

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

GLOBAL FOOD AND INGREDIENTS INC. and GFI BRANDS INC.

**FIRST REPORT TO THE COURT OF FTI CONSULTING CANADA
INC., IN ITS CAPACITY AS COURT-APPOINTED RECEIVER
OVER THE FCC SECURED PROPERTY**

August 13, 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**

**FIRST REPORT TO THE COURT OF FTI CONSULTING CANADA INC., IN
ITS CAPACITY AS COURT-APPOINTED RECEIVER OVER THE FCC
SECURED PROPERTY**

A. INTRODUCTION

1. On May 30, 2024, on application by Farm Credit Canada (“**FCC**”), FTI Consulting Canada Inc. (“**FTI**”) was appointed receiver (in such capacity, the “**Receiver**”) over the FCC Secured Property (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**”). A copy of the order appointing FTI as Receiver (the “**Receivership Order**”) is attached hereto as **Schedule “A”**.
2. On the same date, Siena Lending Group Canada LLC (“**Siena**”) appointed Richter Inc. as receiver (the “**Siena Receiver**”) over the assets of Global Food Canada, GFI Brands and Global Food and Ingredients Ltd. constituting ABL Priority Collateral (defined below).
3. Prior to the appointment of the Receiver and the Siena Receiver, the Debtors had ceased operating their business, terminated employees and commenced a

liquidation process. The purpose of this receivership is to liquidate the FCC Secured Property in an orderly manner.

4. Further to that purpose, the Receiver now brings a motion for approval of, among other things:
 - (a) a sale and investor solicitation process (“**SISP**”) in relation to the FCC Secured Property; and
 - (b) a key consultant retention plan (“**KCRP**”) and related charge to secure payments under the KCRP (the “**KCRP Charge**”) to ensure ongoing participation by three key former employees of the Debtors who have been retained by the Receiver as consultants and whose work is considered important and necessary throughout the SISP (the “**Key Consultants**”).

Purpose of Report

5. The purpose of this First Report of the Receiver (the “**First Report**”) is to:
 - (a) provide the Court with information regarding:
 - (i) the background to this receivership;
 - (ii) the SISP, including steps taken in relation to the SISP to date;
 - (iii) the KCRP and proposed KCRP Charge; and,
 - (iv) the activities of the Receiver since its appointment on May 30, 2024 (the “**Appointment Date**”); and,
 - (b) recommend approval of the requested order approving the SISP, KCRP, KCRP Charge and related relief.

Terms of Reference

6. In preparing this First Report, the Receiver has relied upon unaudited financial information provided by the Debtors, including the Debtors’ books and records, certain financial information, forecasts and analysis prepared by the Debtors, and

- discussions with various parties, including former employees and senior management (“**Management**”) of, and advisors to, the Debtors (the “**Information**”).
7. Except as otherwise described in this First Report:
 - (a) the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) the Receiver has not examined or reviewed financial forecasts and projections referred to in this First Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
 8. Future-oriented financial information reported in, or relied on, in preparing this this First Report is based on assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
 9. The Receiver has prepared this First Report in connection with its motion for approval of the SISP and KCRP and granting of the KCRP Charge. The First Report should not be relied on for any other purpose.
 10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
 11. This First Report should be read in conjunction with the Application Record of FCC in support of the Receivership Order, including the Affidavit of Jason Inman sworn May16, 2024 and the Exhibits thereto (the “**Inman Affidavit**”), attached hereto without exhibits as **Schedule “B”**.
 12. Capitalized terms not otherwise defined herein have the meanings given to them in the Inman Affidavit.

B. BACKGROUND

13. Each of the Debtors were members of the GFI group of companies (“**GFI Group**”).
14. Global Food Canada was a purchaser and processor of plant-based foods and ingredients, including peas, beans, lentils, chickpeas and other high protein speciality crops.
15. GFI Brands was a brokerage that hired other companies to buy pasta and outsource manufacturing of pasta for the GFI Group.
16. Prior to the Appointment Date, GFI Group had encountered significant financial difficulties, including challenges purchasing adequate raw material inputs for its processing assets as a result of macro-economic events. Among other things, competitors acquired substantially all of the pea crop for Western Canada, causing a significant shortfall in the market. This resulted in a material decline in sales and profit.
17. While the GFI Group sought to sell the business to a third party, the Inman Affidavit notes that FCC was advised in April, 2024 that a deal could not close before the GFI Group’s cash reserves were exhausted.
18. On or around March 22, 2024, Global Food Canada began an orderly wind-down and liquidation process, including laying off employees.
19. The Receiver and the Siena Receiver were appointed thereafter on May 30, 2024. The intention of this receivership, and the expressed intention of the receivership involving the Siena Receiver, is to conduct an orderly liquidation of the Debtors’ remaining assets.
20. As set out in the Inman Affidavit, FCC, an independent mortgage finance company specializing in commercial and development mortgage financing for the Canadian agricultural and food sector, extended credit facilities to Global Food Canada totalling approximately \$15 million as at the Appointment Date.

21. Pursuant to an Intercreditor Agreement dated February 1, 2024 between FCC and Siena (the “**Intercreditor Agreement**”) and as set out in the Inman Affidavit, FCC and Siena agreed to their respective priorities in respect of their security over the assets of the Debtors. The Receiver has not completed a security review at this time, however, FCC and Siena agreed that FCC would have priority over the “Term Loan Priority Collateral” consisting of the following (with capitalized terms as defined in the Intercreditor Agreement):

- (a) all Equipment and fixtures;
- (b) all Intellectual Property owned by any Loan Party (which includes the Debtors);
- (c) all Real Property (including the Mortgaged Lands and Leasehold Lands, defined below);
- (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, all Proceeds of the foregoing, and all collateral security and guarantees given by any Person with respect to the foregoing.

(collectively, together with any proceeds thereof, the “**FCC Secured Property**”). The assets of the Debtors other than the FCC Secured Property are the “**ABL Priority Collateral**”, which includes the Debtors’ accounts receivable and inventory. According to the Intercreditor Agreement, FCC has senior priority over the FCC Secured Property and junior priority over the ABL Priority Collateral.

