIES**

**7.1 Events of Default.**

The occurrence of any of the following events shall constitute an “**Event of Default**”:

- (a) if any warranty, representation, statement, report or certificate made or delivered to Lender by or on behalf of any Loan Party is untrue or misleading in any material respect when made or when deemed to be made;
- (b) if any Loan Party fails to pay to Lender, (i) when due, any principal or interest payment required under this Agreement or any other Loan Document, or (ii) within three (3) Business Days of when due, any other monetary Obligation;
- (c) (1) if any Loan Party defaults in the due observance or performance of any covenant, condition or agreement contained in Sections 3.2, 4.1, 4.6(b), 4.7, 4.8, 5.2, 5.3, 5.10(a), 5.13, 5.14, 5.15, 5.17, 5.24, 5.25, 5.26, 5.28 or 5.29 of this Agreement; or (2) if any Loan Party defaults in the due observance or performance of any covenant, condition or agreement contained in any provision of this Agreement or any other Loan Document and not addressed in clauses Sections 7.1(a), (b) or (c)(1), and the continuance of such default unremedied for a period of fifteen (15) Business Days; provided, that such fifteen (15) Business Day grace period shall not be available for any default that is not reasonably capable of being cured within such period or for any intentional default;
- (d) if one or more judgments aggregating in excess of \$500,000 is obtained against any Loan Party and remains unpaid or unstayed for more than thirty (30) days or is enforced;
- (e) any default with respect to any Indebtedness (other than the Obligations) of any Loan Party in an aggregate principal amount in excess of \$500,000 (except for the 35 Oak Subordinated Indebtedness for which the minimum threshold shall be any amounts in excess of \$0) if (i) such default shall consist of the failure to pay such Indebtedness when due, whether by acceleration or otherwise, or (ii) the effect of such default is to permit the holder, with or without notice or lapse of time or both, to accelerate the maturity of any such Indebtedness or to cause such Indebtedness to become due prior to the stated maturity thereof (without regard to the existence of any subordination or intercreditor agreements);
- (f) the dissolution, termination of existence, insolvency or business failure or suspension or cessation of business as usual of any Loan Party;
- (g) if any Loan Party shall apply for, consent to or suffer the appointment of, or the taking of possession by, a receiver, administrator, interim receiver, receiver and manager, administrator, sequestrator, trustee, custodian, monitor, liquidator or similar official of it or any of its properties, admits in writing its inability to pay its debts as they mature, make a general assignment for the benefit of creditors, be the

subject of any stay of proceedings, be adjudicated a bankrupt or insolvent or be the subject of an order for relief under the Bankruptcy Code, any Canadian Insolvency Law or under any equivalent bankruptcy or insolvency law of a foreign jurisdiction, or file a voluntary petition, proceeding or application seeking relief in bankruptcy or a stay of proceedings, or a petition or a proceeding seeking reorganization or an arrangement with creditors, including, without limitation, any corporate law permitting a debtor to obtain an arrangement of any debts of the corporation or a stay or a compromise of the claims of creditors, or to take advantage of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, winding-up, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or take or permit to be taken any action in furtherance of or for the purpose of effecting any of the foregoing;

- (h) the commencement of an involuntary case or other proceeding against any Loan Party seeking liquidation, reorganization, arrangement or a stay of proceedings or other relief with respect to it or its debts under any bankruptcy, insolvency, administration or other similar applicable law including Canadian Insolvency Law or seeking the appointment of a receiver, interim receiver, receiver and manager, administrator, sequestrator, trustee, custodian, monitor, liquidator or similar official of it or any substantial part of its property and such case or other proceeding continues undischarged or unstayed for sixty (60) days, or if an order for relief is entered against any Loan Party under any bankruptcy insolvency or other similar applicable law as now or hereafter in effect;
- (i) the actual or attempted revocation or termination of, or limitation or denial of liability under, any guarantee of any of the Obligations, or any security document securing any of the Obligations, by any Loan Party;
- (j) if any Loan Party makes any payment on account of any Indebtedness or obligation which has been contractually subordinated to the Obligations other than payments which are not prohibited by the applicable subordination provisions pertaining thereto, or if any Person who has subordinated such Indebtedness or obligations attempts to limit or terminate any applicable subordination provisions pertaining thereto;
- (k) if there is any actual indictment or conviction of any Borrower, any Guarantor or any of their respective Senior Officers under any criminal statute in each case related to a felony committed in the direct conduct of any Borrower's, or such Guarantor's business, as applicable
- (l) if any Change of Control occurs;
- (m) if (i) David Hanna ceases to be employed as, and actively perform the duties of, the chief executive officer of GFI, or (ii) Bill Murray ceases to be employed as, and actively perform the duties of, the chief financial officer of GFI, in each case unless a successor is appointed within ninety (90) days (or such later date as may be agreed

by Lender and Borrowers) after the termination of such individual's employment, and such successor is reasonably satisfactory to Lender;

- (n) if any Lien purported to be created by any Loan Document shall cease to be a valid perfected first priority Lien (subject only to any priority accorded by law to Permitted Liens) on any material portion of the Collateral, or any Loan Party shall assert in writing that any Lien purported to be created by any Loan Document is not a valid perfected first priority lien (subject only to any priority accorded by law to Permitted Liens) on the assets or properties purported to be covered thereby;
- (o) if any of the Loan Documents shall cease to be in full force and effect (other than as a result of the discharge thereof in accordance with the terms thereof or by written agreement of all parties thereto);
- (p) if (A) the outstanding balance of all Revolving Loans and the Letter of Credit Balance exceeds, at any time, the lesser of (x) the Maximum Revolving Facility Amount and (y) the Borrowing Base, or (B) any of the Loan Limits for Revolving Loans are, at any time, exceeded and such excess amount is not repaid immediately by Borrowers after written notice thereof to the Borrowers from Lender;
- (q) (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party or any ERISA Affiliate under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of \$200,000, (ii) the existence of any Lien under Section 430(k) or Section 6321 of the Code or Section 303(k) or Section 4068 of ERISA on any assets of a Loan Party or any ERISA Affiliate, (iii) a Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of \$200,000, or (iv) a Canadian Pension Event occurs with respect to a Canadian Pension Plan which has resulted or could reasonably be expected to result in liability of any Loan Party in the aggregate amount in excess of \$200,000;
- (r) A requirement from the Minister of National Revenue for payment pursuant to Section 224 or any successor section of the ITA or Section 317, or any successor section in respect of any Loan Party of the *Excise Tax Act* (Canada) or any comparable provision of similar legislation shall have been received by Lender or any other Person in respect of any Loan Party or otherwise issued in respect of any Loan Party involving an amount in excess of \$100,000; provided, however, such Loan Party is not contesting such amount in good faith;
- (s) If (i) any Loan Party is enjoined, restrained or in any way prevented by any Governmental Authority from conducting any material part of its business, (ii) any Loan Party suffers the loss, revocation or termination of any material license, permit, lease or agreement necessary to its business, or (iii) there is a cessation of any material part of any Loan Party's business for a material period of time;

- (t) an “Event of Default” (as defined in the Subordinated Debt Documents or the equivalent) has occurred under the Subordinated Debt Documents, which “Event of Default” shall not have been cured or waived within any applicable grace period;
- (u) an “Event of Default” (as defined in the FCC Debt Documents or the equivalent) has occurred under the FCC Debt Documents, which “Event of Default” shall not have been cured or waived within any applicable grace period; or
- (v) (1) the breach of the Intercreditor Agreement by any Borrower or Guarantor; (2) the attempt by any Borrower or Guarantor to terminate or challenge in writing the validity of its obligations under the Intercreditor Agreement or (3) the Intercreditor Agreement ceases to be enforceable.

## 7.2 Remedies with Respect to Lending Commitments/Acceleration/Etc.

Upon the occurrence and during the continuance of an Event of Default Lender may, in Lender’s sole discretion (a) terminate all or any portion of its commitment to lend to or extend credit to Borrowers under this Agreement and/or any other Loan Document, without prior notice to any Loan Party, and/or (b) demand payment in full of all or any portion of the Obligations (whether or not payable on demand prior to such Event of Default), together the Early Payment/Termination Premium in the amount specified in Schedule C, and demand that the Letters of Credit be cash collateralized in the manner described in Section 1.7(c) and/or (c) take any and all other and further actions and avail itself of any and all rights and remedies available to Lender under this Agreement, any other Loan Document, under law and/or in equity. Notwithstanding the foregoing sentence, upon the occurrence of any Event of Default described in Section 7.1(g) or Section 7.1(h), without notice, demand or other action by Lender all of the Obligations (including without limitation the Early Payment/Termination Premium in the amount specified in Schedule C) shall immediately become due and payable whether or not payable on demand prior to such Event of Default.

## 7.3 Remedies with Respect to Collateral

Without limiting any rights or remedies Lender may have pursuant to this Agreement, the other Loan Documents, under applicable law or otherwise, upon the occurrence and during the continuance of an Event of Default:

- (a) **Any and All Remedies.** Lender may take any and all actions and avail itself of any and all rights and remedies available to Lender under this Agreement, any other Loan Document, under law or in equity, and the rights and remedies herein and therein provided shall be cumulative and not exclusive of any rights or remedies provided by applicable law or otherwise.
- (b) **Collections; Modifications of Terms.** Lender may but shall be under no obligation to (i) notify all appropriate parties that the Collateral, or any part thereof, has been assigned to Lender; (ii) demand, sue for, collect and give receipts for and take all necessary or desirable steps to collect any Collateral or Proceeds in its or any Loan Party’s name, and apply any such collections against the Obligations as Lender may elect; (iii) take control of any Collateral and any cash and non-cash Proceeds of any Collateral; (iv) enforce, compromise, extend, renew settle or discharge any rights

or benefits of each Loan Party with respect to or in and to any Collateral, or deal with the Collateral as Lender may deem advisable; and (v) make any compromises, exchanges, substitutions or surrenders of Collateral as Lender deems necessary or proper in its reasonable discretion, including extending the time of payment, permitting payment in installments, or otherwise modifying the terms or rights relating to any of the Collateral, all of which may be effected without notice to, consent of, or any other action of any Loan Party and without otherwise discharging or affecting the Obligations, the Collateral or the security interests granted to Lender under this Agreement or any other Loan Document.

- (c) **Insurance.** Lender may file proofs of loss and claim with respect to any of the Collateral with the appropriate insurer, and may endorse in its own and each Loan Party's name any checks or drafts constituting Proceeds of insurance. Any Proceeds of insurance received by Lender may be applied by Lender against payment of all or any portion of the Obligations as Lender may elect in its reasonable discretion.
- (d) **Possession and Assembly of Collateral.** Lender may take possession of the Collateral and/or without removal render each Loan Party's Equipment unusable. Upon Lender's request and subject to the Intercreditor Agreement, each Loan Party shall assemble the Collateral and make it available to Lender at a place or places to be designated by Lender.
- (e) **Set-off.** Lender may and without any notice to, consent of or any other action by any Loan Party (such notice, consent or other action being expressly waived), set-off or apply (i) any and all deposits (general or special, time or demand, provisional or final) at any time held by or for the account of Lender or any Affiliate of Lender, and/or (ii) any Indebtedness at any time owing by Lender or any Affiliate of Lender or any Participant in the Loans to or for the credit or the account of any Loan Party, to the repayment of the Obligations irrespective of whether any demand for payment of the Obligations has been made.
- (f) **Disposition of Collateral.**
  - (i) **Sale, Lease, etc. of Collateral.** Lender may, without demand, advertising or notice, all of which each Loan Party hereby waives (except as the same may be required under the UCC, the PPSA or other applicable law and is not waivable under the UCC, the PPSA or such other applicable law), at any time or times in one or more public or private sales or other dispositions, for cash, on credit or otherwise, at such prices and upon such terms as determined by Lender (provided such price and terms are commercially reasonable within the meaning of the UCC or the PPSA to the extent such sale or other disposition is subject to the UCC or the PPSA requirements that such sale or other disposition must be commercially reasonable) (A) sell, lease, license or otherwise dispose of any and all Collateral, and/or (B) deliver and grant options to a third party to purchase, lease, license or otherwise dispose of any and all Collateral. Lender may sell, lease, license or otherwise dispose of any Collateral in its then-present condition or



following any preparation or processing deemed necessary by Lender in its reasonable discretion. Lender may be the purchaser at any such public or private sale or other disposition of Collateral, and in such case Lender may make payment of all or any portion of the purchase price therefor by the application of all or any portion of the Obligations due to Lender to the purchase price payable in connection with such sale or disposition. Lender may, if it deems it reasonable, postpone or adjourn any sale or other disposition of any Collateral from time to time by an announcement at the time and place of the sale or disposition to be so postponed or adjourned without being required to give a new notice of sale or disposition; provided, however, that Lender shall provide the applicable Loan Party with written notice of the time and place of such postponed or adjourned sale or disposition. Each Loan Party hereby acknowledges and agrees that Lender's compliance with any requirements of applicable law in connection with a sale, lease, license or other disposition of Collateral will not be considered to adversely affect the commercial reasonableness of any sale, lease, license or other disposition of such Collateral.

- (ii) Deficiency. Each Loan Party shall remain liable for all amounts of the Obligations remaining unpaid as a result of any deficiency of the Proceeds of the sale, lease, license or other disposition of Collateral after such Proceeds are applied to the Obligations as provided in this Agreement.
  - (iii) Warranties; Sales on Credit. Lender may sell, lease, license or otherwise dispose of the Collateral without giving any warranties and may specifically disclaim any and all warranties, including but not limited to warranties of title, possession, merchantability and fitness. Each Loan Party hereby acknowledges and agrees that Lender's disclaimer of any and all warranties in connection with a sale, lease, license or other disposition of Collateral will not be considered to adversely affect the commercial reasonableness of any such disposition of the Collateral. If Lender sells, leases, licenses or otherwise disposes of any of the Collateral on credit, Borrowers will be credited only with payments actually made in cash by the recipient of such Collateral and received by Lender and applied to the Obligations. If any Person fails to pay for Collateral acquired pursuant to this Section 7.3(f) on credit, Lender may re-offer the Collateral for sale, lease, license or other disposition.
- (g) **Investment Property; Voting and Other Rights; Irrevocable Proxy.**
- (i) All rights of each Loan Party to exercise any of the voting and other consensual rights which it would otherwise be entitled to exercise in accordance with the terms hereof with respect to any Investment Property, and to receive any dividends, payments, and other distributions which it would otherwise be authorized to receive and retain in accordance with the terms hereof with respect to any Investment Property, shall immediately, at the election of Lender (without requiring any notice) cease, and all such

rights shall thereupon become vested solely in Lender, and Lender (personally or through an agent) shall thereupon be solely authorized and empowered, without notice, to (A) transfer and register in its name, or in the name of its nominee, the whole or any part of the Investment Property, it being acknowledged by each Loan Party that any such transfer and registration may be effected by Lender through its irrevocable appointment as attorney-in-fact pursuant to Section 7.3(g)(ii) and Section 4.4 of this Agreement, (B) exchange certificates and/or instruments representing or evidencing Investment Property for certificates and/or instruments of smaller or larger denominations, (C) exercise the voting and all other rights as a holder with respect to all or any portion of the Investment Property (including, without limitation, all economic rights, all control rights, authority and powers, and all status rights of each Loan Party as a member or as a shareholder (as applicable) of the Issuer), (D) collect and receive all dividends and other payments and distributions made thereon, (E) notify the parties obligated on any Investment Property to make payment to Lender of any amounts due or to become due thereunder, (F) endorse instruments in the name of each Loan Party to allow collection of any Investment Property, (G) enforce collection of any of the Investment Property by suit or otherwise, and surrender, release, or exchange all or any part thereof, or compromise or renew for any period (whether or not longer than the original period) any liabilities of any nature of any Person with respect thereto, (H) consummate any sales of Investment Property or exercise any other rights as set forth in Section 7.3(f) hereof, (I) otherwise act with respect to the Investment Property as though Lender was the outright owner thereof, and (J) exercise any other rights or remedies Lender may have under the UCC, the PPSA, other applicable law, or otherwise.

- (ii) EACH LOAN PARTY HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS LENDER AS ITS PROXY AND ATTORNEY-IN-FACT FOR SUCH LOAN PARTY WITH RESPECT TO ALL OF EACH SUCH LOAN PARTY'S INVESTMENT PROPERTY WITH THE RIGHT, DURING THE CONTINUANCE OF AN EVENT OF DEFAULT, WITHOUT NOTICE, TO TAKE ANY OF THE FOLLOWING ACTIONS: (A) TRANSFER AND REGISTER IN LENDER'S NAME, OR IN THE NAME OF ITS NOMINEE, THE WHOLE OR ANY PART OF THE INVESTMENT PROPERTY, (B) VOTE THE PLEDGED EQUITY, WITH FULL POWER OF SUBSTITUTION TO DO SO, (C) RECEIVE AND COLLECT ANY DIVIDEND OR ANY OTHER PAYMENT OR DISTRIBUTION IN RESPECT OF, OR IN EXCHANGE FOR, THE INVESTMENT PROPERTY OR ANY PORTION THEREOF, TO GIVE FULL DISCHARGE FOR THE SAME AND TO INDORSE ANY INSTRUMENT MADE PAYABLE TO ANY LOAN PARTY FOR THE SAME, (D) EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES, AND REMEDIES (INCLUDING ALL ECONOMIC RIGHTS, ALL CONTROL RIGHTS, AUTHORITY AND POWERS, AND ALL STATUS RIGHTS OF EACH LOAN PARTY AS A MEMBER

OR AS A SHAREHOLDER (AS APPLICABLE) OF THE ISSUER) TO WHICH A HOLDER OF THE PLEDGED COLLATERAL WOULD BE ENTITLED (INCLUDING, WITH RESPECT TO THE PLEDGED EQUITY, GIVING OR WITHHOLDING WRITTEN CONSENTS OF MEMBERS OR SHAREHOLDERS, CALLING SPECIAL MEETINGS OF MEMBERS OR SHAREHOLDERS, AND VOTING AT SUCH MEETINGS), AND (E) TAKE ANY ACTION AND TO EXECUTE ANY INSTRUMENT WHICH LENDER MAY DEEM NECESSARY OR ADVISABLE TO ACCOMPLISH THE PURPOSES OF THIS AGREEMENT. THE APPOINTMENT OF LENDER AS PROXY AND ATTORNEY-IN-FACT IS COUPLED WITH AN INTEREST AND SHALL BE VALID AND IRREVOCABLE UNTIL (X) ALL OF THE OBLIGATIONS HAVE BEEN INDEFEASIBLY PAID IN FULL IN CASH IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, (Y) LENDER HAS NO FURTHER OBLIGATIONS UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, AND (Z) THE COMMITMENTS UNDER THIS AGREEMENT HAVE EXPIRED OR HAVE BEEN TERMINATED (IT BEING UNDERSTOOD AND AGREED THAT SUCH OBLIGATIONS WILL BE AUTOMATICALLY REINSTATED IF AT ANY TIME PAYMENT, IN WHOLE OR IN PART, OF ANY OF THE OBLIGATIONS IS RESCINDED OR MUST OTHERWISE BE RESTORED OR RETURNED BY LENDER FOR ANY REASON WHATSOEVER, INCLUDING, WITHOUT LIMITATION, AS A PREFERENCE, FRAUDULENT CONVEYANCE, OR OTHERWISE UNDER ANY BANKRUPTCY, INSOLVENCY, OR SIMILAR LAW, ALL AS THOUGH SUCH PAYMENT HAD NOT BEEN MADE; IT BEING FURTHER UNDERSTOOD THAT IN THE EVENT PAYMENT OF ALL OR ANY PART OF THE OBLIGATIONS IS RESCINDED OR MUST BE RESTORED OR RETURNED, ALL REASONABLE OUT-OF-POCKET COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ALL REASONABLE ATTORNEYS' FEES AND DISBURSEMENTS) INCURRED BY LENDER IN DEFENDING AND ENFORCING SUCH REINSTATEMENT SHALL HEREBY BE DEEMED TO BE INCLUDED AS A PART OF THE OBLIGATIONS). SUCH APPOINTMENT OF LENDER AS PROXY AND AS ATTORNEY-IN-FACT SHALL BE VALID AND IRREVOCABLE AS PROVIDED HEREIN NOTWITHSTANDING ANY LIMITATIONS TO THE CONTRARY SET FORTH IN ANY ORGANIZATIONAL DOCUMENTS OF ANY LOAN PARTY, ANY ISSUER, OR OTHERWISE.

- (iii) In order to further effect the foregoing transfer of rights in favor of Lender, during the continuance of an Event of Default, each Loan Party hereby authorizes and instructs each Issuer of Investment Property pledged by such Loan Party to comply with any instruction received by such Issuer from Lender without any other or further instruction from such Loan Party, and

each Loan Party acknowledges and agrees that each Issuer shall be fully protected in so complying, and to pay any dividends, distributions, or other payments with respect to any of the Investment Property directly to Lender.

- (iv) Upon exercise of the proxy set forth herein, all prior proxies given by any Loan Party with respect to any of the Pledged Equity or other Investment Property, as applicable (other than to Lender), are hereby revoked, and no subsequent proxies (other than to Lender) will be given with respect to any of the Pledged Equity or other Investment Property, as applicable, unless Lender otherwise subsequently agrees in writing. Lender, as proxy, will be empowered and may exercise the irrevocable proxy to vote the of the Pledged Equity or other Investment Property at any and all times during the existence of an Event of Default, including, without limitation, at any meeting of shareholders or members, as the case may be, however called, and at any adjournment thereof, or in any action by written consent, and may waive any notice otherwise required in connection therewith. To the fullest extent permitted by applicable law, Lender shall have no agency, fiduciary, or other implied duties to any Loan Party, any Issuer, any Loan Party, or any other Person when acting in its capacity as such proxy or attorney-in-fact. Each Loan Party hereby waives and releases any claims that it may otherwise have against Lender with respect to any breach, or alleged breach, of any such agency, fiduciary, or other duty.
  
- (v) Any transfer to Lender or its nominee, or registration in the name of Lender or its nominee, of the whole or any part of the Investment Property shall be made solely for purposes of effectuating voting or other consensual rights with respect to the Investment Property in accordance with the terms of this Agreement and is not intended to effectuate any transfer of ownership of any of the Investment Property. Notwithstanding the delivery by Lender of any instruction to any Issuer or any exercise by Lender of an irrevocable proxy or otherwise, Lender shall not be deemed the owner of, or assume any obligations or any liabilities whatsoever of the owner or holder of, any Investment Property unless and until Lender expressly accepts such obligations in a duly authorized and executed writing and agrees in writing to become bound by the applicable Organizational Documents or otherwise becomes the owner thereof under applicable law (including through a sale as described in Section 7.3(f) hereof). The execution and delivery of this Agreement shall not subject Lender to, or transfer or pass to Lender, or in any way affect or modify, the liability of any Loan Party under the Organizational Documents of any Issuer or any related agreements, documents, or instruments or otherwise. In no event shall the execution and delivery of this Agreement by Lender, or the exercise by Lender of any rights hereunder or assigned hereby, constitute an assumption of any liability or obligation whatsoever of any Loan Party to, under, or in connection with any of the Organizational Documents of any Issuer or any related agreements, documents, or instruments or otherwise.

- (h) **Election of Remedies.** Lender shall have the right in Lender's sole discretion to determine which rights, security, Liens and/or remedies Lender may at any time pursue, foreclose upon, relinquish, subordinate, modify or take any other action with respect to, without in any way impairing, modifying or affecting any of Lender's other rights, security, Liens or remedies with respect to such property, or any of Lender's rights or remedies under this Agreement or any other Loan Document.
- (i) **Lender's Obligations.** Each Loan Party agrees that Lender shall not have any obligation to preserve rights to any Collateral against prior parties or to marshal any Collateral of any kind for the benefit of any other creditor of any Loan Party or any other Person. Lender shall not be responsible to any Loan Party or any other Person for loss or damage resulting from Lender's failure to enforce its Liens or collect any Collateral or Proceeds or any monies due or to become due under the Obligations or any other liability or obligation of any Loan Party to Lender.
- (j) **Waiver of Rights by Loan Parties.** Except as otherwise expressly provided for in this Agreement or as may not be permitted by applicable law, each Loan Party waives: (i) presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Lender on which any Loan Party may in any way be liable, and hereby ratifies and confirms whatever Lender may do in this regard, (ii) all rights to notice and a hearing prior to Lender's taking possession or control of, or to Lender's replevy, attachment or levy upon, the Collateral or any bond or security which might be required by any court prior to allowing Lender to exercise any of its remedies and (iii) the benefit of all valuation, appraisal, marshalling and exemption laws.
- (k) **Appointment of Receiver.** Lender may appoint or reappoint by instrument in writing, any Person or Persons, whether an officer or officers or an employee or employees of a Loan Party or not, to be an interim receiver, receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of the Collateral of such Loan Party (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in its stead. Any such Receiver shall, to the extent permitted by applicable law, so far as concerns responsibility for its acts, be deemed the agent of such Loan Party and not of the Lender, and the Lender shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver or its servants, agents or employees. Subject to the provisions of the instrument appointing a Receiver, any such Receiver shall (i) have such powers as have been granted to the Lender under this Section 7.3, and (ii) shall be entitled to exercise such powers at any time that such powers would otherwise be exercisable by the Lender under this Section 7.3, which powers shall include the power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of such Loan Party and to sell,

lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including any Loan Party, enter upon, use and occupy all premises owned or occupied by such Loan Party wherein the Collateral may be situated, maintain the Collateral upon such premises, and use the Collateral directly in carrying on such Loan Party's business. Except as may be otherwise directed by the Lender, all money received from time to time by such Receiver in carrying out its appointment shall be received in trust for and be paid over to the Lender, and any surplus shall be applied in accordance with applicable law. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.

## **ARTICLE 8 LOAN GUARANTEE**

### **8.1 Guarantee**

Each Guarantor hereby agrees that it is jointly and severally liable for, and absolutely, unconditionally and irrevocably guarantees to Lender, the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, and performance of all of the Obligations and all costs and expenses, including all reasonable court costs and documented attorneys' and paralegals' fees and expenses paid or incurred by Lender in endeavoring to collect all or any part of the Obligations from, or in prosecuting any action against, any Borrower, any Guarantor of all or any part of the Obligations (and such costs and expenses paid or incurred shall be deemed to be included in the Obligations). Each Guarantor further agrees that the Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal. All terms of this Loan Guarantee apply to and may be enforced by or on behalf of any branch or Affiliate of Lender that extended any portion of the Obligations.

### **8.2 Guarantee of Payment**

This Loan Guarantee is a guarantee of payment and performance and not of collection. Each Guarantor waives any right to require Lender to sue or otherwise take action against any Borrower, any other Guarantor, or any other Person obligated for all or any part of the Obligations, or otherwise to enforce its payment against any Collateral securing all or any part of the Obligations.

### **8.3 No Discharge or Diminishment of Loan Guarantee**

- (a) Except as otherwise expressly provided for herein, the obligations of each Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of all of the Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration, or compromise of any of the Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of any Borrower or any other Guarantor; (iii) any insolvency, bankruptcy, reorganization, arrangement,

wind up, receivership, liquidation or other similar proceeding affecting any Borrower or any other Guarantor, or their assets or any resulting release or discharge of any obligation of any Borrower or any other Guarantor; or (iv) the existence of any claim, setoff or other rights which any Guarantor may have at any time against any Borrower, any other Guarantor, Lender, or any other Person, whether in connection herewith or in any unrelated transactions.

- (b) The obligations of each Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, or unenforceability of any of the Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Borrower or any other Guarantor, of the Obligations or any part thereof.
- (c) Further, the obligations of any Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Obligations; (iii) any release, non-perfection, or invalidity of any indirect or direct security for all or any part of the Obligations or all or any part of any obligations of any Guarantor; (iv) any action or failure to act by Lender with respect to any Collateral; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Guarantor or that would otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of all of the Obligations).

#### **8.4 Defenses Waived**

To the fullest extent permitted by applicable law, each Guarantor hereby waives any defense based on or arising out of any defense of any Guarantor or the unenforceability of all or any part of the Obligations from any cause, or the cessation from any cause of the liability of any Guarantor, other than the indefeasible payment in full in cash of all of the Obligations. Without limiting the generality of the foregoing, each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Borrower, or any other Person. Each Guarantor confirms that it is not a surety under any federal, provincial, territorial or state law and shall not raise any such law as a defense to its obligations hereunder. Lender may, at its election, sell or foreclose on any Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such Collateral in lieu of sale or foreclosure or otherwise act or fail to act with respect to any Collateral, compromise or adjust any part of the Obligations, make any other accommodation with any Borrower or any other Guarantor or exercise any other right or remedy available to it against any Borrower or any other Guarantor, without affecting or impairing in any way the liability of any Guarantor under this Loan Guarantee except to the extent the Obligations have been fully and indefeasibly paid in cash. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right

of reimbursement or subrogation or other right or remedy of any Guarantor against any Borrower or any other Guarantor or any security.

### **8.5 Rights of Subrogation**

No Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification that it has against any Borrower or any other Guarantor, or any Collateral, until the Termination Date.

### **8.6 Reinstatement; Stay of Acceleration**

If at any time any payment of any portion of the Obligations is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, arrangement, receivership, wind-up, liquidation or reorganization of any Borrower or any other Person, or otherwise, each Guarantor's obligations under this Loan Guarantee with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not Lender is in possession of this Loan Guarantee. If acceleration of the time for payment of any of the Obligations is stayed upon the insolvency, bankruptcy, arrangement, receivership, wind-up, liquidation or reorganization of any Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Obligations shall nonetheless be payable by the Loan Parties forthwith on demand by Lender. This Section 8.6 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Obligations.

### **8.7 Information**

Each Guarantor assumes all responsibility for being and keeping itself informed of Borrowers' financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that each Guarantor assumes and incurs under this Loan Guarantee, and agrees that Lender shall not have any duty to advise any Guarantor of information known to it regarding those circumstances or risks.

### **8.8 Termination**

To the maximum extent permitted by law, each Guarantor hereby waives any right to revoke this Loan Guarantee as to future Obligations. If such a revocation is effective notwithstanding the foregoing waiver, each Guarantor acknowledges and agrees that (a) no such revocation shall be effective until written notice thereof has been received by Lender, (b) no such revocation shall apply to any Obligations in existence on the date of receipt by Lender of such written notice (including any subsequent continuation, extension, or renewal thereof, or change in the interest rate, payment terms, or other terms and conditions thereof), (c) no such revocation shall apply to any Obligations made or created after such date to the extent made or created pursuant to a legally binding commitment of Lender, (d) no payment by any Borrower, any other Guarantor, or from any other source, prior to the date of Lender's receipt of written notice of such revocation shall reduce the maximum obligation of any Guarantor hereunder, and (e) any payment, by any Borrower or from any source other than a Guarantor which has made such a revocation, made subsequent to the date of such revocation, shall first be applied to that portion of the Obligations as to which the revocation is effective and which are not, therefore, guaranteed hereunder, and to the extent so applied shall not reduce the maximum obligation of any Guarantor hereunder.



## **8.9 Maximum Liability**

The provisions of this Loan Guarantee are severable, and in any action or proceeding involving any federal, provincial, territorial or state corporate law or other law governing business entities, or any state, provincial, territorial, federal or foreign bankruptcy, insolvency, arrangement, liquidation, wind-up, receivership, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Loan Guarantee would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such Guarantor's liability under this Loan Guarantee, then, notwithstanding any other provision of this Loan Guarantee to the contrary, the amount of such liability shall, without any further action by the Loan Parties or Lender, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Guarantor's "Maximum Liability"). This Section with respect to the Maximum Liability of each Guarantor is intended solely to preserve the rights of Lender to the maximum extent not subject to avoidance under applicable law, and no Guarantor nor any other Person shall have any right or claim under this Section with respect to such Maximum Liability, except to the extent necessary so that the obligations of any Guarantor hereunder shall not be rendered voidable under applicable law. Each Guarantor agrees that the Obligations may at any time and from time to time exceed the Maximum Liability of each Guarantor without impairing this Loan Guarantee or affecting the rights and remedies of Lender hereunder, provided, that, nothing in this sentence shall be construed to increase any Guarantor's obligations hereunder beyond its Maximum Liability.

## **8.10 Contribution**

In the event any Guarantor shall make any payment or payments under this Loan Guarantee or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations under this Loan Guarantee (such Guarantor a "Paying Guarantor"), each other Guarantor (each a "Non-Paying Guarantor") shall contribute to such Paying Guarantor an amount equal to such Non-Paying Guarantor's "Applicable Percentage" of such payment or payments made, or losses suffered, by such Paying Guarantor. For purposes of this Section 8.10, each Non-Paying Guarantor's "Applicable Percentage" with respect to any such payment or loss by a Paying Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (a) such Non-Paying Guarantor's Maximum Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying Guarantor's Maximum Liability has not been determined, the aggregate amount of all monies received by such Non-Paying Guarantor from Borrowers after the date hereof (whether by loan, capital infusion or by other means) to (b) the aggregate Maximum Liability of all Loan Parties hereunder (including such Paying Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder), or to the extent that a Maximum Liability has not been determined for any Guarantor, the aggregate amount of all monies received by such Loan Parties from Borrowers after the date hereof (whether by loan, capital infusion or by other means). Nothing in this provision shall affect any Guarantor's several liability for the entire amount of the Obligations (up to such Guarantor's Maximum Liability). Each of the Loan Parties covenants and agrees that its right to receive any contribution under this Loan Guarantee from a Non-Paying Guarantor shall be subordinate and junior in right of payment to the payment in full in cash of all of the Obligations. This provision is for the benefit of Lender and the

Loan Parties and may be enforced by any one, or more, or all of them in accordance with the terms hereof.

### **8.11 Liability Cumulative**

The liability of each Guarantor under this Article 8 is in addition to and shall be cumulative with all liabilities of each Guarantor to Lender under this Agreement and the other Loan Documents to which such Guarantor is a party or in respect of any obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

## **ARTICLE 9 PAYMENTS FREE OF TAXES; OBLIGATION TO WITHHOLD; PAYMENTS ON ACCOUNT OF TAXES**

### **9.1 Taxes**

- (a) Any and all payments by or on account of any obligation of the Loan Parties hereunder or under any other Loan Document shall to the extent permitted by applicable laws be made free and clear of and without reduction or withholding for any Taxes, except as required by applicable law. If, however, applicable laws require the Loan Parties to withhold or deduct any Tax, such Tax shall be withheld or deducted in accordance with such laws as the case may be, upon the basis of the information and documentation to be delivered pursuant to clause (e) below.
- (b) If any Loan Party shall be required by applicable law to withhold or deduct any Taxes from any payment, then (i) such Loan Party shall withhold or make such deductions as are required based upon the information and documentation it has received pursuant to clause (e) below, (ii) such Loan Party shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the applicable law, and (iii) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the Loan Parties shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section) the Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made. Upon request by Lender or other Recipient, Borrowers shall deliver to Lender or such other Recipient, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment of Indemnified Taxes, a copy of any return required by applicable law to report such payment or other evidence of such payment reasonably satisfactory to Lender or such other Recipient, as the case may be.
- (c) Without limiting the provisions of subsections (a) and (b) above, the Loan Parties shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

- (d) Without limiting the provisions of subsections (a) through (c) above, each Loan Party shall, and does hereby, on a joint and several basis indemnify Lender and each other Recipient (and their respective directors, officers, employees, affiliates and agents) and shall make payment in respect thereof within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes and Other Taxes (including Indemnified Taxes and Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid or incurred by Lender or any other Recipient on account of, or in connection with any Loan Document or a breach by a Loan Party thereof, and any penalties, interest and related out of pocket expenses and losses arising therefrom or with respect thereto (including the fees, charges and disbursements of any counsel or other tax advisor for Lender or any other Recipient (or their respective directors, officers, employees, affiliates, and agents)), whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability delivered to Borrowers shall be conclusive absent manifest error. Notwithstanding any provision in this Agreement to the contrary, this Section 9.1 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Loans.
- (e) If Lender or any Participant is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, Lender shall deliver to Borrowers and each such Participant shall deliver to Lender granting the participation, at the time or times prescribed by applicable laws or reasonably requested by the Borrowers or Lender granting the participation, such properly completed and executed documentation as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, Lender shall deliver to Borrowers and each Participant shall deliver to Lender granting the participation, at the time or times prescribed by applicable laws or reasonably requested by the Borrowers or the Lender granting the participation, such properly completed and executed documentation prescribed by applicable laws or by the taxing authorities of any jurisdiction or such other reasonably requested information as will enable Borrowers or Lender granting the participation, as the case may be, to determine (i) whether or not payments made hereunder or under any other Loan Document are subject to Taxes or information reporting requirements, (ii) if applicable, the required rate of withholding or deduction, and (iii) such Lender's or Participant's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to such Recipient by the Loan Parties pursuant to this Agreement or otherwise to establish such Recipient's status for withholding tax purposes in the applicable jurisdiction. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 9.1(e)(i), (ii) or (iii)) shall not be required if in the Lender's or Participant's reasonable judgment such completion, execution or submission would subject such Lender or Participant to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender or Participant.

Without limiting the generality of the foregoing, if a Borrower is resident for tax purposes in the United States:

- (i) Lender (or Participant) that is a “**United States person**” within the meaning of Section 7701(a)(30) of the Code shall deliver to Borrowers (or Lender granting a participation as applicable) on or about the date on which Lender becomes a lender (or such Participant is granted a participation) under this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or Lender granting such participation), executed copies of Internal Revenue Service Form W-9 (or any successor form), certifying that Lender (or such Participant) is exempt from U.S. federal backup withholding tax;
- (ii) Lender (or Participant) that is not a “United States person” within the meaning of Section 7701(a)(30) of the Code (a “**Non-U.S. Recipient**”) shall deliver to Borrowers (and Lender granting a participation in case the Non-U.S. Recipient is a Participant) on or prior to the date on which such Non-U.S. Recipient becomes a lender (or such Participant is granted a participation) under this Agreement (and from time to time thereafter upon the reasonable request of Borrowers or Lender granting such participation but only if such Non-U.S. Recipient is legally entitled to do so), whichever of the following is applicable: (A) executed copies of Internal Revenue Service Form W-8BEN (or any successor form) or Form W-8BEN-E (or any successor form) claiming eligibility for benefits of an income tax treaty to which the United States is a party; (B) executed copies of Internal Revenue Service Form W-8ECI (or any successor form); (C) to the extent a Non-U.S. Recipient is not the beneficial owner, executed copies of Internal Revenue Service Form W-8IMY (or any successor form) and all required supporting documentation; (D) each Non-U.S. Recipient claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, shall provide (x) a certificate to the effect that such Non-U.S. Recipient is not (I) a “bank” within the meaning of section 881(c)(3)(A) of the Code, (II) a “10 percent shareholder” of the Borrowers within the meaning of section 881(c)(3)(B) of the Code, or (III) a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code and (y) executed copies of Internal Revenue Service Form W-8BEN (or any successor form) or Form W-8BEN-E (or any successor form); and/or (E) executed copies of any other form prescribed by applicable law (including FATCA) as a basis for claiming exemption from or a reduction in United States Federal withholding tax together with such supplementary documentation as may be prescribed by applicable law to permit Borrowers or any Lender granting a participation, to determine the withholding or deduction required to be made;
- (iii) If a payment made to Lender (or Participant) under any Loan Document would be subject to United States federal withholding Tax imposed by FATCA if Lender (or such Participant) were to fail to comply with the

applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), Lender (or such Participant) shall deliver to the Borrowers and Lender granting such participation at the time or times prescribed by law and at such time or times reasonably requested by the Borrowers or Lender granting such participation such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrowers or Lender granting such participation as may be necessary for the Borrowers and Lender granting such participation to comply with their obligations under FATCA and to determine that Lender or such Participant has complied with Lender's or such Participant's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this (iii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement; and

- (iv) If any form or certification previously delivered by Lender (or any Participant) expires or becomes obsolete or inaccurate in any respect, Lender (or any Participant) shall update such form or certification or promptly notify Borrowers (or Lender granting a participation) of its legal inability to do so.
  
