

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

Monette Farms Ltd., *et al.*,¹

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 26-10547-LSS

(Joint Administration Requested)

**DECLARATION OF DERYCK HELKAA IN SUPPORT OF (I) DEBTORS' VERIFIED
PETITION FOR (A) RECOGNITION OF FOREIGN MAIN PROCEEDINGS, (B)
RECOGNITION OF FOREIGN REPRESENTATIVE, AND (C) RELATED RELIEF
UNDER CHAPTER 15 OF THE BANKRUPTCY CODE AND (II) FOREIGN
REPRESENTATIVE'S MOTION FOR PROVISIONAL RELIEF**

I, Deryck Helkaa, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury under the law of the United States, as follows:²

1. I am a Senior Managing Director, Corporate Finance and Restructuring, at FTI Consulting Canada, Inc. ("FTI"). I hold a B.A. in economics from the University of Western Ontario. I am a Licensed Trustee in Bankruptcy, a Chartered Insolvency and Restructuring Professional, and a Chartered Professional Accountant. I am a member of the Canadian Association of Insolvency and Restructuring Professionals, Insolvency Institute of Canada, and Turnaround Management Association. I have more than 25 years of experience providing transaction and restructuring advisory services to companies and their stakeholders, including

¹ The Debtors in these chapter 15 cases, along with the last four digits of each Debtor's U.S. Federal Employer Identification Number ("FEIN") or Canada Revenue Agency Business Number ("BN"), are: Monette Farms Ltd. (BN 0221); Monette Land Corp. (BN 9609); DMO Holdings Ltd. (BN 3689); Goat's Peak Winery Ltd (BN 0281); Monette Farms BC Ltd. (BN 3314); Monette Farms Ontario Corp. (BN 3538); NexGen Seeds Ltd. (BN 3684); Monette Produce Ltd. (BN 0959); Monette Seeds Ltd. (BN 5307); Monette Farms Land GP Ltd. (BN 9220); Monette Farms Land II GP Ltd. (BN 2423); Monette Farms BC GP Ltd. (BN 0958), DMO Holdings USA, Inc. (FEIN 7641); 1012595 DE Inc. (FEIN 4459); Monette Seeds USA LLC (FEIN 7430); Monette Farms Arizona, LLC (FEIN 4502); Monette Farms USA, Inc. (FEIN 2442); Monette Produce, LLC (FEIN 9419). The Debtors' executive headquarters are located at: 280023 Range Road 14, Rocky View County, AB T4B 4L9, Canada. The Foreign Representative's service address for purposes of these chapter 15 cases is 520 5th Ave SW, Suite 1610, Calgary, AB T2P 3R7, Canada.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Verified Petition filed contemporaneously herein.

representing creditors, lenders, shareholders, management, and boards of directors in both formal and out-of-court restructurings and cross-border cases. I have industry experience in agriculture and farming, and FTI has been engaged as financial advisor to the Company since April 2025 to assist with their restructuring efforts. My office is at 520 5th Ave SW Suite 1610 Calgary, AB, T2P 3R7 Canada.

2. FTI acts as the court-appointed monitor (in such capacity, the “Monitor”) and authorized foreign representative (in such capacity, the “Foreign Representative”) for the above caption debtors (collectively, the “Company” or the “Debtors”) in the Canadian proceedings (the “Canadian Proceedings”) commenced under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the “CCAA”), pending before the Court of King’s Bench of Alberta (the “Canadian Court”). I am authorized to provide this declaration (the “Declaration”) on behalf of the Foreign Representative and each of the Debtors.

3. I submit this Declaration in support of (a) the *Verified Petition for (I) Recognition of Foreign Main Proceedings, (II) Recognition of Foreign Representative, and (III) Related Relief Under Chapter 15 of the Bankruptcy Code* (the “Verified Petition”), and (b) the *Foreign Representative’s Motion for Provisional Relief* (the “Provisional Relief Motion”).