22. The Real Property includes three high-speed ingredient processing and storage facilities in Saskatchewan, located on the following lands:

- (a) 100 Elevator Road, Zealandia Saskatchewan (the “**Zealandia Lands**”);

- (b) R.M. of Lajord No 128, Lajord Saskatchewan (surface parcel #111788219) (the “**Sedley Lands**” or “**Vigro Lands**”, and together with the Zealandia Lands, the “**Mortgaged Lands**”); and
 - (c) 100 South Railway Avenue, Lajord No. 128, Saskatchewan (the “**Leasehold Lands**” or “**Lajord Property**”), which property is owned by Stewart Southern Railway Inc. and leased to Global Foods Canada pursuant to a Lease and Assignment of Lease.
23. The processing and storage facilities specialize in high protein ingredients, including peas, lentil, chickpeas and split peas as well as value-add ingredients such as pea protein concentrate and pea fibre. For example, processing and splitting peas into food grade peas, split peas, pea hulls and various other consumer products such as pea flour and pea protein.

C. SISP

24. The proposed SISP seeks to identify a transaction for the property, equipment and fixtures of the three Saskatchewan-based processing facilities, including the land and processing facilities on the Mortgaged Lands and the leasehold interest and facility on the Leasehold Lands, together with any other FCC Secured Property.
25. Pursuant to the Receivership Order, the Receiver was authorized to, among other things:
- (a) 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) 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;

- (c) 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; and
 - (d) 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.
26. Pursuant to the authorization granted to the Receiver to market the FCC Secured Property, the Receiver has engaged and retained FTI Capital Advisors Canada (the “**Sale Agent**”), an affiliate of FTI, to assist in the development and execution of the SISP and related marketing strategy. The Proposed SISP is attached as **Schedule “C”**.
27. The SISP contemplates a broad marketing process in conjunction with a two-phase process for the solicitation of offers to purchase the FCC Secured Property. As described further below, to ensure that time was not lost marketing the property, the Receiver has already started the marketing process, which commenced with the

creation of a list of potential bidders and initial reach-outs the week of July 15, 2024.

28. The key features of the SISP are summarized as follows:
- (a) **Broad Marketing:** The SISP commenced with the preparation of a list of known potential bidders, including financial and strategic bidders;
 - (b) **Confidentiality:** Interested parties may participate in the SISP by executing and delivering a non-disclosure agreement (“**NDA**”), following which such parties are granted access to, among other things, a virtual data room containing information regarding the Debtors and the FCC Secured Property and a Confidential Information Memorandum (“**CIM**”).
 - (c) **Typical Two-Phase Process:** Phase 1 of the SISP is a due diligence period for parties to consider the opportunity and to submit a non-binding offer. Phase 2 of the SISP will provide a further, limited due diligence period for parties selected to continue at the end of Phase 1, ending with the submission of final, binding offers by the Phase 2 bid deadline;
 - (d) **Form of Offers:** the SISP contemplates that all offers will be in the form of an asset sale. Any offers under the SISP must be made on an “as-is, where-is” basis and will be subject to the approval of the Court.
29. The key dates contemplated by the SISP include the following:

Milestone	Date(s)
Phase 1: Formal Marketing Process and Initial Due Diligence Period	July 15, 2024 – September 13, 2024
Phase 1 Bid Deadline	5:00 p.m. (Eastern Time) on September 13, 2024
Phase 2: Due Diligence Period for Selected Bidders	September 14, 2024 – October 4, 2024
Phase 2 Bid Deadline	5:00 p.m. (Eastern Time) on October 4, 2024
Court Approval of Successful Bid	Target the week of October 21, 2024
Outside Date	November 15, 2024

30. Certain deadlines may be extended by the Receiver if it considers it appropriate to do so, after consultation with the Sale Agent.
31. As noted above, in light of the authorization in the Receivership Order to market the FCC Secured Property and in order to ensure the marketing process proceeded promptly and efficiently, the Receiver has already commenced marketing the FCC Secured Property in accordance with the proposed SISP. This includes the following:
- (a) The Receiver, together with the Sales Agent, prepared a list of potential interested parties;
 - (b) Beginning the week of July 15, 2024, the Receiver and Sales Agent began contacting the potential interested parties to describe the opportunity;
 - (c) Beginning July 19, 2024, the Receiver provided a CIM and data-room access to interested parties who signed NDA's. To date, 34 parties have executed NDAs and have access to the data-room; and,
 - (d) Site visits have been arranged with various parties commencing the week of August 19, 2024.

32. Taking into consideration the time at which marketing the FCC Secured Property first began, Phase 1 of the SISP will run for nearly 9 weeks. Phase 2 of the SISP will then run for 3 weeks. The Receiver is of the view that these timelines are an appropriate balance between timeliness and providing a sufficient period to achieve appropriate market exposure for the FCC Secured Property.
33. The proposed SISP will provide a clear and transparent process while also providing flexibility for the Receiver to return to court for further directions or to take further steps if doing so becomes appropriate at any time.
34. As such, it is the Receiver's view (in consultation with the Sale Agent) that the SISP reflects an appropriate process to identify the highest/best offer in the circumstances and to maximize the value of the FCC Secured Property for the benefit of all stakeholders.

D. KEY CONSULTANT RETENTION PLAN

35. As noted above, prior to the Receiver's appointment, the Debtors began to take steps to wind down operations, liquidate inventory, and layoff their employees. As part of these steps, the employment of each of the employees was terminated, prior to the appointment of the Receiver.
36. The Receiver identified the three (3) Key Consultants, who were previously employees of the Debtors, who have experience working for the Debtors, and whose involvement is anticipated to be integral to, among other things, the operation and security of the Debtors' processing facilities and certain other FCC Secured Property in relation to the SISP.
37. The Receiver has entered into consulting agreements (collectively, the "**Consulting Agreements**") with the Key Consultants, pursuant to which the Receiver engaged the Key Consultants to provide certain consulting services. Such services may include, among other things, providing site tours, assistance with data-rooms and due diligence steps, providing information to potential bidders, and certain steps to

ensure the continued operations of the Debtors' business and/or maintenance and security of the FCC Secured Property during the SISP and thereafter as required.