- (f) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 9.1 (including by the payment of additional amounts pursuant to this Section 9.1), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section (f) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 9.1(f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 9.1(f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person. For purposes of this Section 9.1(f), all references to "refund" shall include the monetary benefit of a credit received in lieu of a refund of Taxes.

- (g) Each party's obligations under this Section 9.1 shall survive any assignment of rights by Lender or any Participant and the repayment, satisfaction or discharge of all obligations under any Loan Document.

## **ARTICLE 10 GENERAL PROVISIONS**

### **10.1 Notices**

- (a) **Notice by Approved Electronic Communications.**

Lender and each of its Affiliates is authorized to transmit, post or otherwise make or communicate, in its sole discretion (but shall not be required to do so), by Approved Electronic Communications in connection with this Agreement or any other Loan Document and the transactions contemplated therein. Lender is hereby authorized to establish procedures to provide access to and to make available or deliver, or to accept, notices, documents and similar items by posting to ABLServe. Each of the Loan Parties and Lender hereby acknowledges and agrees that the use of ABLServe and other Approved Electronic Communications is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse and each indicates it assumes and accepts such risks by hereby authorizing Lender and each of its Affiliates to transmit Approved Electronic Communications. ABLServe and all Approved Electronic Communications shall be provided "as is" and "as available". None of Lender or any of its Affiliates or related persons warrants the accuracy, adequacy or completeness of ABLServe or any other electronic platform or electronic transmission and disclaims all liability for errors or omissions therein. No warranty of any kind is made by Lender or any of its Affiliates or related persons in connection with ABLServe or any other electronic platform or electronic transmission, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects. Each Borrower and each other Loan Party executing this Agreement agrees that Lender has no responsibility for maintaining or providing any equipment, software, services or any testing required in connection with ABLServe, any Approved Electronic Communication or otherwise required for ABLServe or any Approved Electronic Communication.

Prior to the Closing Date, Borrowing Agent shall deliver to Lender a complete and executed Client User Form regarding Borrowing Agent's use of ABLServe in the form of Exhibit C annexed hereto.

No Approved Electronic Communications shall be denied legal effect merely because it is made electronically. Approved Electronic Communications that are not readily capable of bearing either a signature or a reproduction of a signature may be signed, and shall be deemed signed, by attaching to, or logically associating with such Approved Electronic Communication, an E-Signature, upon which Lender and the Loan Parties may rely and assume the authenticity thereof. Each

Approved Electronic Communication containing a signature, a reproduction of a signature or an E-Signature shall, for all intents and purposes, have the same effect and weight as a signed paper original. Each E-Signature shall be deemed sufficient to satisfy any requirement for a “signature” and each Approved Electronic Communication shall be deemed sufficient to satisfy any requirement for a “writing”, in each case including pursuant to this Agreement, any other Loan Document, the Uniform Commercial Code, the PPSA, the *Federal Uniform Electronic Transactions Act*, the *Electronic Signatures in Global and National Commerce Act*, the *Electronic Commerce Act* (Ontario), and any other substantive or procedural law governing such subject matter. Each party or beneficiary hereto agrees not to contest the validity or enforceability of an Approved Electronic Communication or E-Signature under the provisions of any applicable law requiring certain documents to be in writing or signed; provided, that nothing herein shall limit such party’s or beneficiary’s right to contest whether an Approved Electronic Communication or E-Signature has been altered after transmission.

(b) **All Other Notices.**

All notices, requests, demands and other communications under or in respect of this Agreement or any transactions hereunder, other than those approved for or required to be delivered by Approved Electronic Communications (including via ABLServe or otherwise pursuant to Section 10.1(a)), shall be in writing and shall be personally delivered or mailed (by prepaid registered or certified mail, return receipt requested), sent by prepaid recognized overnight courier service, or by email to the applicable party at its address or email address indicated below,

If to Lender:

Siena Lending Group Canada LLC  
9 W Broad Street, 5<sup>th</sup> floor, Suite 540  
Stamford, Connecticut 06902  
Attention: Steve Sanicola  
Email: [ssanicola@sienalending.com](mailto:ssanicola@sienalending.com)

with a copy to:

Goodmans LLP  
3400-333 Bay St.  
Toronto, Ontario M5H 2S7

Attention: David Wiseman  
Email: [dwiseman@goodmans.ca](mailto:dwiseman@goodmans.ca)

If to Borrowers or any other Loan Party:

Global Food and Ingredients Inc.  
43 Colborne Street, Suite 400  
Toronto, Ontario, M5E 1E3, Canada

Attention: William Murray  
Email: bill.murray@gfiglobalfood.com

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party delivered as aforesaid. All such notices, requests, demands and other communications shall be deemed given (i) when personally delivered, (ii) three (3) Business Days after being deposited in the mails with postage prepaid (by registered or certified mail, return receipt requested), (iii) one (1) Business Day after being delivered to the overnight courier service, if prepaid and sent overnight delivery, addressed as aforesaid and with all charges prepaid or billed to the account of the sender, or (iv) when sent by email transmission to an email address designated by such addressee and the sender receives a confirmation of transmission.

## **10.2 Severability**

If any provision of this Agreement or any other Loan Document is held invalid or unenforceable, either in its entirety or by virtue of its scope or application to given circumstances, such provision shall thereupon be deemed modified only to the extent necessary to render same valid, or not applicable to given circumstances, or excised from this Agreement or such other Loan Document, as the situation may require, and this Agreement and the other Loan Documents shall be construed and enforced as if such provision had been included herein as so modified in scope or application, or had not been included herein or therein, as the case may be.

## **10.3 Integration**

This Agreement and the other Loan Documents represent the final, entire and complete agreement between each Loan Party party hereto and thereto and Lender and supersede all prior and contemporaneous negotiations, oral representations and agreements, all of which are merged and integrated into this Agreement. THERE ARE NO ORAL UNDERSTANDINGS, REPRESENTATIONS OR AGREEMENTS BETWEEN THE PARTIES THAT ARE NOT SET FORTH IN THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS.

## **10.4 Waivers**

The failure of Lender at any time or times to require any Loan Party to strictly comply with any of the provisions of this Agreement or any other Loan Documents shall not waive or diminish any right of Lender later to demand and receive strict compliance therewith. Any waiver of any default shall not waive or affect any other default, whether prior or subsequent, and whether or not similar. None of the provisions of this Agreement or any other Loan Document shall be deemed to have



been waived by any act or knowledge of Lender or its agents or employees, but only by a specific written waiver signed by an authorized officer of Lender and delivered to Borrowers. Once an Event of Default shall have occurred, it shall be deemed to continue to exist and not be cured or waived unless specifically cured pursuant to the terms of this Agreement or waived in writing by an authorized officer of Lender and delivered to Borrowers. Each Loan Party waives demand, protest, notice of protest and notice of default or dishonor, notice of payment and nonpayment, release, compromise, settlement, extension or renewal of any commercial paper, Instrument, Account, General Intangible, Document, Chattel Paper, Investment Property or guarantee at any time held by Lender on which such Loan Party is or may in any way be liable, and notice of any action taken by Lender, unless expressly required by this Agreement, and notice of acceptance hereof.

### **10.5 Amendment**

This Agreement may not be amended or modified except in a writing executed by Borrowers, the other Loan Parties party hereto (to the extent such amendment is directly adverse to such Loan Party), and Lender.

### **10.6 Time of Essence**

Time is of the essence in the performance by each Loan Party of each and every obligation under this Agreement and the other Loan Documents.

### **10.7 Expenses, Fee and Costs Reimbursement**

Borrowers hereby agree to promptly and jointly and severally pay (a) all out of pocket fees, costs and expenses of Lender (including Lender's underwriting fees) and (b) all out of pocket fees, costs and expenses of legal counsel to, and appraisers, accountants, consultants and other professionals and advisors retained by or on behalf of, Lender, all of which shall be reasonable and documented, prior to the occurrence and continuance of an Event of Default, in connection with: (i) all loan proposals and commitments pertaining to the transactions contemplated hereby (whether or not such transactions are consummated), (ii) the examination, review, due diligence investigation, documentation, negotiation, and closing of the transactions contemplated by the Loan Documents (whether or not such transactions are consummated), (iii) the creation, perfection and maintenance of Liens pursuant to the Loan Documents, (iv) the performance by Lender of its rights and remedies under the Loan Documents, (v) the administration of the Loans (including usual and customary fees for wire transfers and other transfers or payments received by Lender on account of any of the Obligations) and Loan Documents, (vi) any amendments, modifications, consents and waivers to and/or under any and all Loan Documents (whether or not such amendments, modifications, consents or waivers are consummated), (vii) any periodic public record searches reasonably conducted by or at the request of Lender (including, title investigations and public records searches), pending litigation and tax lien searches and searches of applicable corporate, limited liability company, partnership and related records concerning the continued existence, organization and good standing of certain Persons), (viii) protecting, storing, insuring, handling, maintaining, auditing, examining, valuing or selling any Collateral, (ix) any litigation, dispute, suit or proceeding relating to any Loan Document, and (x) any workout, collection, bankruptcy, insolvency, receivership, liquidation, wind-up and other enforcement proceedings under any and

all of the Loan Documents (it being agreed that such costs and expenses may include the costs and expenses of workout consultants, investment bankers, financial consultants, appraisers, valuation firms and other professionals and advisors retained by or on behalf of Lender) and (c) without limitation of the preceding clauses (a) and (b), all out of pocket costs and expenses of Lender in connection with Lender's reservation of funds in anticipation of the funding of the initial Loans to be made hereunder. Any fees, costs and expenses owing by Borrowers or any other Loan Party hereunder shall be due and payable within five (5) days after written demand therefor. Lender acknowledges having received funds from Borrowers prior to closing as a good faith deposit towards its expenses and acknowledges that the amount of such funds shall be credited towards or netted from expenses or fees payable to Lender hereunder.

### **10.8 Benefit of Agreement; Assignability**

The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, heirs, beneficiaries and representatives of Borrowers, each other Loan Party party hereto and Lender; provided, that neither any Borrower nor any other Loan Party may assign or transfer any of its rights under this Agreement without the prior written consent of Lender, and any prohibited assignment shall be void. No consent by Lender to any assignment shall release any Loan Party from its liability for any of the Obligations. Lender shall have the right to assign all or any of its rights and obligations under the Loan Documents to one or more other Persons, and each Loan Party agrees, to the extent applicable, to execute any agreements, instruments and documents requested by Lender in connection with any such assignments. Notwithstanding any provision of this Agreement or any other Loan Document to the contrary, Lender may at any time pledge or grant a security interest in all or any portion of its rights under this Agreement and the other Loan Documents to secure obligations of Lender, including any pledge or grant to secure obligations to a Federal Reserve Bank.

### **10.9 Recordation of Assignment**

In respect of any assignment of all or any portion of any Lender's interest in this Agreement and/or any other Loan Documents at any time and from time to time, the following provisions shall be applicable:

- (a) Borrowers, or any agent appointed by Borrowers, shall maintain a register (the "Register") in which there shall be recorded the name and address of each Person holding any Loans or any commitment to lend hereunder, and the principal amount and stated interest payable to such Person hereunder or committed by such Person under such Person's lending commitment. Borrowers hereby irrevocably appoint Lender (and/or any subsequent Lender appointed by Lender then maintaining the Register) as Borrowers' non-fiduciary agent for the purpose of maintaining the Register.
- (b) In connection with any negotiation, transfer or assignment as aforesaid, the transferor/assignor shall deliver to Lender then maintaining the Register an assignment and assumption agreement executed by the transferor/assignor and the transferee/assignee, setting forth the specifics of the subject transaction, including but not limited to the amount and nature of Obligations and/or lending

commitments being transferred or assigned (and being assumed, as applicable), and the proposed effective date of such transfer or assignment and the related assumption (if applicable).

- (c) Subject to receipt of any required tax forms reasonably required by Lender, such Person shall record the subject transfer, assignment and assumption in the Register. Anything contained in this Agreement or other Loan Document to the contrary notwithstanding, no negotiation, transfer or assignment shall be effective until it is recorded in the Register pursuant to this Section 10.9(c). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error; and each Borrower and each Lender shall treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement and the other Loan Documents. The Register shall be available for inspection by each Borrower and each Lender at any reasonable time and from time to time upon reasonable prior notice.

#### **10.10 Participations**

Anything in this Agreement or any other Loan Document to the contrary notwithstanding, Lender may, at any time and from time to time, without in any manner affecting or impairing the validity of any Obligations, sell to one or more Persons participating interests in its Loans, commitments and/or other interests hereunder and/or under any other Loan Document (any such Person, a **“Participant”**). In the event of a sale by Lender of a participating interest to a Participant, (a) such Lender’s obligations hereunder and under the other Loan Documents shall remain unchanged for all purposes, (b) Borrowers and Lender shall continue to deal solely and directly with each other in connection with Lender’s rights and obligations hereunder and under the other Loan Documents and (c) all amounts payable by Borrowers shall be determined as if Lender had not sold such participation and shall be paid directly to Lender; provided, however, a Participant shall be entitled to the benefits of Section 9.1 as if it were a Lender if Borrowers are notified of the participation and the Participant complies with Section 9.1(e). Borrowers agree that if amounts outstanding under this Agreement or any other Loan Document are due and payable (as a result of acceleration or otherwise), each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement and the other Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; provided, that such right of set-off shall not be exercised without the prior written consent of Lender and shall be subject to the obligation of each Participant to share with Lender its share thereof. Borrowers also agree that each Participant shall be entitled to the benefits of Section 10.9 as if it were Lender. Notwithstanding the granting of any such participating interests: (x) Borrowers shall look solely to Lender for all purposes of this Agreement, the Loan Documents and the transactions contemplated hereby, (y) Borrowers shall at all times have the right to rely upon any amendments, waivers or consents signed by Lender as being binding upon all of the Participants, and (z) all communications in respect of this Agreement and such transactions shall remain solely between Borrowers and Lender (exclusive of Participants) hereunder. Lender granting a participation hereunder shall maintain, as a non-fiduciary agent of Borrowers, a register as to the participations granted and transferred under this Section containing the same information specified in Section 10.9 on the Register as if each Participant were a Lender

to the extent required to cause the Loans to be in registered form for the purposes of Sections 163(f), 165(j), 871, 881, and 4701 of the Code.

### **10.11 Headings; Construction**

Section and subsection headings are used in this Agreement only for convenience and do not affect the meanings of the provisions that they precede.

### **10.12 USA PATRIOT Act Notification**

Lender hereby notifies the Loan Parties that pursuant to the requirements of the USA PATRIOT Act, it may be required to obtain, verify and record certain information and documentation that identifies such Person, which information may include the name and address of each such Person and such other information that will allow Lender to identify such Persons in accordance with the USA PATRIOT Act.

### **10.13 CAML**

Each Loan Party acknowledges that, pursuant to CAML, the Lender may be required to obtain, verify and record information regarding directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Loan Parties, and the transactions contemplated hereby. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Lender, or any prospective assignee or participant of a Lender, in order to comply with any applicable CAML, whether now or hereafter in existence.

### **10.14 Counterparts; Email Signatures**

This Agreement may be executed in any number of counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or by email as a “.pdf” or “.tiff” attachment shall be effective as delivery of a manually executed counterpart of this Agreement. It is understood and agreed that, subject to Applicable Law, the words “execution”, “signed”, “signature”, “delivery” and words of like import in or relating to any Loan Document shall be deemed to include any E-Signature, delivery or the keeping of any record in electronic form, each of which shall have the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system to the extent and as provided for in Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act 2000* (Ontario), the *Electronic Transactions Act* (British Columbia), the *Electronic Transactions Act* (Alberta), or any similar state, federal or provincial laws based on the *Uniform Electronic Transactions Act* or the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada.

### **10.15 GOVERNING LAW**

THIS AGREEMENT, ALONG WITH ALL OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED OTHERWISE IN SUCH OTHER LOAN DOCUMENT) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE PROVINCE OF ONTARIO AND THE LAWS OF CANADA APPLICABLE THEREIN AND SHALL BE TREATED, IN ALL RESPECTS, AS AN ONTARIO CONTRACT.

### **10.16 WAIVERS AND JURISDICTION**

**CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL; CONSENT TO SERVICE OF PROCESS.** ANY LEGAL ACTION, SUIT OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL BE BROUGHT EXCLUSIVELY IN THE COURTS OF THE PROVINCE OF ONTARIO OR IN ANY OTHER COURT (IN ANY JURISDICTION) SELECTED BY LENDER IN ITS DISCRETION, AND EACH BORROWER AND EACH OTHER LOAN PARTY HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFOREMENTIONED COURTS. EACH BORROWER AND EACH OTHER LOAN PARTY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, OR BASED ON UPON 28 U.S.C. § 1404, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING AND ADJUDICATION OF ANY SUCH ACTION, SUIT OR PROCEEDING IN ANY OF THE AFOREMENTIONED COURTS AND AMENDMENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. EACH BORROWER AND EACH OTHER LOAN PARTY HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM CONCERNING ANY RIGHTS UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR UNDER ANY AMENDMENT, WAIVER, AMENDMENT, INSTRUMENT, DOCUMENT OR OTHER AGREEMENT DELIVERED OR WHICH IN THE FUTURE MAY BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH, OR ARISING FROM ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE OTHER TRANSACTION DOCUMENTS, AND AGREES THAT ANY SUCH ACTION, PROCEEDING OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH BORROWER AND EACH OTHER LOAN PARTY HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON ANY BORROWER OR ANY OTHER LOAN PARTY AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY CERTIFIED MAIL (RETURN RECEIPT REQUESTED) DIRECTED TO THE BORROWERS' NOTICE ADDRESS (ON BEHALF OF THE BORROWERS OR SUCH LOAN PARTY) SET FORTH IN SECTION 10.1 HEREOF AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE (5) DAYS AFTER THE SAME SHALL HAVE BEEN SO DEPOSITED IN THE MAIL, OR, AT THE LENDER'S OPTION, BY SERVICE UPON BORROWERS OR ANY OTHER LOAN PARTY IN ANY OTHER MANNER PROVIDED UNDER THE RULES OF ANY SUCH COURTS.

### **10.17 Publication**

Each Borrower and each other Loan Party consents to the publication by Lender of a tombstone, press releases or similar advertising material relating to the financing transactions contemplated by this Agreement, and Lender reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

### **10.18 Confidentiality**

Lender agrees to use commercially reasonable efforts not to disclose Confidential Information to any Person without the prior written consent of Borrowers; provided, however, that nothing herein contained shall limit any disclosure of the tax structure of the transactions contemplated hereby, or the disclosure of any information (a) to the extent required by applicable law, statute, rule, regulation or judicial process or in connection with the exercise of any right or remedy under any Loan Document, or as may be required in connection with the examination, audit or similar investigation of the Lender or any of its Affiliates, (b) to examiners, auditors, accountants or any regulatory authority, (c) to the officers, partners, managers, directors, employees, agents and advisors (including independent auditors, lawyers and counsel) of the Lender or any of its Affiliates, (d) in connection with any litigation or dispute which relates to this Agreement or any other Loan Document to which the Lender is a party or is otherwise subject, (e) to a subsidiary or Affiliate of the Lender, (f) to any assignee or participant (or prospective assignee or participant) which agrees to be bound by this Section 10.17 and (g) to any lender or other funding source of the Lender (each reference to Lender in the foregoing clauses shall be deemed to include the actual and prospective assignees and participants referred to in clause (f) and the lenders and other funding sources referred to in clause (g), as applicable for purposes of this Section 10.17), and provided further, that in no event shall the Lender be obligated or required to return any materials furnished by or on behalf of Borrowers or any other Loan Party. The obligations of the Lender under this Section 10.17 shall supersede and replace the obligations of the Lender under any confidentiality letter or provision in respect of this financing or any other financing previously signed and delivered by the Lender to Borrowers or any of their respective Affiliates.

### **10.19 Borrowing Agency Provisions.**

- (a) **Appointment of Borrowing Agent.** Each Borrower hereby irrevocably designates Borrowing Agent to be its attorney and agent and in such capacity to (i) borrow, (ii) request advances, (iii) request the issuance of Letters of Credit, (iv) sign and endorse notes, (v) execute and deliver all instruments, documents, applications, security agreements, reimbursement agreements and letter of credit agreements for Letters of Credit and all other certificates, notice, writings and further assurances now or hereafter required hereunder, (vi) make elections regarding interest rates, (vii) give instructions regarding Letters of Credit and agree with the issuer thereof upon any amendment, extension or renewal of any Letter of Credit and (viii) otherwise take action under and in connection with this Agreement and the other Loan Documents, all on behalf of and in the name of such Borrower, and hereby authorizes Lender to pay over or credit all Loan proceeds hereunder in accordance with the request of Borrowing Agent.

- (b) **Co-Borrowing.** The handling of this credit facility as a co-borrowing facility with a borrowing agent in the manner set forth in this Agreement is solely as an accommodation to the Borrowers and at their request. Lender shall not incur liability to any Borrower as a result thereof. To induce Lender to do so and in consideration thereof, each Borrower hereby indemnifies Lender and holds Lender harmless from and against any and all liabilities, expenses, losses, damages and claims of damage or injury asserted against Lender by any Person arising from or incurred by reason of the handling of the financing arrangements of Borrowers as provided herein, reliance by Lender on any request or instruction from Borrowing Agent or any other action taken by Lender with respect to this Section 10.18 except due to willful misconduct or gross (not mere) negligence by the indemnified party (as determined by a court of competent jurisdiction in a final and non-appealable judgment).
- (c) **Joint and Several Obligations.** All Obligations shall be joint and several, and each Borrower shall make payment upon the maturity of the Obligations by acceleration or otherwise, and such obligation and liability on the part of each Borrower shall in no way be affected by any extensions, renewals and forbearance granted by Lender to any Borrower, failure of Lender to give any Borrower notice of borrowing or any other notice, any failure of Lender to pursue or preserve its rights against any Borrower, the release by Lender of any Collateral now or thereafter acquired from any Borrower, and such agreement by each Borrower to pay upon any notice issued pursuant thereto is unconditional and unaffected by prior recourse by Lender to the other Borrowers or any Collateral for such Borrower's Obligations or the lack thereof. Each Borrower waives all suretyship defenses.

#### **10.20 Big Sky Pledge Release Conditions**

Lender agrees that it shall release and reconvey the Equity Interests of Big Sky pledged by Parent to Lender and terminate any lien filings in respect thereof if Big Sky refinances the 35 Oak Big Sky Indebtedness with a bank, the bank requests such release and the Borrowers, on the date of the closing of such refinancing and on the date thirty (30) days prior have Excess Availability of \$2,000,000.

#### **10.21 No Deemed Subordination**

Notwithstanding anything to the contrary contained herein (including any provision for, reference to, or acknowledgement of, any Lien or Permitted Lien), nothing herein and no approval by the Lender of any Lien or Permitted Lien (whether such approval is oral or in writing) shall be construed as or deemed to constitute a subordination by the Lender of any security interest or other right or interest in or to the Collateral or any part thereof in favor of any Lien or Permitted Lien or any holder of any Lien or Permitted Lien.

**[Remainder of Page Intentionally Blank]**

**IN WITNESS WHEREOF**, Borrowers, each other Loan Party signatory hereto, and Lender have signed this Agreement as of the date first set forth above.

**Borrower:**

**GLOBAL FOOD AND INGREDIENTS INC.**

Per: Bill Murray  
Name: Bill Murray  
Title: Authorized Signatory

**Guarantor:**

**GLOBAL FOOD AND INGREDIENTS LTD.**

Per: Bill Murray  
Name: Bill Murray  
Title: Authorized Signatory

**Guarantor:**

**GLOBAL FOOD AND INGREDIENTS (USA)  
INC.**

Per: Bill Murray  
Name: Bill Murray  
Title: Authorized Signatory



**Borrower:**

**GFI BRANDS INC.**

Per: Bill Murray  
Name: Bill Murray  
Title: Authorized Signatory

**Borrower:**

**NORTH LILY FOODS INC.**

Per: Bill Murray  
Name: Bill Murray  
Title: Authorized Signatory



**This is Exhibit "OO" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

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**A commissioner for Oaths in and for the Province of Prince Edward Island**  
*Prince*

## INTERCREDITOR AGREEMENT

**INTERCREDITOR AGREEMENT** (this "Agreement"), dated as of February 1, 2024 among SIENA LENDING GROUP CANADA LLC, as ABL Lender (in such capacity, with its successors and assigns, and as more specifically defined below, the "ABL Lender"), FARM CREDIT CANADA, as Term Loan Lender (in such capacity, with its successors and assigns, and as more specifically defined below, the "Term Loan Lender"), and acknowledged by each of the Loan Parties (as defined below).

**WHEREAS** GLOBAL FOOD AND INGREDIENTS INC., a Canadian corporation ("Global Foods Canada"), GFI BRANDS INC., an Ontario corporation ("GFI Brands"), NORTH LILY FOODS INC., a Delaware corporation ("North Lily Foods" and, together with Global Foods Canada and GFI Brands, are each an "ABL Borrower" and collectively the "ABL Borrowers"), GLOBAL FOOD AND INGREDIENTS (USA) INC., a Delaware corporation ("Global Food USA") and GLOBAL FOOD AND INGREDIENTS LTD., an Ontario corporation ("Parent" and, together with Global Food USA, each an "ABL Guarantor" and collectively the "ABL Guarantors") and the other Loan Parties (as defined therein) party from time to time to the Existing ABL Agreement (defined below) and the ABL Lender are parties to a certain Loan and Security Agreement dated as of the date of this Agreement (as amended, restated, supplemented and otherwise modified from time to time, the "Existing ABL Agreement"), pursuant to which the ABL Lender has agreed to make loans and extend other financial accommodations to the ABL Borrowers (the ABL Borrowers, the ABL Guarantors and the other Loan Parties party to the Existing ABL Agreement from time to time are each an "ABL Loan Party" and collectively the "ABL Loan Parties");

**WHEREAS** Global Foods Canada (the "Term Loan Borrower"), GFI Brands, the Parent, North Lily Foods and Global Food USA (each, a "Term Loan Guarantor" and collectively, the "Term Loan Guarantors") are parties to that certain Second Amended and Restated Credit Agreement dated as of May 17, 2022, as amended by a first amending agreement dated December 30, 2022, a second amending agreement dated March 17, 2023 and a third amending agreement dated February 1, 2024 (as amended, restated, supplemented and otherwise modified from time to time, the "Existing Term Loan Agreement"), pursuant to which the Term Loan Lender has made term loans to the Term Loan Borrower (the Term Loan Borrower and the Term Loan Guarantors are each, a "Term Loan Loan Party" and collectively, the "Term Loan Loan Parties");

**WHEREAS**, each of the ABL Loan Parties has granted to the ABL Lender security interests and other liens in and on the ABL Collateral as security for payment and performance of the ABL Obligations; and

**WHEREAS**, each of the Term Loan Loan Parties has granted to the Term Loan Lender security interests and other liens in and on the Term Loan Collateral as security for payment and performance of the Term Loan Obligations.

**NOW THEREFORE**, in consideration of the foregoing and the mutual covenants herein contained and other good and valuable consideration, the existence and sufficiency of which is expressly recognized by all of the parties hereto, the parties agree as follows:

### **SECTION 1. Definitions; Rules of Construction.**

1.1 PPSA Definitions. The following terms which are defined in the PPSA are used herein as so defined: Accounts, Chattel Paper, Consumer Goods, Documents of Title, Futures Accounts, Goods, Instruments, Intangibles, Inventory, Investment Property, and Securities Accounts.

1.2. Defined Terms. The following terms, as used herein, have the following meanings:

"ABL Agreement" means the collective reference to (a) the Existing ABL Agreement, (b) any Additional ABL Agreement and (c) any other credit agreement, loan agreement, note agreement,

promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, replace, refinance or refund in whole or in part the indebtedness and other obligations outstanding under the Existing ABL Agreement (regardless of whether such replacement, refunding or refinancing is a "working capital" facility, asset-based facility or otherwise), any Additional ABL Agreement or any other agreement or instrument referred to in this clause (c) unless such agreement or instrument expressly provides that it is not intended to be and is not an ABL Agreement hereunder (a "Replacement ABL Agreement"). Any reference to the ABL Agreement hereunder shall be deemed a reference to any ABL Agreement then extant.

"ABL Borrowers" has the meaning set forth in the first WHEREAS clause above.

"ABL Collateral" means all assets, whether now owned or hereafter acquired by any Loan Party, in which a Lien is granted or purported to be granted at any time to the ABL Lender as security for any ABL Obligation (including, but not limited to, Accounts, cash or cash equivalents, Chattel Paper, Documents of Title, Equipment, Futures Accounts, Goods, Instruments, Intangibles, Intellectual Property, Inventory, Investment Property, deposit accounts, and Securities Accounts, Real Property and accessions to, substitutions for, and replacements, Proceeds and products of any of the foregoing, together with all books and records, customer lists, credit files, computer files, programs, printouts, and other computer materials and records related thereto and any Intangibles at any time evidencing or relating to any of the foregoing, and all other assets of each Loan Party now or hereafter as set forth in the ABL Security Documents) and shall include, for the avoidance of doubt, any such assets and property that, but for the application of Section 552 of the Bankruptcy Code (or any similar provision of any Insolvency Law), would be ABL Collateral.

"ABL DIP Financing" has the meaning set forth in Section 5.2(a).

"ABL Documents" means the ABL Agreement, each of the ABL Security Documents, each of the ABL Guarantees and each other "Loan Document" as defined in the ABL Agreement.

"ABL Guarantee" means any guarantee by any ABL Loan Party of any or all of the ABL Obligations.

"ABL Guarantors" has the meaning set forth in the first WHEREAS clause above.

"ABL Lender" has the meaning set forth in the introductory paragraph hereof. In the case of any Replacement ABL Agreement, the ABL Lender shall be the Person identified as such in such Agreement.

"ABL Lien" means any Lien created by the ABL Security Documents.

"ABL Loan Parties" has the meaning set forth in the first WHEREAS clause above.

"ABL Obligations" means (a) all principal of and interest (including without limitation any Post-Petition Interest) and premium (if any) on all loans made pursuant to the ABL Agreement or any ABL DIP Financing by the ABL Lender, (b) all reimbursement obligations (if any) and interest thereon (including without limitation any Post-Petition Interest) with respect to any letter of credit or similar instruments issued pursuant to the ABL Agreement, (c) all Swap Obligations, (d) all Banking Services Obligations and (e) all guarantee obligations, indemnities, fees, expenses and other amounts payable from time to time pursuant to the ABL Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any ABL Obligation (whether by or on behalf of any Loan Party, as Proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, the Term Loan Lender, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the ABL Lender and the Term Loan Lender, be deemed to be reinstated and outstanding as if such payment had not occurred.

"ABL Obligations Payment Date" means the first date on which (a) the ABL Obligations (other than those that constitute Unasserted Contingent Obligations) have been indefeasibly paid in cash in full (or cash collateralized or defeased in accordance with the terms of the ABL Documents), (b) all commitments to extend credit under the ABL Documents have been terminated, (c) there are no outstanding letters of credit or similar instruments issued under the ABL Documents (other than such as have been cash collateralized or defeased in accordance with the terms of the ABL Documents), and (d) so long as the Term Loan Obligations Payment Date shall not have occurred, the ABL Lender has delivered a written notice to the Term Loan Lender stating that the events described in clauses (a), (b) and (c) have occurred to the satisfaction of the ABL Lender.

"ABL Priority Collateral" means all ABL Collateral other than Term Loan Priority Collateral.

"ABL Security Documents" means the "Collateral Documents" as defined in the ABL Agreement, and any other documents that are designated under the ABL Agreement as "ABL Security Documents" for purposes of this Agreement.

"Access Period" means, with respect to each parcel or item of Term Loan Priority Collateral, the period, following the commencement of any Enforcement Action, which begins on the earlier of (a) the day on which the ABL Lender provides the Term Loan Lender with the notice of its election to request access to such parcel or item of Term Loan Priority Collateral pursuant to Section 3.4(c) and (b) the fifth (5<sup>th</sup>) Business Day after the Term Loan Lender provides the ABL Lender with notice that the Term Loan Lender (or its agent) has obtained possession or control of such parcel or item of Term Loan Priority Collateral and ends on the earliest of (i) the day which is one hundred twenty (120) days after the date (the "Initial Access Date") on which the ABL Lender initially obtains the ability to take physical possession of, remove or otherwise control physical access to, or actually uses, such parcel or item of Term Loan Priority Collateral plus such number of days, if any, after the Initial Access Date that it is stayed or otherwise prohibited by law or court order from exercising remedies with respect to associated ABL Priority Collateral, (ii) the date on which all or substantially all of the ABL Priority Collateral associated with such parcel or item of Term Loan Priority Collateral is sold, collected or liquidated, (iii) the ABL Obligations Payment Date and (iv) the date on which the default which resulted in such Enforcement Action has been cured or waived in writing.

"Additional ABL Agreement" means any agreement approved for designation as such by the ABL Lender and the Term Loan Lender.

"Additional Term Loan Agreement" means any agreement approved for designation as such by the ABL Lender and the Term Loan Lender.

"Banking Services Obligations" means, with respect to any Loan Party, any obligations of such Loan Party and its subsidiaries owed to the ABL Lender (or any of its affiliates) in respect of treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services), credit card services, stored valued card services or other cash management services.

"Bankruptcy Code" means *the United States Bankruptcy Code (11 U.S.C. §101 et seq.)*, as amended from time to time.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in Toronto, Ontario are authorized or required by law to remain closed.

"Collateral" means, collectively, all ABL Collateral and all Term Loan Collateral.

"Common Collateral" means all Collateral that constitutes both ABL Collateral and Term Loan Collateral.

"Comparable Security Document" means, in relation to any Senior Collateral subject to any Senior Security Document, that Junior Security Document that creates a security interest in the same Senior Collateral, granted by the same Loan Party, as applicable.

"Copyright Licenses" means any and all agreements granting any right in, to or under Copyrights (whether a Loan Party is licensee or licensor thereunder).

"Copyrights" means all Canadian, United States, state and foreign copyrights, including but not limited to copyrights in software and databases, and all "Mask Works" (as defined under 17 U.S.C. 901 of the U.S. Copyright Act), whether registered or unregistered, now or hereafter in force, and with respect to any and all of the foregoing: (a) all registrations and applications therefor, (b) all extensions and renewals thereof, (c) all rights corresponding thereto throughout the world, (d) all rights to sue for past, present and future infringements thereof, (e) all licenses, claims, damages and proceeds of suit arising therefrom, and (f) all payments and royalties and rights to payments and royalties arising out of the sale, lease, license, assignment, or other disposition thereof.

"DIP Financing" shall mean any ABL DIP Financing or any Term Loan DIP Financing, as applicable.

"Enforcement Action" means, with respect to the ABL Obligations or the Term Loan Obligations, the exercise of any rights and remedies with respect to any Common Collateral securing such obligations or the commencement or prosecution of enforcement of any of the rights and remedies under, as applicable, the ABL Documents or the Term Loan Documents, or applicable law, including without limitation the exercise of any rights of set-off or recoupment, and the exercise of any rights or remedies of a secured creditor under the PPSA or the Uniform Commercial Code of any applicable jurisdiction or under Insolvency Law.

"Enforcement Notice" means a written notice delivered by the ABL Lender or the Term Loan Lender to the other Secured Party following the acceleration of its Secured Obligations or demand for payment, as applicable, stating that the ABL Lender or the Term Loan Lender, as applicable, intends to take one or more Enforcement Action.

"Equipment" means Goods that are not Inventory or Consumer Goods now or hereafter owned by any Loan Party and customarily located at or situate upon the Real Property, and any part thereof including all tools, supplies, spare parts, apparatus, plant, furniture, fixtures, equipment, machinery, conveyors, machine tools, data processing and computer equipment, including embedded software and peripheral equipment and all engineering, processing and manufacturing equipment, HVAC systems, elevation systems and storage equipment, automotive equipment, trailers, motor vehicles, trucks, forklifts, molds, dies, stamps, rolling stock and other equipment of every kind and nature whatsoever and all accessories, additions and accessions thereto, and any building components that are affixed to the real and immoveable property that comprise the Real Property and constitute real property at law.

"Existing ABL Agreement" has the meaning set forth in the first WHEREAS clause of this Agreement.

"Existing Term Loan Agreement" has the meaning set forth in the second WHEREAS clause of this Agreement.

"fixtures" means all fixtures (including trade fixtures), facilities and equipment, howsoever affixed or attached to Real Property.

"GFI Brands" has the meaning set forth in the first WHEREAS clause above.

"Global Foods Canada" has the meaning set forth in the first WHEREAS clause above.

"Global Food USA" has the meaning set forth in the first WHEREAS clause above.

"Insolvency Law" shall mean any of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and the Bankruptcy Code, each as now and hereafter in effect, any successors to such statutes and any other applicable bankruptcy or insolvency or other similar law of any jurisdiction including, without limitation, any corporate law in respect of compromise or arrangement and any law of any jurisdiction permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it.

"Insolvency Proceeding" means any proceeding in respect of bankruptcy, insolvency, winding up, receivership, dissolution, arrangement or assignment for the benefit of creditors, in each of the foregoing events whether under Insolvency Law or any similar federal, state, provincial or foreign bankruptcy, insolvency, reorganization, receivership or similar law.

"Intellectual Property" means, collectively, Copyrights, Copyright Licenses, industrial designs, industrial design applications, Patents, Patent Licenses, Trademarks, Trademark Licenses, Trade Secrets, and Trade Secret Licenses.

"Junior Collateral" shall mean with respect to any Junior Secured Party, any Collateral on which it has a Junior Lien.

"Junior Documents" shall mean, collectively, with respect to any Junior Obligations, any provision pertaining to such Junior Obligation in any Loan Document or any other document, instrument or certificate evidencing or delivered in connection with such Junior Obligation.

"Junior Liens" shall mean (a) with respect to any ABL Priority Collateral, all Liens securing the Term Loan Obligations and (b) with respect to any Term Loan Priority Collateral, all Liens securing the ABL Obligations.

"Junior Obligations" shall mean (a) with respect to any ABL Priority Collateral, all Term Loan Obligations and (b) with respect to any Term Loan Priority Collateral, all ABL Obligations.