38. In consideration of the consulting services to be provided by the Key Consultants, the Consulting Agreements each contemplate the payment, by the Receiver, of a consulting fee at a fixed rate (the “**Consulting Fees**”), payable every two (2) weeks.
39. In addition, in order to provide incentives to retain the Key Consultants as needed throughout these proceedings – including to facilitate retaining the Key Consultants during the SISP, the completion of any transaction(s) and remaining wind-up activities that may be required - the Receiver also entered into KCRP arrangements with the Key Consultants. The key terms of the KCRP in each case include the following:
 - (a) subject to the Court's approval of the KCRP, the Receiver proposes to pay each of the Key Consultants a retention award (collectively, the “**Retention Awards**”), which is separate and in addition to the Consulting Fees, upon the occurrence of a Milestone Date (as defined in the KCRP and described below). The Retention Awards will be payable as a single lump sum approximately equivalent to twenty percent (20%) of each applicable Key Consultant's annualized Consulting Fees that would be payable under the applicable Consulting Agreement;
 - (b) the Milestone Date shall consist of the earlier of the following dates: (i) the closing date of a transaction or transactions for all or substantially all of the FCC Secured Property; (ii) the date of an order terminating these receivership proceedings; (iii) the termination of the engagement of the applicable Key Consultant, by the Receiver, if such termination is not the result of an Event of Default (as defined in the Consulting Agreements); (iv) December 31, 2024; or, (v) any other date the Court may establish for the purpose of implementing the KCRP;

- (c) to remain eligible for the Retention Award, the Key Consultant must be retained by the Receiver and have provided services to the Receiver in accordance with the relevant Consulting Agreement and the performance and availability expectations of the Receiver, on a continuous and satisfactory basis, for the entire period from the date the KCRP is approved by the Court until the Milestone Date. Among other things, if the Key Consultant is terminated by the Receiver as a result of an Event of Default (as defined in the Consulting Agreements), or terminates their engagement under the Consulting Agreements, or otherwise ceases to assist the Receiver prior to the Milestone Date, the Key Consultant shall have no further entitlement to the applicable Retention Award;
 - (d) to provide a reasonable assurance to the Key Consultants that their entitlements under the KCRP will be satisfied despite the Debtors' insolvency, subject to the Court's approval, the Key Consultants will be granted the KCRP Charge; and,
 - (e) the KCRP is conditional upon the approval of the Court, and the execution and delivery, by each Key Consultant, as applicable, of a confidentiality agreement concerning the terms of the KCRP.
40. The KCRP contemplates that the Key Consultants will be granted the KCRP Charge, to secure their respective entitlements under the KCRP. Such KCRP Charge will rank subsequent to the Receiver's Charge and the Receiver's Borrowings Charge (each as defined in the Receivership Order) and certain statutory charges which have priority over the Receiver's Charge and the Receiver's Borrowings Charge, but in priority to all other claims and encumbrances, including secured claims, against the FCC Secured Property.
41. Attached as **Confidential Schedule "1"** is a summary of the Key Consultant Consulting Fees and Retention Awards. While the names and Consulting Fees earned by the three individuals have not been disclosed to protect their privacy and

Confidential Schedule “1” will be provided to the Court with a request to seal the document, the total Retention Amounts for the three Key Consultants is \$53,450 for all three Key Employees, which is the size of the proposed KCRP Charge.

The KCRP should be approved and the KCRP Charge should be granted

42. The services of the Key Consultants are anticipated to be critical to the Receiver and Sale Agent’s ability to conduct the SISP in an efficient and expeditious manner.
43. The Receiver seeks approval of the KCRP and the KCRP Charge to secure the continued services of the Key Consultants throughout these proceedings.
44. The approval of the KCRP and KCRP Charge is appropriate since, among other things:
 - (a) there is a risk that the Key Consultants would consider other consulting, contracting, or employment options in the event that the KCRP is not approved;
 - (b) the beneficiaries thereof, the Key Consultants, are anticipated to be important in the restructuring process and have specialized knowledge of the Debtors’ business and assets that cannot easily be replaced; and,
 - (c) the KCRP was developed by the Receiver through a consultative process and is supported by FCC and the Receiver.

E. OTHER ACTIVITIES SINCE APPOINTMENT DATE

45. On July 8, 2024, the Receiver was contacted by counsel to First Insurance Funding of Canada Inc. (“**First**”). First provided insurance financing to Global Food Canada pursuant to two Commercial Premium Finance Agreements (the “**Finance Agreements**”). Pursuant to these arrangements, First had financed the payment of insurance premiums relating to various insurance policies held by Global Food Canada.

46. In its correspondence with the Receiver, counsel to First sought payment pursuant to the Finance Agreements and noted First's security interest in unearned insurance premiums, perfected pursuant to the Insurance Act.
47. Following discussions between counsel to First and counsel to the Receiver, and consultation with counsel for FCC, counsel for Siena, and the Siena Receiver, the Receiver agreed to pay in full the amounts owing to First pursuant to the Finance Agreements in respect of the insurance policies it considered appropriate to remain in force, and terminated one further policy that was no longer required. The Receiver understands that any unearned premiums in respect of the terminated policy will be payable to First.
48. The Receiver intends to continue payments in respect of the First Finance Agreements go-forward in respect of the continuing insurance policies while those remain required by the Receiver. As such, the Receiver understands that the concerns raised by First have now been resolved.
49. In addition to addressing the insurance issue described above, the Receiver's activities since the Appointment Date have included, among other things:
 - (a) taking possession of the Mortgaged Lands and Leasehold Lands and providing for the safety and security of the sites;
 - (b) creating new utilities accounts for gas, hydro, and telecommunications at the Mortgaged Lands and Leasehold Lands;
 - (c) corresponding with the Debtors' insurance broker and arranging for the Receiver to be added to the Debtors' policies as a named-insured;
 - (d) opening a new estate trust account under the Receiver's name (the "**Receiver's Estate Account**");
 - (e) issuing a Receiver's Certificate to borrow funds from FCC to deal with the FCC Secured Property as authorized by the Receivership Order;

- (f) managing the cash receipts to, and approving the disbursements from, the Receiver's Estate Account;
- (g) retaining the Key Consultants to provide services to the Receiver, including in respect of the Real Property and negotiating the Consulting Fees and KCRPs;
- (h) preparing the SISP and commencing the marketing process thereunder;
- (i) responding to inquiries from various stakeholders;
- (j) reviewing court materials and attending in Court in relation to a distribution motion by the Siena Receiver;
- (k) coordinating with the Siena Receiver in respect of various matters;
- (l) sending the Notice and Statement of the Receiver to (i) all creditors on record, and (ii) the Office of the Superintendent of Bankruptcy pursuant to section 245(1) and 246(1) of the BIA;
- (m) establishing a website in relation to this receivership and posting materials relating to the receivership proceedings;
- (n) facilitating the sale of certain FCC Secured Property abandoned at the Debtors' former head office, including but not limited to, office furniture and equipment, the value of which was approximately \$5,000;
- (o) attending to other administrative matters relating to these proceedings; and,
- (p) preparing this First Report and the corresponding motion materials.

F. RECEIPTS AND DISBURSEMENTS

50. The Receiver's receipts and disbursements from May 30, 2024 to August 13, 2024 are:


Receipts	
Proceeds from Sale of FCC Secured Property	\$ 5,650
Receiver's Certificate Borrowing	250,000
Interest on Trust Funds	1,580
Total Receipts	\$ 257,230
Disbursements	
Repairs and Maintenance	(12,399)
Sub-Contractors	(69,993)
Utilities	(9,089)
Insurance	(49,187)
Other	(75)
Operating Costs	(140,743)
Total Disbursements	\$ (140,743)
Net Receipts and Disbursements Before Distributions	\$ 116,487
Distributions to Farm Credit Canada	
Total Distributions to Farm Credit Canada	\$ -
Net Receipts and Disbursements After Distributions	\$ 116,487

G. RECOMMENDATION

51. The Receiver respectfully submits this, its First Report. For the reasons set out herein, the Receiver respectfully recommends that the SISP, KCRP, KCRP Charge and the related relief be granted as requested.

Dated this 13th day of August, 2024.

FTI Consulting Canada Inc.
The Receiver of Global Food and Ingredients Inc. and GFI Brands Inc. in respect of the
FCC Secured Property


Jeffrey Rosenberg
Senior Managing Director

SCHEDULE "A"
RECEIVERSHIP ORDER

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 May 16, 2024 and the Exhibits thereto (the “**Inman Affidavit**”) and the affidavit of Kristy DeLure sworn May 23, 2024 and the Exhibits

thereto, 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 DeLure sworn May 17, 2024 and the affidavit of service of Heather Fisher sworn May 24, 2024 and on reading the consent of FTI to act as the Receiver, filed.

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 proceeds thereof (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 FCC Secured Property, 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 seven (7) 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 Debtors, 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 and relating to the sale or other realization of all or any of the FCC Secured Property 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 Debtors 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

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://cfcanada.fticonsulting.com/gfi/>.

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.



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_____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(Appointing Receiver)**

GOWLING WLG (CANADA) LLP

Suite 1600, 421 7th Avenue SW
Calgary, AB T2P 4K9

Sam Gabor

Tel: 403-298-1946

Fax: 403-263-9193

sam.gabor@gowlingwlg.com

Stephen Kroeger

Tel: 403 - 298 - 1018

Fax: 403-263-9193

Stephen.Kroeger@ca.gowlingwlg.com

Heather Fisher (75006L)

Tel: 416-369-7202

Fax: 416-862-7661

heather.fisher@gowlingwlg.com

File Number: A173649

Lawyers for the applicant

SCHEDULE "B"
INMAN AFFIDAVIT

**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:

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

(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

Interest #	Interest Register #	Date	Particulars
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

Interest #	Int. Register #	Date	Particulars
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

Interest #	Int. Register #	Date	Particulars
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

Interest #	Int. Register #	Date	Particulars
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:

Registration No.	Registration Date	Jointly Registered with	Secured Party	Collateral
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:

Registration No.	Registration Date	Secured Party	Collateral
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:

Registration No.	Registration Date	Secured Party	Collateral
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 16th day of
May, 2024.

Sarah Wats.

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

Jason Inman

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 7th Avenue SW
Calgary, AB T2P 4K9

Sam Gabor

Tel: 403-298-1946

Fax : 403-263-9193

Email: sam.gabor@gowlingwlg.com

Stephen Kroeger

Tel: 403 298 1018

Fax : 403-263-9193

Email: Stephen.Kroeger@gowlingwlg.com

Heather Fisher (LSO#75006L)

Tel: 416-369-7202

Fax: 416-862-7661

Email: heather.fisher@gowlingwlg.com

Lawyers for the Applicant

SCHEDULE "C"
SISP

Global Food and Ingredients Inc. and GFI Brands Inc.
Sale and Investor Solicitation Process

Introduction

On May 30, 2024, pursuant to an order (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), FTI Consulting Canada Inc. (“**FTI**”) was appointed as receiver and manager (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Global Food and Ingredients Inc. (“**Global Food Canada**”) and GFI Brands Inc. (“**GFI Brands**”, and collectively with Global Foods Canada, the “**Companies**”) that constitutes Term Loan Priority Collateral, including, but not limited to, the lands and buildings at the Mortgaged Lands and the Leasehold Interest (each as defined in the Affidavit of Jason Inman, sworn on May 16, 2024 (the “**Inman Affidavit**”)) (collectively, the “**FCC Secured Property**”). The Companies operated a plant-based foods and ingredients business (the “**Business**”), which included the operation of the Properties (as defined below).