"Junior Representative" shall mean (a) with respect to any ABL Obligations or any ABL Priority Collateral, the Term Loan Lender and (b) with respect to any Term Loan Obligations or any Term Loan Priority Collateral, the ABL Lender.

"Junior Secured Parties" shall mean (a) with respect to the ABL Priority Collateral, the Term Loan Lender and (b) with respect to the Term Loan Priority Collateral, the ABL Lender.

"Junior Security Documents" shall mean with respect to any Junior Secured Party, the Security Documents that secure the Junior Obligations.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, deed to secure debt, lien, pledge, hypothecation, assignment, assignation, debenture, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Lien Priority" means with respect to any Lien of the ABL Lender or Term Loan Lender in the Common Collateral, the order of priority of such Lien specified in Section 2.1.

"Loan Documents" shall mean, collectively, the ABL Documents and the Term Loan Documents.



"Loan Party" means the ABL Borrowers and each direct or indirect affiliate or shareholder (or equivalent) of the ABL Borrowers or any of their affiliates that is now or hereafter becomes a party to any ABL Document or any Term Loan Document, including any ABL Loan Party. All references in this Agreement to any Loan Party shall include such Loan Party as a debtor-in-possession and any receiver or trustee for such Loan Party in any Insolvency Proceeding.

"North Lily Foods" has the meaning set forth in the first WHEREAS clause above.

"Parent" has the meaning set forth in the first WHEREAS clause above.

"Patent License" means all agreements granting any right in, to, or under Patents (whether any Loan Party is licensee or licensor thereunder).

"Patents" means all Canadian, United States and foreign patents and certificates of invention, or similar industrial property rights, now or hereafter in force, and with respect to any and all of the foregoing, (a) all applications therefore, (b) all reissues, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations thereof, (c) all rights corresponding thereto throughout the world, (d) all inventions and improvements described therein, (e) all rights to sue for past, present and future infringements thereof, (f) all licenses, claims, damages, and proceeds of suit arising therefrom, and (g) all payments and royalties and rights to payments and royalties arising out of the sale, lease, license, assignment, or other disposition thereof.

"Person" means any person, individual, sole proprietorship, partnership, joint venture, corporation, limited liability company, unlimited liability company, unincorporated organization, association, institution, entity, party, including any government and any political subdivision, agency or instrumentality thereof.

"Post-Petition Interest" means any interest or entitlement to fees or expenses or other charges that accrues after the commencement of any Insolvency Proceeding (or would accrue but for the commencement of an Insolvency Proceeding), whether or not allowed or allowable in any such Insolvency Proceeding.

"PPSA" means the *Personal Property Security Act* (Ontario) or the *Personal Property Security Act* of any other Canadian jurisdiction (including the *Civil Code of Québec*), as applicable, as now and hereafter in effect.

"Priority Collateral" means the ABL Priority Collateral or the Term Loan Priority Collateral, as applicable.

"Proceeds" means (a) all "proceeds", as defined in Article 9 of the Uniform Commercial Code or the PPSA, as applicable, with respect to the Common Collateral, and (b) whatever is recoverable or recovered when any Common Collateral is sold, exchanged, collected, or disposed of, whether voluntarily or involuntarily.

"Real Property" means any right, title or interest in and to all real (immovable) property now or hereafter owned or leased by any Loan Party which is now or hereafter mortgaged by any Loan Party to and in favour of the Term Loan Lender including, without limitation, the Saskatchewan Real Property Collateral, and such Loan Party's interest in all buildings, erections, and fixtures constituting real property at law now or hereafter constructed or placed thereon (such as, without limitation, lighting, plumbing and HVAC systems), and revenues, receipts, income, credits, deposits, profits, royalties, rents, additional rents, recoveries, accounts receivables of any kind and nature whatsoever arising from or relating to any lease, sublease, agreement to lease or licences of the Real Property (together with any guarantee or indemnity of the obligations of any tenant of the Real Property).

"Replacement ABL Agreement" has the meaning set forth in the definition of "ABL Agreement".

"Replacement Term Loan Agreement" has the meaning set forth in the definition of "Term Loan Agreement".

"Saskatchewan Real Property Collateral" shall mean the real property owned or leased by the Term Loan Borrower, with the municipal address at one of the Saskatchewan Real Property Locations and all improvements and building fixtures attached thereto (such as, without limitation, lighting, plumbing and HVAC systems) and revenues, receipts, income, credits, deposits, profits, royalties, rents, additional rents, recoveries, accounts receivables of any kind and nature whatsoever arising from or relating to any lease, sublease, agreement to lease or licences of the Saskatchewan Real Property Location (together with any guarantee or indemnity of the obligations of any tenant of the Saskatchewan Real Property Location), in each case, over which a Lien in favour of the Term Loan Lender has been granted pursuant to the Term Loan Security Documents and a Lien in favour of the ABL Lender has been granted pursuant to the ABL Security Documents.

"Saskatchewan Real Property Location" means, the real property owned or leased by the Term Loan Borrower with the municipal addresses of (a) [no address available], RM of Lajord No. 128, Saskatchewan, being: Surface Parcel #111788219 (Reference Land Description: Blk/Par A Plan No 101331425 Extension 10, As described on Certificate of Title 99SE01294, description 10); (b) 100 Elevator Road, Town of Zealandia, Saskatchewan, being: Surface Parcel #145169185 (Reference Land Description: Blk/Par A Plan No 98MW19933 Extension 1 as described on Certificate of Title 99MW02348) and Surface Parcel #202892519 (Reference Land Description: Blk/Par K Plan No 102144046 Extension 0); and (c) 100 South Railway Avenue, RM of Lajord No. 128, being Surface Parcel #203169775 (Reference Land Description: SW 09 Twp 15 Rge 16 W 2 Plan No. B3490 Extension 4).

"Secured Obligations" shall mean the ABL Obligations and the Term Loan Obligations.

"Secured Parties" means the ABL Lender and the Term Loan Lender, and "Secured Party" means either one of them, as the context requires.

"Security Documents" means, collectively, the ABL Security Documents and the Term Loan Security Documents.

"Senior Collateral" shall mean with respect to any Senior Secured Party, any Collateral on which it has a Senior Lien.

"Senior Documents" shall mean, collectively, with respect to any Senior Obligation, any provision pertaining to such Senior Obligation in any Loan Document or any other document, instrument or certificate evidencing or delivered in connection with such Senior Obligation.

"Senior Liens" shall mean (a) with respect to the ABL Priority Collateral, all Liens securing the ABL Obligations and (b) with respect to the Term Loan Priority Collateral, all Liens securing the Term Loan Obligations.

"Senior Obligations" shall mean (a) with respect to any ABL Priority Collateral, all ABL Obligations and (b) with respect to any Term Loan Priority Collateral, all Term Loan Obligations.

"Senior Obligations Payment Date" shall mean (a) with respect to ABL Obligations, the ABL Obligations Payment Date and (b) with respect to any Term Loan Obligations, the Term Loan Obligations Payment Date.

"Senior Representative" shall mean (a) with respect to any ABL Priority Collateral, the ABL Lender and (b) with respect to any Term Loan Priority Collateral, the Term Loan Lender.

"Senior Secured Parties" shall mean (a) with respect to the ABL Priority Collateral, the ABL Lender, and (b) with respect to the Term Loan Priority Collateral, the Term Loan Lender.

"Senior Security Documents" shall mean with respect to any Senior Secured Party, the Security Documents that secure the Senior Obligations.

"Swap Obligations" means, with respect to any Loan Party, any obligations of such Loan Party owed to the ABL Lender (or any of its affiliates) in respect of any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

"Term Loan Agreement" means the collective reference to (a) the Existing Term Loan Agreement, (b) any Additional Term Loan Agreement and (c) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, replace, refinance or refund in whole or in part the indebtedness and other obligations outstanding under the Existing Term Loan Agreement, any Additional Term Loan Agreement or any other agreement or instrument referred to in this clause (c) unless such agreement or instrument expressly provides that it is not intended to be and is not a Term Loan Agreement hereunder (a "Replacement Term Loan Agreement"). Any reference to the Term Loan Agreement hereunder shall be deemed a reference to any Term Loan Agreement then extant.

"Term Loan Borrower" has the meaning set forth in the second WHEREAS clause above.

"Term Loan Collateral" means all assets, whether now owned or hereafter acquired by any Loan Party, in which a Lien is granted or purported to be granted to the Term Loan Lender as security for any Term Loan Obligation.

"Term Loan DIP Financing" has the meaning set forth in Section 5.2(b).

"Term Loan Documents" means each Term Loan Agreement, each Term Loan Security Document, each Term Loan Guarantee and each other "Loan Document" as defined in the Term Loan Agreement.

"Term Loan Guarantee" means any guarantee by any Loan Party of any or all of the Term Loan Obligations.

"Term Loan Guarantors" has the meaning set forth in the second WHEREAS clause above.

"Term Loan Lender" has the meaning set forth in the introductory paragraph hereof. In the case of any Replacement Term Loan Agreement, the Term Loan Lender shall be the Person identified as such in such Agreement.

"Term Loan Lien" means any Lien created by the Term Loan Security Documents.

"Term Loan Loan Parties" has the meaning set forth in the second WHEREAS clause above.

"Term Loan Obligations" means (a) all principal of and interest (including, without limitation, any Post-Petition Interest) and premium (if any) on all indebtedness under the Term Loan Agreement or any Term Loan DIP Financing by the Term Loan Lender, and (b) all guarantee obligations, indemnities, fees,

expenses and other amounts payable from time to time pursuant to the Term Loan Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any Term Loan Obligation (whether by or on behalf of any Loan Party, as Proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, the ABL Lender, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the ABL Lender and the Term Loan Lender, be deemed to be reinstated and outstanding as if such payment had not occurred.

"Term Loan Obligations Payment Date" means the first date on which (a) the Term Loan Obligations (other than those that constitute Unasserted Contingent Obligations) have been indefeasibly paid in cash in full, (b) all commitments to extend credit under the Term Loan Documents have been terminated, and (c) so long as the ABL Obligations Payment Date shall not have occurred, the Term Loan Lender has delivered a written notice to the ABL Lender stating that the events described in clauses (a) and (b) have occurred to the satisfaction of the Term Loan Lender.

"Term Loan Priority Collateral" means all Collateral consisting of the following:

- (a) all Equipment and fixtures;
- (b) all Intellectual Property owned by any Loan Party;
- (c) all Real Property;
- (d) the insurance policy with respect to the life of David Hanna in the amount of \$1,000,000; and
- (e) all books and records relating to the foregoing (including, without limitation, all books, databases, customer lists, engineer drawings, and records, whether tangible or electronic which contain any information relating to any of the foregoing), and all Proceeds of the foregoing (including, without limitation, all insurance proceeds) and all collateral security and guarantees given by any Person with respect to any of the foregoing;

provided, however, "Term Loan Priority Collateral" shall not include Proceeds from the disposition of any Term Loan Priority Collateral permitted by the Term Loan Agreement to the extent such Proceeds are not required to be applied to the mandatory prepayment of the Term Loan Obligations pursuant to the Term Loan Documents, unless such Proceeds arise from a disposition of Term Loan Priority Collateral resulting from Enforcement Action taken by the Term Loan Lender permitted by this Agreement.

"Term Loan Security Documents" means the "Security Documents" as defined in the Term Loan Agreement and any documents that are designated under the Term Loan Agreement as "Term Loan Security Documents" for purposes of this Agreement.

"Trade Secret Licenses" means any and all agreements granting any right in or to Trade Secrets (whether a Loan Party is licensee or licensor thereunder).

"Trade Secrets" means all trade secrets and all other confidential or proprietary information and know-how, whether or not reduced to a writing or other tangible form, now or hereafter in force, owned or used in, or contemplated at any time for use in, the business of any Loan Party, including with respect to any and all of the foregoing: (a) all documents and things embodying, incorporating, or referring in any way thereto, (b) all rights to sue for past, present and future infringement thereof, (c) all licenses, claims,

damages, and proceeds of suit arising therefrom, and (d) all payments and royalties and rights to payments and royalties arising out of the sale, lease, license, assignment, or other dispositions thereof.

"Trademark Licenses" means any and all agreements granting any right in or to Trademarks (whether a Loan Party is licensee or licensor thereunder).

"Trademarks" means all Canadian, United States, state and foreign trademarks, service marks, certification marks, collective marks, trade names, corporate names, d/b/as, business names, fictitious business names, Internet domain names, trade styles, logos, other source or business identifiers, designs and intangibles of a like nature, rights of publicity and privacy pertaining to the names, likeness, signature and biographical data of natural persons, now or hereafter in force, and, with respect to any and all of the foregoing: (a) all registrations and applications therefor, (b) the goodwill of the business symbolized thereby, (c) all rights corresponding thereto throughout the world, (d) all rights to sue for past, present and future infringement or dilution thereof or for any injury to goodwill, (e) all licenses, claims, damages, and proceeds of suit arising therefrom, and (f) all payments and royalties and rights to payments and royalties arising out of the sale, lease, license assignment or other disposition thereof.

"Unasserted Contingent Obligations" shall mean, at any time, ABL Obligations or Term Loan Obligations, as applicable, for taxes, costs, indemnifications, reimbursements, damages and other liabilities (excluding (a) the principal of, and interest and premium (if any) on, and fees and expenses relating to, any ABL Obligation or Term Loan Obligation, as applicable, and (b) with respect to ABL Obligations contingent reimbursement obligations in respect of amounts that may be drawn under outstanding letters of credit) in respect of which no assertion of liability (whether oral or written) and no claim or demand for payment (whether oral or written) has been made (and, in the case of ABL Obligations or Term Loan Obligations, as applicable, for indemnification, no notice for indemnification has been issued by the indemnitee) at such time.

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect from time to time in the applicable jurisdiction.

1.3 Rules of Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

## **SECTION 2. Lien Priority.**

2.1 Lien Subordination. Notwithstanding the date, manner or order of grant, execution, delivery, attachment, registration or perfection of any Junior Lien in respect of any Collateral or of any Senior Lien in respect of any Collateral and notwithstanding any provision of the PPSA, the Uniform Commercial Code, any applicable law, any Security Document, any alleged or actual defect or deficiency

in any of the foregoing or any other circumstance whatsoever, each Junior Representative, on behalf of each Junior Secured Party, in respect of such Collateral hereby agrees that:

(a) any Senior Lien in respect of such Collateral, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be and shall remain senior and prior to any Junior Lien in respect of such Collateral (whether or not such Senior Lien is subordinated to any Lien securing any other obligation); and

(b) any Junior Lien in respect of such Collateral, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to any Senior Lien in respect of such Collateral.

2.2 Prohibition on Contesting Liens. In respect of any Collateral, each Junior Representative, on behalf of each Junior Secured Party, in respect of such Collateral agrees that it shall not, and hereby waives any right to:

(a) contest, or support any other Person in contesting, in any proceeding (including any Insolvency Proceeding), the priority, validity or enforceability of any Senior Lien on such Collateral; or

(b) demand, request, plead or otherwise assert or claim the benefit of any marshalling, appraisal, valuation or similar right which it may have in respect of such Collateral or the Senior Liens on such Collateral, except to the extent that such rights are expressly granted in this Agreement.

2.3 Nature of Obligations; Consent to ABL Obligations and ABL Liens. The Term Loan Lender acknowledges that the ABL Obligations (or a portion thereof) constitute debt that is revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently re-borrowed, and that the terms of the ABL Obligations may be modified, extended or amended from time to time, and that the aggregate amount of the ABL Obligations may be increased, replaced or refinanced, in each event, without notice to or consent by the Term Loan Lender and without affecting the provisions hereof. The ABL Lender acknowledges that Term Loan Obligations may be replaced or refinanced without notice to or consent by the ABL Lender and without affecting the provisions hereof. The Lien Priorities provided in Section 2.1 shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment, re-borrowing, increase, replacement, renewal, restatement or refinancing of either the ABL Obligations or the Term Loan Obligations, or any portion thereof. Notwithstanding the terms of any Term Loan Document, the Term Loan Lender hereby consents to the ABL Obligations and ABL Liens, and the Term Loan Lender acknowledges and agrees that, as of the date of this Agreement, the maximum principal amount of the ABL Obligations is \$20,000,000 and that, as of the date of this Agreement, such amount may at any time be increased to up to \$25,000,000 in accordance with the terms of the Existing ABL Agreement.

2.4 No New Liens.

(a) Until the ABL Obligations Payment Date, the Term Loan Lender shall not acquire or hold any Lien on any assets of any Loan Party securing any Term Loan Obligation which assets are not also subject to the Lien of the ABL Lender under the ABL Documents, subject to the Lien Priority set forth herein. If the Term Loan Lender shall (nonetheless and in breach hereof) acquire or hold any Lien on any assets of any Loan Party securing any Term Loan Obligation which assets are not also subject to the Lien of the ABL Lender under the ABL Documents, subject to the Lien Priority set forth herein, then the Term Loan Lender shall, notwithstanding anything to the contrary in any other Term Loan Document, be deemed to also hold and have held such lien for the benefit

of the ABL Lender as security for the ABL Obligations (subject to the Lien Priority and other terms hereof) and shall promptly notify the ABL Lender in writing of the existence of such Lien.

(b) Until the Term Loan Obligations Payment Date, the ABL Lender shall not acquire or hold any Lien on any assets of any Loan Party securing any ABL Obligation which assets are not also subject to the Lien of the Term Loan Lender under the Term Loan Documents, subject to the Lien Priority set forth herein. If the ABL Lender shall (nonetheless and in breach hereof) acquire or hold any Lien on any assets of any Loan Party securing any ABL Obligation which assets are not also subject to the Lien of the Term Loan Lender under the Term Loan Documents, subject to the Lien Priority set forth herein, then the ABL Lender shall, notwithstanding anything to the contrary in any other ABL Document be deemed to also hold and have held such lien for the benefit of the Term Loan Lender as security for the Term Loan Obligations (subject to the Lien Priority and other terms hereof) and shall promptly notify the Term Loan Lender in writing of the existence of such Lien.

2.5 Separate Grants of Security and Separate Classification. Each Secured Party acknowledges and agrees that (a) the grants of Liens pursuant to the ABL Security Documents and the Term Loan Security Documents constitute two separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Common Collateral, the Term Loan Obligations are fundamentally different from the ABL Obligations and they should be separately classified in any plan of reorganization proposed or adopted in an Insolvency Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the ABL Lender and the Term Loan Lender in respect of the Common Collateral constitute claims in the same class (rather than separate classes of senior and junior secured claims), then the ABL Lender and the Term Loan Lender hereby acknowledge and agree that all distributions shall be made as if there were separate classes of ABL Obligation claims and Term Loan Obligation claims against the Loan Parties (with the effect being that, to the extent that the aggregate value of the ABL Priority Collateral or Term Loan Priority Collateral is sufficient (for this purpose ignoring all claims held by the other Secured Parties), the ABL Lender or the Term Loan Lender, respectively, shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest that is available from each pool of Priority Collateral for each of the ABL Lender and the Term Loan Lender, respectively, before any distribution is made in respect of the claims held by the other Secured Parties, with the other Secured Parties hereby acknowledging and agreeing to turn over to the respective other Secured Parties amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the aggregate recoveries).

## 2.6 Agreements Regarding Actions to Perfect Liens.

Each of the ABL Lender and the Term Loan Lender hereby acknowledges that, to the extent that it holds, or a third party holds on its behalf, physical possession of or "control" (as defined in the Uniform Commercial Code or pursuant to the PPSA, as applicable) over Common Collateral pursuant to the ABL Security Documents or the Term Loan Security Documents, as applicable, such possession or control is also for the benefit of the Term Loan Lender or the ABL Lender, as applicable, solely to the extent required to perfect their security interest in such Common Collateral. Nothing in the preceding sentence shall be construed to impose any duty on the ABL Lender or the Term Loan Lender (or any third party acting on either such Person's behalf) with respect to such Common Collateral or provide the Term Loan Lender or the ABL Lender, as applicable, with any rights with respect to such Common Collateral beyond those specified in this Agreement, the ABL Security Documents and the Term Loan Security Documents, as applicable, provided that subsequent to the occurrence of the ABL Obligations Payment Date (so long as the Term Loan Obligations Payment Date shall not have occurred), the ABL Lender shall (i) deliver to the Term Loan Lender, at the Loan Parties' sole cost and expense, the Common Collateral in its possession or control together with any necessary endorsements to the extent required by the Term Loan Documents or (ii) direct and deliver such Common Collateral as a court of competent jurisdiction otherwise directs;

provided, further, that subsequent to the occurrence of the Term Loan Obligations Payment Date (so long as the ABL Obligations Payment Date shall not have occurred), the Term Loan Lender shall (A) deliver to the ABL Lender, at the Loan Parties' sole cost and expense, the Common Collateral in its possession or control together with any necessary endorsements to the extent required by the ABL Documents or (B) direct and deliver such Common Collateral as a court of competent jurisdiction otherwise directs. The provisions of this Agreement are intended solely to govern the respective Lien priorities as between the ABL Lender and the Term Loan Lender and shall not impose on the ABL Lender or the Term Loan Lender any obligations in respect of the disposition of any Common Collateral (or any proceeds thereof) that would conflict with prior perfected Liens or any claims thereon in favor of any other Person that is not a Secured Party.

### **SECTION 3. Enforcement Rights.**

3.1 Exclusive Enforcement. Until the Senior Obligations Payment Date has occurred, whether or not an Insolvency Proceeding has been commenced by or against any Loan Party, the Senior Secured Parties shall have the exclusive right to take and continue any Enforcement Action (including the right to credit bid their debt) with respect to the Senior Collateral, without any consultation with or consent of any Junior Secured Party, but subject to the proviso set forth in Section 5.1. Upon the occurrence and during the continuance of a default or an event of default under any Senior Documents, each Senior Representative and the other Senior Secured Parties may take and continue any Enforcement Action with respect to their Senior Obligations and their Senior Collateral in such order and manner as they may determine in their sole discretion in accordance with the terms and conditions of such Senior Documents.

3.2 Standstill and Waivers. Each Junior Representative, on behalf of itself and the other Junior Secured Parties, as applicable, agrees that, until the Senior Obligations Payment Date has occurred, but subject to the proviso set forth in Section 5.1:

(a) they will not take or cause to be taken any action, the purpose or effect of which is to make any Lien on any Senior Collateral that secures any Junior Obligation *pari passu* with or senior to, or to give any Junior Secured Party any preference or priority relative to, the Liens on the Senior Collateral securing the Senior Obligations;

(b) they will not contest, oppose, object to, interfere with, hinder or delay, in any manner, whether by judicial proceedings (including without limitation the filing of an Insolvency Proceeding) or otherwise, any foreclosure, sale, lease, exchange, transfer or other disposition of the Senior Collateral by any Senior Secured Party or any other Enforcement Action taken (or any forbearance from taking any Enforcement Action) in respect of the Senior Collateral by or on behalf of any Senior Secured Party;

(c) they have no right to (i) direct either the Senior Representative or any other Senior Secured Party to exercise any right, remedy or power with respect to the Senior Collateral or pursuant to the Senior Security Documents in respect of the Senior Collateral or (ii) consent or object to the exercise by the Senior Representative or any other Senior Secured Party of any right, remedy or power with respect to the Senior Collateral or pursuant to the Senior Security Documents with respect to the Senior Collateral or to the timing or manner in which any such right is exercised or not exercised (or, to the extent they may have any such right described in this clause (c), whether as a junior lien creditor in respect of the Senior Collateral or otherwise, they hereby irrevocably waive such right);

(d) they will not institute any suit or other proceeding or assert in any suit, Insolvency Proceeding or other proceeding any claim against any Senior Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise, with respect to, and no Senior Secured Party shall be liable for, any action taken or omitted to be taken by any Senior



Secured Party with respect to the Senior Collateral or pursuant to the Senior Documents in respect of the Senior Collateral;

(e) they will not commence judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of any Senior Collateral, exercise any right, remedy or power with respect to, or otherwise take any action to enforce their interest in or realize upon, the Senior Collateral; and

(f) they will not seek, and hereby waive any right, to have the Senior Collateral or any part thereof marshaled upon any foreclosure or other disposition of the Senior Collateral.

3.3 Judgment Creditors. In the event that the Term Loan Lender becomes a judgment lien creditor in respect of Common Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment lien shall be subject to the terms of this Agreement for all purposes (including in relation to the ABL Liens and the ABL Obligations) to the same extent as all other Liens securing the Term Loan Obligations are subject to the terms of this Agreement. In the event that the ABL Lender becomes a judgment lien creditor in respect of Common Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment lien shall be subject to the terms of this Agreement for all purposes (including in relation to the Term Loan Liens and the Term Loan Obligations) to the same extent as all other Liens securing the ABL Obligations are subject to the terms of this Agreement.

3.4 Cooperation; Sharing of Information and Access.

(a) The Term Loan Lender agrees that it shall take such actions as the ABL Lender shall reasonably request in connection with the exercise by the ABL Lender of its rights set forth herein in respect of the ABL Priority Collateral. The ABL Lender agrees that it shall take such actions as the Term Loan Lender shall reasonably request in connection with the exercise by the Term Loan Lender of its rights set forth herein in respect of the Term Loan Priority Collateral..

(b) In the event that the ABL Lender shall, in the exercise of its rights under the ABL Security Documents or otherwise, receive possession or control of any books and records of any Loan Party which contain information identifying or pertaining to the Term Loan Priority Collateral, the ABL Lender shall promptly notify the Term Loan Lender of such fact and, upon request from the Term Loan Lender and as promptly as practicable thereafter, either make available to the Term Loan Lender such books and records for inspection and duplication or provide to the Term Loan Lender copies thereof. In the event that the Term Loan Lender shall, in the exercise of its rights under the Term Loan Security Documents or otherwise, receive possession or control of any books and records of any Loan Party which contain information identifying or pertaining to any of the ABL Priority Collateral, the Term Loan Lender shall promptly notify the ABL Lender of such fact and, upon request from the ABL Lender and as promptly as practicable thereafter, either make available to the ABL Lender such books and records for inspection and duplication or provide the ABL Lender copies thereof. The Term Loan Lender hereby irrevocably grants the ABL Lender a non-exclusive worldwide license or right to use, to the maximum extent permitted by applicable law and to the extent of the Term Loan Lender's interest therein, exercisable without payment of royalty or other compensation, to use any of the Intellectual Property now or hereafter owned by, licensed to, or otherwise used by the Loan Parties in order for the ABL Lender to purchase, use, market, repossess, possess, store, assemble, manufacture, process, sell, transfer, distribute or otherwise dispose of any asset included in the ABL Priority Collateral in connection with the liquidation, disposition or realization upon the ABL Priority Collateral in accordance with the terms and conditions of the ABL Security Documents and the other ABL Documents. The Term Loan Lender agrees that any sale, transfer or other disposition of any of the Loan Parties' Intellectual Property

(whether by foreclosure or otherwise) will be subject to the ABL Lender's rights as set forth in this Section 3.4.

(c) If the Term Loan Lender, or any agent or representative of the Term Loan Lender, or any receiver, shall, after the commencement of any Enforcement Action, obtain possession or physical control of any of the Term Loan Priority Collateral, the Term Loan Lender shall promptly notify the ABL Lender in writing of that fact, and the ABL Lender shall, within ten (10) Business Days thereafter, notify the Term Loan Lender in writing as to whether the ABL Lender desires to exercise access rights under this Agreement. In addition, if the ABL Lender, or any agent or representative of the ABL Lender, or any receiver, shall obtain possession or physical control of any of the ABL Priority Collateral in connection with an Enforcement Action, then the ABL Lender shall promptly notify the Term Loan Lender that the ABL Lender is exercising its access rights under this Agreement and its rights under Section 3.4 under either circumstance. Upon delivery of such notice by the ABL Lender to the Term Loan Lender, the parties shall confer in good faith to coordinate with respect to the ABL Lender's exercise of such access rights, with such access rights to apply to any parcel or item of Term Loan Priority Collateral access to which is reasonably necessary to enable the ABL Lender during normal business hours to convert ABL Priority Collateral consisting of raw materials and work-in-process into saleable finished goods and/or to transport such ABL Priority Collateral to a point where such conversion can occur, to otherwise prepare ABL Priority Collateral for sale and/or to arrange or effect the sale of ABL Priority Collateral, all in accordance with the manner in which such matters are completed in the ordinary course of business. Consistent with the definition of "Access Period", access rights will apply to differing parcels or items of Term Loan Priority Collateral at differing times, in which case, a differing Access Period will apply to each such parcel or items. During any pertinent Access Period, the ABL Lender and its agents, representatives and designees shall have an irrevocable, non-exclusive right to have access to, and a rent-free right to use, any relevant parcel or item of the Term Loan Priority Collateral for the purposes described above, provided the ABL Lender or its agents, representatives or designees pays on a per diem basis all direct expenses arising from the use or occupation by the ABL Lender of any Term Loan Priority Collateral including, but not limited to, costs with respect to property insurance (on a full replacement value basis), security, heat, light, electricity, water and real property taxes with respect to any building so used or occupied and payroll and related expenses for employees whose services are required for such use of such Term Loan Priority Collateral. The ABL Lender shall take proper and reasonable care under the circumstances of any Term Loan Priority Collateral that is used by the ABL Lender during the Access Period and repair and replace any damage (ordinary wear-and-tear excepted) caused by the ABL Lender or its agents, representatives or designees and the ABL Lender shall comply with all applicable laws in all material respects in connection with its use or occupancy or possession of the ABL Priority Collateral. The ABL Lender shall indemnify and hold harmless the Term Loan Lender for any injury or damage to Persons or property (ordinary wear-and-tear excepted) caused by the acts or omissions of Persons under its control; provided, however, that the ABL Lender will not be liable for any diminution in the value of Term Loan Priority Collateral caused by the absence of the ABL Priority Collateral therefrom. The ABL Lender and the Term Loan Lender shall cooperate and use reasonable efforts to ensure that their activities during the Access Period as described above do not interfere materially with the activities of the other as described above, including the right of Term Loan Lender to show the Term Loan Priority Collateral to prospective purchasers and to ready the Term Loan Priority Collateral for sale. Consistent with the definition of the term "Access Period", if any order or injunction is issued or stay is granted or is otherwise effective by operation of law that prohibits the ABL Lender from exercising any of its rights hereunder, then the Access Period granted to the ABL Lender under this Section 3.4 shall be stayed during the period of such prohibition and shall continue thereafter for the number of days remaining as required under this Section 3.4. The Term Loan Lender shall not foreclose or otherwise sell, remove or dispose of any of the Term Loan Priority Collateral during the Access Period with respect to such Collateral if such

Collateral is reasonably necessary to enable the ABL Lender to convert, transport or arrange to sell the ABL Priority Collateral as described above.

3.5 No Additional Rights For the Loan Parties Hereunder. Except as provided in Section 3.6 hereof, if the ABL Lender or the Term Loan Lender shall enforce its rights or remedies in violation of the terms of this Agreement, no Loan Party shall be entitled to use such violation as a defense to any action by the ABL Lender or the Term Loan Lender, as the case may be, nor to assert such violation as a counterclaim or basis for set off or recoupment the ABL Lender or the Term Loan Lender.

3.6 Actions Upon Breach.

(a) If the ABL Lender or the Term Loan Lender, contrary to this Agreement, commences or participates in any action or proceeding against any Loan Party or the Common Collateral, such Loan Party, with the prior written consent of the ABL Lender or the Term Loan Lender, as applicable, may interpose as a defense or dilatory plea the making of this Agreement, and the ABL Lender or the Term Loan Lender, as applicable, may intervene and interpose such defense or plea in its or their name or in the name of such Loan Party.

(b) Should the ABL Lender or the Term Loan Lender, contrary to this Agreement, in any way take, attempt to or threaten to take any action with respect to the Common Collateral (including, without limitation, any attempt to realize upon or enforce any remedy with respect to this Agreement), or fail to take any action required by this Agreement, the ABL Lender or the Term Loan Lender (in its own name or in the name of the relevant Loan Party), as applicable, or the relevant Loan Party, may obtain relief against the ABL Lender or the Term Loan Lender, as applicable, by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by each of the ABL Lender and the Term Loan Lender that (i) the damages suffered by the ABL Lender or the Term Loan Lender, as applicable, from such actions may at that time be difficult to ascertain and may be irreparable, and (ii) the ABL Lender or the Term Loan Lender, as applicable, waives any defense that the Loan Parties and/or the Term Loan Lender and/or ABL Lender, as applicable, cannot demonstrate damage and/or be made whole by the awarding of damages.

**SECTION 4. Application of Proceeds of Senior Collateral; Dispositions and Releases of Lien; Notices and Insurance.**

4.1 Application of Proceeds.

(a) Application of Proceeds of Senior Collateral. The Senior Representative and Junior Representative hereby agree that all Senior Collateral, and all Proceeds thereof, received by either of them in connection with the collection, sale or disposition of Senior Collateral shall be applied,

(i) first, to the payment of costs and expenses (including reasonable attorneys' fees and expenses and court costs) of the Senior Representative in connection with such Enforcement Action,

(ii) second, to the payment of the Senior Obligations in accordance with the Senior Documents until the Senior Obligations Payment Date,

(iii) third, to the payment of the Junior Obligations in accordance with the terms thereof, and

(iv) fourth, the balance, if any, to the Loan Parties or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

(b) Limited Obligation or Liability. In exercising remedies, whether as a secured creditor or otherwise, the Senior Representative shall have no obligation or liability to the Junior Representative or to any Junior Secured Party, as applicable, regarding the adequacy of any Proceeds or for any action or omission, save and except solely for an action or omission that breaches the express obligations undertaken by each party under the terms of this Agreement.

(c) Segregation of Collateral. Until the occurrence of the Senior Obligations Payment Date, any Senior Collateral that may be received by any Junior Secured Party, whether or not in violation of this Agreement, shall be segregated and held in trust and promptly paid over to the Senior Representative, for the benefit of the Senior Secured Parties, in the same form as received, with any necessary endorsements, and each Junior Secured Party hereby authorizes the Senior Representative to make any such endorsements as agent for the Junior Representative (which authorization, being coupled with an interest, is irrevocable).

4.2 Releases of Liens. Upon any release, sale or disposition of Senior Collateral permitted pursuant to the terms of the Senior Documents that results in the release of the Senior Lien on any Senior Collateral (including without limitation any sale or other disposition pursuant to any Enforcement Action) (other than a release of the Senior Lien due to the occurrence of the Senior Obligations Payment Date), the Junior Lien on such Senior Collateral (excluding any portion of the proceeds of such Senior Collateral remaining after the Senior Obligations Payment Date occurs) shall be automatically and unconditionally released with no further consent or action of any Person. The Junior Representative shall promptly execute and deliver such release documents and instruments and shall take such further actions as the Senior Representative shall reasonably request to evidence any release of the Junior Lien described in this Section 4.2. The Junior Representative hereby appoints the Senior Representative and any officer or duly authorized person of the Senior Representative, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney in the place and stead of the Junior Representative and in the name of the Junior Representative or in the Senior Representative's own name, from time to time, in the Senior Representative's sole discretion, for the purposes of carrying out the terms of this Section 4.2, to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of this Section 4.2, including, without limitation, any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

#### 4.3 Certain Real Property Notices: Insurance.

(a) [Intentionally deleted.]

(b) The Term Loan Lender shall give the ABL Lender at least ten (10) days written notice prior to commencing any Enforcement Action against any Real Property owned by any Loan Party at which ABL Priority Collateral is stored or otherwise located or to dispossess any Loan Party from such Real Property.

(c) Proceeds of Common Collateral include any insurance proceeds thereof, and therefore the Lien Priority shall govern the ultimate disposition of casualty insurance proceeds. The ABL Lender shall be named as additional insured or loss payee, as applicable, with respect to all insurance policies relating to ABL Priority Collateral and the Term Loan Lender shall be named as additional insured or loss payee, as applicable, with respect to all insurance policies relating to Term Loan Priority Collateral. The ABL Lender shall have the sole and exclusive right, as against the Term Loan Lender, to adjust settlement of insurance claims in the event of any covered loss, theft or destruction of ABL Priority Collateral. The Term Loan Lender shall have the sole and

exclusive right, as against the ABL Lender, to adjust settlement of insurance claims in the event of any covered loss, theft or destruction of Term Loan Priority Collateral. All proceeds of such insurance shall be remitted to the ABL Lender or the Term Loan Lender, as the case may be, and each of the Term Loan Lender and ABL Lender shall cooperate (if necessary) in a reasonable manner in effecting the payment of insurance proceeds in accordance with Section 4.1.

## **SECTION 5. Insolvency Proceedings.**

5.1 Filing of Motions. Until the Senior Obligations Payment Date has occurred, each Junior Representative agrees on behalf of itself and the other Junior Secured Parties, as applicable, that no Junior Secured Party shall, in or in connection with any Insolvency Proceeding, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever, in each case in respect of any of the Senior Collateral, including, without limitation, with respect to the determination of any Liens or claims held by the Senior Representative (including the validity and enforceability thereof) or any other Senior Secured Party, as applicable, in respect of any Senior Collateral or the value of any claims of such parties under Insolvency Law or otherwise; provided that the Junior Representative may (a) file a proof of claim in an Insolvency Proceeding, and (b) file any necessary responsive or defensive pleadings in opposition to any motion or other pleadings made by any Person objecting to or otherwise seeking the disallowance of all of any part of the claims of the Junior Secured Parties on the Senior Collateral, subject to the limitations contained in this Agreement and only if consistent with the terms and the limitations on the Junior Representative imposed hereby.

### 5.2 Financing Matters.

(a) If any Loan Party becomes subject to any Insolvency Proceeding in Canada or the United States at any time prior to the ABL Obligations Payment Date, and if the ABL Lender desires to consent (or not object) to the use of cash collateral under Insolvency Law or to provide financing to any Loan Party under Insolvency Law or to consent (or not object) to the provision of such financing to any Loan Party by any third party (any such financing, "ABL DIP Financing"), then the Term Loan Lender agrees that, so long as such ABL DIP Financing does not expressly or indirectly require, support, or permit the use of cash collateral Proceeds of the Term Loan Priority Collateral without the consent of the Term Loan Lender, it (i) will be deemed to have consented to, will raise no objection to, nor support any other Person objecting to, the use of such cash collateral or to such ABL DIP Financing on the grounds of a failure to provide "adequate protection" for the Term Loan Lender's Lien on the Term Loan Collateral to secure the Term Loan Obligations or on any other grounds (and will not request any adequate protection solely as a result of such ABL DIP Financing) and (ii) will subordinate (and will be deemed hereunder to have subordinated) the Term Loan Liens on any ABL Priority Collateral to (A) such ABL DIP Financing on the same terms as the ABL Liens are subordinated thereto (and such subordination will not alter in any manner the terms of this Agreement), (B) any adequate protection provided to the ABL Lender and (C) any "carve-out" agreed to by the ABL Lender, so long as (x) the Term Loan Lender retains its Lien on the Term Loan Collateral to secure the Term Loan Obligations (in each case, including Proceeds thereof arising after the commencement of the case under Insolvency Law) and, as to the Term Loan Priority Collateral only, such Lien has the same priority as existed prior to the commencement of the case under Insolvency Law and any Lien securing such ABL DIP Financing is junior and subordinate to the Lien of the Term Loan Lender on the Term Loan Priority Collateral, (y) all Liens on ABL Priority Collateral securing any such ABL DIP Financing shall be senior to or on a parity with the Liens of the ABL Lender securing the ABL Obligations on ABL Priority Collateral and (z) if the ABL Lender receives a replacement or adequate protection Lien on post-petition assets of the debtor to secure the ABL Obligations, and such replacement or adequate protection Lien is on any of the Term Loan Priority Collateral, (1) such replacement or adequate protection Lien on such post-petition assets which are part of the Term Loan Priority Collateral (the "Term Post-Petition Assets") is junior and subordinate to the Lien in favor of the Term Loan Lender on the Term Loan

Priority Collateral, and (2) the Term Loan Lender also receives a replacement or adequate protection Lien on such Term Post-Petition Assets of the Loan Party to secure the Term Loan Obligations. In no event will the ABL Lender seek to obtain a priming Lien on any of the Term Loan Priority Collateral and nothing contained herein shall be deemed to be a consent by Term Loan Lender to any adequate protection payments using Term Loan Priority Collateral. In no event shall the ABL Lender be entitled to or seek adequate protection payment from Proceeds of Term Loan Priority Collateral or otherwise take any action inconsistent with the terms of this Agreement.