The FCC Secured Property includes, without limitation, the facilities and lands municipally known as 100 Elevator Road, Zealandia, Saskatchewan (the “**Zealandia Property**”), the facilities and lands municipally known as R.M. of Lajord No. 128, Lajord, Saskatchewan (the “**Vigro Property**”) and the facilities and leasehold interest at the location municipally known as 100 South Railway Avenue, Lajord, Saskatchewan (the “**Lajord Property**”, the Zealandia Property, the Vigro Property, and the Lajord Property are collectively referred to as, the “**Properties**”).

The FCC Secured Property consists of the following assets, undertakings, and properties of the Companies (using capitalized terms that are defined in the Inman Affidavit):

- (i) All Equipment and fixtures;
- (ii) All Intellectual Property;
- (iii) All Real Property (including the Properties described above);
- (iv) The insurance policy with respect to the life of David Hanna, in the amount of \$1,000,000; and,
- (v) All books and records relating to the foregoing.

Pursuant to the Receivership Order, the Receiver is authorized to market any or all of the FCC Secured Property (including the Properties), including advertising and soliciting offers in respect of any and all such 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.

The Receiver intends to seek Court approval of the Sale and Investor Solicitation Process set forth herein (the “**SISP**”). The purpose of the SISP is to seek and to implement proposals to acquire the FCC Secured Property, including, without limitation, the property, equipment, and fixtures comprising or associated with the Properties. The Receiver has retained FTI Capital Advisors Canada (the “**Sale Agent**”), an affiliate of FTI, to assist in the development and execution of the SISP and related marketing strategy.

Defined Terms

1. Capitalized terms used in this SISP have the meanings given to them herein and as set out in **Appendix “A”** hereto.

Opportunity

2. This SISP is intended to solicit interest in the opportunity (the “**Opportunity**”) to acquire all or any portion of the FCC Secured Property (each a “**Sale Proposal**”).
3. Any transaction entered into pursuant to this SISP will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Companies, Receiver, Sale Agent, or any of their respective agents or estates, except to the extent set forth in a definitive final agreement executed with a Successful Bidder and approved by the Court.
4. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the FCC Secured Property and the Business in connection with their participation in the SISP and any transaction they enter in respect of the FCC Secured Property or Business.

Timeline

5. The following table provides a high-level summary of the key stages and milestones anticipated under the SISP:

Milestone	Date(s)
Phase 1: Formal Marketing Process and Initial Due Diligence Period	July 15, 2024 – September 13, 2024
Phase 1 Bid Deadline	5:00 p.m. (Eastern Time) on September 13, 2024
Phase 2: Due Diligence Period for Selected Bidders	September 14, 2024 – October 4, 2024
Phase 2 Bid Deadline	5:00 p.m. (Eastern Time) on October 4, 2024
Court Approval of Successful Bid	Target the week of October 21, 2024
Outside Date	November 15, 2024

Any extensions or amendments to the deadlines above, to the extent permissible hereunder, will be communicated to all known Participating Bidders (defined below) and such extensions or amendments shall be posted on the website the Receiver maintains in

respect of these receivership proceeding at <http://cfcanada.fticonsulting.com/gfi/> (the “Receiver’s Website”).

Supervision of the SISP and Consultation with Farm Credit Canada

6. The marketing of the Opportunity, and negotiation with Potential Bidders described in this SISP will be conducted by the Sale Agent on behalf of, and under the supervision of the Receiver. For the avoidance of doubt, with respect to the Receiver’s role in regards to the SISP, the terms of the Receivership Order and SISP Order concerning the Receiver’s rights and duties in this receivership proceeding will govern.
7. Farm Credit Canada (the “**Applicant**”), in its capacity as a secured creditor of the Companies, shall be entitled to confidential information and bid information and to be consulted at each stage of the SISP in which consultation with the Sale Agent is required.

Notice and Solicitation of Interest

8. The Sale Agent and the Receiver have:
 - (a) prepared a list of known Potential Bidders (a “**Bidder List**”), inclusive of potential strategic and financial bidders and such persons as may be identified by the Receiver and the Sale Agent, in their sole discretion;
 - (b) prepared a form of non-disclosure agreement to be signed by Potential Bidders (an “**NDA**”); and
 - (c) prepared a form of confidential information memorandum (“**CIM**”), to be distributed to those Potential Bidders who deliver, to the Sale Agent, an NDA executed by such Potential Bidder.
9. As soon as reasonably practicable after an order approving the SISP (the “**SISP Order**”) is issued and entered (the “**SISP Order Date**”), but in any event no more than five (5) Business Days after the SISP Order Date, the Receiver and Sale Agent shall cause a notice of the SISP (and such other relevant information which the Sale Agent and Receiver consider appropriate) to be posted on the Receiver’s Website.
10. No more than five (5) Business Days after the SISP Order Date, the Receiver and Sale Agent shall confirm that the NDA and communication highlighting the Opportunity have been sent to (or shall send the NDA and communication to): (a) all parties on the Bidder List; and (b) any other party who wishes to participate in the SISP who requests a copy of the NDA or is identified to the Sale Agent or the Receiver as a potential bidder by that time (each such party, a “**Potential Bidder**”).

SISP – Phase 1

11. During Phase 1 of the SISP, the Sale Agent (under the supervision of the Receiver and in accordance with this SISP) will solicit non-binding offers from Potential Bidders to acquire the Property or to invest in the Business.

12. Any Potential Bidder who wishes to participate in the SISP must provide, to the Sale Agent, an executed NDA. Upon executing an NDA and providing the same to the Sale Agent and the Receiver, the Potential Bidder shall become a **“Participating Bidder”**.