(b) If any Loan Party becomes subject to any Insolvency Proceeding in Canada or the United States at any time prior to the Term Loan Obligations Payment Date, and if the Term Loan Lender desires to consent (or not object) or to provide financing to any Loan Party under Insolvency Law or to consent (or not object) to the provision of such financing to any Loan Party by any third party (any such financing, "Term Loan DIP Financing"), then the ABL Lender agrees that, so long as such Term DIP Financing does not expressly or indirectly require, support, or permit the use of cash collateral Proceeds of the ABL Priority Collateral without the consent of the ABL Lender, it (i) will be deemed to have consented to, will raise no objection to, nor support any other Person objecting to, such Term Loan DIP Financing on the grounds of a failure to provide "adequate protection" for the ABL Lender's Lien on the ABL Collateral to secure the ABL Obligations or on any other grounds (and will not request any adequate protection solely as a result of such Term Loan DIP Financing) and (ii) will subordinate (and will be deemed hereunder to have subordinated) the ABL Liens on any Term Loan Priority Collateral to (A) such Term Loan DIP Financing on the same terms as the Term Loan Liens are subordinated thereto (and such subordination will not alter in any manner the terms of this Agreement), (B) any adequate protection provided to the Term Loan Lender and (C) any "carve-out" agreed to by the Term Loan Lender, so long as (x) the ABL Lender retains its Lien on the ABL Collateral to secure the ABL Obligations (in each case, including Proceeds thereof arising after the commencement of the case under Insolvency Law) and, as to the ABL Priority Collateral only, such Lien has the same priority as existed prior to the commencement of the case under Insolvency Law and any Lien securing such Term Loan DIP Financing is junior and subordinate to the Lien of the ABL Lender on the ABL Priority Collateral, (y) all Liens on Term Loan Priority Collateral securing any such Term Loan DIP Financing shall be senior to or on a parity with the Liens of the Term Loan Lender securing the Term Loan Obligations on Term Loan Priority Collateral and (z) if the Term Loan Lender receives a replacement or adequate protection Lien on post-petition assets of the debtor to secure the Term Loan Obligations, and such replacement or adequate protection Lien is on any of the ABL Priority Collateral, (1) such replacement or adequate protection Lien on such post-petition assets which are part of the ABL Priority Collateral (the "ABL Post-Petition Assets") is junior and subordinate to the Lien in favor of the ABL Lender on the ABL Priority Collateral, and (2) the ABL Lender also receives a replacement or adequate protection Lien on such ABL Post-Petition Assets of the Loan Party to secure the ABL Obligations. In no event will the Term Loan Lender seek to obtain a priming Lien on any of the ABL Priority Collateral, and nothing contained herein shall be deemed to be a consent by the ABL Lender to any adequate protection payments using ABL Priority Collateral. In no event shall the Term Loan Lender be entitled to or seek adequate protection payment from Proceeds of ABL Priority Collateral or otherwise take any action inconsistent with the terms of this Agreement.

(c) In no event shall the ABL Lender propose or otherwise provide (except as permitted by Section 5.2(a) above), or support or consent to a third party other than the Term Loan Lender (subject to the terms of this Agreement) providing, DIP Financing to any Loan Party without the prior written consent of the Term Loan Lender. In no event shall the Term Loan Lender propose or otherwise provide (except as permitted by Section 5.2(b) above), or support or consent to a third party other than the ABL Lender (subject to the terms of this Agreement) providing, DIP Financing to any Loan Party without the prior written consent of the ABL Lender.

(d) All Liens granted to the Term Loan Lender or the ABL Lender in any Insolvency Proceeding, whether as adequate protection or otherwise, are intended to be and shall be deemed to be subject to the Lien Priority and the other terms and conditions of this Agreement.

5.3 Relief From the Automatic Stay. Until the ABL Obligations Payment Date, the Term Loan Lender agrees that it will not seek relief from the automatic stay or from any other stay in any Insolvency Proceeding or take any action in derogation thereof, in each case in respect of any ABL Priority Collateral, without the prior written consent of the ABL Lender. Until the Term Loan Obligations Payment Date, the ABL Lender agrees that it will not seek relief from the automatic stay or from any other stay in any Insolvency Proceeding or take any action in derogation thereof, in each case in respect of any Term Loan Priority Collateral, without the prior written consent of the Term Loan Lender. In addition, neither the Term Loan Lender nor the ABL Lender shall seek any relief from the automatic stay with respect to any Common Collateral without providing thirty (30) days' prior written notice to the other, unless otherwise agreed by both the ABL Lender and the Term Loan Lender.

5.4 No Contest. Each Junior Representative, on behalf of itself and the Junior Secured Parties, as applicable, agrees that, prior to the Senior Obligations Payment Date, none of them shall contest (or support any other Person contesting) (a) any request by the Senior Representative or any Senior Secured Party, as applicable, for adequate protection of its interest in the Senior Collateral (unless in contravention of Section 5.2(a) or (b), as applicable), or (b) any motion, relief, action, or proceeding based on a claim by the Senior Representative or any Senior Secured Party, as applicable, that its interests in the Senior Collateral (unless in contravention of Section 5.2 (a) or (b), as applicable) are not adequately protected (or any other similar request under any law applicable to an Insolvency Proceeding), so long as any Liens granted to the Senior Representative as adequate protection of its interests are subject to the Lien Priority in this Agreement.

5.5 Avoidance Issues. If any Senior Secured Party is required in any Insolvency Proceeding or otherwise to disgorge, turn over or otherwise pay to the estate of any Loan Party, because such amount was avoided or ordered to be paid or disgorged for any reason, including without limitation because it was found to be a fraudulent or preferential transfer or a transfer at undervalue, any amount (a "Recovery"), whether received as proceeds of security, enforcement of any right of set-off or otherwise, then the Senior Obligations shall be reinstated to the extent of such Recovery and shall be deemed to be outstanding as if such payment had not occurred, and any applicable Senior Obligations Payment Date shall be deemed not to have occurred. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto.

5.6 Asset Dispositions in an Insolvency Proceeding. Neither the Junior Representative nor any other Junior Secured Party, as applicable, shall, in an Insolvency Proceeding or otherwise, oppose any sale or disposition of any Senior Collateral that is supported by the applicable Senior Secured Parties, and the Junior Representative and each other Junior Secured Party, as applicable, will be deemed to have consented under Insolvency Law (and otherwise) to any sale of any Senior Collateral supported by the applicable Senior Secured Parties and to have released their Liens on such assets; provided that this Section 5.6 shall not apply to any case of a sale or disposition of Real Property unless the ABL Lender has received at least ninety (90) days prior notice of the consummation of any such sale.

5.7 Other Matters. To the extent that the Senior Representative or any Senior Secured Party, as applicable, has or acquires rights under any Insolvency Law with respect to any of the Junior Collateral, the Senior Representative agrees, on behalf of itself and the other Senior Secured Parties, as applicable, not to assert any of such rights without the prior written consent of the Junior Representative; provided that if requested by the Junior Representative, the Senior Representative shall timely exercise such rights in the manner requested by the Junior Representative, including any rights to payments in respect of such rights.

5.8 Effectiveness in Insolvency Proceedings. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under any Insolvency Law (including under section 510(a) of the Bankruptcy Code), shall be effective before, during and after the commencement of an Insolvency Proceeding.

**SECTION 6. Term Loan Documents and ABL Documents.**

(a) Each Loan Party and the Term Loan Lender agree that they shall not at any time execute or deliver any amendment or other modification to any of the Term Loan Documents inconsistent with or in violation of this Agreement.

(b) Each Loan Party and the ABL Lender agree that they shall not at any time execute or deliver any amendment or other modification to any of the ABL Documents inconsistent with or in violation of this Agreement.

(c) The ABL Lender, the Term Loan Lender and each of the Loan Parties agree that, in the event any Senior Representative enters into any amendment, waiver or consent in respect of any of their Senior Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any Senior Security Document or changing in any manner the rights of any parties thereunder, in each case solely with respect to any Senior Collateral, then such amendment, waiver or consent shall apply automatically to any comparable provision of the comparable Junior Security Document without the consent of or action by any Junior Secured Party (with all such amendments, waivers and modifications subject to the terms hereof); provided that, (i) no such amendment, waiver or consent shall have the effect of removing assets subject to the Lien of any Junior Security Document, except to the extent that a release of such Lien is permitted by Section 4.2, (ii) any such amendment, waiver or consent that materially and adversely affects the rights of the Junior Secured Parties and does not affect the Senior Secured Parties in a like or similar manner shall not apply to the Junior Security Documents without the consent of the Junior Representative, (iii) no such amendment, waiver or consent with respect to any provision applicable to the Junior Representative under the Junior Loan Documents shall be made without the prior written consent of the Junior Representative and (iv) notice of such amendment, waiver or consent shall be given to the Junior Representative no later than thirty (30) days after its effectiveness, provided that the failure to give such notice shall not affect the effectiveness and validity thereof. The ABL Lender, the Term Loan Lender and each of the Loan Parties further acknowledge and agree that, should either Senior Representative enter into any document with the Loan Parties to either shorten or extend the term of the respective Senior Security Documents, the term of the Junior Security Documents shall be shortened or extended in the same fashion, provided that (A) in no event shall the term of the ABL Obligations be extended beyond three (3) years from the date hereof, and (B) the term of the ABL Obligations shall always expire at least 90 days before term of the Term Loan Obligations expire.

**SECTION 7. Purchase Options.**

7.1 Notice of Exercise.

(a) Upon the occurrence and during the continuance of an "Event of Default" under the ABL Documents and the issuance of an Enforcement Notice, if such Event of Default remains uncured or unwaived for at least thirty (30) consecutive days and the ABL Lender has not agreed to forbear from the exercise of remedies, the Term Loan Lender shall have the option at any time upon five (5) Business Days' prior written notice to the ABL Lender to purchase all of the ABL Obligations from the ABL Lender. Such notice from such Term Loan Lender to the ABL Lender shall be irrevocable.



(b) Upon the occurrence and during the continuance of an "Event of Default" under the Term Loan Documents and the issuance of an Enforcement Notice, if such Event of Default remains uncured or unwaived for at least thirty (30) consecutive days and the Term Loan Lender has not agreed to forbear from the exercise of remedies, the ABL Lender shall have the option at any time upon five (5) Business Days' prior written notice to the Term Loan Lender to purchase all of the Term Loan Obligations from the Term Loan Lender. Such notice from the ABL Lender to the Term Loan Lender shall be irrevocable.

## 7.2 Purchase and Sale.

(a) On the date specified by the Term Loan Lender in the notice contemplated by Section 7.1(a) above (which shall not be less than five (5) Business Days, nor more than twenty (20) calendar days, after the receipt by the ABL Lender of the notice of the Term Loan Lender's election to exercise such option), the ABL Lender shall sell to the Term Loan Lender, and the Term Loan Lender shall purchase from the ABL Lender, the ABL Obligations, provided that, the ABL Lender shall retain all rights to be indemnified or held harmless by the Loan Parties in accordance with the terms of the ABL Documents but shall not retain any rights to the security therefor.

(b) On the date specified by the ABL Lender in the notice contemplated by Section 7.1(b) above (which shall not be less than five (5) Business Days, nor more than twenty (20) calendar days, after the receipt by the Term Loan Lender of the notice of the ABL Lender's election to exercise such option), the Term Loan Lender shall sell to the ABL Lender, and the ABL Lender shall purchase from the Term Loan Lender, the Term Loan Obligations, provided that, the Term Loan Lender shall retain all rights to be indemnified or held harmless by the Loan Parties in accordance with the terms of the Term Loan Documents but shall not retain any rights to the security therefor.

7.3 Payment of Purchase Price. Upon the date of such purchase and sale, the Term Loan Lender or the ABL Lender, as applicable, shall (a) pay to the ABL Lender (with respect to a purchase of the ABL Obligations) or to the Term Loan Lender (with respect to a purchase of the Term Loan Obligations) as the purchase price thereof the full amount of all the ABL Obligations or Term Loan Obligations, as applicable, then outstanding and unpaid (including principal, interest, fees and expenses, including reasonable attorneys' fees and legal expenses but specifically excluding any prepayment premium, termination or similar fees), (b) with respect to a purchase of the ABL Obligations, furnish cash collateral to the ABL Lender in a manner and in such amounts as the ABL Lender determines is reasonably necessary to secure the ABL Lender, letter of credit issuing banks and applicable affiliates in connection with any issued and outstanding letters of credit, hedging obligations and cash management obligations secured by the ABL Documents, (c) with respect to a purchase of the ABL Obligations, agree to reimburse the ABL Lender and letter of credit issuing banks for any loss, cost, damage or expense (including reasonable attorneys' fees and legal expenses) in connection with any commissions, fees, costs or expenses related to any issued and outstanding letters of credit as described above and any checks or other payments provisionally credited to the ABL Obligations, and/or as to which the ABL Lender has not yet received final payment, (d) agree to reimburse the ABL Lender or the Term Loan Lender, as applicable, and with respect to a purchase of the ABL Obligations letter of credit issuing banks, in respect of indemnification obligations of the Loan Parties under the ABL Documents or the Term Loan Documents, as applicable, as to matters or circumstances known to the ABL Lender or the Term Loan Lender, as applicable, at the time of the purchase and sale which would reasonably be expected to result in any loss, cost, damage or expense (including reasonable attorneys' fees and legal expenses) to the ABL Lender, the Term Loan Lender or letter of credit issuing banks, as applicable, and (e) agree to indemnify and hold harmless the ABL Lender or the Term Loan Lender, as applicable, and with respect to a purchase of the ABL Obligations letter of credit issuing banks, from and against any loss, liability, claim, damage or expense (including reasonable fees and expenses of legal counsel) arising out of any claim asserted by a third party in respect of the ABL Obligations or the Term Loan Obligations, as applicable, as a direct result of any acts by the Term Loan

Lender or the ABL Lender, as applicable, occurring after the date of such purchase. Such purchase price and cash collateral shall be remitted by wire transfer in immediately available funds to such bank account as the ABL Lender or the Term Loan Lender, as applicable, may designate in writing for such purpose.

7.4 Limitation on Representations and Warranties. Such purchase shall be expressly made without representation or warranty of any kind by any selling party (or the ABL Lender or the Term Loan Lender) and without recourse of any kind, except that the selling party shall represent and warrant: (a) the amount of the ABL Obligations or Term Loan Obligations, as applicable, being purchased from it, (b) that the ABL Lender or the Term Loan Lender, as applicable, owns the ABL Obligations or Term Loan Obligations, as applicable, free and clear of any Liens or encumbrances and (c) that the ABL Lender or the Term Loan Lender, as applicable, has the right to assign such ABL Obligations or Term Loan Obligations, as applicable, and the assignment is duly authorized.

#### **SECTION 8. Reliance; Waivers; etc.**

8.1 Reliance. The ABL Documents are deemed to have been executed and delivered, and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. The Term Loan Lender expressly waives all notice of the acceptance of and reliance on this Agreement by the ABL Lender. The Term Loan Documents are deemed to have been executed and delivered and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. The ABL Lender expressly waives all notices of the acceptance of and reliance on this Agreement by the Term Loan Lender.

8.2 No Warranties or Liability. The Term Loan Lender and the ABL Lender acknowledge and agree that neither has made any representation or warranty with respect to the execution, validity, legality, completeness, collectibility or enforceability of any other ABL Document or any Term Loan Document. Except as otherwise provided in this Agreement, the Term Loan Lender and the ABL Lender will be entitled to manage and supervise the respective extensions of credit to any Loan Party in accordance with law and their usual practices, modified from time to time as they deem appropriate.

8.3 No Waivers. No right or benefit of any party hereunder shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of such party or any other party hereto or by any noncompliance by any Loan Party with the terms and conditions of any of the ABL Documents or the Term Loan Documents.

**SECTION 9. Obligations Unconditional.** All rights, interests, agreements and obligations hereunder of the Senior Representative and the Senior Secured Parties, as applicable, in respect of any Collateral, and of the Junior Representative and the Junior Secured Parties, as applicable, in respect of such Collateral, shall remain in full force and effect regardless of:

(a) any lack of validity or enforceability of any Senior Document or any Junior Document and regardless of whether the Liens of the Senior Representative and any Senior Secured Parties, as applicable, are not perfected or are voidable for any reason;

(b) any change in the time, manner or place of payment of, or in any other terms of, all or any of the Senior Obligations or Junior Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any Senior Document or any Junior Document;

(c) any exchange, release or lack of perfection of any Lien on any Collateral or any other asset, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the Senior Obligations or Junior Obligations or any guarantee thereof;

- (d) the commencement of any Insolvency Proceeding in respect of any Loan Party; or
- (e) any other circumstances which otherwise might constitute a defense available to, or a discharge of, any Loan Party in respect of any Secured Obligation or of any Junior Secured Party in respect of this Agreement.

#### **SECTION 10. Miscellaneous.**

10.1 Rights of Subrogation. The Term Loan Lender agrees that no payment to the ABL Lender pursuant to the provisions of this Agreement shall entitle the Term Loan Lender to exercise any rights of subrogation in respect thereof until the ABL Obligations Payment Date. Following the ABL Obligations Payment Date, the ABL Lender agrees to execute such documents, agreements, and instruments as the Term Loan Lender may reasonably request to evidence the transfer by subrogation to any such Person of an interest in the ABL Obligations resulting from payments to the ABL Lender by such Person, so long as all costs and expenses (including all reasonable legal fees and disbursements) incurred in connection therewith by the ABL Lender are paid by such Person upon request for payment thereof. The ABL Lender agrees that no payment to the Term Loan Lender pursuant to the provisions of this Agreement shall entitle the ABL Lender to exercise any rights of subrogation in respect thereof until the Term Loan Obligations Payment Date. Following the Term Loan Obligations Payment Date, the Term Loan Lender agrees to execute such documents, agreements, and instruments as the ABL Lender may reasonably request to evidence the transfer by subrogation to any such Person of an interest in the Term Loan Obligations resulting from payments to the Term Loan Lender by such Person, so long as all costs and expenses (including all reasonable legal fees and disbursements) incurred in connection therewith by the Term Loan Lender are paid by such Person upon request for payment thereof.

10.2 Further Assurances. Each of the Term Loan Lender and the ABL Lender will, at their own expense and at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the other party may reasonably request, in order to protect any right or interest granted or purported to be granted hereby or to enable the ABL Lender or the Term Loan Lender to exercise and enforce its rights and remedies hereunder; provided, however, that no party shall be required to pay over any payment or distribution, execute any instruments or documents, or take any other action referred to in this Section 10.2, to the extent that such action would contravene any law, order, statute, regulation or other legal requirement or any of the terms or provisions of this Agreement, and in the event of a controversy or dispute, such party may interplead any payment or distribution in any court of competent jurisdiction, without further responsibility in respect of such payment or distribution under this Section 10.2.

10.3 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of any ABL Document or any Term Loan Document, the provisions of this Agreement shall govern.

10.4 Continuing Nature of Provisions. Subject to Section 5.5, this Agreement shall continue to be effective, and shall not be revocable by any party hereto, until the earlier of (a) the ABL Obligations Payment Date and (b) the Term Loan Obligations Payment Date. This is a continuing agreement and the ABL Lender and the Term Loan Lender may continue, at any time and without notice to the other parties hereto, to extend credit and other financial accommodations, lend monies and provide indebtedness to, or for the benefit of, any Loan Party on the faith hereof.

#### 10.5 Amendments; Waivers.

- (a) No amendment or modification of any of the provisions of this Agreement shall be effective unless the same shall be in writing and signed by the ABL Lender and the Term Loan

Lender, and, in the case of amendments or modifications of Sections 3.5, 3.6, 10.7 or 10.8 that directly affect the rights or duties of any Loan Party, such Loan Party.

(b) It is understood that the ABL Lender and the Term Loan Lender, may in their discretion determine that a supplemental agreement (which may take the form of an amendment and restatement of this Agreement) is necessary or appropriate to facilitate having additional indebtedness or other obligations ("Additional Debt") of any of the Loan Parties become ABL Obligations or Term Loan Obligations, as the case may be, under this Agreement, which supplemental agreement shall specify whether such Additional Debt constitutes ABL Obligations or Term Loan Obligations, provided, that such Additional Debt is permitted to be incurred by the ABL Agreement and Term Loan Agreement then extant, and is permitted by said Agreements to be subject to the provisions of this Agreement as ABL Obligations or Term Loan Obligations, as applicable.

10.6 Information Concerning Financial Condition of the Loan Parties. Each of the Term Loan Lender and the ABL Lender hereby assume responsibility for keeping itself informed of the financial condition of the Loan Parties and all other circumstances bearing upon the risk of nonpayment of the ABL Obligations or the Term Loan Obligations. The Term Loan Lender and the ABL Lender hereby agree that no party shall have any duty to advise any other party of information known to it regarding such condition or any such circumstances (except as otherwise provided in the ABL Documents and Term Loan Documents). In the event the Term Loan Lender or the ABL Lender, in its sole discretion, undertakes at any time or from time to time to provide any information to any other party to this Agreement, it shall be under no obligation to (a) provide any such information to such other party or any other party on any subsequent occasion, (b) undertake any investigation not a part of its regular business routine, or (c) disclose any other information.

10.7 Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN, EXCEPT AS OTHERWISE REQUIRED BY MANDATORY PROVISIONS OF LAW AND EXCEPT TO THE EXTENT THAT REMEDIES PROVIDED BY THE LAWS OF ANY JURISDICTION OTHER THAN THE PROVINCE OF ONTARIO ARE GOVERNED BY THE LAWS OF SUCH JURISDICTION.

10.8 Submission to Jurisdiction; JURY TRIAL WAIVER.

(a) The ABL Lender, the Term Loan Lender and each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of Toronto, Ontario, and any appellate court in respect thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each such party hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in the Province of Ontario. Each such party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the ABL Lender or the Term Loan Lender may otherwise have to bring any action or proceeding against any Loan Party or its properties in the courts of any jurisdiction.

(b) The ABL Lender, the Term Loan Lender and each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, (i) any objection it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (a) of this Section and (ii) the defense of an inconvenient forum to the maintenance of such action or proceeding.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.9. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

(d) EACH PARTY HERETO HEREBY WAIVES ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, CIVIL RESPONSIBILITY CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY HERETO REPRESENTS THAT IT HAS REVIEWED THIS WAIVER AND IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

10.9 Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telecopied, or sent by overnight express courier service or Canadian mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or five (5) days after deposit in the Canadian mail (certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is delivered as provided in this Section 10.9) shall be as set forth below each party's name on the signature pages hereof, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

10.10 Successors and Assigns; Assignment. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and the ABL Lender and Term Loan Lender and their respective successors and assigns, and nothing herein is intended, or shall be construed to give, any other Person any right, remedy or claim under, to or in respect of this Agreement or any Collateral. Each of the ABL Lender and the Term Loan Lender hereby agrees that it shall not transfer or assign any of its rights under the ABL Documents and Term Loan Documents, respectively, without first obtaining from the proposed assignee or transferee an agreement to be bound by the provisions of this Agreement.

10.11 Headings. Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

10.12 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

10.13 Other Remedies. For avoidance of doubt, it is understood that nothing in this Agreement shall prevent the ABL Lender or the Term Loan Lender from exercising any available remedy to accelerate the maturity of any indebtedness or other obligations owing under the ABL Documents or the Term Loan Documents, as applicable, or to demand payment under any guarantee in respect thereof.

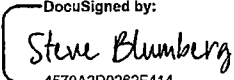
10.14 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, facsimile or electronic means shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement shall become effective when it shall have been executed by each party hereto.


10.15 Additional Loan Parties. The ABL Borrowers shall cause each Person that becomes a Loan Party after the date hereof to become a party to this Agreement by execution and delivery by such Person of a Joinder Agreement in the form of Annex 1 hereto.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**SIENA LENDING GROUP CANADA LLC, as ABL Lender**

DocuSigned by:  
  
By: \_\_\_\_\_  
Name: Steve Blumberg  
Title: Director

By:   
Name: JASON SCHICK  
Title: MANAGING DIRECTOR

Address for Notices:

Siena Lending Group Canada LLC  
9 W Broad Street, 5<sup>th</sup> floor, Suite 540  
Stamford, Connecticut 06902  
Attention: Steven Blumfeld  
Email: sblumberg@sienalending.com

**FARM CREDIT CANADA, as Term Loan Lender**

By: *Maude Martin Chantal*

Name: Maude Martin Chantal

Title: Legal Counsel

Address for Notices:

Loan Administration Centre  
1133 St. George Blvd, Suite 104  
Moncton, NB E1E 4E1  
Attention: Loan Administrator  
Facsimile No.: 506-851-6613

*Signature Page – Intercreditor Agreement*



## ACKNOWLEDGMENT

Each Loan Party hereby acknowledges that it has received a copy of the Intercreditor Agreement dated as of February 1, 2024, by and between Siena Lending Group Canada LLC, as ABL Lender, and Farm Credit Canada, as Term Loan Lender (the "Agreement") and consents thereto, agrees to recognize all rights granted thereby to the ABL Lender and the Term Loan Lender, and will not do any act or perform any obligation which is not in accordance with the agreements set forth in the Agreement as in effect on the date hereof. Each Loan Party further acknowledges and agrees that it is not an intended beneficiary or third party beneficiary under the Agreement and (a) as between the ABL Lender and the Loan Parties, the ABL Documents remain in full force and effect as written and are in no way modified hereby, and (b) as between the Term Loan Lender and the Loan Parties, the Term Loan Documents remain in full force and effect as written and are in no way modified hereby. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

[Signature pages follow]

**GLOBAL FOOD AND INGREDIENTS INC., as a Loan Party**

By: Bill Murray  
Name: Bill Murray  
Title: CFO

Address for Notices:  
43 Colborne Street, Suite 400, Toronto, ON, M5E 1E3, Canada  
Attention:  
Fax No.:

**GLOBAL FOOD AND INGREDIENTS (USA) INC.,  
as a Loan Party**

By: Bill Murray  
Name: Bill Murray  
Title: CFO

Address for Notices:  
43 Colborne Street, Suite 400, Toronto, ON, M5E 1E3, Canada  
Attention:  
Fax No.:

**GFI BRANDS INC., as a Loan Party**

By: Bill Murray  
Name: Bill Murray  
Title: CFO

Address for Notices:  
43 Colborne Street, Suite 400, Toronto, ON, M5E 1E3, Canada  
Attention:  
Fax No.:

**GLOBAL FOOD AND INGREDIENTS LTD., as a Loan Party**

By: Bill Murray  
Name: Bill Murray  
Title: CFO

Address for Notices:  
43 Colborne Street, Suite 400, Toronto, ON, M5E 1E3, Canada  
Attention:  
Fax No.:

**NORTH LILY FOODS INC., as a Loan Party**

By: Bill Murray  
Name: Bill Murray  
Title: CFO

Address for Notices:  
43 Colborne Street, Suite 400, Toronto, ON, M5E 1E3, Canada  
Attention:  
Fax No.:

*Signature Page – Acknowledgement to Intercreditor Agreement*

**JOINDER AGREEMENT**

THIS JOINDER AGREEMENT (this "Agreement"), dated as of \_\_\_\_\_, 20\_\_\_\_, is executed by \_\_\_\_\_, a \_\_\_\_\_ (the "New Loan Party") in favor of SIENA LENDING GROUP LLC ("ABL Lender") and FARM CREDIT CANADA ("Term Loan Lender"), in their capacities as ABL Lender and Term Loan Lender, respectively, under that certain Intercreditor Agreement (as amended, restated, supplemented, replaced and otherwise modified from time to time, the "Intercreditor Agreement"), dated as of January [●], 2024 among the ABL Lender, the Term Loan Lender, GLOBAL FOOD AND INGREDIENTS INC., GLOBAL FOOD AND INGREDIENTS (USA) INC., GFI BRANDS INC., GLOBAL FOOD AND INGREDIENTS LTD., BIG SKY MILLING INC., NORTH LILY FOODS INC., and each of the other Loan Parties party thereto. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Intercreditor Agreement.

The New Loan Party, for the benefit of the ABL Lender and the Term Loan Lender, hereby agrees as follows:

1. The New Loan Party hereby acknowledges the Intercreditor Agreement and acknowledges, agrees and confirms that, by its execution of this Agreement, the New Loan Party will be deemed to be a Loan Party under the Intercreditor Agreement and shall have all of the obligations of a Loan Party thereunder as if it had executed the Intercreditor Agreement. The New Loan Party hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Intercreditor Agreement.

2. The address of the New Loan Party for purposes of Section 10.9 of the Intercreditor Agreement is as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE NEW LOAN PARTY HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

IN WITNESS WHEREOF, the New Loan Party has caused this Agreement to be duly executed by its authorized officer, as of the day and year first above written.

[NEW LOAN PARTY]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**This is Exhibit "PP" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watt*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Priscilla  
St*

**LIMITED SUBORDINATION AGREEMENT**

THIS LIMITED SUBORDINATION AGREEMENT dated as of February 1, 2024 (the “Effective Date”).

**BETWEEN:**

**35 OAK HOLDINGS LTD.**

(“35 Oak”)

- and -

**GLOBAL FOOD AND INGREDIENTS INC.**

(“Debtor #1”)

- and -

**BIG SKY MILLING INC.**

(“Debtor #2”)

- and -

**FARM CREDIT CANADA**

(“FCC”)

**WHEREAS**

- A. FCC has provided certain credit facilities to Debtor #1, that are guaranteed by, *inter alios* Debtor #2, pursuant to a second amended and restated credit agreement between FCC and Debtor #1 dated May 17, 2022, as amended by a first amending agreement dated December 30, 2022, a second amending agreement dated March 17, 2023, a third amending agreement dated February 1, 2024, and as may be further amended and restated from time to time (collectively, the “Credit Agreement”) and has security in respect of same, which, *inter alia* and for the purposes of this Agreement, includes: (i) a first mortgage registered in the Land Titles Office for the Alberta Land Registration District under instrument number 231 151 278 (“FCC Mortgage Security”) upon lands legally described in Schedule “A” attached hereto (“Lands”); (ii) a first interest in all present and after-acquired personal property of Debtor #1 pursuant to a general security agreement registered in the Personal Property Registry (Alberta) under registration number 23031324805 and the Personal Property Registry (Ontario) under file numbers 756524655, 756524664 and 756524673 (“FCC GFI GSA”); and (iii) a second interest in all present and after-acquired personal property of Debtor #2 pursuant to a general security agreement registered in the Personal Property Registry (Alberta) under registration number 24011207758 and the Personal Property Registry (Ontario) under file number 501877449 (“FCC Big Sky GSA”, and together with the FCC Mortgage Security and the FCC GFI GSA, as amended, extended, assigned, and/or restated, the “FCC Security”);

- B. Debtor #1 has transferred the Lands and personal property located at the Lands, to Debtor #2, and Debtor #1 has assigned its obligations under the FCC Mortgage Security to Debtor #2 concurrently with this Agreement;
- C. 35 Oak has agreed to lend \$500,000 to Debtor #1 pursuant to a promissory note (the "**GFI Note**") issued by Debtor #1 to 35 Oak dated February 1, 2024, to be secured by an interest in all present and after-acquired personal property of Debtor #1 pursuant to a general security agreement (the "**35 Oak GFI GSA**");
- D. 35 Oak has agreed to lend \$10,000,000 to Debtor #2 pursuant to a loan agreement ( the "**BSM Loan Agreement**" and together with the GFI Note, collectively the "**35 Oak Loan Documents**") issued by Debtor #2 to 35 Oak dated February 1, 2024, to be secured by: (i) a mortgage registered against the Lands (the "**35 Oak Mortgage Security**"); and (ii) an interest in all present and after-acquired personal property of Debtor #2 pursuant to a general security agreement (the "**35 Oak Big Sky GSA**" and together with the 35 Oak Mortgage Security, collectively, "**35 Oak Big Sky Security**", and together with the 35 Oak GFI GSA, collectively, the "**35 Oak Security**");
- E. The execution and delivery of this Agreement is a condition precedent to 35 Oak extending credit to Debtor #1 and Debtor #2 under the 35 Oak Loan Documents; and
- F. It is the intention of the parties to this Agreement to set forth certain priorities and agreements between FCC and 35 Oak.

**NOW THEREFORE** in consideration of the mutual covenants herein contained, the receipt and adequacy of which consideration is hereby acknowledged by each of the parties hereto, the parties hereby agree as follows:

1. FCC consents to the security granted by Debtor #1 and Debtor #2 to 35 Oak under the 35 Oak Loan Documents, and FCC waives any default under the Credit Agreement or the FCC Security resulting directly from the granting of the 35 Oak Loan Documents by Debtor #1 and Debtor #2 to 35 Oak. FCC will not assert in any action, suit or proceeding the invalidity, unenforceability or ineffectiveness of the 35 Oak Loan Documents.
2. 35 Oak consents to the security granted by Debtor #1 and Debtor #2 (as the case may be) to FCC, and 35 Oak waives any default under the 35 Oak Loan Documents or the 35 Oak Security resulting directly from the granting of the Credit Agreement or FCC Security by Debtor #1 and Debtor #2 (as the case may be) to FCC. 35 Oak will not assert in any action, suit or proceeding the invalidity, unenforceability or ineffectiveness of the Credit Agreement or FCC Security.
3. FCC hereby acknowledges and agrees that the 35 Oak Mortgage Security shall take priority over, and be paramount to, the FCC Mortgage Security applicable to the Lands **up to a maximum of \$5,000,000 ("Subordinated Amount")**. FCC agrees to subordinate the FCC Mortgage Security to the 35 Oak Mortgage Security, up to the limit of the Subordinated Amount.
4. FCC hereby agrees that the FCC Mortgage Security and the FCC Big Sky GSA are each hereby and shall hereafter be subordinated to the 35 Oak Big Sky GSA and 35 Oak Mortgage Security, and in the case of the subordination of the FCC Mortgage Security to the 35 Oak Mortgage Security, up to the limit of the Subordinated Amount, provided, however, that 35 Oak agrees that:

- (a) other than as contemplated by the BSM Loan Agreement with respect to the Revolving Credit Facility (as defined in the BSM Loan Agreement), there shall be no re-advance of funds under the 35 Oak Loan Documents or the 35 Oak Security except for any advance directly required to complete the Spinoff Transaction (as defined in the Credit Agreement) or to reduce working capital indebtedness;
  - (b) all funds advanced shall be advanced only in accordance with the provisions of the 35 Oak Loan Documents with Debtor #1 and Debtor #2, and not for any other liability of Debtor #1 or Debtor #2 to 35 Oak howsoever arising;
  - (c) 35 Oak shall not amend the 35 Oak Loan Documents or the 35 Oak Security in a manner which is adverse to FCC, including without limitation, in a manner which increases the interest rate, accelerates the payment of any interest or principal or which increases the commitments of 35 Oak thereunder and, accordingly, no such amendment to the same shall be binding upon or rank in priority to FCC Security unless FCC has consented to such amendment in writing; and
  - (d) the subordination given by FCC hereunder with respect to the 35 Oak Mortgage Security is limited to the Subordinated Amount. 35 Oak hereby acknowledges and agrees that FCC shall have and retains priority with respect to any proceeds or monies that exceed the Subordinated Amount solely with respect to the 35 Oak Mortgage Security realized or collected pursuant to or resulting from any foreclosure, enforcement, realization or seizure proceedings, either judicial or extra judicial, and 35 Oak hereby irrevocably assigns the same to FCC, and any proceeds or monies received by 35 Oak in contravention of this Agreement shall be deemed to be received in trust for FCC.
5. FCC hereby acknowledges and agrees that 35 Oak shall have priority over the FCC Mortgage Security up to the Subordinated Amount realized or collected pursuant to or resulting from any foreclosure, enforcement, realization or seizure proceedings, either judicial or extra judicial, by FCC with respect to the FCC Mortgage Security at the Lands, FCC hereby irrevocably assigns the same to 35 Oak, and any proceeds or monies received by FCC in contravention of this Agreement shall be deemed to be received in trust for 35 Oak.
6. Notwithstanding the foregoing, FCC shall be entitled to receive regularly scheduled payments on account of principal, interest, fees and other obligations as required under the Credit Agreement or FCC Security. Nothing herein shall prohibit FCC from receiving payments, including payments for principal or interest, from Debtor #1 or Debtor #2. 35 Oak shall be entitled to receive regularly scheduled payments on account of principal, interest, fees and other obligations as required under the BSM Loan Agreement or 35 Oak Big Sky Security. Nothing herein shall prohibit 35 Oak from receiving payments, including payments for principal or interest, from Debtor #2; provided, however, 35 Oak acknowledges and agrees that it shall not accept any repayments under the GFI Note (i) until the Maturity date (as defined in the GFI Note), and (ii) without the prior written consent of FCC.
7. FCC hereby agrees that the FCC Big Sky GSA is hereby and shall hereafter be subordinated to the 35 Oak Big Sky GSA, and FCC hereby acknowledges and agrees that 35 Oak shall have priority over, and be paramount to, the FCC Big Sky GSA with respect to any monies or proceeds realized or collected pursuant to or resulting from any foreclosure, enforcement, realization or seizure proceedings, either judicial or extra



judicial, by FCC with respect to any personal property secured by the FCC Big Sky GSA and located at the Lands, and FCC hereby irrevocably assigns the same to 35 Oak, and any proceeds or monies received by FCC in contravention of this Agreement shall be deemed to be received in trust for 35 Oak.

8. 35 Oak hereby agrees that the 35 Oak GFI GSA is hereby and shall hereafter be subordinated to the FCC GFI GSA, and 35 Oak hereby acknowledges and agrees that FCC shall have priority over, and be paramount to, the 35 Oak GFI GSA with respect to any monies or proceeds realized or collected pursuant to or resulting from any foreclosure, enforcement, realization or seizure proceedings, either judicial or extra judicial, by 35 Oak with respect to any personal property secured by the 35 Oak GFI GSA, and 35 Oak hereby irrevocably assigns the same to FCC, and any proceeds or monies received by 35 Oak in contravention of this Agreement shall be deemed to be received in trust for FCC.
9. FCC and 35 Oak each acknowledge and agree that, upon prior notice to the other, either party may commence or maintain any foreclosure, enforcement, realization or seizure proceedings, either judicial or extra judicial, under or in respect of their respective security, and nothing herein shall prohibit either party from:
  - (a) filing a proof of claim in the event an enforcement or realization action is commenced by one or more third parties (including 35 Oak or FCC);
  - (b) upon the occurrence and during the continuance of a default under the either security, accelerating the time for payment of the applicable indebtedness and making a demand in respect thereof;
  - (c) participating in any proposal or similar proceeding under the *Companies Creditors Arrangement Act* (Canada) or the *Bankruptcy and Insolvency Act* (Canada);
  - (d) filing any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims of either party; and
  - (e) taking such actions and making any filings or commence any actions, suits or proceedings as are necessary to preserve any limitation periods or to avoid the expiration of any limitation periods.
10. From time to time upon request therefor FCC and 35 Oak may advise each other of the particulars of their respective indebtedness and liability of Debtor #2 to each other, and all security held by each therefor, and exchange information and opinions with respect to Debtor #2.
11. FCC and 35 Oak each hereby each authorize the other, and their agents or solicitors, to file such financing statements and other documents and to do such other acts, matters and things from time to time as the other may reasonably deem appropriate to protect their interests under this Agreement including, without limitation, the filing of financing statements or financing change statements reflecting same at any personal property registry where notice of the security interest of the other (if any) is registered.

12. This Agreement is for the benefit of the parties hereto only and may not be relied upon by any third party for any reason whatsoever.
13. All notices or demands to be given to any of the parties to this agreement shall be transmitted in writing to the party to which it is sent or given. Any notice or demand is validly transmitted by delivery to its recipients, or couriered with proof of delivery, at the address hereinafter mentioned:
  - (a) For 35 Oak:  
  
35 Oak Holdings Ltd.  
35 Oak Street  
North York, ON M9N 1A1
  - (b) For Debtor #1 and Debtor #2:  
  
Global Food and Ingredients Inc.  
43 Colborne Street, Suite 400  
Toronto, ON M5E 1E3
  - (c) For FCC:  
  
Farm Credit Canada  
Loan Administration Centre  
1133 St. George Blvd, Suite 104  
Moncton, NB E1E 4E1  
Fax No. 506-851-6613

Any notice given or any demand made in accordance with this Section is deemed to have been received upon its delivery, if personally delivered or delivered by courier, or at the time of its service, if served. However, if the mail service is interrupted by a strike, a slowdown, an act of God or any other cause, the party sending the notice or the demand shall use one of the services that is not interrupted or shall deliver such notice or demand in a manner that such notice or demand be received as soon as possible. 35 Oak or FCC may inform the other parties of any change of address in the manner hereinabove mentioned for the purposes of this agreement.

14. This Agreement shall be governed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The parties hereto do hereby irrevocably submit and attorn to the jurisdiction of the Courts of the Province of Alberta for all matters arising out of or relating to this agreement.
15. This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof and there are no agreements, contracts, promises, representations, warranties, conditions, statements, arrangements or understandings between the parties hereto or their representatives, either express or implied, by operation of law or otherwise, except as set forth herein. No waiver, modification or amendment of any provision, term or condition hereof shall be valid unless in writing and signed by the party to be charged therewith, and any such waiver, modification or amendment shall be valid only to the extent therein set forth.
16. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns. Debtor #1 and Debtor #2 shall not be permitted to assign this Agreement without the prior written consent of FCC and 35 Oak.

17. This Agreement is effective as of the Effective Date.
18. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single agreement. A facsimile, telecopy, PDF or other reproduction of this agreement may be executed by one or more of the parties hereto, and an executed copy of this agreement may be delivered by one or more of the parties hereto by facsimile or similar instantaneous electronic transmission device pursuant to which the signature of or on behalf of such party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes.

[signature page follows]

IN WITNESS WHEREOF the parties hereto have caused this agreement to be duly executed and delivered as of the date first above written.

**GLOBAL FOOD AND INGREDIENTS  
INC.**

Per: Bill Murray  
Bill Murray, Chief Financial Officer

**BIG SKY MILLING INC.**

Per: Bill Murray  
Bill Murray, Chief Financial Officer

**35 OAK HOLDINGS LTD.**

Per: \_\_\_\_\_

**FARM CREDIT CANADA**

Per: \_\_\_\_\_

IN WITNESS WHEREOF the parties hereto have caused this agreement to be duly executed and delivered as of the date first above written.

**GLOBAL FOOD AND INGREDIENTS INC.**

Per: \_\_\_\_\_

**BIG SKY MILLING INC.**

Per: \_\_\_\_\_

**35 OAK HOLDINGS LTD.**

Per: DocuSigned by:  
*Frank van Biesen*  
E8B06FE0E5F2443... \_\_\_\_\_

**FARM CREDIT CANADA**

Per: \_\_\_\_\_

IN WITNESS WHEREOF the parties hereto have caused this agreement to be duly executed and delivered as of the date first above written.

**GLOBAL FOOD AND INGREDIENTS  
INC.**

Per: \_\_\_\_\_

**BIG SKY MILLING INC.**

Per: \_\_\_\_\_

**35 OAK HOLDINGS LTD.**

Per: \_\_\_\_\_

**FARM CREDIT CANADA**

Per: *Maude Martin Chantal*

Maude Martin Chantal, Legal Counsel

**SCHEDULE A**

**Lands**

**PLAN 2210313  
BLOCK 26  
LOT 2  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 1.6 HECTARES (3.95 ACRES) MORE OR LESS**

**PLAN 2210313  
BLOCK 26  
LOT 3  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 1.59 HECTARES (3.93 ACRES) MORE OR LESS**

**This is Exhibit "QQ" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Princa  
SW*



# **GLOBAL FOOD AND INGREDIENTS LTD.**

Consolidated Financial Statements  
Year Ended March 31, 2023  
(Expressed in Canadian Dollars)



KPMG LLP  
Bay Adelaide Centre  
Suite 4600  
333 Bay Street  
Toronto ON M5H 2S5  
Tel 416-777-8500  
Fax 416-777-8818  
www.kpmg.ca

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Global Food and Ingredients Ltd.

### ***Opinion***

We have audited the consolidated financial statements of Global Food and Ingredients Ltd. (the Entity), which comprise:

- the consolidated statements of financial position as at March 31, 2023 and March 31, 2022
- the consolidated statements of loss and other comprehensive loss for the years then ended
- the consolidated statements of changes in shareholders' equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2023 and March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## ***Material Uncertainty Related to Going Concern***

We draw attention to Note 2.2 in the financial statements, which indicates that the Entity incurred a net loss from continuing operations of \$8,629,014 and negative working capital of \$981,621 during the year ended March 31, 2023 and, as of that date, the Entity's accumulated deficit was \$13,971,871.

As stated in Note 2.2 in the financial statements, these events or conditions, along with other matters as set forth in Note 2.2 in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

## ***Key Audit Matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the "***Material Uncertainty related to Going Concern***" section of the auditor's report, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

### ***Accounting for the Reverse Acquisition***

#### ***Description of the matter***

We draw attention to Notes 1 and 4 to the financial statements. On June 10, 2022, Global Food and Ingredients Inc. completed a reverse takeover transaction ("RTO") with Pivotal Financial Corp. ("Pivotal"). On November 2, 2021, Global Food and Ingredients Inc. and Pivotal entered into a Business Combination Agreement (the "Combination Agreement"). The Combination Agreement was structured as a three-cornered amalgamation whereby Global Food and Ingredients Inc. was combined with a subsidiary of Pivotal and all of the issued and outstanding securities of Global Food and Ingredients Inc. and Pivotal were exchanged for common shares of the Entity. The amalgamation was considered an RTO as Pivotal's former shareholders do not control the consolidated entity after completion of the amalgamation. Global Food and Ingredients Inc. is the accounting acquirer. As Pivotal did not qualify as a business in accordance with IFRS 3, Business combinations, the amalgamation did not constitute a business combination and is therefore treated as a recapitalization under IFRS 2, Share based payments.

#### ***Why the matter is a key audit matter***

We identified the accounting for the reverse acquisition as a key audit matter. This matter represented an area of higher assessed risk of material misstatement requiring specialized skills and knowledge that were necessary to evaluate the results of our audit procedures.

#### ***How the matter was addressed in the audit***

The following are the primary procedures we performed to address this key audit matter.

We assessed the Entity's identification of Global Food and Ingredients Inc. as the accounting acquirer based on the key terms in the Combination Agreement.



We assessed the Entity's identification that Pivotal did not constitute a business by assessing the substantive processes that could create inputs, or convert inputs into outputs at the date of the transaction.

We assessed the accounting application for the reverse acquisition by assessing the capital structure. We evaluated the measurement of the fair value of the share capital. We involved valuations professionals with specialized skills and knowledge, who assisted in evaluating the fair value of the options and warrants.

### ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information, included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Jatinder Grover.

Toronto, Canada

July 31, 2023

**GLOBAL FOOD AND INGREDIENTS LTD.**  
**Consolidated Statements of Financial Position**  
*(Expressed in Canadian Dollars)*

As at		March 31, 2023	March 31, 2022 <sup>(1)</sup>
<b>Assets</b>	Notes		
<b>Current assets:</b>			
Cash		\$ 482,650	\$ 1,792,857
Trade and other receivables	6	12,072,739	17,544,684
Current portion of promissory note		182,400	116,800
Current tax assets		-	69,745
Inventories	7	11,525,126	14,828,127
Derivative financial instruments		-	185,363
Prepaid expenses and deposits		961,111	1,246,767
Assets held for sale	25	2,323,894	-
		<b>27,547,920</b>	<b>35,784,343</b>
<b>Non-current assets:</b>			
Promissory note		698,038	775,002
Property, plant and equipment	8	29,041,958	27,497,970
Right-of-use assets	9	1,122,266	1,034,679
Intangible assets	10	454,500	3,249,000
Goodwill	5	647,599	1,337,808
<b>Total assets</b>		<b>\$ 59,512,281</b>	<b>\$ 69,678,802</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Bank indebtedness	11	\$ 14,638,876	\$ 21,337,562
Trade payables and accrued liabilities	12	9,926,377	9,991,110
Derivative financial instruments		135,611	-
Derivative liability related to convertible debentures	14	-	2,058,107
Convertible debentures	14	-	7,005,837
Warrant liability	14	13,386	186,019
Puttable shares	15	-	375,000
Current portion of long-term debt	13	634,848	1,201,888
Other loan payable		40,000	40,000
Current portion of lease obligations	9	435,906	263,989
Related party loan	20	2,704,537	2,000,000
		<b>28,529,541</b>	<b>44,459,512</b>
<b>Non-current liabilities:</b>			
Long-term debt	13	14,912,035	15,078,263
Lease obligations	9	701,061	765,195
Deferred tax liabilities, net	24	1,070,890	3,231,415
<b>Total liabilities</b>		<b>45,213,527</b>	<b>63,534,385</b>
<b>Shareholders' equity</b>			
<b>Equity attributable to shareholders of the Company:</b>			
Share capital	15	21,061,836	9,636,407
Share option reserve	15	508,136	103,660
Warrant reserve	15	6,416,301	280,930
Foreign currency translation reserve		284,352	(85,776)
Accumulated deficit		(13,971,871)	(3,790,804)
		<b>14,298,754</b>	<b>6,144,417</b>
<b>Non-controlling interests:</b>			
Non-controlling interests		-	-
<b>Total shareholders' equity</b>		<b>14,298,754</b>	<b>6,144,417</b>
<b>Total shareholders' equity and liabilities</b>		<b>\$ 59,512,281</b>	<b>\$ 69,678,802</b>

(1) Comparative figures have been re-presented to reflect finalized amount for the business combination, refer to Note 2 and Note 5.

(2) For additional information on the basis of presentation and subsequent events, refer to Note 2 and Note 26.

*Approved and authorized by the Board of Directors*

**“David Hanna”**  
**President & CEO**

**“Robert Wolf”**  
**Chairman & Director**

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.**  
**Consolidated Statements of Loss and Other Comprehensive Loss**  
*(Expressed in Canadian Dollars)*

For the year ended		<b>March 31, 2023</b>	March 31, 2022 <sup>(1)</sup>
	Notes		
<b>Revenue</b>	16	<b>\$ 123,260,182</b>	\$ 124,420,186
Cost of sales	7, 8 & 9	<b>116,441,751</b>	120,443,228
<b>Gross profit</b>		<b>6,818,431</b>	3,976,958
<b>Expenses:</b>			
General and administration	18 & 20	<b>8,336,827</b>	5,889,046
Depreciation of property, plant and equipment	8	<b>206,873</b>	90,381
Amortization right-of-use assets	9	<b>388,151</b>	169,466
Amortization of intangible assets	10	<b>50,500</b>	-
<b>Total expenses</b>		<b>8,982,351</b>	6,148,893
<b>Loss before the undernoted</b>		<b>(2,163,920)</b>	(2,171,935)
<b>Other expenses (income):</b>			
Finance costs, net	19	<b>2,219,783</b>	2,106,279
Other income		<b>(5,050)</b>	(464,196)
Loss on derivative liability related to convertible debentures	14	<b>221,173</b>	1,370,519
(Gain) loss on revaluation of warrant liability	14	<b>(172,633)</b>	131,764
Unrealized loss (gain) on derivative financial instruments		<b>135,611</b>	(185,363)
Realized foreign exchange loss (gain)		<b>2,323,159</b>	(406,597)
Unrealized foreign exchange loss		<b>53,912</b>	451,088
Listing expense	4	<b>2,075,733</b>	-
Transaction and brand development costs	4 & 5	<b>1,478,028</b>	1,195,279
<b>Loss before income tax</b>		<b>(10,493,636)</b>	(6,370,708)
Income tax recovery	24	<b>(1,864,622)</b>	(114,403)
Loss for the period from continuing operations		<b>(8,629,014)</b>	(6,256,305)
Loss for the period from discontinued operations	25	<b>(1,776,416)</b>	(34,332)
<b>Loss for the period</b>		<b>\$ (10,405,430)</b>	\$ (6,290,637)
Loss for the period attributable to:			
Non-controlling interests		-	(1,926,889)
Shareholders of the Company		<b>(10,405,430)</b>	(4,363,748)
<b>Other comprehensive income (loss) for the period, net of taxes:</b>			
Items that may be subsequently reclassified to profit or loss:			
Foreign operations - foreign currency translation difference		<b>370,128</b>	(81,357)
Comprehensive loss for the period from continuing operations		<b>(8,258,886)</b>	(6,337,662)
Comprehensive loss for the period from discontinued operations		<b>(1,776,416)</b>	(34,332)
<b>Total comprehensive loss for the period</b>		<b>\$ (10,035,302)</b>	\$ (6,371,994)
Total comprehensive loss for the period attributable to:			
Non-controlling interests		-	(1,926,889)
Shareholders of the Company		<b>(10,035,302)</b>	(4,445,105)
<b>Basic and diluted net loss per share</b>			
	15		
Continuing operations		<b>\$ (0.14)</b>	\$ (0.47)
Discontinued operations		<b>(0.03)</b>	-
<b>Total operations</b>		<b>\$ (0.17)</b>	\$ (0.47)

<sup>(1)</sup> Comparative figures have been re-presented to reflect finalized amount for the business combination and discontinued operations, refer to Note 2, Note 5 and Note 25.

The accompanying notes are an integral part of these consolidated financial statements.



**GLOBAL FOOD AND INGREDIENTS LTD.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
*(Expressed in Canadian Dollars)*

		Share capital	Share option reserve	Warrant reserve	Foreign currency translation reserve	Retained earnings (accumulated deficit)	Equity attributable to shareholders of the Company	Non-controlling interests	Total shareholders' equity
<b>As at March 31, 2021</b>	\$	4,657	\$ -	\$ -	\$ (4,419)	\$ 2,808,535	\$ 2,808,773	\$ 9,340,644	\$ 12,149,417
Loss for the period		-	-	-	-	(4,363,748)	(4,363,748)	(1,926,889)	(6,290,637)
Other comprehensive loss for the period		-	-	-	(81,357)	-	(81,357)	-	(81,357)
Deferred taxes		-	-	-	-	(1,617,596)	(1,617,596)	-	(1,617,596)
Issuance of common shares		1,600,000	-	-	-	-	1,600,000	-	1,600,000
Issuance of share options		-	103,660	-	-	-	103,660	-	103,660
Issuance of warrants		-	-	280,930	-	-	280,930	-	280,930
Issuance and conversion of cashless warrants		2,031,750	-	-	-	(1,277,083)	754,667	(754,667)	-
Conversion of limited partnership units		6,000,000	-	-	-	659,088	6,659,088	(6,659,088)	-
<b>As at March 31, 2022</b>	\$	<b>9,636,407</b>	\$ <b>103,660</b>	\$ <b>280,930</b>	\$ <b>(85,776)</b>	\$ <b>(3,790,804)</b>	\$ <b>6,144,417</b>	\$ -	\$ <b>6,144,417</b>
Conversion of puttable shares	15	375,000	-	-	-	-	375,000	-	375,000
Conversion of convertible debentures	14	5,786,730	-	4,156,148	-	-	9,942,878	-	9,942,878
Loss for the period		-	-	-	-	(10,405,430)	(10,405,430)	-	(10,405,430)
Other comprehensive income for the period		-	-	-	370,128	-	370,128	-	370,128
Deferred taxes	24	-	-	(61,152)	-	224,363	163,211	-	163,211
Issuance and exercise of share options	15	102,991	271,841	-	-	-	374,832	-	374,832
Issuance of warrants	15	-	-	244,610	-	-	244,610	-	244,610
Issuance of RTO replacement securities	4	3,750,000	132,635	139,907	-	-	4,022,542	-	4,022,542
Issuance of Private Placement securities	15	1,410,708	-	1,655,858	-	-	3,066,566	-	3,066,566
<b>As at March 31, 2023</b>	\$	<b>21,061,836</b>	\$ <b>508,136</b>	\$ <b>6,416,301</b>	\$ <b>284,352</b>	\$ <b>(13,971,871)</b>	\$ <b>14,298,754</b>	\$ -	\$ <b>14,298,754</b>

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.**  
**Consolidated Statements of Cash Flows**  
*(Expressed in Canadian Dollars)*

For the year ended		March 31, 2023	March 31, 2022
<b>Operating activities</b>	Notes		
Loss for the period		\$ (10,405,430)	\$ (6,290,637)
Items not involving cash:			
Depreciation of property, plant and equipment	8	1,197,212	751,923
Amortization of right-of-use assets	9	394,612	175,926
Amortization of intangible assets	10	506,500	76,000
Amortization of deferred financing fees	13	46,512	46,512
Revaluation loss on discontinued operations	25	660,071	-
Loss on derivative liability related to convertibles debentures	14	221,173	1,370,519
(Gain) loss on warrant revaluation		(172,633)	131,764
Change in unrealized loss on derivative financial instruments		320,974	4,295
Issuance of share options	15	301,833	103,660
Finance costs, net	19	2,219,783	2,106,279
Listing expense	4	2,075,733	-
Income tax recovery	24	(2,164,373)	(126,781)
		<b>(4,798,033)</b>	<b>(1,650,540)</b>
Changes in non-cash operating working capital:			
Trade and other receivables		5,771,122	(9,835,204)
Promissory note		11,364	(891,802)
Restricted cash		-	42,313
Inventories		3,492,382	(93,766)
Prepaid expenses and deposits		296,853	(203,792)
Trade payables and accrued liabilities		(52,423)	301,109
Income tax received (paid)	24	238,977	(237,133)
<b>Cash generated by (used in) operating activities</b>		<b>4,960,242</b>	<b>(12,568,815)</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	8	(2,754,726)	(9,783,425)
Cash received on RTO	4	1,946,809	-
Business acquisitions, net of cash acquired	5	-	(2,494,382)
<b>Cash used in investing activities</b>		<b>(807,917)</b>	<b>(12,277,807)</b>
<b>Financing activities</b>			
(Decrease) increase in bank indebtedness	11	(6,698,686)	15,111,526
Proceeds from shareholder loan	20	3,000,000	2,000,000
Financing costs paid related to shareholder loan	20	(99,306)	-
Repayment of shareholder loan	20	(2,000,000)	-
Repayment of demand loan		-	(500,000)
Proceeds from long-term debt	13	439,542	3,560,458
Repayment of principal on long-term debt	13	(1,219,322)	(826,694)
Repayment of other loan payable		-	(40,000)
Repayment of principal on lease obligations	9	(431,655)	(224,162)
Interest paid, net		(1,669,027)	(982,309)
Proceeds from Private Placement, net of costs	15	3,192,025	-
Proceeds from issuance of convertible debentures, net of financing costs	14	-	7,077,698
Proceeds from issuance of common shares		72,999	-
<b>Cash (used in) generated by financing activities</b>		<b>(5,413,430)</b>	<b>25,176,517</b>
<b>Net (decrease) increase in cash</b>		<b>(1,261,105)</b>	<b>329,895</b>
Effect of movements in exchange rates on cash held		(49,102)	(93,240)
Cash, beginning of the period		1,792,857	1,556,202
<b>Cash, end of the period</b>		<b>\$ 482,650</b>	<b>\$ 1,792,857</b>

*See Note 25 for additional cash flow information.*

The accompanying notes are an integral part of these consolidated financial statements.

## **GLOBAL FOOD AND INGREDIENTS LTD.**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

*(Expressed in Canadian Dollars)*

### **1. NATURE OF OPERATIONS**

Global Food and Ingredients Ltd. (formerly Pivotal Financial Corp.) (the “Company”) was formed on December 21, 2020, under the Canadian Business Corporations Act (Ontario, Canada). Prior to June 10, 2022, the Company’s operations were conducted through Global Food and Ingredients Inc. Global Food and Ingredients Inc. was incorporated on April 19, 2018.

On June 10, 2022, Global Food and Ingredients Inc. completed a reverse takeover (“RTO”) transaction with Pivotal Financial Corp. (“Pivotal”). The transaction constituted a RTO under applicable securities law and was structured as a three-cornered amalgamation, which resulted in Global Food and Ingredients Inc. becoming a wholly owned subsidiary of Pivotal by amalgamation, and the security holders of Global Food and Ingredients Inc. becoming security holders of Pivotal. As a result, the consolidated statements of financial position are presented as a continuance of Global Food and Ingredients Inc. and the comparative figures presented are those of Global Food and Ingredients Inc. (see Note 4 Reverse Takeover for details). Immediately prior to the closing of the transaction, Pivotal filed an Article of Amendment to change its name to “Global Food and Ingredients Ltd.”

The Company’s common shares trade on the TSX Venture Exchange (“TSXV”) under the symbol “**PEAS**” and the OTC Markets Group (“OTCQX”) under the symbol “**PEASF**”.

The Company is a Canadian plant-based food and ingredients company focused on pulses and specialty crops. The Company supplies premium plant-based high protein ingredients to customers around the world and distributes truckload and less-than-truckload of bagged product directly to food processing companies, foodservice companies and institutional buyers (educational institutions, healthcare facilities, correctional facilities, etc.) in North America. The registered office of the Company is located at 43 Colborne Street, Suite 400, Toronto, Ontario, M5E 1E3.

### **2. BASIS OF PRESENTATION**

#### **2.1 Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) in effect as of March 31, 2023.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company (the “Board of Directors”) on July 31, 2023.

#### **2.2 Basis of presentation and measurement**

The consolidated financial statements are presented in Canadian dollars which is also the Company’s functional currency. The financial statements of foreign subsidiaries whose unit of measure is not the Canadian dollar are translated into Canadian dollars using the exchange rate in effect at the period-end for assets and liabilities, and the average exchange rates for the period for revenue, expenses, and cash flows. Foreign exchange differences arising on translation are recognized in other comprehensive income (loss) in total equity.

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the foreign exchange rate applicable at each reporting period. Foreign exchange gains and losses resulting from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and other comprehensive income (loss).

#### *Going Concern*

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business as they come due into the foreseeable future.

As of March 31, 2023, the Company had negative working capital of \$981,621 (2022 – \$8,675,169) and an accumulated deficit of \$13,971,871 (2022 – \$3,790,804) and for the year ended March 31, 2023, the Company incurred a net loss from continuing operations of \$8,629,014 (2022 – \$6,256,305). During the year ended March 31, 2023, the Company had cash generated by operating activities of \$4,960,242 (2022 – cash used of \$12,568,815).

## GLOBAL FOOD AND INGREDIENTS LTD.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(Expressed in Canadian Dollars)

### 2. BASIS OF PRESENTATION (continued)

#### 2.2 Basis of presentation and measurement (continued)

The Company is subject to various financial covenants under the terms of its credit facilities. The compliance of these covenants is dependent on the Company generating sufficient earnings in the future. The Company's ability to achieve these earnings in the future is subject to uncertainty due to its sales order backlog, demand for its products and current conditions in its core markets. In addition, there is a related party loan due in the upcoming year. While the Company has entered into a letter of intent to dispose of part of the pet food division to provide additional liquidity, there can be no assurance that the pet food transaction will be completed (see Note 26).

The continuation of the Company as a going concern is dependent on the ability of the Company to achieve positive cash flow from operations and/or obtain necessary equity or other financing. As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not reflect adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments to the carrying value of assets and liabilities, the reported expenses and their classifications, if required, may be material.

In assessing whether the going concern assumption was appropriate, the Company took into account relevant information available about the future including its backlog, demand for its products, current conditions in its core markets and the Company's ability to raise additional capital from various sources, including capital markets and the sale of the pet food division (see Note 26).

#### 2.3 Basis of consolidation

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, and entities over which the Company has control as defined in IFRS 10 *Consolidated financial statements* ("IFRS 10"), all of which also have a March 31 year end. Entities over which the Company has control are presented on a consolidated basis from the date control commences. Control, as defined in IFRS 10 for purposes of determining the consolidated basis of financial statement presentation exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power and rights in respect of the entity. All of the consolidated entities were under control, as defined in IFRS 10 for purposes of determining the consolidated basis of financial statement presentation, during the entirety of the periods for which their respective results of operations were included in the consolidated statements. All intercompany balances and transactions are eliminated on consolidation.

The Company's consolidated subsidiaries are listed below, and are owned or controlled 100% by the Company:

Entity	Year-end	Functional Dollars	Currency	Country of Incorporation
Global Food and Ingredients Inc.	March 31	Canadian		Canada
GFI Brands Inc.	March 31	Canadian		Canada
North Lily Foods Inc.	March 31	United States		United States
Global Foods and Ingredients USA Inc.	March 31	United States		United States

#### 2.4 Reclassification of prior period presentation

During the period, the Company reviewed their reportable segments and assessed that the Company has three reportable operating segments, in comparison to the year ended March 31, 2022 in which it was determined that there was only one reportable operating segment. In addition, the Company's one plant-based consumer packaged goods divisions ("Yofit division") has been presented as discontinued operations as discussed in Note 25. As a result, certain revenue disaggregation and segment reporting balances in prior periods have been re-presented for consistency with the current period presentation. These immaterial reclassifications had no effect on the reported consolidated results of operations. Refer to Note 17.

The Company finalized the amounts recorded in the business combination during the second quarter of 2023. As a result, some of the prior period balances have been restated. Refer to Note 5.

## **GLOBAL FOOD AND INGREDIENTS LTD.**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

*(Expressed in Canadian Dollars)*

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Revenue**

IFRS 15 *Revenue from contracts with customers* (“IFRS 15”) specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. The Company’s accounting policy for revenue recognition under IFRS 15 is to follow a five-step model to determine the amount and timing of revenue to be recognized:

- identifying the contract with a customer;
- identifying the performance obligation(s) within the contract;
- determining the transaction price;
- allocating the transaction price to the performance obligation(s); and
- recognizing revenue when/as performance obligation(s) are satisfied.

In some cases, judgment is required in determining whether the customer is a business or the end consumer. This evaluation is made on the basis of whether the business obtains control of the product before transferring to the end consumer. Control of the product transfers at a point in time upon shipment or delivery to the customer. In determining the appropriate timing of sales, the Company takes into consideration a) the Company’s right to payment for the goods or services; b) customer’s legal title; c) transfer of physical possession of the goods; and d) timing of acceptance of goods.

Revenue is recognized based on the sale of commodities for a fixed price when control is transferred. The amount recognized reflects the consideration that the Company expects to receive, taking into account any variation that is expected to result from rights of return. Revenue is recognized at the time the commodities are shipped or delivered to the buyer which, depending on the terms of the sale, reflect when the Company transfers control of the goods. Once the Company transfers control of the goods it does not retain material involvement associated with ownership or control over the goods sold. No significant payment terms or warranties and other related obligations exist within the Company’s contracts with its customers. As a practical expedient the Company will not be disclosing the transaction price to outstanding performance obligations as all contracts have a length of less than one year.

#### **3.2 Cash**

The Company considers all investments with original maturities of three months or less, that are highly liquid and readily convertible into cash, to be cash equivalents. Restricted cash reflects any cash balance held within a financial institution that is required as part of margining against future and forward contracts.

#### **3.3 Inventories**

Inventories are measured at the lower of cost, determined on a weighted-average basis, and net realizable value. Cost includes all costs of conversions, including materials, processing fees and freight-in. Net realizable value refers to the amount the Company expects to realize from the sale of the inventories in the ordinary course of business, less direct costs to sell. A provision for shrinkage is calculated based on historical experience and is periodically reviewed by management for adequacy.

#### **3.4 Property, plant and equipment (“PPE”)**

PPE is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write off the cost of PPE, less their estimated residual value, using the straight-line method over the following expected useful lives:

- Buildings – 10 to 35 years;
- Leasehold improvements – the shorter of the useful life or life of the lease;
- Furniture and fixtures – 5 years;
- Office equipment – 1 to 4 years;
- Plant and equipment – 20 to 35 years; and
- Automotive – 4 years.

## **GLOBAL FOOD AND INGREDIENTS LTD.**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

*(Expressed in Canadian Dollars)*

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **3.4 Property, plant and equipment (“PPE) (continued)**

Where an item of PPE comprises major components with different useful lives, the components are accounted for as separate items of PPE. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for PPE and any changes arising from this assessment are applied by the Company prospectively.

An item of PPE is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of profit (loss) and other comprehensive income (loss).

Land and assets under construction are not depreciated. Assets under construction are transferred to the appropriate asset class when available for use and depreciation of the assets commences at that point of time.

#### **3.5 Leases**

The Company assesses whether a contract is or contains a lease, at inception of a contract. Leases are recognized as a right-of-use asset and corresponding liability at the commencement date. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. The finance cost is recognized in finance costs in the statement of profit (loss) and other comprehensive income (loss) over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), variable lease payments that are based on an index or a rate or subject to a fair market value renewal, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option. The Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The lease liability is net of lease incentives receivable. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the lessee’s incremental borrowing rate. The period over which the lease payments are discounted is the reasonably certain lease term, including renewal options that the Company is reasonably certain to exercise. Renewal options are included in a number of leases across the Company.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis in the statement of profit (loss) and other comprehensive income (loss). Short-term leases are leases with a lease term of 12 months or less. Variable lease payments that do not depend on an index or a rate or are not subject to a fair market value renewal are expensed as incurred and recognized in statement of profit (loss) and other comprehensive income (loss).

Right-of-use assets are measured at cost, which is calculated as the amount of the initial measurement of lease liability plus any lease payments made at or before the commencement date, any initial direct costs and related restoration costs. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of the lease.

The lease liability is subsequently measured at amortized cost using the effective interest rate method, where the carrying amount will be increased to reflect the interest on the lease liability and reduced by any lease payments made. The interest will be reflected in the finance costs on the statement of profit (loss) and other comprehensive income (loss). In the event of a reassessment of the lease liability, the amount of the remeasurement of the lease liability will be recorded as an adjustment to the right-of-use asset. In doing so, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement, the amount will be recorded in the statement of profit (loss) and other comprehensive income (loss).

#### **3.6 Borrowing costs**

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized.

## GLOBAL FOOD AND INGREDIENTS LTD.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(Expressed in Canadian Dollars)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.7 Derivatives

The Company evaluates all of its agreements to determine if such instruments have derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as an asset or a liability, the derivative instrument is initially recorded at its fair value and is then revalued at each reporting date, with changes in the fair value reported in the Company's statement of profit (loss) and other comprehensive income (loss). In calculating the fair value of derivative instruments, the Company uses a valuation model when level 1 inputs are not available to estimate fair value at each reporting date. Derivative instruments are classified as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the financial statement date.

#### 3.8 Financial instruments

##### *Recognition and initial measurement*

Financial assets and financial liabilities, including derivatives, are recognized when the Company becomes a party to the contractual provisions of a financial instrument or non-financial derivative contract. All financial instruments are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities, other than financial assets and financial liabilities classified as FVTPL (as defined below), are added to or deducted from the fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the statement of profit and other comprehensive income.

##### *Classification and subsequent measurement*

The Company classifies financial assets, at the time of initial recognition, according to the Company's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are classified in the following categories:

- a) amortized cost;
- b) fair value through profit or loss ("FVTPL"); and
- c) fair value through other comprehensive income ("FVTOCI").

Financial assets are subsequently measured at amortized cost if both the following conditions are met and they are not designated as FVTPL: a) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest rate method, less any impairment, with gains and losses recognized in the statement of profit (loss) and other comprehensive income (loss) in the period that the asset is derecognized or impaired.

All financial assets not classified at amortized cost as described above are measured at FVTPL or FVTOCI depending on the business model and cash flow characteristics. The Company has no financial assets measured at FVTOCI.

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method with gains and losses recognized in the statement of profit (loss) and other comprehensive income (loss) in the period that the liability is derecognized, except for financial liabilities classified as FVTPL.

##### *Impairment of financial instruments – Expected credit losses ("ECL")*

For all financial assets recorded at amortized cost, the Company applies the simplified approach to provide expected credit losses prescribed by IFRS 9 *Financial instruments* ("IFRS 9"), which requires the use of the lifetime expected loss provision for all accounts receivable based on the Company's historical default rates over the expected life of the accounts receivable and is adjusted for forward-looking estimates. The methodologies and assumptions, including, but not limited to, any forecasts of future economic conditions, credit ratings, and macro-economic factors, are reviewed regularly.

All individually significant loans receivable are assessed for impairment. All individually significant loans receivable found not to be specifically impaired are then collectively assessed for impairment. Loans receivables not individually significant are collectively assessed for impairment by grouping together loans receivable with similar risk characteristics.

ECL are calculated as the product of the probability of default, exposure at default and loss given default over the remaining expected life of the receivables. The Company recorded an ECL of 1.24% of the uninsured portion of accounts receivable for the year ended March 31, 2022 (2021 – 2.14%).

## **GLOBAL FOOD AND INGREDIENTS LTD.**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

*(Expressed in Canadian Dollars)*

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **3.8 Financial instruments (continued)**

##### *Derecognition*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in the statement of profit (loss) and other comprehensive income (loss).

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit (loss) and other comprehensive income (loss).

#### **3.9 Foreign currency transactions**

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian Dollars at the foreign exchange rate applicable at each reporting period. Foreign exchange gains and losses resulting from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit (loss) and other comprehensive income (loss).

At the end of the reporting period the Company's operations denominated in currencies other than the Canadian dollar are reported as follows:

- a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the consolidated statement of financial position;
- b) income and expenses for each statement of profit (loss) and comprehensive income (loss) and statement of cash flows for the years presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- c) components of equity are translated at the exchange rates at the dates of the relevant transactions or at average exchange rates where this is a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, and are not re-translated; and
- d) all resulting exchange differences are recognized in other comprehensive income (loss).

#### **3.10 Taxation**

The current income tax expense is based on taxable income for the period. Income tax payable is based on the income tax expense from the current and prior periods that has not been remitted. Taxable income differs from "net profit before income tax" as reported in the statement of profit (loss) and other comprehensive income (loss) because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible.

Current income tax represents the expected income taxes recoverable (or payable) on taxable income for the period using income tax rates enacted or substantively enacted at the end of the reporting period and factors in any adjustments arising from prior years.

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates in effect for the period in which those differences are expected to be recovered or settled.

The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the statement of profit (loss) and other comprehensive income (loss) in the year that includes the substantive enactment date. A deferred tax asset is recognized initially when it is probable that future taxable income will be sufficient to use the related tax benefits and may be subsequently reduced, if necessary, to the extent that it is no longer probable that future taxable profits will be available. A deferred tax expense or benefit is recognized in accumulated other comprehensive income (loss) or otherwise directly in equity to the extent that it relates to items that are recognized in accumulated other comprehensive income (loss) or directly in equity in the same or a different period.



## **GLOBAL FOOD AND INGREDIENTS LTD.**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

*(Expressed in Canadian Dollars)*

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **3.10 Taxation (continued)**

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

IFRIC Interpretation 23, *Uncertainty over income tax treatments*, provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Company adopted the new guidance on April 1, 2019. No uncertain tax positions were identified for the fiscal year ended March 31, 2022 or 2021.

#### **3.11 Government assistance**

Government grants are recognized when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. If the conditions are attached to the grant which must be satisfied before the Company is eligible to receive the contribution, the recognition of the grant revenue is deferred until those conditions are satisfied. Grants are recorded on a net basis.

#### **3.12 Business combination**

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The Company measures goodwill as the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair value of the assets transferred (including cash), and liabilities incurred by the Company on behalf of the acquiree. Transaction costs, other than those associated with the issuance of debt or equity securities that the Company incurs in connection with a business combination, are expensed as incurred.

Acquisitions in which the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets and liabilities assumed exceeds the fair value of the consideration transferred, the excess amount will be recognized as a gain on bargain purchase in the statement of profit (loss) and other comprehensive income (loss) on the acquisition date.

The acquisition date is the date when the Company obtains control of the acquiree.

#### **3.13 Impairment of non-financial assets**

At each financial reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is an indication that those assets have suffered an impairment loss. Goodwill and indefinite lived intangible assets are not amortized and are tested for impairment annually in the fourth quarter and as required when circumstances indicate that their carrying amount may not be recoverable.

If any such indication exists, or at the date when impairment testing for tangible assets and goodwill and indefinite life intangible assets is required, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit (“CGU”) to which the assets belong.

The recoverable amount is the higher of fair value less the costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies, discounted cash flows, or other available fair value indicators.

## **GLOBAL FOOD AND INGREDIENTS LTD.**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

*(Expressed in Canadian Dollars)*

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **3.13 Impairment of non-financial assets (continued)**

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized at that time.

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

#### **3.14 Intangible assets**

Intangible assets are recorded at cost, less accumulated amortization and impairment losses, unless acquired through a business combination in which case they would be recorded at fair value. Amortization is recorded on a straight-line basis over the following estimated useful lives, which do not exceed the contractual period, if any:

- Customer relationships – 5 years;
- Brand name – 10 years; and
- Research and development project – 5 years.