Due Diligence

13. The Sale Agent will provide each Participating Bidder with access to an electronic data room of due diligence information as well as access to such other due diligence materials and information relating to the FCC Secured Property and the Business as the Receiver, in its reasonable business judgment, in consultation with the Sale Agent, determines to be appropriate. This may include, as appropriate, information or materials reasonably requested by Participating Bidders, on-site visits, and access to further information in the electronic data room.
14. At the request of a Participating Bidder, the legal and financial advisor(s) and/or lenders of such Participating Bidder, may also be granted access to the materials and information described in paragraph 13 provided that, in each case, any such advisor or lender (a) is reasonably acceptable to the Sale Agent and Receiver; and (b) has executed or is bound by an NDA.
15. The Receiver, the Sale Agent, and the Companies, and their respective directors, officers, employees, contractors, advisors, and consultants, make no representation or warranty as to the accuracy or completeness of any information concerning the Companies, the Business, the FCC Secured Property, or the Properties: (a) contained in the communication relating to the Opportunity, the CIM, the SISP, or the electronic data rooms; (b) provided through the due diligence process in Phase 1 or Phase 2 of the SISP; or (c) otherwise made available, except, in the case of the Receiver only, to the extent expressly contemplated in any definitive agreement with a Successful Bidder executed and delivered in respect of the FCC Secured Property (or portion thereof comprising the Properties).

Phase 1 Bid Deadline: Non-Binding Qualified Phase 1 Bids

16. A Participating Bidder that wishes to pursue a Sale Proposal must deliver a non-binding bid (a **“Phase 1 Bid”**) to the Sale Agent and the Receiver at the addresses specified in Schedule “A” hereto (including by email transmission), so as to be received by the Sale Agent and the Receiver not later than 5:00 PM (Eastern Time) on September 13, 2024 (the **“Phase 1 Bid Deadline”**).

Qualified Offer

17. Subject to paragraph 18, a Phase 1 Bid so submitted will be considered a qualified Phase 1 Bid (a **“Qualified Phase 1 Bid”**) only if:
 - (a) it is submitted by a Participating Bidder, and received by the Sale Agent and Receiver, on or before the Phase 1 Bid Deadline;
 - (b) the Phase 1 Bid is an offer to purchase some or all of the FCC Secured Property and is consistent with any necessary terms and conditions established by the

Receiver and the Sale Advisor and communicated to Participating Bidders;

- (c) it is accompanied by a letter setting forth or enclosing, as applicable:
 - (i) the identity of the Participating Bidder, and full disclosure of any beneficial owner or controlling party;
 - (ii) a brief description of the Participating Bidder's experience in relation to similar acquisitions and a description of any permits, or other documents which the Participating Bidder considers necessary to consummate the transaction contemplated by its Phase 1 Bid, if any, along with any anticipated corporate, unit holder, shareholder, internal or regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (iii) such other information as reasonably requested by the Receiver, in consultation with the Sale Agent;
 - (iv) the purchase price, in Canadian dollars, including details of any liabilities to be assumed by the Participating Bidder;
 - (v) a specific indication of financial information that will allow the Receiver and the Sale Agent, and each of their respective advisors to make a reasonable business or professional judgment as to the Participating Bidder's financial or other capabilities to consummate the transaction;
 - (vi) additional due diligence required to be conducted during Phase 2, if any;
 - (vii) all conditions to closing that the Participating Bidder seeks;
 - (viii) anticipated timing of closing of the proposed transaction; and
 - (ix) any other terms or conditions of the Sale Proposal which the Participating Bidder believes are material to the transaction;
18. In assessing the Phase 1 Bids, the Receiver, in consultation with the Sale Agent, may waive compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified Phase 1 Bid. For the avoidance of doubt, the completion of any Sale Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

Assessment of Phase 1 Bids

19. Promptly after the Phase 1 Bid Deadline, the Receiver, in consultation with the Sale Agent:
- (a) will review the Phase 1 Bids obtained by the Phase 1 Bid Deadline to determine whether they are Qualified Phase 1 Bids that meet the criteria set out in paragraph 17;

- (b) will assess the Qualified Phase 1 Bids and consider, in consultation with the Sale Agent, the following criteria, among other things (together, the “**Assessment Criteria**”):
 - (i) the form and amount of consideration offered;
 - (ii) the demonstrated financial capability of the Participating Bidder and ability to consummate the proposed transaction by the Outside Date;
 - (iii) any and all conditions to the transaction remaining at this time and the steps to be taken to address them prior to the Phase 2 Bid Deadline, including the degree of closing risk and the conditionality of the Qualified Phase 1 Bid; and
 - (iv) the Qualified Bid Requirements (defined below); and
 - (c) to the extent required, may request clarification of the terms of Qualified Phase 1 Bids.
20. If one or more Qualified Phase 1 Bids are received then the Receiver, in consultation with the Sale Agent, may select a number (which number shall be determined by the Receiver, in consultation with the Sale Agent) of Participating Bidders with Qualified Phase 1 Bids that the Receiver, in consultation with the Sale Agent, determines in its sole and absolute discretion have provided the highest and/or best offer(s) based on the Assessment Criteria and determines that such Qualified Phase 1 Bids have a reasonable prospect of becoming a Qualified Bid (each, a “**Selected Bidder**”) to participate in Phase 2 of the SISP in accordance with these SISP procedures.

Phase 2

21. During Phase 2 of the SISP, the Sale Agent (under the supervision of the Receiver and in accordance with this SISP) will solicit final binding proposals.

Due Diligence

22. During Phase 2, each Selected Bidder that is not eliminated from the SISP in accordance with the terms of the SISP will be granted further access to such due diligence materials and information relating to the FCC Secured Property and the Business as the Receiver, in its reasonable business judgment, in consultation with the Sale Agent, determines is appropriate and available.
23. The legal and financial advisor(s) and/or lenders of any such Selected Bidder, may also be granted access to the materials and information described in paragraph 22 provided that, in each case, any such advisor or lender (a) is reasonably acceptable to the Sale Agent and Receiver; and (b) has executed or is bound by an NDA.