The estimated useful lives, residual values, and amortization methods are reviewed at each year-end, and any changes in estimates are accounted for prospectively.

#### **3.15 Held for sale**

Assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and when the sale is considered highly probable. Depreciation of assets held for sale ceases when assets are classified as held for sale. Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

#### **3.16 Discontinued operations**

A discontinued operation is a component of the Company's business which comprises operations and cash flows that can be clearly separated from the rest of the Company, and which: (i) represents either a separate major line of business or a geographical area of operations; (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or (iii) is a subsidiary acquired exclusively with a view to resale. The classification as discontinued operations occur at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When operations are classified as discontinued operations, the comparative statements of operations and comprehensive loss are re-presented as if the operations had been discontinued from the start of the comparative period. The consolidated statements of cash flows include cash flows of the discontinued operations, and are not re-presented to reflect discontinued operations. The comparative consolidated statement of financial position is not re-presented to reflect discontinued operations.

#### **3.17 Share-based payments**

The Company has a stock option plan for directors, officers and employees. Each tranche is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over each tranche's vesting period, based on the number of options expected to vest, with the offset credited to share option reserve. When options are exercised, the amount received is credited to share capital and the fair value attributed to these options is transferred from share option reserve to share capital. The impact of a revision of the original estimate is recognized in the statement of profit (loss) and other comprehensive income (loss) such that the cumulative expense reflects the revised estimate.

The Company recognizes share-based compensation expense for all warrants awarded to employees, officers and directors based on the fair value of the warrants at the date of the grant. The fair value of warrants granted is determined using valuation tools or the Black-Scholes option pricing model with market related inputs as of the date of grant. The fair value of warrants granted to consultants and agents is measured at the fair value of the services delivered unless fair value cannot be estimated reliably, in which case fair value is determined using the Black-Scholes option pricing model. Forfeitures are accounted for using estimates based on historical actual forfeiture. No forfeitures are expected. Upon the exercise of the warrants, consideration received, and the related amount is transferred from reserves and recorded as share capital.

Common shares are classified as equity and incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

## **GLOBAL FOOD AND INGREDIENTS LTD.**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

*(Expressed in Canadian Dollars)*

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **3.18 Earnings per share (“EPS”)**

The Company presents basic and diluted EPS data for its shares. Basic EPS is calculated by dividing net income attributed to common shareholders of the Company by the weighted average number of shares outstanding during the period.

Diluted EPS is calculated by dividing the net income attributable to common shareholders of the Company by the weighted average number of shares outstanding, plus the weighted average number of shares that would be issued on exercise of dilutive securities granted to employees, as calculated under the treasury stock method, so as long as the result would not reduce the loss per share.

#### **3.19 Operating segments**

Management has determined the operating and geographic segments of the Company. Management evaluates and makes decisions on operating performance by segment. The Company has five geographic areas and three reportable operating segments, as defined in Notes 16 and 17, respectively.

#### **3.20 Significant accounting judgments and estimates**

The application of the Company’s accounting policies requires management to use estimates and judgments that can have a significant effect on the revenues, expenses, assets and liabilities recognized, and disclosures made in the consolidated financial statements.

Management’s best estimates concerning the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically, and the effects of any changes are recognized at that time. Actual results could differ from the estimates used.

##### *(A) Estimated useful lives and depreciation of property, plant and equipment*

Depreciation of PPE is dependent upon estimates of useful lives, which are determined through the exercise of judgments. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

##### *(B) Intangible assets and impairment*

Amortization of intangible assets is dependent upon estimates of useful lives which are defined as either finite or indefinite. Indefinite useful lives are not subject to amortization. Intangible assets with finite useful lives are amortized on a straight-line basis over the estimated useful lives.

Definite lived intangible assets are assessed for impairment whenever there is an indication that they may be impaired. The amortization period and the amortization method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. These assessments are dependent on judgements and estimates.

##### *(C) Expected credit loss*

Management determines ECL by evaluating individual receivable balances and considering customers’ financial condition and current economic conditions. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded as income when received. All receivables are expected to be collected within one year of the year end.

##### *(D) Income taxes*

In assessing the probability of realizing income tax assets, management makes estimates related to the expectation of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that the tax positions taken will be sustained upon examination by applicable tax authorities.

##### *(E) Leases*

Each capitalized lease is evaluated to determine if the Company would exercise any of the renewal options offered. Several material factors are considered in determining if the renewal options would be exercised, such as length of the renewal, renewal rate, and ability to transfer locations. When measuring lease liabilities, the Company used discounted lease payments using a weighted-average rate in the range of 4.45% to 6.45% per annum. The weighted-average rate is based on the internal borrowing rate, which relies on judgments and estimates.

## **GLOBAL FOOD AND INGREDIENTS LTD.**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

*(Expressed in Canadian Dollars)*

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **3.20 Significant accounting judgments and estimates (continued)**

##### *(F) Fair value of financial instruments*

To determine the fair value of financial instruments, the Company develops assumptions and selects certain methods to perform the fair value calculations. Various methods considered include but are not limited to: (a) assigning the value attributed to the transaction at the time of origination; (b) re-measuring the instrument if it requires concurrent fair value measurement; and (c) valuing the instrument at the issuance value less any amortized costs. As judgment is a factor in determining the value and selecting a method, as well as, the inherent uncertainty in estimating the fair value, the valuation estimates may be different. Estimates may ultimately be different from amounts subsequently realized, resulting in an overstatement or understatement of net loss and comprehensive loss.

##### *(G) Business combination*

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets acquired, liabilities assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date when the Company obtains control of the acquiree. The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards, where IFRS provides exceptions to recording the amounts at fair value.

Goodwill represents the difference between total consideration paid and the fair value of the net identifiable assets acquired. Acquisition costs incurred are expensed to total expenses. Contingent consideration is measured at its acquisition date fair value and is included as part of the consideration transferred in a business combination, subject to the applicable terms and conditions.

Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9 with the corresponding gain or loss recognized in the statement of profit (loss) and comprehensive income (loss).

Based on the facts and circumstances that existed at the acquisition date, management will perform a valuation analysis to allocate the purchase price based on the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date. Management has one year from the acquisition date to confirm and finalize the facts and circumstances that support the finalized fair value analysis and related purchase price allocation. Until such time, these values are provisionally reported and are subject to change. Changes to fair values and allocations are retrospectively adjusted in subsequent periods.

In determining the fair value of all identifiable assets acquired and liabilities assumed, the most significant estimates generally relate to contingent consideration and intangible assets. Management exercises judgment in estimating the probability and timing of when earn-outs are expected to be achieved, which is used as the basis for estimating fair value. Identified intangible assets are fair valued using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

Judgment is applied in determining whether an acquisition is a business combination or an asset acquisition by considering the nature of the assets acquired and the processes applied to those assets, or if the integrated set of assets and activities is capable of being conducted and managed for the purpose of providing a return to investors or other owners.

##### *(H) Inventories*

Inventories are measured at the lower of cost and net realizable value which requires the Company to utilize estimates related to future selling prices, seasonality, market fluctuation and costs necessary to sell the inventory.

##### *(I) Impairment of non-financial assets*

The Company is required to use judgement in determining the grouping of assets to identify their CGUs for the purpose of testing impairment of intangible and fixed assets, including right-of-use assets. Judgement is further required to determine the goodwill CGUs for the purpose of testing impairment of goodwill. The Company has determined that the consumer-packaged goods division and the ingredients division (including corporate services) are separate CGUs. Goodwill is allocated to CGUs based on the level at which management monitors goodwill, which cannot be higher than an operating segment. The allocation of goodwill is made to CGUs that are expected to benefit from the synergies and future growth of the business combination from which they arose. In addition, judgement is used to determine whether a triggering event has occurred requiring an impairment test to be completed.

## GLOBAL FOOD AND INGREDIENTS LTD.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(Expressed in Canadian Dollars)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.20 Significant accounting judgments and estimates (continued)

##### (I) Impairment of non-financial assets (continued)

In determining the recoverable amount, defined as the higher of the fair value less cost to sell (“FVLCS”) and the value-in-use (“VIU”) of a CGU or a group of CGUs, various estimates are used. FVLCS for fixed assets and right-of-use assets is determined using estimates such as replacement cost less depreciation and physical deterioration, function, and economic/external obsolescence, if present and measurable or market rental rates of comparable properties and discount rates. VIU for fixed assets and right-of-use assets is determined using estimates such as projected future sales and earnings, and a discount rate consistent with external industry information, reflecting the risk associated with the specific cash flows. The Company determines FVLCS for goodwill and intangible assets using estimates such as projected future sales, gross profit margin and earnings, a terminal growth rate, and a discount rate.

##### (J) Share-based payments

The Company measures the value of equity-settled transactions with directors, officer and employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for share-based payments requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. The Company is also required to determine the most appropriate inputs to the valuation model, including estimates and assumptions with respect to expected life, risk-free interest rate, volatility, distribution yield, and forfeiture rate.

#### 3.21 Changes in accounting standards

##### Amendments to IFRS 9 - Financial Instruments (“IFRS 9”)

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies which fees should be included when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. There was no impact on the consolidated financial statements as a result of the adoption of this amendment.

#### 3.22 Future accounting standards and interpretations issued but not yet effective

Certain new standards, interpretation, amendments and improvements to existing standards were issued by the IASB or Interpretations of the IFRS Interpretations Committee (“IFRIC”). The Company monitors the potential changes and analyses the effect that changes in the standards may have on the operations. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements.

##### Amendment to IAS 1 – Presentation of Financial Statements (“IAS 1”) – Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendment to paragraph 69-76 of IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after January 1, 2023, with early adoption permitted. The amendments are to be applied retrospectively.

The amendments are subject to future developments. Certain application issues resulting from the amendments have been raised with IFRIC, which referred them to the IASB. In November 2021, the IASB published the exposure draft *Non-current Liabilities with Covenants* (proposed amendments to IAS 1). The exposure draft aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions, in addition to addressing concerns about the classification of such a liability as current or non-current. The IASB proposed to defer the effective date of the amendments to no earlier than January 1, 2024. The Company does not intend to early adopt the amendment.

##### Amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates (“IAS 8”) – Definition of Accounting Estimates

In February 2021, the IASB issued *Definition of Accounting Estimates*, which amends IAS 8. The amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier adoption permitted. The Company does not intend to early adopt the amendment.

## GLOBAL FOOD AND INGREDIENTS LTD.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(Expressed in Canadian Dollars)

### 4. REVERSE TAKEOVER

On November 2, 2021 Global Food and Ingredients Inc. and Pivotal entered into a Business Combination Agreement (the "Combination Agreement"). The Combination Agreement was structured as a three-cornered amalgamation whereby Global Food and Ingredients Inc. was combined with a subsidiary of Pivotal and all of the issued and outstanding securities of Global Food and Ingredients Inc. and Pivotal were exchanged for common shares of the Company based on the terms therein.

The amalgamation was considered an RTO as Pivotal's former shareholders do not control the consolidated entity after completion of the amalgamation. Immediately prior to the completion of the RTO, all of the directors and officers of Pivotal resigned such that following the closing, the officers and directors of Global Food and Ingredients Inc. became the officers and directors of the Company. Consequently, Global Food and Ingredients Inc. is the accounting acquirer and the historical financial results presented in these consolidated financial statements are those of Global Food and Ingredients Inc. At the time of the amalgamation, Pivotal's assets consisted entirely of cash, and it did not have any processes capable of generating inputs; therefore, Pivotal did not meet the definition of a business. Accordingly, as Pivotal did not qualify as a business in accordance with IFRS 3 *Business combinations* ("IFRS 3"), the amalgamation did not constitute a business combination and is therefore treated as a recapitalization under IFRS 2 *Share based payments* ("IFRS 2").

Immediately prior to the amalgamation, Pivotal consolidated its issued and outstanding common shares on the basis of five old Pivotal common shares for one new Pivotal common share, resulting in the deemed issuance of 3,000,000 common shares of the Company. The consideration relating to the deemed shares issued in the reverse acquisition was based on the fair value of common shares of \$3,750,000 which was based on the market price of the Company's common shares. The market price of the Company's common shares of \$1.25 per share was derived from the \$3,566,500 Private Placement through the issuance of an aggregate of 2,845,200 subscription receipts of Global Food and Ingredients Inc. The subscription receipts were ultimately converted into units of the Company, such that each subscription receipt resulted in the holder thereof being issued one common share and one common share purchase warrant of the Company.

In addition, 1,500,000 Pivotal options and 1,000,000 Pivotal warrants were exchanged for new securities of the Company on the basis of five old Pivotal securities for one new Pivotal security, resulting in the deemed issuance of 300,000 options and 200,000 warrants of the Company. The fair value of the options issued were \$132,635, calculated using the Black-Scholes option pricing model, with an exercise price of \$1.00 and an expected time to maturity of 6 months. The fair value of the warrants issued were \$139,907, calculated using the Black-Scholes option pricing model, with an exercise price of \$1.00 and an expected time to maturity of 1.93 years.

As the transaction was not considered a business combination under IFRS 3, the excess of consideration paid over the net assets acquired together with any transaction costs incurred is expensed as a listing expense in accordance with IFRS 2.

The fair values of the consideration paid and the identifiable net assets acquired are as follows:

	<b>Value</b>
<b>The fair value of the consideration is as follows:</b>	
Issuance of share capital	\$ 3,750,000
Issuance of replacement options	132,635
Issuance of replacement warrants	139,907
<b>Total consideration</b>	<b>\$ 4,022,542</b>
<b>Net identifiable assets acquired:</b>	
Cash	1,946,809
<b>Listing expense</b>	<b>\$ 2,075,733</b>

**GLOBAL FOOD AND INGREDIENTS LTD.**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

*(Expressed in Canadian Dollars)***5. BUSINESS COMBINATION**

On March 25, 2022, the Company completed the acquisition of certain assets of Export-Associates Inc., o/a Bentilia (“Bentilia”), a high protein, gluten-free pasta, which is complimentary to the Company’s current business operations. The acquisition meets the definition of a business from an unrelated party.

The Company has measured and recorded the identifiable assets acquired and the liabilities assumed at management’s estimates of their acquisition-date fair values. The preliminary estimated fair values of assets acquired, and liabilities assumed are based on the information available as of and since the acquisition date, which the Company believes provides a reasonable basis for estimating the fair values.

The company finalized the amounts recorded in the business combination during the second quarter of 2023.

The final fair values of the identifiable assets acquired, and liabilities assumed as of the acquisition date are as follows:

	<b>Value</b>
<b>Assets acquired:</b>	
Inventories	\$ 248,595
Prepaid expenses and deposits	2,960
Intangible assets	505,000
<b>Liabilities assumed:</b>	
Trade payables and accrued liabilities	(6,755)
<b>Net assets acquired at final fair value</b>	<b>\$ 749,800</b>

Pursuant to the terms of the asset purchase agreement, the Company satisfied the purchase price through the following:

	<b>Value</b>
Cash	\$ 741,469
Non-cash transaction:	
Share consideration	375,000
Warrant consideration	280,930
<b>Total consideration</b>	<b>\$ 1,397,399</b>

The transaction resulted in goodwill of \$647,599 which reflects the difference between the total consideration and net assets acquired at fair value. Goodwill recognized on the acquisition relates to the expected growth, cost synergies to be realized from combining the operations, and other intangible assets that do not qualify for separate recognition. This goodwill has been allocated to the Company’s consumer-packaged goods subsidiary, GFI Brands Inc. and is not expected to be deductible for tax purposes. Acquisition related costs amounting to \$217,308 (March 31, 2022 - \$74,183) were expensed in the year.

**GLOBAL FOOD AND INGREDIENTS LTD.**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

*(Expressed in Canadian Dollars)***5. BUSINESS COMBINATION (continued)**

During the second quarter of 2023 the Company finalized amounts recorded in the business combination which resulted in the following adjustments to the preliminary purchase price allocated:

	Preliminary amounts	Adjustments	March 31, 2022 Final amounts
<b>Current assets:</b>			
Inventories	\$ 248,595	\$ -	\$ 248,595
Prepaid expenses and deposits	2,960	-	2,960
<b>Non-current assets:</b>			
Intangible assets	-	505,000	505,000
Goodwill	1,152,599	(505,000)	647,599
<b>Current liabilities:</b>			
Trade payables and accrued liabilities	(6,755)	-	(6,755)
<b>Total net assets acquired</b>	<b>\$ 1,397,399</b>	<b>\$ -</b>	<b>\$ 1,397,399</b>

**6. TRADE AND OTHER RECEIVABLES**

The following table presents GFI's trade and other receivables for the periods indicated:

As at	March 31, 2023	March 31, 2022
Trade receivables	\$ 12,109,575	\$ 17,598,874
ECL	(36,836)	(54,190)
<b>Total</b>	<b>\$ 12,072,739</b>	<b>\$ 17,544,684</b>

**7. INVENTORIES**

The following table presents GFI's inventories for the periods indicated:

As at	March 31, 2023	March 31, 2022
Agricultural commodities	\$ 11,040,843	\$ 14,616,221
Other	484,283	211,906
<b>Total</b>	<b>\$ 11,525,126</b>	<b>\$ 14,828,127</b>

The amount of inventories recognized in cost of sales during the year ended March 31, 2023 was \$97,985,645 (2022 - \$110,787,045). During the year, included in this balance was an inventory write-down of \$462,880 (2022 - \$234,801).



**GLOBAL FOOD AND INGREDIENTS LTD.**
**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**
*(Expressed in Canadian Dollars)*
**8. PROPERTY, PLANT AND EQUIPMENT**

The following table presents the changes in cost and accumulated depreciation of GFI's property, plant and equipment for the periods indicated:

	Assets under construction	Land	Furniture and fixtures	Office equipment	Plant and equipment	Automotive	Buildings and leasehold improvements	Total
<b>Cost:</b>								
As at March 31, 2021	\$ 1,771,641	\$ 693,883	\$ 117,005	\$ 118,054	\$ 13,779,091	\$ 38,336	\$ 2,790,319	\$ 19,308,329
Additions	6,327,692	-	13,138	316,629	2,589,388	30,165	506,413	9,783,425
The effect of changes in foreign exchange	-	-	-	(24)	-	-	-	(24)
As at March 31, 2022	8,099,333	693,883	130,143	434,659	16,368,479	68,501	3,296,732	29,091,730
Additions	968,278	113,308	72,941	38,522	1,365,253	-	196,424	2,754,726
Capitalization of work in progress	(9,067,611)	-	-	-	8,373,354	-	694,257	-
Disposals	-	-	-	-	(8,517)	-	-	(8,517)
Transferred to held for sale <sup>(1)</sup>	-	-	(6,754)	-	-	-	-	(6,754)
The effect of changes in foreign exchange	-	-	-	873	-	-	-	873
<b>As at March 31, 2023</b>	<b>\$ -</b>	<b>\$ 807,191</b>	<b>\$ 196,330</b>	<b>\$ 474,054</b>	<b>\$ 26,098,569</b>	<b>\$ 68,501</b>	<b>\$ 4,187,413</b>	<b>\$ 31,832,058</b>
<b>Accumulated depreciation:</b>								
As at March 31, 2021	\$ -	\$ -	\$ 32,841	\$ 38,735	\$ 600,848	\$ 12,856	\$ 156,566	\$ 841,846
Depreciation	-	-	23,839	77,675	500,071	11,093	139,245	751,923
The effect of changes in foreign exchange	-	-	-	(9)	-	-	-	(9)
As at March 31, 2022	-	-	56,680	116,401	1,100,919	23,949	295,811	1,593,760
Depreciation	-	-	37,672	137,222	802,455	15,892	203,971	1,197,212
Disposals	-	-	-	-	(236)	-	-	(236)
Transferred to held for sale <sup>(1)</sup>	-	-	(997)	-	-	-	-	(997)
The effect of changes in foreign exchange	-	-	-	263	98	-	-	361
<b>As at March 31, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 93,355</b>	<b>\$ 253,886</b>	<b>\$ 1,903,236</b>	<b>\$ 39,841</b>	<b>\$ 499,782</b>	<b>\$ 2,790,100</b>
<b>Net book value:</b>								
As at March 31, 2022	\$ 8,099,333	\$ 693,883	\$ 73,463	\$ 318,258	\$ 15,267,560	\$ 44,552	\$ 3,000,921	\$ 27,497,970
<b>As at March 31, 2023</b>	<b>\$ -</b>	<b>\$ 807,191</b>	<b>\$ 102,975</b>	<b>\$ 220,168</b>	<b>\$ 24,195,333</b>	<b>\$ 28,660</b>	<b>\$ 3,687,631</b>	<b>\$ 29,041,958</b>

<sup>(1)</sup> See Note 25 for additional information

**GLOBAL FOOD AND INGREDIENTS LTD.**
**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**
*(Expressed in Canadian Dollars)*
**8. PROPERTY, PLANT AND EQUIPMENT (continued)**

The following table presents the depreciation relating to property, plant and equipment for the periods indicated:

For the year ended	<b>March 31,</b>		March 31,
	<b>2023</b>		2022
Cost of sales	\$	<b>989,141</b>	\$ 661,542
Expenses		<b>206,873</b>	90,381
Discontinued operations		<b>1,198</b>	-
<b>Total</b>	<b>\$</b>	<b>1,197,212</b>	<b>\$ 751,923</b>

**9. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS**

The following table presents the changes in GFI's right-of-use assets and lease obligations for the periods indicated:

	Property leases	Equipment leases	<b>Total</b>
<b>Right-of-use assets:</b>			
As at March 31, 2021	\$ 547,605	\$ 93,676	\$ <b>641,281</b>
Additions	569,856	-	<b>569,856</b>
Amortization	(169,466)	(6,460)	<b>(175,926)</b>
The effect of changes in foreign exchange	(532)	-	<b>(532)</b>
As at March 31, 2022	947,463	87,216	<b>1,034,679</b>
Additions	544,487	-	<b>544,487</b>
Disposals	(64,877)	-	<b>(64,877)</b>
Amortization	(388,152)	(6,460)	<b>(394,612)</b>
The effect of changes in foreign exchange	2,589	-	<b>2,589</b>
<b>As at March 31, 2023</b>	<b>\$ 1,041,510</b>	<b>\$ 80,756</b>	<b>\$ 1,122,266</b>
<b>Lease obligations:</b>			
As at March 31, 2021	\$ 548,508	\$ 98,329	\$ <b>646,837</b>
Additions	569,857	-	<b>569,857</b>
Repayment	(209,162)	(15,000)	<b>(224,162)</b>
Accretion expenses	31,591	5,697	<b>37,288</b>
The effect of changes in foreign exchange	(636)	-	<b>(636)</b>
As at March 31, 2022	940,158	89,026	<b>1,029,184</b>
Additions	544,487	-	<b>544,487</b>
Disposals	(69,106)	-	<b>(69,106)</b>
Repayment	(421,655)	(10,000)	<b>(431,655)</b>
Accretion expenses	52,150	5,420	<b>57,570</b>
The effect of changes in foreign exchange	6,487	-	<b>6,487</b>
<b>As at March 31, 2023</b>	<b>\$ 1,052,521</b>	<b>\$ 84,446</b>	<b>\$ 1,136,967</b>

As at March 31, 2023, the current and long-term lease obligations were \$435,906 (2022 – \$263,989) and \$701,061 (2022 – \$765,195), respectively.

The following table presents the amortization relating to right-of-use assets for the periods indicated:

For the year ended	<b>March 31,</b>		March 31,
	<b>2023</b>		2022
Cost of sales	\$	<b>6,460</b>	\$ 6,460
Expenses		<b>388,152</b>	169,466
<b>Total</b>	<b>\$</b>	<b>394,612</b>	<b>\$ 175,926</b>

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.**
**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**
*(Expressed in Canadian Dollars)*
**9. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS (continued)**

The following table presents the interest expense relating to lease obligations for the periods indicated:

For the year ended	<b>March 31, 2023</b>	March 31, 2022
Cost of sales	\$ -	-
Expenses	<b>57,570</b>	37,288
<b>Total</b>	<b>\$ 57,570</b>	<b>\$ 37,288</b>

The following table presents the contractual undiscounted cash flows for lease obligations for the period indicated:

As at	<b>March 31, 2023</b>
2024	\$ 477,995
2025	384,940
2026	190,400
2027	99,050
2028 and beyond	20,000
<b>Total</b>	<b>\$ 1,172,385</b>

**10. INTANGIBLE ASSETS**

The following table presents the changes in cost and accumulated amortization of GFI's intangible assets for the periods indicated:

	Customer relationships	Brand name	Research and development projects	Product Formulation	<b>Total</b>
<b>Cost:</b>					
As at March 31, 2021	\$ -	\$ -	\$ -	\$ -	\$ -
Acquired through business acquisition <sup>(1)</sup>	718,000	1,419,000	1,022,000	166,000	<b>3,325,000</b>
As at March 31, 2022	718,000	1,419,000	1,022,000	166,000	<b>3,325,000</b>
Transferred to held for sale <sup>(2)</sup>	(718,000)	(1,080,000)	(1,022,000)	-	<b>(2,820,000)</b>
<b>As at March 31, 2023</b>	<b>\$ -</b>	<b>\$ 339,000</b>	<b>\$ -</b>	<b>\$ 166,000</b>	<b>\$ 505,000</b>
<b>Accumulated amortization:</b>					
As at March 31, 2021	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization	23,933	18,000	34,067	-	<b>76,000</b>
As at March 31, 2022	23,933	18,000	34,067	-	<b>76,000</b>
Amortization	143,600	141,900	204,400	16,600	<b>506,500</b>
Transferred to held for sale <sup>(2)</sup>	(167,533)	(126,000)	(238,467)	-	<b>(532,000)</b>
<b>As at March 31, 2023</b>	<b>\$ -</b>	<b>\$ 33,900</b>	<b>\$ -</b>	<b>\$ 16,600</b>	<b>\$ 50,500</b>
<b>Net book value:</b>					
As at March 31, 2022	\$ 694,067	\$ 1,401,000	\$ 987,933	\$ 166,000	\$ 3,249,000
<b>As at March 31, 2023</b>	<b>\$ -</b>	<b>\$ 305,100</b>	<b>\$ -</b>	<b>\$ 149,400</b>	<b>\$ 454,500</b>

<sup>(1)</sup> Comparative figures have been re-presented to reflect finalized amount for the business combination and discontinued operations, refer to Note 2 and 5.

<sup>(2)</sup> See Note 25 for additional information

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

*(Expressed in Canadian Dollars)***10. INTANGIBLE ASSETS (continued)**

The following table presents the amortization expense relating to intangible assets for the periods indicated:

For the year ended	<b>March 31,</b>		March 31,
	<b>2023</b>		2022
Cost of sales	\$	-	\$ -
Expenses		<b>50,500</b>	-
Discontinued operations		<b>456,000</b>	76,000
<b>Total</b>	<b>\$</b>	<b>506,500</b>	<b>\$ 76,000</b>

**11. BANK INDEBTEDNESS**

- (a) The Company has a revolving Asset Backed Loan facility with JP Morgan Chase Bank N.A. Toronto Branch to fund working capital. The committed facility carries a three-year term and can be drawn to a maximum of \$25,000,000 or the USD equivalent, which can increase to \$28,000,000 during December 1 to March 31 of each year. The facility can be increased to \$40,000,000 (and \$43,000,000 during December 1 to March 31 of the year) during the term subject to certain financial and non-financial requirements being met. The facility matures on August 21, 2024.

The facility is secured by a first ranking on all of the inventory and accounts receivable of the Company and its subsidiaries and any amounts drawn under the facility carry an interest rate of Canadian prime rate/US Base rate plus 0.25%, or CDOR plus 1.70%. The Company is required to pay an annual interest rate of 0.25% of undrawn amounts. Under the terms of the credit agreement, the Company is required to comply with certain financial and non-financial covenants. The Company was in compliance with all covenants during the fiscal year ended March 31, 2023.

As at March 31, 2023, the Company had drawn \$13,025,449 (2022 – \$20,290,619) under the facility.

- (b) The Company had uncashed cheques at March 31, 2023 of \$1,743,786 (2022 – \$1,271,104).

**12. TRADE PAYABLES AND ACCRUED LIABILITIES**

The following table presents GFI's trade payables and accrued liabilities for the periods indicated:

As at	<b>March 31,</b>		March 31,
	<b>2023</b>		2022
Trade payables	\$	<b>7,936,372</b>	\$ 7,691,487
Accrued liabilities		<b>1,990,005</b>	2,299,623
<b>Total</b>	<b>\$</b>	<b>9,926,377</b>	<b>\$ 9,991,110</b>

**13. LONG-TERM DEBT**

The following table presents GFI's opening balances of long-term debt reconciled to closing balances for the periods indicated:

As at	<b>March 31,</b>		March 31,
	<b>2023</b>		2022
Total long-term debt, beginning of period	\$	<b>16,280,151</b>	\$ 13,499,875
Proceeds from long-term debt		<b>439,542</b>	3,560,458
Repayment of long-term debt		<b>(1,219,322)</b>	(826,694)
Total cash flow from long-term debt financing activities		<b>15,500,371</b>	16,233,639
Amortization of deferred finance fees		<b>46,512</b>	46,512
Total non-cash changes		<b>46,512</b>	46,512
<b>Total long-term debt, end of period</b>	<b>\$</b>	<b>15,546,883</b>	<b>\$ 16,280,151</b>
Current portion of long-term debt		<b>634,848</b>	1,201,888
Long-term debt	\$	<b>14,912,035</b>	\$ 15,078,263

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.****Notes to the Consolidated Financial Statements for the year ended March 31, 2023***(Expressed in Canadian Dollars)***13. LONG-TERM DEBT (continued)**

The Company's long-term debt consists of the following facilities with Farm Credit Canada ("FCC"):

- a non-revolving real asset loan in the amount of \$12,000,000, bearing interest at FCC's variable mortgage rate plus 2.75% and is repayable in equal monthly payments of \$66,667 plus interest beginning on November 1, 2020, with any remaining balance due in full on the maturity date of June 2, 2025. Effective January 1, 2021, the loan was converted to a fixed rate of 5.25%. The repayment terms were unchanged;
- a non-revolving real asset loan with FCC in the amount of \$2,000,000, bearing interest at FCC's variable mortgage rate plus 2.00% and is repayable in equal monthly blended payments of \$25,610 starting from February 1, 2022, with any remaining balance due in full on the maturity date of July 2, 2026; and
- a non-revolving real asset facility in the amount of \$4,000,000, bearing interest at FCC's variable mortgage rate plus 2.00% and repayable in equal monthly payments of \$27,778 plus interest starting on June 1, 2022, with any remaining balance due in full on the maturity date of October 1, 2026.

In March 2023, the Company's credit facility agreement with FCC was amended to amend covenant testing to commence in the fiscal year ending March 31, 2024 and deferred principal payments on each loan for a period of six months from April 1 to September 30, 2023. In addition, both the maturity date and end of amortization date of each loan was extended by six months.

Collectively, the facilities are secured by a collateral mortgage against the Company's properties in the principal amount of \$25,000,000, a general security agreement, constituting a first priority security interest in all present and future real and personal property of the Company, security pledge agreements, assignment of insurance and material contracts, and guarantees from certain shareholders. Under the terms of the credit facility agreement, the Company is required to comply with certain financial and non-financial covenants. The Company was in compliance with all covenants during the fiscal year ended March 31, 2023.

The following table presents GFI's principal future payments on long-term debt in each of the next five years:

As at	<b>March 31, 2023</b>
2024	\$ 634,848
2025	1,278,589
2026	9,360,698
2027	4,346,515
2028 and beyond	-
<b>Total</b>	<b>\$ 15,620,650</b>

**14. CONVERTIBLE DEBENTURES**

In July and August 2021, and as amended in March 2022, the Company completed a non-brokered Convertible Debenture offering of 7,377 convertible debentures units (each, a "Convertible Debenture Unit" and collectively, the "Convertible Debentures") at an issue price of \$1,000.00 each for aggregate gross proceeds of \$7,377,000. Each Convertible Debenture Unit will be comprised of one common share and one common share purchase warrant. The entire principal amount of the Convertible Debentures automatically, without any further action on the part of the holder, converted into common shares of the Company at a conversion price of \$1.00 per share in accordance with the terms thereof and one common share purchase warrant that can be exercised for one common share at \$1.75 for a period of 24 months following the conversion.

As the Convertible Debentures are considered hybrid instruments, a portion of the principal was recorded as debt at amortized cost and the remaining portion was recorded as an embedded derivative recorded at fair value through profit and loss. In the current fiscal year, prior to the conversion on June 10, 2022, the Company recorded amortization on convertible debentures of \$221,856 (2022 – \$669,983). The embedded derivative was also revalued up to conversion date of June 10, 2022 to reflect its fair value and resulted in a loss on derivative liability related to convertible debentures amounting to \$221,173 in the current fiscal year (2022 - \$1,370,519).

The Convertible Debentures bore interest at 7.0% per annum, payable on conversion in cash or the issuance of additional Convertible Debenture Units, at the option of the Company. The accrued and unpaid interest of \$435,905 was settled and paid on conversion through the issuance of 435,905 additional Convertible Debenture Units.

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.****Notes to the Consolidated Financial Statements for the year ended March 31, 2023***(Expressed in Canadian Dollars)***14. CONVERTIBLE DEBENTURES (continued)**

The conversion resulted in the issuance of 7,812,905 common shares of the Company and 7,812,905 common share purchase one no. The fair value of the conversion was based on the book value, as at the conversion date, of the principal amount of the debt and the embedded derivative with a portion being attributed to the common share purchase warrants and the balance allocated to share capital. The fair value of the warrants issued were \$4,156,148, calculated using the Black-Scholes option pricing model, with an exercise price of \$1.75 and an expected time to maturity of 2.0 years. The remaining balance of \$5,786,730 was allocated to share capital.

**15. SHARE CAPITAL***(a) Share capital*

The following tables presents GFI's share capital for the periods indicated:

As at	<b>March 31, 2023</b>	March 31, 2022
Authorized		
Unlimited common shares		
Issued and outstanding:		
66,063,503 (2022 – 10,396,080) common shares	\$ <b>21,061,836</b>	\$ 9,636,407
<b>Total</b>	<b>\$ 21,061,836</b>	\$ 9,636,407

On April 9, 2022, select Class A common shareholders exchanged 1,400,000 Class A common shares of Global Food and Ingredients Inc. for an equivalent number of Class B common shares of Global Food and Ingredients Inc.

On May 18, 2022, the Company completed a brokered and non-brokered private placement financing (the "Private Placement"), pursuant to which it issued 2,845,200 subscription receipts for gross proceeds of \$3,556,500. The subscription receipts were priced at \$1.25 each. Upon completion of the RTO, each subscription receipt was converted into one unit ("Unit") of the Company for no additional consideration. Each Unit consisted of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share of the Company at \$1.75 for a period of 24 months following the completion of the RTO. The fair value of the common share purchase warrants issued were \$1,513,531, calculated using the Black-Scholes option pricing model, with an exercise price of \$1.75 and an expected time to maturity of 2.0 years.

In connection with the Private Placement, the Company paid \$489,935 in fees, including cash commissions and fees paid to agents and a finder of \$346,225. The agents and finder were also granted 142,670 compensation warrants. Each compensation warrant can be exercised for one Unit of the Company at \$1.25 for a period of 24 months following the completion of the RTO. The fair value of the compensation warrants issued were \$142,327, calculated using the Black-Scholes option pricing model, with an exercise price of \$1.25 and an expected time to maturity of 1.0 year for each common share and an exercise price of \$1.75 and an expected time to maturity of 2.0 years for each common share purchase warrant.

The net cost attributable to the issuance of the 2,845,200 common shares of the Company as part of the Private Placement were \$1,410,708.

Upon completion of the RTO on June 10, 2022, the put option associated with the 60,000 Class B common shares of Global Food and Ingredients Inc. expired and the common shares were transferred to share capital of Global Food and Ingredients Inc.

On June 10, 2022, the issued and outstanding 2,076,000 Class A common shares and 8,380,000 Class B common shares of Global Food and Ingredients Inc. were exchanged on a one Global Food and Ingredients Inc. common share for five common shares of the Company, resulting in the deemed issuance of 52,280,400 common shares of the Company.

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

*(Expressed in Canadian Dollars)***15. SHARE CAPITAL (continued)***(b) Share option reserve*

The Company has a stock option plan to provide incentives to directors, officers, employees, and consultants of the Company.

The fair value of the options was estimated using the Black-Scholes option pricing model with the following weighted assumptions:

	<b>March 31, 2023</b>	March 31, 2022
Exercise price	<b>\$0.88 - \$1.25</b>	\$1.00 - \$6.25
Risk-free annual interest rate	<b>2.58% - 3.40%</b>	0.71% - 1.29%
Expected annual dividend yield	<b>0.0%</b>	0.0%
Expected annualized volatility	<b>94.20% - 104.32%</b>	76.1%
Expected life of options	<b>3.7 - 4.0 years</b>	1.0 - 4.3 years
Forfeiture rate	<b>0.0%</b>	0.0%

The expected annual volatility was estimated based on an index of comparable companies. Global Food and Ingredients Inc. had 727,000 options outstanding as at March 31, 2022 which were converted to options of the Company on the basis of one Global Food and Ingredients Inc. option for five options of the Company, resulting in the deemed issuance of 3,635,000 options of the Company. In addition, 300,000 options were issued as part of the RTO (see Note 4).

The following table presents the changes in the number of stock options for the periods indicated:

	Number of options	Average exercise price	Average remaining life (years)
As at March 31, 2022	3,635,000	\$0.22	4.1
Options granted	2,110,000	\$1.02	4.3
RTO replacement options	300,000	\$1.00	0.2
Options exercised	(124,998)	\$0.58	n/a
Options cancelled	(715,004)	\$0.67	n/a
<b>As at March 31, 2023</b>	<b>5,204,998</b>	<b>\$0.52</b>	<b>3.4</b>

Total options exercisable as at March 31, 2023 were 551,647 with a remaining average life of 1.7 years. Included in general and administration is stock based compensation expense for the year ended March 31, 2023 amounting to \$301,832 (2022 - \$103,660).

*(c) Warrant reserve*

Each warrant entitles the holder to purchase or exchange for one common share of the Company.

Global Food and Ingredients Inc. had 131,672 warrants outstanding as at March 31, 2022 which were converted to warrants of the Company on the basis of one Global Food and Ingredients Inc. warrant for five warrants of the Company, resulting in the deemed issuance of 658,360 warrants of the Company. During the twelve months ended March 31, 2023, 13,443,445 warrants were granted, and no warrants were cancelled or modified. In addition, 200,000 warrants were issued as part of the RTO (see Note 4).

The following table presents the changes in the number of warrants for the periods indicated:

	Number of warrants	Average exercise price	Average remaining life (years)
As at March 31, 2022	658,360	\$1.45	4.0
Warrants granted	13,443,445	\$1.53	1.2
RTO replacement warrants	200,000	\$1.00	3.1
<b>As at March 31, 2023</b>	<b>14,301,805</b>	<b>\$1.52</b>	<b>1.3</b>

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(Expressed in Canadian Dollars)

**15. SHARE CAPITAL (continued)**

*(d) Earnings per share*

The calculation of basic and diluted profit or loss per share is based on the profit or loss for the period divided by the weighted average number of shares in circulation during the period.

The following table presents GFI's loss per share for the periods indicated:

For the year ended	<b>March 31, 2023</b>	March 31, 2022 <sup>(1)</sup>
Loss for the period attributable to Shareholders of the Company	\$ (10,405,430)	\$ (4,363,748)
Less:		
Loss for the period from discontinued operations	(1,776,416)	(34,332)
<b>Loss for the period from continuing operations attributable to Shareholders of the Company</b>	<b>\$ (8,629,014)</b>	<b>\$ (4,329,416)</b>
Basic and diluted weighted average number of shares outstanding	<b>63,328,073</b>	9,196,600
Basic and diluted loss per share		
Continuing operations	\$ (0.14)	\$ (0.47)
Discontinued operations	\$ (0.03)	\$ -
<b>Total</b>	<b>\$ (0.17)</b>	<b>\$ (0.47)</b>

<sup>(1)</sup> Comparative figures have been re-presented to reflect discontinued operations, refer to Note 25.

Diluted loss per share excludes the effects of any amount of shares arising from the exercising of share options and warrants, as the effect would be anti-dilutive.

**16. REVENUE**

The following table presents GFI's revenue from continuing operations disaggregated by geographical market for the periods indicated:

For the year ended	<b>March 31, 2023</b>	March 31, 2022 <sup>(1)</sup>
North America	\$ 77,434,769	\$ 61,633,718
Asia	27,526,148	47,549,735
Europe	2,930,794	8,255,812
South America	12,007,209	6,870,381
Other	3,361,262	110,540
<b>Total</b>	<b>\$ 123,260,182</b>	<b>\$ 124,420,186</b>

The following table presents GFI's revenue from continuing operations disaggregated by major goods/service lines for the periods indicated:

For the year ended	<b>March 31, 2023</b>	March 31, 2022 <sup>(1)</sup>
Total plant-based ingredients sales	\$ 123,006,012	\$ 124,213,919
Toll processing related services	-	206,095
Plant-based consumer packaged goods	254,170	172
<b>Total</b>	<b>\$ 123,260,182</b>	<b>\$ 124,420,186</b>

<sup>(1)</sup> Comparative figures have been re-presented to reflect discontinued operations, refer to Note 25.

The accompanying notes are an integral part of these consolidated financial statements.



## GLOBAL FOOD AND INGREDIENTS LTD.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(Expressed in Canadian Dollars)

### 17. OPERATING SEGMENTS

During the current fiscal year ended, the Company undertook an assessment of its operating structure to determine what information should be disclosed that enables users of the financial statements to evaluate the nature and financial effects of the business activities and economic environment in which the Company operates. As a result, the Company has determined that there are three identifiable operating segments, whereas the Company previously only identified one operating segment. The rationale for the increase in the number of reporting segments is directly attributable to the recent changes in the business activities triggering the reassessment of the Company's reporting segments, including the completion of the RTO, acquisitions of the YoFit and Bentilia plant-based consumer packaged foods brands, commissioning and sales from the pet food plant-based ingredients business, commercialization of the pea splitting facility and assessment and strategic outlook with the new Board of Directors.

GFI has determined three operating segments corresponding to the following lines of business:

- i. **Plant-based ingredients ("ING")**: the sourcing, trading, handling and further processing of specialty crops and pet food ingredients;
- ii. **Plant-based consumer packaged goods ("CPG")**: the sale and marketing of branded consumer packaged goods; and
- iii. **Corporate services ("CORP")**: general and administrative resources to manage the respective operating segments and all other company activities that are not allocated to the reportable operating segments, such as corporate activities and administrative costs.

The operating segments are presented in accordance with the same criteria used for the internal report prepared for the chief operating decision maker ("CODM") who is responsible for allocating the resources and assessing the performance of the operating segments. The Company's CODM is the Chief Executive Officer. The determination of the Company's reportable segments is based on its organization structure and how the information is reported to the CODM on a regular basis. The CODM has determined that each of the operating segments are strategic business units that offer different products and services, market to a different end customer and are managed separately because each business unit requires different operating and marketing strategies. The accounting policies of the operating segments are the same as those described in the Company's summary of significant accounting policies, refer to Note 0.

The CODM assesses the performance of the segments based on several metrics, including revenue and adjusted earnings before interest, taxes and depreciation and amortization ("EBITDA"). Adjusted EBITDA is used to measure performance because management believes this information is the most relevant in revaluating the results of the respective segments. The CODM does not review a measure of total assets or liabilities by segment.

The following table presents GFI's revenue and adjusted EBITDA by operating segment for the periods indicated:

For the year ended	March 31, 2023			March 31, 2022 <sup>(1)</sup>		
	ING	CPG	CORP	ING	CPG	CORP
Revenue	\$123,006,012	\$ 254,170	\$ -	\$123,260,182	\$124,420,014	\$ -
Adjusted EBITDA	\$ 1,457,184	\$ (655,766)	\$ (2,781,033)	\$ (1,979,615)	\$ 645,738	\$ (1,272,689)

<sup>(1)</sup> Comparative figures have been re-presented to reflect discontinued operations, refer to Note 25.

There were no intersegment transactions to report.

Comparative figures have been restated to conform with the current year presentation of three reportable operating segments and change in the definition of adjusted EBITDA. During the year ended March 31, 2022, the definition of adjusted EBITDA included an allocation for net insurance proceeds received during the year ended March 31, 2021. The definition has been adjusted in the current year to remove the allocation of net insurance proceeds to present comparative financial information more consistent with the current year operating results. In the current year, there were no insurance proceed received.

Included in revenue arising from the Plant-based ingredients operating segment for the twelve months ended March 31, 2023 are revenues of approximately 11% (2022 – 10%) derived from one (2022 – one) customer that contributed 10% or more of the Company's plant-based ingredients operating segment revenue.

Included in revenue arising from the Plant-based consumer packaged goods operating segment for the twelve months ended March 31, 2023 are revenues of approximately 65% (2022 – 100%) derived from three (2022 – one) customers that contributed 10% or more of the Company's plant-based consumer packaged goods operating segment revenue.

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.**
**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**
*(Expressed in Canadian Dollars)*
**17. OPERATING SEGMENTS (continued)**

The following table presents GFI's reconciliation of adjusted EBITDA<sup>(1)</sup> from continuing operations for the periods indicated:

For the year ended				March 31,
	ING	CPG	CORP	2023
Loss for the period	\$ (2,251,314)	\$ (1,105,966)	\$ (5,271,734)	\$ (8,629,014)
Plus:				
Income tax recovery	(474,516)	(278,968)	(1,111,138)	(1,864,622)
Interest	1,920,809	-	470,639	2,391,448
Depreciation and amortization	1,636,485	51,153	-	1,687,638
<b>EBITDA</b>	<b>831,464</b>	<b>(1,333,781)</b>	<b>(5,912,233)</b>	<b>(6,414,550)</b>
Other (expense) income	(10,377)	-	5,327	(5,050)
Loss on derivative liability related to convertible debentures	-	-	221,173	221,173
Loss on warrant revaluation	-	-	(172,633)	(172,633)
Unrealized loss on derivative financial instruments	135,611	-	-	135,611
Unrealized foreign exchange loss (gain)	57,642	(3,730)	-	53,912
Listing expense	-	-	2,075,733	2,075,733
Acquisition / one-time transaction and brand development costs	-	651,396	826,632	1,478,028
Share based compensation	96,516	30,349	174,968	301,833
Start-up expenses	346,328	-	-	346,328
<b>Adjusted EBITDA</b>	<b>\$ 1,457,184</b>	<b>\$ (655,766)</b>	<b>\$ (2,781,033)</b>	<b>\$ (1,979,615)</b>

For the year ended				March 31,
	ING	CPG	CORP	2022 <sup>(2)</sup>
Loss for the period	\$ (1,273,286)	\$ (220,393)	\$ (4,762,626)	\$ (6,256,305)
Plus:				
Income tax recovery	(19,037)	(24,160)	(71,206)	(114,403)
Interest	1,159,916	-	1,006,065	2,165,981
Depreciation and amortization	974,361	-	-	974,361
<b>EBITDA</b>	<b>841,954</b>	<b>(244,553)</b>	<b>(3,827,767)</b>	<b>(3,230,366)</b>
Other (expense) income	(485,855)	-	21,659	(464,196)
Loss on derivative liability related to convertible debentures	-	-	1,370,519	1,370,519
Loss on warrant revaluation	-	-	131,764	131,764
Unrealized loss on derivative financial instruments	(185,363)	-	-	(185,363)
Unrealized foreign exchange loss (gain)	451,088	-	-	451,088
Acquisition / one-time transaction and brand development costs	-	243,889	951,390	1,195,279
Share based compensation	23,914	-	79,746	103,660
<b>Adjusted EBITDA</b>	<b>\$ 645,738</b>	<b>\$ (664)</b>	<b>\$ (1,272,689)</b>	<b>\$ (627,615)</b>

<sup>(1)</sup> *Non-IFRS financial measure.*
<sup>(2)</sup> *Comparative figures have been re-presented to reflect discontinued operations, refer to Note 25.*

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(Expressed in Canadian Dollars)

**18. GENERAL AND ADMINISTRATION**

The following tables presents GFI's general and administration expenses from continuing operations for the periods indicated:

For the year ended		<b>March 31, 2023</b>		March 31, 2022 <sup>(1)</sup>
Compensation and benefits	\$	<b>4,224,909</b>	\$	3,526,828
Professional and consulting fees		<b>1,331,537</b>		349,896
Insurance		<b>658,215</b>		502,459
Travel, meals, and entertainment		<b>385,310</b>		466,352
Advertising and promotion		<b>379,107</b>		28,540
Bank charges and fees		<b>327,148</b>		358,934
Facility and office expenses		<b>268,911</b>		226,287
Computer, software, and internet expenses		<b>256,441</b>		226,955
Rent and utilities		<b>250,401</b>		132,333
Taxes and licenses		<b>132,116</b>		19,001
Other		<b>122,732</b>		51,461
<b>Total</b>	\$	<b>8,336,827</b>	\$	5,889,046

<sup>(1)</sup> Comparative figures have been re-presented to reflect discontinued operations, refer to Note 25.**19. FINANCE COSTS**

The following tables presents GFI's finance costs from continuing operations for the periods indicated:

For the year ended		<b>March 31, 2023</b>		March 31, 2022
Interest income	\$	<b>(171,665)</b>	\$	(59,702)
Interest expense on lease obligations		<b>57,570</b>		37,288
Interest expense on bank indebtedness and long-term debt		<b>1,863,239</b>		1,082,628
Interest expense on convertible debentures		<b>99,823</b>		336,082
Amortization on convertible debentures		<b>221,856</b>		669,983
Interest expense on related party loan		<b>100,507</b>		40,000
Amortization on related party loan		<b>48,453</b>		-
<b>Total</b>	\$	<b>2,219,783</b>	\$	2,106,279

**20. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties are defined as management and members of the Company and/or members of their immediate family and/or other companies and/or entities in which a board member or senior officer is a principal owner or senior executive. Other than disclosed elsewhere in the consolidated financial statements, related party transactions and balances are as follows:

- a) On January 31, 2022, the Company entered into a loan agreement with a shareholder in the principal amount of \$2,000,000. The loan bore interest at a rate of 1.00% per month and will accrue and become payable along with the principal amount 120 days following the issuance. The loan agreement was amended on May 26, 2022 to extend the repayment period to June 30, 2022. The loan was fully repaid on June 10, 2022.
- b) On February 2, 2023, the Company entered into a loan agreement with a shareholder in the principal amount of \$3,000,000. The loan bears interest at 15.0% per annum and will accrue and become payable along with the principal amount one year following this issuance. As additional consideration, the Company issued 2,500,000 non-transferable warrants to purchase an aggregate of 2,500,000 common shares of the Company. As part of the issuance, the Company incurred additional costs of \$99,306.

The loan is considered a hybrid instrument, a portion of the principal was recorded to debt at amortized cost and the remaining portion was recorded as an embedded derivative at fair value through warrant reserve, amounting to \$2,656,084 and \$244,611, respectively. The fair value of the warrants issued was calculated using the Black-Scholes option pricing model, with an exercise price of \$0.60 and an expected time to maturity of 1.0 year. During the fiscal year, the Company recorded amortization on the loan of \$48,453 and accrued interest of \$71,507.

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

*(Expressed in Canadian Dollars)***20. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

- c) The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company. Key management personnel include members of the Board of Directors and executive officers. Compensation of key management personnel may include short-term and long-term benefits as applicable, including salaries, bonuses, stock options or post-employment benefits. Compensation provided to the key management are as follows:

For the year ended		<b>March 31, 2023</b>		March 31, 2022
Short-term employee benefits	\$	<b>1,440,473</b>	\$	1,020,125
Long-term employee benefits		<b>41,181</b>		27,882
<b>Total</b>	<b>\$</b>	<b>1,481,654</b>	<b>\$</b>	<b>1,048,007</b>

**21. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to ensure sufficient liquidity to support its financial obligations and to execute its operating and strategic plans, managing healthy liquidity reserves and access to capital. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support business development. The directors do not establish quantitative return on capital criteria for management, but rather rely on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned business development and pay for administrative costs, the Company will spend its existing working capital and seek to raise additional amounts, as needed. There were no changes in the Company's approach to capital management during the year ended March 31, 2023.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company plans to use existing funds, funds received in the completion of the Transaction and funds received from any capital raises to fund operations and expansion activities. However, the Company may attempt to issue new shares or issue new debt for acquisitions. There can be no assurance that the Company will be able to continue raising capital in this manner.

**22. COMMITMENTS AND CONTINGENCIES****Contingencies**

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits and/or licenses that could result in the Company ceasing operations. While management of the Company believes that the Company is in compliance, in all material respects, with applicable local and state regulations as of March 31, 2023, food and agriculture regulations continue to evolve and are subject to differing interpretations. As a result, the Company may be subject to regulatory fines, penalties, or restrictions in the future.

**Claims and Litigation**

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of March 31, 2023, there were no material pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations. There are also no proceedings in which any of the Company's directors, officers or affiliates are an adverse party or have a material interest adverse to the Company's interest.

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(Expressed in Canadian Dollars)

**23. FINANCIAL RISK FACTORS**

The Company is exposed to credit risk, liquidity risk, currency risk, interest rate risk, industry, climate, and price risks. The Company's management oversees the management of these risks. The Company's management is supported by the members of the Board of Directors that advise on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by policies and procedures and financial risks are identified, measured, and managed in accordance with the Company's policies and the Company's risk appetite.

**(A) Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Company uses valuation techniques that are considered to be appropriate in the circumstances and for which there is sufficient data with unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs are observable inputs other than quoted prices included within Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability that reflect the reporting entity's own assumptions and are not based on observable market data.

The hierarchy into which the financial instruments of the Company are measured and recognized at fair value as of March 31, 2023 were as follows:

- Level 2: Derivative financial instruments, warrant liability

There were no transfers between levels in the hierarchy. For financial assets and liabilities not measured at fair value, their carrying value is considered to approximate fair value due to their short-term nature, or due to similar market instruments.

## Financial assets:

		FVTPL	Carrying value at amortized cost	Total
Cash	\$	-	\$ 1,792,857	\$ 1,792,857
Derivative financial instruments		185,363	-	185,363
Trade and other receivables		-	17,544,684	17,544,684
Promissory note		-	891,802	891,802
As at March 31, 2022	\$	185,363	\$ 20,229,343	\$ 20,414,706
Cash	\$	-	\$ 482,650	\$ 482,650
Trade and other receivables		-	12,072,739	12,072,739
Promissory note		-	880,438	880,438
As at March 31, 2023	\$	-	\$ 13,435,827	\$ 13,435,827

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

*(Expressed in Canadian Dollars)***23. FINANCIAL RISK FACTORS (continued)****(A) Fair Value (continued)**

Financial liabilities:

	FVTPL	Carrying value at amortized cost	Total
Trade payables and accrued liabilities	\$ -	\$ 9,991,110	\$ 9,991,110
Bank indebtedness	-	21,337,562	21,337,562
Derivative liability on convertible note	2,058,107	-	2,058,107
Convertible notes	-	7,005,837	7,005,837
Warrant liability	186,019	-	186,019
Long-term debt	-	16,280,151	16,280,151
Other loan payable	-	40,000	40,000
Puttable share	-	375,000	375,000
Related party loan	-	2,000,000	2,000,000
<b>As at March 31, 2022</b>	<b>\$ 2,244,126</b>	<b>\$ 57,029,660</b>	<b>\$ 59,273,786</b>
Trade payables and accrued liabilities	\$ -	\$ 9,926,377	\$ 9,926,377
Bank indebtedness	-	14,638,876	14,638,876
Warrant liability	13,386	-	13,386
Derivative financial instruments	135,611	-	135,611
Long-term debt	-	15,546,883	15,546,883
Other loan payable	-	40,000	40,000
Related party loan	2,704,537	-	2,704,537
<b>As at March 31, 2023</b>	<b>\$ 2,853,534</b>	<b>\$ 40,152,136</b>	<b>\$ 43,005,670</b>

**(B) Credit Risk**

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash, deposits and trade and other receivable. The Company recorded an ECL equivalent to 1.85% of the uninsured portion of trade receivable for the year ended March 31, 2023. In the current year, this amounts to less than 0.31% of the trade receivable balance. The Company is not significantly exposed to its accounts receivable due to its diversified customer base and a stringent collection policy.

The following tables presents GFI's components of trade and other receivables for the periods indicated:

	0 - 30 days	31 - 90 days	Over 90 days	Total
As at March 31, 2022	\$ 12,227,300	\$ 2,983,365	\$ 2,334,019	\$ 17,544,684
<b>As at March 31, 2023</b>	<b>\$ 10,173,085</b>	<b>\$ 1,676,962</b>	<b>\$ 222,692</b>	<b>\$ 12,072,739</b>

**(C) Liquidity Risk**

Liquidity risk is the risk that the Company is unable to generate or obtain sufficient cash in a cost-effective manner to fund its obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk through maintaining sufficient funds on hand and continuously monitoring forecast and actual cash flows.

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.**
**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**
*(Expressed in Canadian Dollars)*
**23. FINANCIAL RISK FACTORS (continued)**
**(C) Liquidity Risk (continued)**

The following tables presents GFI's gross obligation for the periods indicated:

	Less than 1 year	1 - 5 years	Over 5 years	<b>Total</b>
Trade payables and accrued liabilities	\$ 9,991,110	\$ -	\$ -	\$ 9,991,110
Bank indebtedness	21,337,562	-	-	21,337,562
Derivative liability on convertible note	2,058,107	-	-	2,058,107
Convertible notes	7,005,837	-	-	7,005,837
Warrant liability	186,019	-	-	186,019
Long-term debt	1,201,888	15,198,543	-	16,400,431
Lease obligations	305,541	796,322	-	1,101,863
Other loan payable	40,000	-	-	40,000
Puttable share	375,000	-	-	375,000
Related party loan	2,000,000	-	-	2,000,000
<b>As at March 31, 2022</b>	<b>\$ 44,501,064</b>	<b>\$ 15,994,865</b>	<b>\$ -</b>	<b>\$ 60,495,929</b>
Trade payables and accrued liabilities	\$ 9,926,377	\$ -	\$ -	\$ 9,926,377
Bank indebtedness	14,638,876	-	-	14,638,876
Warrant liability	13,386	-	-	13,386
Long-term debt	634,848	14,985,802	-	15,620,650
Lease obligations	435,906	736,479	-	1,172,385
Other loan payable	40,000	-	-	40,000
Related party loan	3,000,000	-	-	3,000,000
<b>As at March 31, 2023</b>	<b>\$ 28,689,393</b>	<b>\$ 15,722,281</b>	<b>\$ -</b>	<b>\$ 44,411,674</b>

**(D) Currency Risk**

The operating results and financial position of the Company are reported in Canadian dollars. As the Company operates in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency transaction and translation risks.

As at March 31, 2023, the Company had forward contracts in place with respect to foreign exchange rates. The Company believes that a change in exchange rates can have a significant impact on financial results. All foreign currency exposure relates to the United States dollar, as presented below.

	Amount	Conversion Rate	Sensitivity	Effect on fair value, as at March 31, 2022
Cash and cash equivalents	\$ 1,190,144	1.250	Increase/Decrease 1%	\$ 14,872
Trade and other receivables	\$ 14,586,673	1.250	Increase/Decrease 1%	\$ 182,275
Trade payables	\$ (2,429,629)	1.250	Increase/Decrease 1%	\$ (30,361)
	Amount	Conversion Rate	Sensitivity	Effect on fair value, as at March 31, 2023
Cash and cash equivalents	\$ 147,384	1.353	Increase/Decrease 1%	\$ 1,995
Trade and other receivables	\$ 5,394,947	1.353	Increase/Decrease 1%	\$ 73,010
Trade payables	\$ (2,188,227)	1.353	Increase/Decrease 1%	\$ (29,613)

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

*(Expressed in Canadian Dollars)***23. FINANCIAL RISK FACTORS (continued)*****(E) Interest Rate Risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash and long-term debts. Cash and deposits bear interest at market rates. The Company's debts have variable rates of interest. The Company does not use any derivative instruments to hedge against interest rate risk and believes that the change in interest rates will not have a significant impact on its financial results.

	Amount	Interest Rate	Sensitivity	Effect on fair value, as at March 31, 2022
Bank indebtedness	\$ 20,290,619	4.000%	Increase/Decrease 1%	\$ (202,906)
Long-term debt	\$ 10,866,667	5.250%	Increase/Decrease 1%	\$ (108,667)
Long-term debt	\$ 5,533,764	6.700%	Increase/Decrease 1%	\$ (55,338)
Related party loan	\$ 2,000,000	12.000%	Increase/Decrease 1%	\$ (20,000)

	Amount	Interest Rate	Sensitivity	Effect on fair value, as at March 31, 2023
Bank indebtedness	\$ <b>13,025,449</b>	6.950%	Increase/Decrease 1%	\$ <b>(130,254)</b>
Long-term debt	\$ <b>10,066,667</b>	5.250%	Increase/Decrease 1%	\$ <b>(100,667)</b>
Long-term debt	\$ <b>5,553,984</b>	9.700%	Increase/Decrease 1%	\$ <b>(55,540)</b>
Related party loan	\$ <b>3,000,000</b>	15.000%	Increase/Decrease 1%	\$ <b>(30,000)</b>

***(F) Economic Dependency***

Approximately 11% (2022 – 22%) of the Company's revenue was derived from one (2022 – two) customer. The accounts receivable balance relating to this customer at year end was \$nil (2022 – \$680,000).

***(G) Industry***

The Company operates in the agricultural environment and is affected by general economic trends. A decline in economic conditions, consumer-spending levels or other adverse conditions could lead to reduced revenue and gross margins.

The Company is dependent on the supply chain and distribution industry which has been impacted by the effects of COVID-19. These impacts may result in delays in shipments which could have an adverse impact on the Company's revenue and gross margins.

***(H) Weather / Climate***

A number of the Company's product inputs are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, frosts, earthquakes hurricanes and pestilence. Adverse weather conditions and natural disaster can lower crop yields and reduce crop size and quality, which in turn could reduce available supply of or increase the price of quality ingredients.

***(I) Price***

The pulse, grain and specialty crops processing industry is a margin-based business in which gross profits depend on the excess of sales prices over costs. Consequently, profitability is sensitive to fluctuations in wholesale price of crops caused by changes in supply, taxes, government programs and policies for the farming and transportation industries, and other market conditions. The world market for pulses and specialty crops is subject to numerous risks and uncertainties, including risks and uncertainties related to international trade and global political conditions.

The accompanying notes are an integral part of these consolidated financial statements.



**GLOBAL FOOD AND INGREDIENTS LTD.**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(Expressed in Canadian Dollars)

**24. INCOME TAX**

Income tax for the twelve months ended March 31, 2023 was a recovery of \$1,864,622, (2022 – recovery of \$114,403). The effective income tax rate for the twelve months ended March 31, 2023 was 17.77% (2022 – 1.99%). The change in the effective income tax rate was primarily due to losses allocated to non-controlling partnership interests not subject to tax to the Company in the twelve months ended March 31, 2022 that is no longer applicable in the current period and change in non-deductible transaction and financing expenses relative to loss of each period.

Income tax expense varies from the amount that would be computed by applying the basic federal and provincial tax rates to net profit before income tax, shown as follows:

For the year ended		<b>March 31, 2023</b>		March 31, 2022
<b>Expected tax rate</b>		<b>25.00%</b>		25.00%
Expected tax benefit resulting from loss	\$	<b>(2,623,409)</b>	\$	(1,591,977)
Permanent differences		<b>772,605</b>		637,323
Taxable loss attributable to non-controlling interests		-		481,448
Effect of losses and deductible temporary differences not recognized		<b>184,490</b>		237,197
Effect of tax rate differences		<b>(30,006)</b>		6,819
Effect of prior year differences		<b>(168,311)</b>		114,786
Other		<b>9</b>		1
<b>Income tax recovery from continuing operations</b>	<b>\$</b>	<b>(1,864,622)</b>	<b>\$</b>	<b>(114,403)</b>

The Company's income tax (recovery) expense consists of the following:

For the year ended		<b>March 31, 2023</b>		March 31, 2022
Current tax (recovery) expense	\$	<b>(169,232)</b>	\$	(28,093)
Deferred tax (recovery) expense		<b>(1,995,141)</b>		(98,688)
<b>Income tax (recovery) expense</b>	<b>\$</b>	<b>(2,164,373)</b>	<b>\$</b>	<b>(126,781)</b>

For the year ended		<b>March 31, 2023</b>		March 31, 2022
Current tax (recovery) expense from continuing operations	\$	<b>(169,232)</b>	\$	(35,855)
Deferred tax (recovery) expense from continuing operations		<b>(1,695,390)</b>		(78,548)
<b>Income tax (recovery) expense from continuing operations</b>	<b>\$</b>	<b>(1,864,622)</b>	<b>\$</b>	<b>(114,403)</b>

For the year ended		<b>March 31, 2023</b>		March 31, 2022
Current tax (recovery) expense from discontinued operations	\$	-	\$	7,762
Deferred tax (recovery) expense from discontinued operations		<b>(299,751)</b>		(20,140)
<b>Income tax (recovery) expense from discontinued operations</b>	<b>\$</b>	<b>(299,751)</b>	<b>\$</b>	<b>(12,378)</b>

Deferred income taxes reflect the impact of loss carry forwards and of temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws. The following deferred tax assets and liabilities have been recognized for accounting purposes:

As at		<b>March 31, 2023</b>		March 31, 2022
Deferred tax assets	\$	<b>2,839,766</b>	\$	753,310
Deferred tax liabilities		<b>(3,910,656)</b>		(3,984,725)
<b>Net deferred tax liabilities</b>	<b>\$</b>	<b>(1,070,890)</b>	<b>\$</b>	<b>(3,231,415)</b>

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(Expressed in Canadian Dollars)

**24. INCOME TAX (continued)**

The effect of temporary differences and loss carry forwards that give rise to significant portions of the net deferred tax liabilities, which has been recognized during the year are as follows:

	April 1, 2022	Recognized in Equity	Recognized in profit and loss	March 31, 2023
Loss carry forwards	\$ 342,003	\$ -	\$ 1,829,716	\$ 2,171,719
Deferred financing fees	155,127	-	66,404	221,531
Financial statement reserves	1	-	(1)	-
Debt financing	-	66,298	(21,402)	44,896
Derivative liabilities	-	158,065	(31,613)	126,452
Lease obligations	256,179	-	18,989	275,168
<b>Deferred tax assets</b>	\$ 753,310	\$ 224,363	\$ 1,862,093	\$ 2,839,766
Property, plant and equipment	(2,968,675)	-	(2,550)	(2,971,225)
Intangible assets and goodwill	(750,068)	-	745,138	(4,930)
Right-of-use assets	(257,604)	-	(16,836)	(274,440)
Debt financing	(8,378)	(61,152)	15,525	(54,005)
Deferred financing fees	-	-	-	-
Other	-	-	(606,056)	(606,056)
<b>Deferred tax liabilities</b>	\$ (3,984,725)	\$ (61,152)	\$ 135,221	\$ (3,910,656)
<b>Net deferred tax liabilities</b>	\$ (3,231,415)	\$ 163,211	\$ 1,997,314	\$ (1,070,890)

As at March 31, 2023, the Company had temporary differences and loss carry forwards that give rise to significant portions of the deferred tax asset which have not been recognized. The gross temporary differences are as follows:

As at	March 31, 2023	March 31, 2022
Non-capital losses	\$ 1,824,018	\$ 931,963
Other	129,722	77,419
<b>Total</b>	\$ 1,953,740	\$ 1,009,382

The Company has the following Canadian non-capital losses available to reduce future years' federal and provincial taxable income, which expire as follows:

	Total
Prior to 2035	\$ 13,876
2035	82,946
2036	124,576
2037	214,140
2038	-
2039	-
2040	2,479
2041	206,975
2042	2,678,166
2043	7,049,103
<b>Total</b>	\$ 10,372,261

The accompanying notes are an integral part of these consolidated financial statements.

**GLOBAL FOOD AND INGREDIENTS LTD.**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

*(Expressed in Canadian Dollars)***25. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

As at March 31, 2023, the Company's Yofiit business was classified as assets held for sale and discontinued operations. The assets have been classified as held for sale and the results, net of intercompany eliminations, have been presented separately as discontinued operations on the consolidated statements of loss and other comprehensive loss.

The following assets were classified as held for sale:

As at	<b>March 31, 2023</b>
<b>Current assets:</b>	\$ -
<b>Non-current assets:</b>	
Property, plant and equipment	5,757
Intangible assets	2,288,000
Goodwill	30,137
<b>Total</b>	<b>\$ 2,323,894</b>

The results of the Yofiit business are presented as a single amount on the statement of operations and comprehensive loss. The post-tax results of the discontinued operations are as follows:

For the year ended	<b>March 31, 2023</b>	March 31, 2022
Revenue	\$ 824,490	\$ 16,493
Cost of sales	704,699	14,445
Expenses	1,200,940	98,178
Other expenses (income)	334,947	(49,420)
Loss before income tax	(1,416,096)	(46,710)
Income tax recovery	(299,751)	(12,378)
Loss for the period	(1,116,345)	(34,332)
Impairment	660,071	-
<b>Loss for the period from discontinued operations</b>	<b>\$ (1,776,416)</b>	<b>\$ (34,332)</b>

Cash flow information for Yofiit business is as follows:

For the year ended	<b>March 31, 2023</b>	March 31, 2022
Cash used in operating activities	\$ (1,782,761)	\$ (310,986)
Cash used in investing activities	(6,754)	-
Cash used in financing activities	(792,723)	(302,913)
<b>Decrease in cash from discontinued operations</b>	<b>\$ (2,582,238)</b>	<b>\$ (613,899)</b>

The accompanying notes are an integral part of these consolidated financial statements.

## **GLOBAL FOOD AND INGREDIENTS LTD.**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

*(Expressed in Canadian Dollars)*

### **26. SUBSEQUENT EVENTS**

The Company's management has evaluated subsequent events up to July 31, 2023, the date the consolidated financial statements were issued:

- a) On May 18, 2023, the Company entered into an asset purchase agreement to sell certain assets of the Yofiit division, a premium plant-based milk and snack food operation, to a company controlled by the former owners of Yofiit (the "Purchasers") and shareholders of the Company; therefore, a related party. The Transaction includes the sale of relevant intellectual property, trademarks, licenses, and operating contracts and agreements. The purchase price of \$2,978,000 for the purchased assets was satisfied through a combination of the assumption by the purchasers of certain liabilities related to the purchased assets, a vendor-take-back note in the principal amount of \$2,700,000 million and the remainder being set-off against the share repurchase amount.

The vendor-take-back note has an interest holiday period for a period of 18 months from the closing, following which it will bear interest at 10% per annum on any outstanding amounts. If any principal amount owing under the Note remains outstanding following the interest holiday period, the Company will be entitled a royalty of the purchaser's quarterly sales, with the royalty percentage adjusted according to the outstanding amount owing under the vendor-take-back note. The vendor-take-back note will mature 36 months from closing and be secured against the purchased assets, inventory of the business and other assets of the purchasers pursuant to a general security agreement.

In addition, the parties executed an inventory purchase agreement whereby the Yofiit inventory will continue to be held by the Company at closing and sold to the purchasers over a period of six months following closing.

Simultaneously with the closing, the Company entered into a share purchase agreement with the founders to repurchase for cancellation an aggregate of 1,000,000 shares in the capital of the Company, on a non-cash basis for a deemed aggregate amount of \$278,000. Following the share repurchase, the Purchasers held no holdings in the Company.

- b) On June 14, 2023, the Company announced it entered into a non-binding letter of intent to divest 49.9% of its pet food division to 35 Oak Holdings Ltd. ("35 Oak"), a shareholder of the Company, thus, a related party. Under the terms of the proposed transaction, the Company will transfer all of the assets and liabilities associated with its pet food ingredients division to a newly formed and wholly owned subsidiary ("Pet Food Co.") of which the Company will sell a 49.9% equity stake to 35 Oak for approximately \$3.2 million. The proceeds from the equity investment will be used to repay the related party loan and accrued interest owing to 35 Oak by the Company. The proposed transaction is subject to customary closing conditions and receipt of approvals from the Company's senior lenders and the TSXV.

Concurrently, the Company announced it intends to undertake a private placement whereby it intends to offer units ("Units") of the Company at a price of \$0.205 per Unit on a non-brokered basis. Each Unit will consist of one Common Share and one common share purchase warrant of the Company (a "Unit Warrant"). Each Unit Warrant will entitle the holder to acquire one Common Share at a price of \$0.405 per share for a period of two years from the closing date of the Private Placement.

The accompanying notes are an integral part of these consolidated financial statements.

This is Exhibit "RR" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024

*Saul Watts*

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A commissioner for Oaths in and for the Province of Prince Edward Island

*Prince  
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**GLOBAL FOOD AND INGREDIENTS LTD.**  
**Consolidated Financial Statements**  
**For the eleven months ended February 29, 2024**  
*(Unaudited)*

**GLOBAL FOOD AND INGREDIENTS LTD.**  
**Consolidated Statement of Financial Position**  
**(Expressed in Canadian Dollars)**

*(Unaudited)*

As at	February 29 2024	March 31 2023
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 436,878	\$ 482,650
Accounts receivable	18,513,208	12,072,739
Current portion of promissory note	182,400	182,400
Inventories	7,912,398	11,525,126
Prepaid expenses and deposits	1,635,544	961,111
Asset held for sale	-	2,323,894
	<b>28,680,428</b>	<b>27,547,920</b>
<b>Non-current assets:</b>		
Long-term portion of promissory note	622,645	698,038
Long-term portion of note receivable	2,327,957	-
Property, plant and equipment	28,354,725	29,041,958
Right-of-use asset	727,592	1,122,266
Intangible asset	408,208	454,500
Goodwill	647,599	647,599
<b>Total assets</b>	<b>\$ 61,769,154</b>	<b>\$ 59,512,281</b>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Bank indebtedness	\$ 1,235,978	14,638,876
Accounts payable and accrued liabilities	12,699,308	9,926,377
Derivative financial instruments (liability)	-	135,611
Warrant liability	1,050	13,386
Current portion of long-term debt	1,274,258	634,848
Other loan payable	-	40,000
Current portion of lease obligations	374,233	435,906
Shareholder loan, current	492,500	2,704,537
	<b>16,077,327</b>	<b>28,529,541</b>
<b>Non-current liabilities:</b>		
Committed ABL	11,368,293	-
Long-term debt	13,788,391	14,912,035
Lease obligations	364,164	701,061
Shareholder loan	8,305,820	-
Deferred tax liability	-	1,070,890
<b>Total liabilities</b>	<b>49,903,995</b>	<b>45,213,527</b>
<b>Equity</b>		
<b>Equity attributable to shareholders of the Company:</b>		
Share capital	19,816,057	21,061,836
Share option reserve	703,868	508,136
Warrant reserve	6,416,301	6,416,301
Cumulative translation adjustment	97,215	284,352
Retained earnings	(18,709,397)	(13,971,871)
	<b>8,324,044</b>	<b>14,298,754</b>
<b>Non-controlling interests:</b>		
Non-controlling interests	3,541,115	-
<b>Total equity</b>	<b>11,865,159</b>	<b>14,298,754</b>
<b>Total equity and liabilities</b>	<b>61,769,154</b>	<b>59,512,281</b>

**GLOBAL FOOD AND INGREDIENTS LTD.**  
**Consolidated Statement of Profit and Comprehensive Profit**  
**(Expressed in Canadian Dollars)**

*(Unaudited)*

<i>For the</i>	<b>eleven months ended February 29 2024</b>	<b>eleven months ended February 28 2023</b>
<b>Revenue</b>	<b>\$ 100,892,574</b>	<b>\$ 115,200,177</b>
Cost of sales	92,763,441	104,259,275
<b>Gross Profit</b>	<b>8,129,133</b>	<b>10,940,902</b>
<b>Expenses:</b>		
General and administration	10,318,963	11,265,347
One-Time charges (Commission/Bonus/Severence)	413,765	-
Depreciation of property plant and equipment	1,227,084	1,055,764
Amortization right of use assets	394,714	358,607
Amortization of intangible assets	46,292	464,292
<b>Total expenses</b>	<b>12,400,818</b>	<b>13,144,010</b>
<b>Profit (Loss) before the undernoted</b>	<b>(4,271,685)</b>	<b>(2,203,108)</b>
<b>Other expenses (income):</b>		
Finance costs, net	2,253,405	1,931,462
Other expense (income)	(95,898)	(5,038)
Loss (gain) on convertible debt	-	221,173
Loss (gain) on warrants	(12,336)	(163,119)
Unrealized loss (gain) on derivative financial instruments	-	382,674
Realized foreign exchange loss (gain)	79,096	2,314,364
Unrealized foreign exchange loss (gain)	(274,762)	(494)
Listing expense	-	2,075,733
Transaction costs	78,989	1,827,036
<b>Net income before income taxes</b>	<b>(6,300,179)</b>	<b>(10,786,899)</b>
Income taxes (recovery)	(1,068,733)	(2,262,151)
<b>Profit (Loss) from continuing operations</b>	<b>(5,231,446)</b>	<b>(8,524,748)</b>
Profit (Loss) from discontinued operations	(386,965)	
<b>Profit (Loss) for the period</b>	<b>(5,618,411)</b>	<b>(8,524,748)</b>
<b>Profit (loss) from continuing operations for the period attributable to:</b>		
Non-controlling interests	91,115	-
Shareholders of the Company	(5,322,561)	(8,524,748)
Adjusted Gross Profit	8,050,037	8,626,538
Adjusted EBITDA	(1,776,176)	(2,213,166)



**Global Foods and Ingredients Inc.**  
**Consolidated Statement of Cash Flows**  
**(Expressed in Canadian Dollars)**

For the	eleven months ended	
	February 29 2024	February 28 2023
<b>Operating Activities</b>		
Net Earnings	\$ (5,618,411)	\$ (8,524,748)
Items not involving cash		
Depreciation of property, plant and equipment	1,227,084	1,055,764
Amortization of the right-of-use asset	394,714	358,607
Amortization of intangible asset	46,292	464,292
Amortization of deferred financing fees	43,886	42,636
Listing Expense	-	2,075,733
Loss on derivative liability convertible note	-	221,173
Loss on warrant revaluation	(12,336)	(163,119)
Change in unrealized loss (gain) on derivative financial instruments	(135,611)	568,037
Issuance of share options	196,621	224,930
Finance costs, net	2,253,405	1,931,462
Income tax expense (recovery)	(1,070,890)	(2,262,151)
	<b>(2,675,246)</b>	<b>(4,007,384)</b>
<b>Changes in non-cash Operating working capital</b>		
Accounts receivable	(6,426,310)	4,457,241
Promissory note	75,393	4,160
Inventories	3,620,841	4,065,243
Prepaid expenses and deposits	(673,370)	135,984
Accounts payable and accrued liabilities	2,663,222	(104,726)
Income taxes payable	-	236,816
<b>Cash (used in) by operating activities</b>	<b>(3,415,470)</b>	<b>4,787,334</b>
<b>Investing Activities</b>		
Purchase of property, plant, and equipment	(551,542)	(2,728,107)
Cash received on RTO	-	1,946,809
<b>Cash (used in) by investing activities</b>	<b>(551,542)</b>	<b>(781,298)</b>
<b>Financing Activities</b>		
Increase (decrease) in bank indebtedness	(2,034,605)	(6,772,406)
Proceeds (repayment) from related party loan	5,412,327	1,000,000
Proceeds from long-term debt	-	439,542
Repayment of long-term debt	(526,869)	(1,112,706)
Proceeds from other loan payable	(40,000)	-
Repayments of and interest paid for lease liability	(438,004)	(393,444)
Interest paid	(1,708,991)	(1,520,894)
Proceed from private placement net of cost	-	3,192,025
Financing costs paid for related party loan	-	(99,306)
Issuance of subscription receipts	3,450,000	-
Issuance of share capital	3,332	68,666
<b>Cash provided by financing activities</b>	<b>4,117,190</b>	<b>(5,198,523)</b>
<b>Net increase in cash</b>	<b>150,178</b>	<b>(1,192,487)</b>
Effect of movements in exchange rates on cash held	(195,950)	(45,258)
Cash beginning of the period	482,650	1,792,857
<b>Cash, end of the period</b>	<b>\$ 436,878</b>	<b>\$ 555,112</b>

**This is Exhibit "SS" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watt*

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**A commissioner for Oaths in and for the Province of Prince Edward Island**

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# GFI ANNOUNCES WIND-DOWN OF OPERATIONS

## *Sudden Rapid Slowdown Hindering Debt Service*

**Toronto, Ontario – May 7, 2024** – Global Food and Ingredients Ltd. (TSXV: PEAS) (“GFI” or the “Company”), today announced plans to commence an orderly wind-down of its business operations. The wind-down is a result of recent macro-economic events, which have caused GFI to experience challenges in purchasing adequate supplies of raw material inputs for its processing assets, which has resulted, and is expected to continue to, result in a material decline in the Company’s sales and gross profit until new raw material supply becomes available from the fall 2024 Canadian harvest.