Final Bids from Selected Bidders

24. A Selected Bidder that is not eliminated from the SISP and that wishes to pursue a Sale Proposal must deliver a final binding proposal containing the following (the “**Final Bid**”):
- (a) a duly authorized, executed purchase agreement accompanied by a mark-up to the draft Agreement of Purchase and Sale provided by the Receiver, showing amendments and modifications made thereto, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Selected Bidder with all exhibits and schedules thereto; and,
 - (b) all information or other documentation referred to in or contemplated by paragraph 25 hereof,

to the Sale Agent and the Receiver, at the addresses specified in Schedule “A” hereto (including by email transmission) so as to be received by them not later than 5:00 pm (Eastern Time) on October 4, 2024 (the “**Phase 2 Bid Deadline**”).

Qualified Bids

25. A Final Bid will be considered a Qualified Bid (a “**Qualified Bid**”) only if it is received by the Phase 2 Bid Deadline and complies with, among other things, the following requirements (the “**Qualified Bid Requirements**”):
- (a) it is accompanied by a letter stating that the Selected Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined herein), provided that if such Selected Bidder is selected as the Successful Bidder or Back-up Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
 - (b) it includes the purchase price;
 - (c) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Receiver, in consultation with the Sale Agent, to make a reasonable determination as to the Selected Bidder’s financial and other capabilities to consummate the transaction contemplated by its Final Bid;
 - (d) it sets out the FCC Secured Property to be included and includes full details in relation to any FCC Secured Property excluded from the bid, if any;
 - (e) it sets out the terms of the proposed transaction in full; any anticipated corporate, unitholder, shareholder, internal, regulatory, creditor or court approvals required to close the transaction; the anticipated time frame and any anticipated impediments for obtaining such approvals; details of any proposed financing;
 - (f) it is not conditional upon any condition, including but not limited to:

- (i) the outcome of unperformed due diligence by the Selected Bidder; or
 - (ii) obtaining financing;
- (g) it is accompanied by a deposit (the “**Deposit**”) in the form of a wire transfer (to a bank account specified by the Receiver), or such other form acceptable to the Receiver, payable to the order of the Receiver, in trust, in an amount no less than ten percent (10%) of the proposed purchase price, to be held and dealt with in accordance with the terms of this SISP;
- (h) it contains other information reasonably requested, by the Receiver, directly, or through the Sale Agent;
- (i) the Receiver, in consultation with the Sale Agent, determines that, in its reasonable business judgment, it is likely that the Selected Bidder will be able to consummate a Sale Proposal on or before the Outside Date in a manner that complies with all requirements of the SISP; and,
- (j) it includes an acknowledgement and representation that the Selected Bidder (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase and sale agreement.
26. The Receiver, in consultation with the Sale Agent, may waive compliance with any one or more of the requirements specified above, and deem such non-compliant bids to be Qualified Bids.

Evaluation and Selection of Successful Bid

27. The Receiver, in consultation with the Sale Agent, will review each Qualified Bid as set forth herein and, if one or more Qualified Bids is received, the Receiver, exercising its reasonable business judgment and following consultation with the Sale Agent, will, at its option, (A) conduct an online auction among Selected Bidders with Qualified Bids to determine the most favourable bid(s) (with the auction process to be determined by the Receiver in consultation with the Sale Agent and relayed to participants in advance) or (B) select the Qualified Bid(s) that it considers most favourable (the most favourable bid or combination of bids determined through either method, the “**Successful Bid**”) with reference to criteria, including, but not limited to the following (the “**Evaluation Criteria**”): (i) the purchase price and net value (including assumed liabilities and other obligations to be performed by the Qualified Bidder); (ii) the terms of the transaction documents; (iii) other factors affecting the speed, certainty, and value of the transaction; (iv) the assets included or excluded from the bid (with preference, for greater certainty, being given to *en bloc* offers); and, (v) the likelihood and timing of consummating the

transaction. The Sale Agent and Receiver and their advisors shall be entitled to take such further steps to negotiate and settle the terms of a definitive agreement in respect of the Successful Bid as may be required, all of which will be conditional upon Court approval.

28. The Receiver and the Sale Agent shall also be entitled, but not required, to select the next highest and/or best Qualified Bid(s) received in the auction or selection process, as applicable, as a back-up bid (such offer, the "**Backup Bid**" and the Participating Bidder(s) who made the Backup Bid, the "**Backup Bidder**").
29. If the Receiver, after consultation with the Sale Agent, (a) determines, at any point during Phase 2, that there is no reasonable prospect of obtaining a Final Bid resulting in a Qualified Bid; or (b) determines that no Qualified Bid has been received at the end of Phase 2, then:
 - (i) the Receiver may designate one or more Final Bids as Qualified Bids; failing which,
 - (ii) the Receiver may apply to Court for advice and directions regarding the continuation or termination of the SISP.

Approval Motion for Successful Bid

30. The Receiver will apply to the Court (the "**Approval Motion**") for an order approving the Successful Bid and authorizing the Receiver to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid, and may make any application to any other court of competent jurisdiction considered by the Receiver, in consultation with the Sale Agent, to be necessary or appropriate to give effect to the Successful Bid.
31. The Approval Motion will be held on a date to be scheduled by the Court upon application by the Receiver.
32. Unless and until the Successful Bid is approved by the Court, it shall not be deemed accepted by the Receiver.
33. All Qualified Bids (other than the Successful Bid and the Backup Bid) will be deemed rejected on the date of approval of the Successful Bid by the Court.
34. If a Backup Bid is identified in accordance with these SISP Procedures, then such Backup Bid shall remain open until the consummation of the transaction contemplated by the Successful Bid (the "**Backup Bid Expiration Date**") at which time the Backup Bid will be deemed rejected.
35. If, following approval of the Successful Bid transaction by the Court, the Successful Bidder fails to consummate the transaction for any reason, then the Backup Bid, if there is one, will be deemed to be the Successful Bid and the Receiver shall effectuate a transaction with the Backup Bidder, within 30 days, subject to the terms of the Backup Bid, without further order of the Court.