Management and the board of directors have determined that these challenges will make it near impossible for the Company to continue to operate and service its debts, leaving no other option than to wind-down its operations. The board of directors of GFI and its financial advisors have conducted an extensive and exhaustive review of all available and credible alternatives for the Company to allow it to continue its business operations, including but not limited to, the refinancing or sale of existing processing facilities, bridge financing options and/or a sale of all or a material portion of GFI’s assets/business, but was unsuccessful in securing a viable solution. The Company will be working with its lenders to sell its assets in an orderly fashion.

During the course of the wind-down of its operations, the Company will continue to comply with its continuous disclosure obligations in accordance with applicable laws. The Company remains in good standing with its transfer agent.

In light of the foregoing, each of the directors of the Company have resigned. There have been no changes to the officers of the Company.

### **About GFI**

GFI is a Canadian plant-based food and ingredients company, connecting the local farm to the global supply chain for peas, beans, lentils, chickpeas and other high protein specialty crops. GFI is headquartered in Toronto, Canada and operations in Western Canada and North Carolina, USA.

### **Contact Information**

For further information, please contact:

#### **GLOBAL FOOD AND INGREDIENTS LTD.**

Bill Murray, CFO

Phone: 416-840-6801

Email: [bill.murray@gfiglobalfood.com](mailto:bill.murray@gfiglobalfood.com)

### **Disclaimer**

*Neither the TSXV nor its Regulation Service Provider (as defined policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.*

### **Cautionary Statements**

*This press release may contain certain forward-looking information and statements (“forward-looking information”) within the meaning of applicable Canadian securities legislation, that are not based on historical fact, including without limitation statements containing the words “believes”, “anticipates”, “plans”, “intends”, “will”, “should”, “expects”, “continue”, “estimate”, “forecasts” and other similar expressions. Forward looking statements in this press release include without limitation statements relating to the impacts of recent macro-economic events on GFI’s operations, GFI’s plans to commence the sale of its assets as part of the wind-down of its business operations and the Company’s compliance with its continuous disclosure obligations. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements. GFI undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of GFI, its securities, or financial or operating results (as applicable).*

*Although GFI believes that the expectations reflected in forward-looking information in this press release are reasonable, such forward-looking information has been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond GFI’s control, including the risk factors discussed in GFI’s annual information form for the year ended March 31, 2023, which are incorporated herein by reference and are available through SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The forward-looking information contained in this press release are*

*expressly qualified by this cautionary statement and are made as of the date hereof. GFI disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.*

**This is Exhibit "TT" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

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**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Prince  
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May 7, 2024

**Via Registered Mail and Email**

GFI Brands Inc.  
43 Colborne Street, Suite 400  
Toronto, ON M5E 1E3

**Sam Gabor**  
Direct +1 403 298 1946  
Direct Fax +1 403 263 9193  
Sam.Gabor@gowlingwlg.com  
File no. A173649

Dear Sir/Madam:

**Re: Guarantee of the Obligations of Global Food and Ingredients Inc. (the “Debtor”) to Farm Credit Canada (the “Lender”) provided by GFI Brands Inc. (the “Guarantor”)**

We are counsel the Lender in connection with the credit facilities outstanding between the Debtor and the Lender. Reference is made to the credit facility documentation, security and other documentation set out in Schedule “A” to this letter (hereafter, the “**Facility Documents**”).

Further reference is made to the guarantee agreement dated May 17, 2022 provided by the Guarantor in favour of the Lender in support of the entire indebtedness owing by the Debtor to the Lender, including direct or indirect debts by way of guarantee or otherwise, plus interest, fees and legal costs on a solicitor and its own client full indemnity basis (the “**Guarantee**”).

The Debtor is indebted to the Lender as at May 7, 2024 in the amount of \$14,987,991.90, plus interest, fees and legal costs on a solicitor and its own client full indemnity basis. Accordingly, pursuant to the Guarantee, the Guarantor is indebted to the Lender as at May 7, 2024 in the amount of **\$14,987,991.90**, plus interest, fees and legal costs on a solicitor and its own client full indemnity basis as provided in the Guarantee (the “**Indebtedness**”).

The Guarantee is payable in full on demand. **On behalf of the Lender we hereby demand payment of the Indebtedness from the Guarantor pursuant to the Guarantee.**

The Indebtedness will continue to accrue interest at the rates agreed to and accrue costs and fees, all of which the Guarantor is responsible for, until payment of all amounts owing is received. Payment may be made by providing either a certified cheque or bank draft to the following address:

Farm Credit Canada  
c/o Gowling WLG (Canada) LLP  
1600 – 421 7th Avenue SW  
Calgary, AB T2P 4K9  
Attention: Sam Gabor

**Full payment of the Indebtedness must be made by close of business on May 17, 2024.** If full payment is not received, the Lender will take whatever steps it deems appropriate to seek repayment of such amounts. The Lender reserves its rights to proceed against the Guarantor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time,



or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

Enclosed with this letter is a Notice of Intention to Enforce Security, in accordance with section 244 of the *Bankruptcy and Insolvency Act (Canada)*. If you are prepared to waive the 10-day notice period thereunder and consent to earlier enforcement of the Lender's security by the Lender, please endorse the notice where indicated and return it to the writer.

Sincerely,

Gowling WLG (Canada) LLP

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*Sam Gabor*  
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Sam Gabor

SG:sz



**SCHEDULE "A"**  
**FACILITY DOCUMENTS**

The Lender intends to rely upon all of its agreements and security provided by the Debtors and related parties including, but not limited to, the following:

- Credit Agreement dated November 22, 2019 between the Debtor and the Lender (the "**Credit Agreement**")
- Amendment No.1 to the Credit Agreement dated August 31, 2020
- First Amended and Restated Credit Agreement dated May 28, 2021
- Second Amended and Restated Credit Agreement dated May 17, 2022
- Amending Agreement to the Second Amended and Restated Credit Agreement dated December 30, 2022
- Second Amending Agreement to the Second Amended and Restated Credit Agreement dated March 17, 2023
- Third Amendment to the Second Amended and Restated Credit Agreement dated February 1, 2024
- General Security Agreement dated May 17, 2022
- Guarantee dated May 17, 2022

The Lender further relies upon all further agreements, guarantees and additional collateral security as may have been provided in support of the Indebtedness, all forbearance agreements, forbearance amending and extension agreements, and restated forbearance agreements, all as may have been entered into from time to time.



**BANKRUPTCY AND INSOLVENCY ACT**

**FORM 86**

**Notice of Intention to Enforce Security**  
(Rule 124)

**TO: GFI BRANDS INC. (the “Insolvent Person”)**

Take notice that:

1. Farm Credit Canada (“FCC”), a secured creditor of the Insolvent Person, intends to enforce its security on the property of the Insolvent Person described below:
  - All present and after-acquired personal property, all proceeds including, without limitation, all present and after-acquired personal property that may be derived from the sale or other disposition of the collateral, including inventory, equipment, intangibles, money, chattel papers, documents of title, securities, licences, crops and instruments
  - All proceeds of the foregoing.
2. The security that is to be enforced is in the form of:
  - General Security Agreement dated May 17, 2022(the “Security”)
3. The total amount of indebtedness secured by the Security on May 7, 2024 is **\$14,987,991.90** plus all applicable costs, expenses and charges, including but not limited to legal fees incurred by or on behalf of FCC on a solicitor and own client full indemnity basis.
4. The secured creditors will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless the Insolvent Person consent to an earlier enforcement.

DATED at Calgary, Alberta this 7th day of May, 2024.

**FARM CREDIT CANADA, by its counsel**  
**Gowling WLG (Canada) LLP**

Per: \_\_\_\_\_

Sam Gabor

DocuSigned by:

*Sam Gabor*

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**Notice of Intention to Enforce Security (Subsection 244(1) of the BIA)**

To: FARM CREDIT CANADA

TAKE NOTE THAT:

1. The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated May 7, 2024 pursuant to Section 244 of the Bankruptcy and Insolvency Act (Canada) with respect to the assets of **GFI BRANDS INC.** and waives its right to the ten-day notice period and to redeem the collateral, and consents to the immediate enforcement of the security held by FARM CREDIT CANADA.

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**GFI BRANDS INC.**

Per: \_\_\_\_\_

Name:

Title:

I have authority to bind the corporation.



May 7, 2024

**Via Registered Mail and Email**

Global Food and Ingredients Inc.  
43 Colborne Street, Suite 400  
Toronto, ON M5E 1E3

**Sam Gabor**  
Direct +1 403 298 1946  
Direct Fax +1 403 263 9193  
Sam.Gabor@gowlingwlg.com  
File no. A173649

Dear Sir/Madam:

**Re: Obligations of Global Food and Ingredients Inc. (the “Debtor”) to Farm Credit Canada  
(the “Lender”)**

---

We are counsel the Lender in connection with the credit facilities outstanding between the Debtor and the Lender. Reference is made to the credit facility documentation, security and other documents set out in Schedule “A” to this letter (hereafter, the “**Facility Documents**”). Particular reference is made to the credit agreement dated May 25, 2021 between the Debtor and the Lender, as amended by an amending agreement dated August 31, 2020, a first amended and restated credit agreement dated May 28, 2021, a second amended and restated credit agreement dated May 17, 2022, an amending agreement to the second amended and restated credit agreement dated December 30, 2022, a second amending agreement to the second amended and restated credit agreement dated March 17, 2023 and a third amendment to second amended and restated credit agreement dated February 1, 2024 (as further, amended or restated from time to time, the “**Credit Agreement**”).

As at May 7, 2024, the indebtedness owing by the Debtor under the Facility Documents equals **CDN\$ 14,987,991.90**, plus accruing interest, plus all fees and costs of the Lender, including legal and other professional costs on a solicitor and its own client full indemnity basis (collectively, the “**Indebtedness**”). The Indebtedness is broken down as follows:

<b>Loans</b>	<b>Total owing (\$CDN)</b>
Loan #0000712591001	\$9,654,323.97
Loan #0000739304001	\$1,771,198.00
Loan #0000762753001	\$3,562,469.93
<b>Total</b>	<b>\$14,987,991.90</b>

The Debtor is in default of the Facility Documents as follows:

1. failing to make its monthly principal and interest payments on May 1, 2024, as required under the Credit Agreement;



2. becoming insolvent;
3. being unable to pay its debts or meet its liabilities as the same become due;
4. admitting to FCC in writing its inability to pay its debts generally;
5. suffering a Material Adverse Change (as defined in the Credit Agreement) by taking steps to cease its business and operations which change shall have a material adverse effect on the business, property, assets, liabilities, operations condition (financial or otherwise), affairs and prospects of the Debtor, and its ability to perform its obligations under the Credit Agreement;
6. the Lender, in good faith and upon commercially reasonable grounds, believes that the prospect of repayment or performance of the Indebtedness is impaired.

The Indebtedness payable pursuant to the Credit Agreement is payable on default and/or demand. **Demand is hereby made on the Debtor for repayment of the full amount of the Indebtedness.** The Indebtedness will continue to accrue interest at the rates agreed and to accrue costs and fees, all of which the Debtor is responsible for on a joint and several basis, until payment of all amounts owing is received.


**Full payment of the Indebtedness must be made by close of business on May 17, 2024.** The Debtor must contact the writer at the time of payment, to confirm the full amount of the Indebtedness as of that date. If full payment is not received, the Lender will take whatever steps it deems appropriate to seek repayment of such amounts.

Enclosed with this letter is a Notice of Intention to Enforce Security, in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If you are prepared to waive the 10-day notice period thereunder and consent to earlier enforcement of the Lender's security by the Lender, please endorse the notice where indicated and return it to the writer.

The Lender reserves its rights to proceed against the Debtor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

Sincerely,

Gowling WLG (Canada) LLP

DocuSigned by:  
  
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Sam Gabor  
SG:sz  
Enclosure



## SCHEDULE "A" FACILITY DOCUMENTS

The Lender intends to rely upon all of its agreements and security provided by the Debtor and related parties including, but not limited to, the following:

- Credit Agreement dated November 22, 2019 between the Debtor and the Lender (the "**Credit Agreement**")
- Amendment No.1 to the Credit Agreement dated August 31, 2020
- First Amended and Restated Credit Agreement dated May 28, 2021
- Second Amended and Restated Credit Agreement dated May 17, 2022
- Amending Agreement to the Second Amended and Restated Credit Agreement dated December 30, 2022
- Second Amending Agreement to the Second Amended and Restated Credit Agreement dated March 17, 2023
- Third Amendment to the Second Amended and Restated Credit Agreement dated February 1, 2024
- Mortgage dated November 22, 2019 in respect of the Mortgaged Lands
  - Surface Parcel #145169185 Reference Land Description: Blk/Par A Plan No 98MW19933 Extension 1
  - Surface Parcel #202892519 Reference Land Description: Blk/Par K Plan No 102144046 Extension 0
  - Surface Parcel #111788219 Reference Land Description: Blk/Par A Plan No 101331425 Extension 10(together, the "**Mortgaged Lands**")
- Mortgage Amending Agreement dated May 28, 2021 in respect of the Mortgaged Lands
- Mortgage Assumption and Amending Agreement dated March 31, 2022 in respect of the Mortgaged Lands
- Leasehold Mortgage dated November 22, 2019 in respect to leased lands legally described as:
  - Surface Parcel #203169775  
Reference Land Description: SW Sec 9, Twp 15 Rge 16 W2 Plan B3490 Extension 4(the "**Leased Lands**")



- Mortgage Amending Agreement dated May 28, 2021 in respect of the Leased Lands
- Mortgage Assumption and Amending Agreement dated March 31, 2022 in respect of the Leased Lands
- General Security Agreement dated November 26, 2019
- Acknowledgment and confirmation of existing security agreement dated September 1, 2020
- Assignment of Insurance Agreement dated November 26, 2019
- Assignment of Material Contracts Agreement dated November 26, 2019

The Lender further relies upon all further agreements, guarantees and additional collateral security as may have been provided in support of the Indebtedness, all forbearance agreements, forbearance amending and extension agreements, and restated forbearance agreements, all as may have been entered into from time to time.

**BANKRUPTCY AND INSOLVENCY ACT**

**FORM 86**

**Notice of Intention to Enforce Security**  
(Rule 124)

**TO: GLOBAL FOOD AND INGREDIENTS INC. (the “Insolvent Person”)**

Take notice that:

1. Farm Credit Canada (“**FCC**”), a secured creditor of the Insolvent Person, intends to enforce its security on the property of the Insolvent Person described below:

- All present and after-acquired personal property, all proceeds including, without limitation, all present and after-acquired personal property that may be derived from the sale or other disposition of the collateral, including inventory, equipment, intangibles, money, chattel papers, documents of title, securities, licences, crops and instruments

- Real property legally described as:

Surface Parcel #145169185 Reference Land Description: Blk/Par A Plan No 98MW19933 Extension 1

Surface Parcel #202892519 Reference Land Description: Blk/Par K Plan No 102144046 Extension 0

Surface Parcel #111788219 Reference Land Description: Blk/Par A Plan No 101331425 Extension 10

(the “Mortgaged Lands”)

- Leasehold property legally described as:

Surface Parcel #203169775

Reference Land Description: SW Sec 9, Twp 15 Rge 16 W2 Plan B3490 Extension 4

(the “Leasehold Lands”)

- All proceeds of the foregoing.

2. The security that is to be enforced is in the form of:

- General Security Agreement dated November 26, 2019
- Mortgage dated November 22, 2019 in respect of the Mortgaged Lands
- Mortgage Amending Agreement dated May 28, 2021 in respect of the Mortgaged Lands
- Mortgage Assumption and Amending Agreement dated March 31, 2022 in respect of the Mortgaged Lands

- Leasehold Mortgage dated November 22, 2019 in respect to Leased Lands
  - Mortgage Amending Agreement dated May 28, 2021 in respect of the Leased Lands
  - Mortgage Assumption and Amending Agreement dated March 31, 2022 in respect of the Leased Lands
  - Acknowledgment and Confirmation of existing security dated September 1, 2020
  - Assignment of Insurance Agreement dated November 26, 2019
  - Assignment of Material Contracts Agreement dated November 26, 2019
- (the “**Security**”)

3. The total amount of indebtedness secured by the Security on May 7, 2024 is **\$14,987,991.90** plus all applicable costs, expenses and charges, including but not limited to legal fees incurred by or on behalf of FCC on a solicitor and own client full indemnity basis.
4. The secured creditors will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless the Insolvent Person consent to an earlier enforcement.

DATED at Calgary, Alberta this 7th day of May, 2024.

**FARM CREDIT CANADA, by its counsel  
Gowling WLG (Canada) LLP**

Per: \_\_\_\_\_

Sam Gabor

DocuSigned by:  
*Sam Gabor*  
607F375C8FC044B...



**Notice of Intention to Enforce Security (Subsection 244(1) of the BIA)**

To: FARM CREDIT CANADA

TAKE NOTE THAT:

1. The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated May 7, 2024 pursuant to Section 244 of the Bankruptcy and Insolvency Act (Canada) with respect to the assets of **GLOBAL FOOD AND INGREDIENTS INC.** and waives its right to the ten-day notice period and to redeem the collateral, and consents to the immediate enforcement of the security held by FARM CREDIT CANADA.

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**GLOBAL FOOD AND INGREDIENTS INC.**

Per: \_\_\_\_\_

Name:

Title:

I have authority to bind the corporation.

**This is Exhibit "UU" referred to in the Affidavit of Jason Inman  
Sworn Before me this 16th day of May, 2024**

*Sarah Watts*

---

**A commissioner for Oaths in and for the Province of Prince Edward Island**

*Princ  
SW*

**Notice of Intention to Enforce Security (Subsection 244(1) of the BIA)**

To: FARM CREDIT CANADA

TAKE NOTE THAT:

1. The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated May 7, 2024 pursuant to Section 244 of the Bankruptcy and Insolvency Act (Canada) with respect to the assets of **GFI BRANDS INC.** and waives its right to the ten-day notice period and to redeem the collateral, and consents to the immediate enforcement of the security held by FARM CREDIT CANADA.

DATED at Toronto, Ontario this 8th day of May, 2024.

**GFI BRANDS INC.**

DocuSigned by:  
Per:   
A33F75C1BD86432...

Name: **Bill Murray**

Title: CFO

I have authority to bind the corporation.

**Notice of Intention to Enforce Security (Subsection 244(1) of the BIA)**

To: FARM CREDIT CANADA

TAKE NOTE THAT:

1. The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated May 7, 2024 pursuant to Section 244 of the Bankruptcy and Insolvency Act (Canada) with respect to the assets of **GLOBAL FOOD AND INGREDIENTS INC.** and waives its right to the ten-day notice period and to redeem the collateral, and consents to the immediate enforcement of the security held by FARM CREDIT CANADA.

DATED at Toronto, Ontario this 8th day of May, 2024.

**GLOBAL FOOD AND INGREDIENTS INC.**

Per:  DocuSigned by:  
A33F75C18D86432

Name: **Bill Murray**

Title: CFO

I have authority to bind the corporation.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

FARM CREDIT CANADA

Applicant

and

GLOBAL FOOD AND INGREDIENTS INC. and GFI BRANDS INC.

Respondents


APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

**CONSENT TO ACT**

**FTI CONSULTING CANADA INC.**, hereby consents to act as receiver and manager, without security, over the property, assets and undertakings that constitute the Term Loan Priority Collateral (as defined in the Affidavit of Jason Inman, sworn May 16, 2024) of the Respondents, in accordance with an order substantially in the form of the receivership order sought and included in the Application Record of the Applicant.

DATED AT Toronto, this 16TH day of May, 2024.

**FTI CONSULTING CANADA INC.**,

  
Per: Jeffrey Rosenberg  
Title: MBA, CPA, LIT, Senior Managing Director

FARM CREDIT CANADA

Applicant

-and- GLOBAL FOOD AND INGREDIENTS INC. and  
GFI BRANDS INC.  
Respondents

Court File No. CV-24- 00720526-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**CONSENT TO ACT**

**GOWLING WLG (CANADA) LLP**

Suite 1600, 421 7th Avenue SW  
Calgary, AB T2P 4K9

**Sam Gabor**

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[stephen.kroeger@gowlingwlg.com](mailto:stephen.kroeger@gowlingwlg.com)

**Heather Fisher (75006L)**

Tel: 416-369-7202

Fax: 416-862-7661

[heather.fisher@gowlingwlg.com](mailto:heather.fisher@gowlingwlg.com)

Lawyers for the applicant

**File Number: A173649**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) THURSDAY, THE 30TH  
 )  
JUSTICE STEELE ) DAY OF MAY, 2024  
 )

**FARM CREDIT CANADA**

**Applicant**

**and**

**GLOBAL FOOD AND INGREDIENTS INC. and GFI BRANDS INC.**

**Respondents**

**APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**ORDER  
(Appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing FTI Consulting Canada Inc. (“**FTI**”) as receiver and manager (in such capacities, the “**Receiver**”) without security, of all of those assets that constitute the FCC Secured Property (as defined below) of Global Food and Ingredients Inc. (“**Global Food Canada**”) and GFI Brands Inc. (“**GFI Brands**”, and together with Global Food Canada, the “**Debtors**”, and each individually, a “**Debtor**”).

ON READING the affidavit of Jason Inman sworn May16, 2024 and the Exhibits thereto (the “**Inman Affidavit**”) and on hearing the submissions of counsel for the Applicant, counsel

for Siena Lending Group Canada LLC (“**Siena**”), counsel for FTI, counsel for the Respondents, and counsel for Richter Advisory Group Inc. and those other parties listed on the counsel slip, no one else appearing although duly served as appears from the affidavit of service of Kristy DeJure sworn May [XX], 2024 and on reading the consent of FTI to act as the Receiver.

## **SERVICE**

1. THIS COURT ORDERS that, if necessary, the time for service and filing of the Notice of Application and the Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

## **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, FTI is hereby appointed Receiver, without security, of all the assets, undertakings and properties of the Debtors that constitute “Term Loan Priority Collateral” (as defined in the Inman Affidavit), including but not limited to the lands and buildings at the Mortgaged Lands, and the Leasehold Interest (each as defined in the Inman Affidavit, and collectively, the “**FCC Secured Property**”).

## **RECEIVER’S POWERS**

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the FCC Secured Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the FCC Secured Property and any and all proceeds, receipts and disbursements arising out of or from the FCC Secured Property;
- (b) to receive, preserve, and protect the FCC Secured Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of FCC Secured Property to safeguard it, the engaging of independent security personnel, the taking of physical



inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) with respect to all FCC Secured Property, to manage, operate, rent, lease, enter into occupation agreements and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage employees, consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the Debtors' business or any part or parts thereof;
- (f) with respect to all FCC Secured Property, to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors in respect of all FCC Secured Property;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the FCC Secured Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter

instituted with respect to the Debtors in respect of the FCC Secured Property, or with respect to the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the FCC Secured Property, including advertising and soliciting offers in respect of the FCC Secured Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the FCC Secured Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$350,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, or section 59(10) of the Saskatchewan *Personal Property Security Act*, or other similar provincial statute as the case may be, shall not be required.

- (l) to apply for any vesting order or other orders necessary to convey the FCC Secured Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such FCC Secured Property;

- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the FCC Secured Property and the receivership, including but not limited meeting with and discussing with Siena and/or any receiver appointed upon application by Siena, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the FCC Secured Property against title to any of the FCC Secured Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors with respect to any FCC Secured Property;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, or any purchasers of the Debtors' assets or other secured lenders of the Debtors including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any FCC Secured Property owned or leased by the Debtors; and
- (q) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the

foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any FCC Secured Property in such Person's possession or control, shall grant immediate and continued access to the FCC Secured Property to the Receiver, and shall deliver all such FCC Secured Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords of the Debtors with notice of the Receiver's intention to remove any FCC Secured Property from any leased premises at least four (4) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTORS OR THE FCC SECURED PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the FCC Secured Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the FCC Secured Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the FCC Secured Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or

the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE RECEIVER**

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the FCC Secured Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any

disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **EMPLOYEES**

14. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of such Debtor until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

### **PIPEDA AND ANTI-SPAM LEGISLATION**

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the FCC Secured Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the FCC Secured Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any FCC Secured Property shall be entitled to continue to use the personal information provided to it, and related to the FCC Secured Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the FCC Secured Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill,

discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the FCC Secured Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER’S LIABILITY**

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER'S ACCOUNTS**

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge in the amount of \$500,000 (the “**Receiver's Charge**”) on the FCC Secured Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the FCC Secured Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.



19. THIS COURT ORDERS that, if requested by the Court or any interested person, the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE RECEIVERSHIP**

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the FCC Secured Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver's Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “A” hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

### **SERVICE AND NOTICE**

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL [http://cfcanda.fticonsulting.com/\[NTD\]](http://cfcanda.fticonsulting.com/[NTD]).

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors’ creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

**GENERAL**

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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## SCHEDULE "A"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that FTI Consulting Canada Inc., the receiver and manager (the "Receiver") of those assets that constitute FCC Secured Property (as defined in the Order (as defined bellow)) of Global Food and Ingredients Inc. ("**Global Food Canada**") and GFI Brands Inc. ("**GFI Brands**", with Global Food Canada, collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 30th day of May, 2024 (the "**Order**") made in an application having Court file number CV-24\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the FCC Secured Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such FCC Secured Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the FCC Secured Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

FTI Consulting Canada Inc., solely in its capacity as Receiver of the FCC Secured Property of the Debtors, and not in its personal capacity

Per: \_\_\_\_\_

Name:

Title:

FARM CREDIT CANADA  
Applicant

-and- GLOBAL FOOD AND INGREDIENTS INC. and GFI BRANDS INC.  
Respondents

Court File No. CV-24-00720526-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**ORDER  
(Appointing Receiver)**

**GOWLING WLG (CANADA) LLP**

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**Heather Fisher (75006L)**

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Fax: 416-862-7661

[heather.fisher@gowlingwlg.com](mailto:heather.fisher@gowlingwlg.com)

**File Number: A173649**

Lawyers for the applicant

Court File No. — CV-24-00720526-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE ) ~~WEEKDAY~~THURSDAY, THE #30TH  
 )  
JUSTICE — STEELE ) DAY OF ~~MONTH~~MAY, ~~20YR~~2024

~~PLAINTIFF~~<sup>‡</sup>

~~Plaintiff~~

-

FARM CREDIT CANADA

Applicant

and—

~~DEFENDANT~~

~~Defendant~~

GLOBAL FOOD AND INGREDIENTS INC. and GFI BRANDS INC.

Respondents

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

**ORDER**  
(~~appointing~~Appointing Receiver)

~~‡—The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~



THIS ~~MOTION~~APPLICATION made by the ~~Plaintiff~~<sup>2</sup>Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "~~BIA~~") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "~~CJA~~") appointing ~~[RECEIVER'S NAME]~~FTI Consulting Canada Inc. ("FTI") as receiver ~~and manager~~ (in such capacities, the "~~Receiver~~") without security, of all of ~~the~~those assets that constitute the FCC Secured Property (as defined below) of Global Food and Ingredients Inc. ("Global Food Canada") and GFI Brands Inc. ("GFI Brands"), ~~undertakings and properties of [DEBTOR'S NAME] (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario~~together with Global Food Canada, the "Debtors", and each individually, a "Debtor").

ON READING the affidavit of ~~[NAME]~~Jason Inman sworn ~~[DATE]~~May 16, 2024 and the Exhibits thereto (the "Inman Affidavit") and on hearing the submissions of counsel for ~~[NAMES]~~the Applicant, counsel for Siena Lending Group Canada LLC ("Siena"), counsel for FTI, counsel for the Respondents, and counsel for Richter Advisory Group Inc. and those other parties listed on the counsel slip, no one else appearing ~~for [NAME]~~ although duly served as appears from the affidavit of service of ~~[NAME]~~Kristy DeJure sworn May [DATE]XX, 2024 and on reading the consent of ~~[RECEIVER'S NAME]~~FTI to act as the Receiver.;

## SERVICE

1. THIS COURT ORDERS that, if necessary, the time for service and filing of the Notice of ~~Motion~~Application and the ~~Motion~~Application is hereby abridged and validated<sup>3</sup> so that this ~~motion~~Application is properly returnable today and hereby dispenses with further service thereof.

## APPOINTMENT

<sup>2</sup> ~~Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

<sup>3</sup> ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~FTI is hereby appointed Receiver, without security, of all ~~of~~ the assets, undertakings and properties of the ~~Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "~~Debtors that constitute "Term Loan Priority Collateral" (as defined in the Inman Affidavit), including but not limited to the lands and buildings at the Mortgaged Lands, and the Leasehold Interest (each as defined in the Inman Affidavit, and collectively, the "FCC Secured Property"~~)~~).

### RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the FCC Secured Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the FCC Secured Property and any and all proceeds, receipts and disbursements arising out of or from the FCC Secured Property;
- (b) to receive, preserve, and protect the FCC Secured Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of FCC Secured Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) with respect to all FCC Secured Property, to manage, operate, rent, lease, enter into occupation agreements and carry on the business of the ~~Debtor~~Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the ~~Debtor~~Debtors;

- (d) to engage employees, consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the Debtors' business ~~of the Debtor~~ or any part or parts thereof;
- (f) with respect to all FCC Secured Property, to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~Debtors and to exercise all remedies of the ~~Debtor~~Debtors in collecting such monies, including, without limitation, to enforce any security held by the ~~Debtor~~Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the ~~Debtor~~Debtors in respect of all FCC Secured Property;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the FCC Secured Property, whether in the Receiver's name or in the name and on behalf of the ~~Debtor~~Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the ~~Debtor~~Debtors in respect of the FCC Secured Property, or with respect to the Receiver, and to settle or compromise any such proceedings.<sup>4</sup> The authority hereby conveyed shall

~~<sup>4</sup>This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the FCC Secured Property, including advertising and soliciting offers in respect of the FCC Secured Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the FCC Secured Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$~~\_\_\_\_\_~~350,000, provided that the aggregate consideration for all such transactions does not exceed \$~~\_\_\_\_\_~~1,000,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~for~~ section 31 of the Ontario *Mortgages Act*, or section 59(10) of the Saskatchewan *Personal Property Security Act*, or other similar provincial statute as the case may be,<sup>5</sup> shall not be required, ~~and in each case the Ontario *Bulk Sales Act* shall not apply.~~

- (l) to apply for any vesting order or other orders necessary to convey the FCC Secured Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such FCC Secured Property;

~~<sup>5</sup> If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the FCC Secured Property and the receivership, including but not limited meeting with and discussing with Siena and/or any receiver appointed upon application by Siena, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the FCC Secured Property against title to any of the FCC Secured Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the ~~Debtor~~Debtors with respect to any FCC Secured Property;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the ~~Debtor~~Debtors, or any purchasers of the Debtors' assets or other secured lenders of the Debtors including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any ~~property~~FCC Secured Property owned or leased by the ~~Debtor~~;
- ~~(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have~~Debtors; and
- (q) ~~(+)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the ~~Debtor~~Debtors, and without interference from any other Person.

## DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the ~~Debtor~~Debtors, (ii) all of ~~its~~their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any FCC Secured Property in such Person's possession or control, shall grant immediate and continued access to the FCC Secured Property to the Receiver, and shall deliver all such FCC Secured Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the ~~Debtor~~Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy

any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords of the Debtors with notice of the Receiver's intention to remove any ~~fixtures~~ FCC Secured Property from any leased premises at least ~~seven~~ four (74) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE ~~DEBTOR~~ DEBTORS OR THE FCC SECURED PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the ~~Debtor~~ Debtors or the FCC Secured Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the ~~Debtor~~ Debtors or the FCC Secured Property are hereby stayed and suspended pending further Order of this Court.

## **NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the ~~Debtor~~Debtors, the Receiver, or affecting the FCC Secured Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the ~~Debtor~~Debtors to carry on any business which the ~~Debtor is~~Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the ~~Debtor~~Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

## **NO INTERFERENCE WITH THE RECEIVER**

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

## **CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the ~~Debtor~~Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the ~~Debtor~~Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the ~~Debtor's~~Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the ~~Debtor~~Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.



## RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the FCC Secured Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

## EMPLOYEES

14. THIS COURT ORDERS that all employees of the ~~Debtor~~Debtors shall remain the employees of ~~the~~such Debtor until such time as the Receiver, on the ~~Debtor's~~Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## PIPEDA AND ANTI-SPAM LEGISLATION

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the FCC Secured Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the FCC Secured Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any FCC Secured Property shall be entitled to continue to use the personal information provided to it, and related

to the [FCC Secured](#) Property purchased, in a manner which is in all material respects identical to the prior use of such information by the ~~Debtor~~[Debtors](#), and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, **“Possession”**) of any of the [FCC Secured](#) Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the **“Environmental Legislation”**), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the [FCC Secured](#) Property within the meaning of any Environmental Legislation, unless it is actually in possession.

### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

### **RECEIVER'S ACCOUNTS**

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge in the amount of \$500,000 (the "Receiver's Charge") on the FCC Secured Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the FCC Secured Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, ~~but~~ subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.<sup>6</sup>

19. THIS COURT ORDERS that, if requested by the Court or any interested person, the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

## **FUNDING OF THE RECEIVERSHIP**

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$~~\_\_\_\_\_~~500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the

~~<sup>6</sup>Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

Receiver by this Order, including interim expenditures. The whole of the FCC Secured Property shall be and is hereby charged by way of a fixed and specific charge (the “Receiver's Borrowings Charge”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “A” hereto (the “Receiver's Certificates”) for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

## **SERVICE AND NOTICE**

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the **“Protocol”**) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL [http://cfcanada.fticonsulting.com/\[NTD\]](http://cfcanada.fticonsulting.com/[NTD]).

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the ~~Debtor's~~Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the ~~Debtor~~Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

### **GENERAL**

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the ~~Debtor~~Debtors.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the ~~Plaintiff~~Applicant shall have its costs of this ~~motion~~Application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff~~Applicant's security or, if not so provided by the ~~Plaintiff~~Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the ~~Debtor's~~Debtors' estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ FTI Consulting Canada Inc., the receiver and manager (the "Receiver") of ~~the~~those assets, ~~undertakings and properties~~ ~~[DEBTOR'S NAME]~~ that constitute FCC Secured Property (as defined in the Order (as defined bellow)) of Global Food and Ingredients Inc. ("Global Food Canada") and GFI Brands Inc. ("GFI Brands", with Global Food Canada, collectively, the "Debtors") acquired for, or used in relation to a business carried on by the ~~Debtor~~Debtors, including all proceeds thereof (~~collectively, the "Property"~~) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 30th day of May, 2024 (the "Order") made in an ~~action~~application having Court file number CV-CL-24, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the FCC Secured Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such FCC Secured Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the FCC Secured Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

~~[RECEIVER'S NAME]~~ FTI Consulting Canada Inc., solely in its capacity as Receiver of the FCC Secured Property of the Debtors, and not in its personal capacity

Per: \_\_\_\_\_  
Name:  
Title:



FARM CREDIT CANADA  
Applicant

-and-

GLOBAL FOOD AND INGREDIENTS INC. and GFI BRANDS INC.  
Respondents

Court File No. CV-24

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

PROCEEDING COMMENCED AT  
TORONTO

ORDER  
(Appointing Receiver)

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Document comparison by Workshare Compare on 17 May 2024 14:55:53

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Document 1 ID	file://\torfil01\Shared\Heather Haddon Fara Shared Drive\Model Orders\RECEIVERSHIP MODEL ORDER.doc
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Document 2 ID	iManage://gowingwlg-mobility-ca.imatech.work/ACTIVE_CA/62422019/2
Description	#62422019v2<gowingwlg-mobility-ca.imatech.work> - FTI - Draft Receivership Order - May 16, 2024
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Legend:	
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Style change	
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Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

<b>Statistics:</b>	
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Deletions	160
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	373

**FARM CREDIT CANADA**

- and -

**GLOBAL FOOD AND INGREDIENTS INC. et al.**

Applicant

Respondents

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended  
and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**APPLICATION RECORD**

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