Other Terms

Deadlines and Returning to Court

36. The Phase 1 Bid Deadline, the Phase 2 Bid Deadline, and all other deadlines under or in connection with the SISP, may be extended by the Receiver if it considers it appropriate to do so, after consultation with the Sale Agent.
37. At any time during the SISP, if the Receiver, in consultation with the Sale Agent, determines it is appropriate to do so, the Receiver may apply to the Court for advice and directions with respect to the discharge of its power and duties hereunder, to seek approval to terminate the SISP, or to seek advice and directions with respect to the SISP or any proposal received.
38. Subject to the terms of the Receivership Order and the SISP Order, the Receiver shall have the right to modify the SISP if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the service list in the Receivership Proceedings shall be advised of any substantive modification to the procedures set forth herein.

Deposits

39. All Deposits will be retained by the Receiver and invested in a non- interest-bearing trust account. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Motion will be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposits of Selected Bidders not selected as the Successful Bidder or Back-up Bidder will be returned to such bidders within 5 Business Days of the date upon which the Successful Bid is approved by the Court (and, for greater certainty, the Receiver shall be entitled to continue to hold the Deposit in respect of the Backup Bid until the Backup Bid Expiration Date).
40. If a Successful Bidder breaches its obligations under the terms of the SISP, its Deposit shall be forfeited, as liquidated damages and not as a penalty.

Approvals

41. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the Receivership Order or any other statute or as otherwise required at law in order to implement a Successful Bid.

No Contract

42. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Receiver, the Sale Agent or the Companies and any bidder, other than as specifically set forth in a definitive agreement that may be signed in respect of the Property or the Business.

43. Without limiting the preceding paragraph, neither the Receiver nor the Sale Agent shall have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Participating Bidder, and persons submitting a Qualified Bid, the Companies, or any other creditor or other stakeholder of the Companies, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result of the gross negligence or willful misconduct of the Receiver or Sale Agent, as applicable. By submitting a bid, each Potential Bidder, Participating Bidder, and person submitting a Qualified Bid shall be deemed to have agreed that it has no claim against the Receiver or Sale Agent for any reason whatsoever, except to the extent that such claim is the result of gross negligence or willful misconduct of the Receiver or Sale Agent, as applicable.

Costs and Expenses

44. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any bid, due diligence activities, and any further negotiations or other actions, whether or not they lead to the consummation of a transaction.

Schedule "A"

Address for Notices and Deliveries

To the Receiver:

FTI Consulting Canada Inc.
Attn: Jeffrey Rosenberg/Adsaran Vithiyananthan
Direct Dial: 416-649-8135
E-mail: gfi@fticonsulting.com

To the Sale Agent:

FTI Capital Advisors Canada
Attn: Dean Mullett
Direct Dial: 416-816-0733
E-mail: dean.mullett@fticonsulting.com

Michael McTaggart
Direct Dial: 437-246-1916
E-mail: michael.mctaggart@fticonsulting.com

Appendix “A” – Defined Terms

The following capitalized terms have the following meanings when used in this SISP:

- (a) “Approval Motion” is defined in paragraph 30.
- (b) “Assessment Criteria” is defined in paragraph 19(b).
- (c) “Backup Bid” is defined in paragraph 28.
- (d) “Backup Bid Expiration Date” is defined in paragraph 34.
- (e) “Backup Bidder” is defined in paragraph 28.
- (f) “Bidder List” is defined in paragraph 8(a).
- (g) “Business” means the business of the Companies.
- (h) “Business Day” means a day (other than Saturday or Sunday) on which the Secured Creditors are generally open for business in Toronto, Ontario.
- (i) “Companies” is defined in the Introduction.
- (j) “Court” means the Ontario Superior Court of Justice (Commercial List).
- (k) “Debtors” is defined in the Introduction.
- (l) “Deposit” is defined in paragraph 25(g).
- (m) “Evaluation Criteria” is defined in paragraph 27.
- (n) “FCC” is defined in the Introduction.
- (o) “FCC Secured Property” is defined in the Introduction.
- (p) “Final Bid” is defined in paragraph 24.
- (q) “FTI” is defined in the Introduction.
- (r) “GFI Brands” is defined in the Introduction.
- (s) “Global Food Canada” is defined in the Introduction.
- (t) “Lajord Property” is defined in the Introduction.
- (u) “Inman Affidavit” is defined in the Introduction.
- (v) “NDA” is defined in paragraph 8(b).
- (w) “Opportunity” is defined in paragraph 2.

- (x) “Outside Date” means November 15, 2024 or such later date as may be ordered by the court or agreed to by the Receiver and the Sale Agent.
- (y) “Participating Bidder” is defined in paragraph 12.
- (z) “Potential Bidder” is defined in paragraph 10.
- (aa) “Phase 1 Bid” is defined in paragraph 16.
- (bb) “Phase 1 Bid Deadline” is defined in paragraph 16.
- (cc) “Phase 2 Bid Deadline” is defined in paragraph 24.
- (dd) “Properties” is defined in the Introduction.
- (ee) “Qualified Bid” is defined in paragraph 25.
- (ff) “Qualified Phase 1 Bid” is defined in paragraph 17.
- (gg) “Qualified Bid Requirements” is defined in paragraph 25.
- (hh) “Real Property” is defined in the Introduction.
- (ii) “Receiver” is defined in the Introduction.
- (jj) “Receivership Order” is defined in the Introduction.
- (kk) “Sale Agent” is defined in the Introduction.
- (ll) “Sale Proposal” is defined in paragraph 2.
- (mm) “Selected Bidder is defined in paragraph 20.
- (nn) “SISP” is defined in the Introduction.
- (oo) “SISP Order Date” is defined in paragraph 8.
- (pp) “Successful Bid” is defined in paragraph 27.
- (qq) “Successful Bidder” means the bidder that submits the Successful Bid.
- (rr) “Vigro Property” is defined in the Introduction.
- (ss) “Zealandia Property” is defined in the Introduction.

CONFIDENTIAL SCHEDULE "1"

[To be filed separately with the Court with request for sealing order]