4. As Monitor, I have investigated the business and affairs of the Debtors to the best of my ability since my engagement on this case, and make this Declaration based on that investigation. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge, information supplied to me by other members of the Debtors’ management and professionals, learned from my review of relevant documents, or my opinion based upon my experience and knowledge of the Debtors’ industry, operations, and my experience as a Licensed Trustee in Bankruptcy, a Chartered Insolvency and Restructuring Professional, and

a Chartered Professional Accountant. If upon called to testify, I could and would testify to the facts set for in this Declaration.

BACKGROUND

A. The Debtors' Business Operations

5. The Debtors' business was founded in 1912 as a family farm focused on grain operations in Swift Current, Saskatchewan. The Debtors experienced significant growth through a series of strategic land acquisitions beginning in approximately 2004. The Company now operates one of the largest private farming operations in North America with farmland spanning the provinces of Alberta, British Columbia, Manitoba, and Saskatchewan, and the States of Arizona, Colorado, and Montana.

6. The Debtors credit their expansion to upholding strong values, preserving a family farm atmosphere, and leveraging advanced technology to modernize farming practices. The business is focused on grain production which represented 60% of revenue in 2024 and 55% of revenue in 2025. The Company is also engaged in the farming of produce, particularly seasonal items such as carrots, squash, broccoli, cabbage, pumpkin, and watermelon, as well as in the cattle ranching, and seed processing sectors. Additionally, the Company has significant cattle operations including both feeder and breeding cattle and over 43,000 acres of ranchland in British Columbia. The cattle operations accounted for approximately 17% of revenue in 2025.

7. Starting in 2019, the Debtors expanded their business outside of Canada and into the United States, acquiring operations and or land in Arizona, Montana, and Colorado. However, the Debtors' chief place of business is Alberta where its management operates, its main bank accounts are located, and debt agreements are legally governed. The major farming operations are in Saskatchewan (grain) and British Columbia (cattle) with further land in Manitoba and Alberta.

8. Farming is a capital-intensive business, especially for extensive private operations like that of the Debtors. To maintain profitability, the Company must oversee distinct seeding and cattle processes (the “Seeding Operations” and the “Cattle Operations”).

9. Seeding Operations begin in April with the chemical treatment of soil and seed processing. Managing the appropriate timing of this work is essential and complex, requiring the coordination of multiple suppliers and farms to maximize yield. As a result of the numerous inputs Debtors must expend to effectively seed their farmland, Seeding Operations cost in excess of \$40 million.³ The Debtors’ long-term and current year’s performance depends on the productivity of its farmland. The Debtors believe that if they are able to access liquidity to seed their farmland, they will generate revenue and Earnings Before Interest, Taxes, Depreciation, and Amortization (“EBITDA”) broadly aligned with previous years.

10. The Debtors’ Cattle Operations are similarly seasonal and input intensive. The Company manages feeder cattle and breeding cattle. Each of these segments involves substantial acreage and feedstock. The profitability of the Cattle Operations depends on continued ranch use and on providing sufficient time for cattle to breed herds. Any interruption to these processes causes significant value loss.

11. The Debtors generate revenue through their various farming operations. 89% of the Company’s revenue comes from Canadian farmland. The Debtors’ grain is generally sold to multinational corporations like Cargill, Parrish & Heimbecker, and Bunge, and its produce is bought by Loblaw’s, the Little Potato Company, and others.

12. The Company also owns or leases substantial property (the “Real Property” and the “Leased Property”). The Debtors own approximately 274,000 acres of Real Property across

³ Unless otherwise stated, all monetary denominations shall be in lawful currency of Canada.

Western Canada and the United States, lease approximately 175,000 acres of land in Canada, and an additional 43,000 acres in the United States. The Debtors' Real Property tax payments are current, and their annual lease payments total approximately \$29.4 million. This amount covers over 196 farmland leases across Canada and the United States. Provided that the Debtors are permitted to continue raising cattle on their ranches, the Company also holds title to grazing licenses covering 1.2 million acres of land.

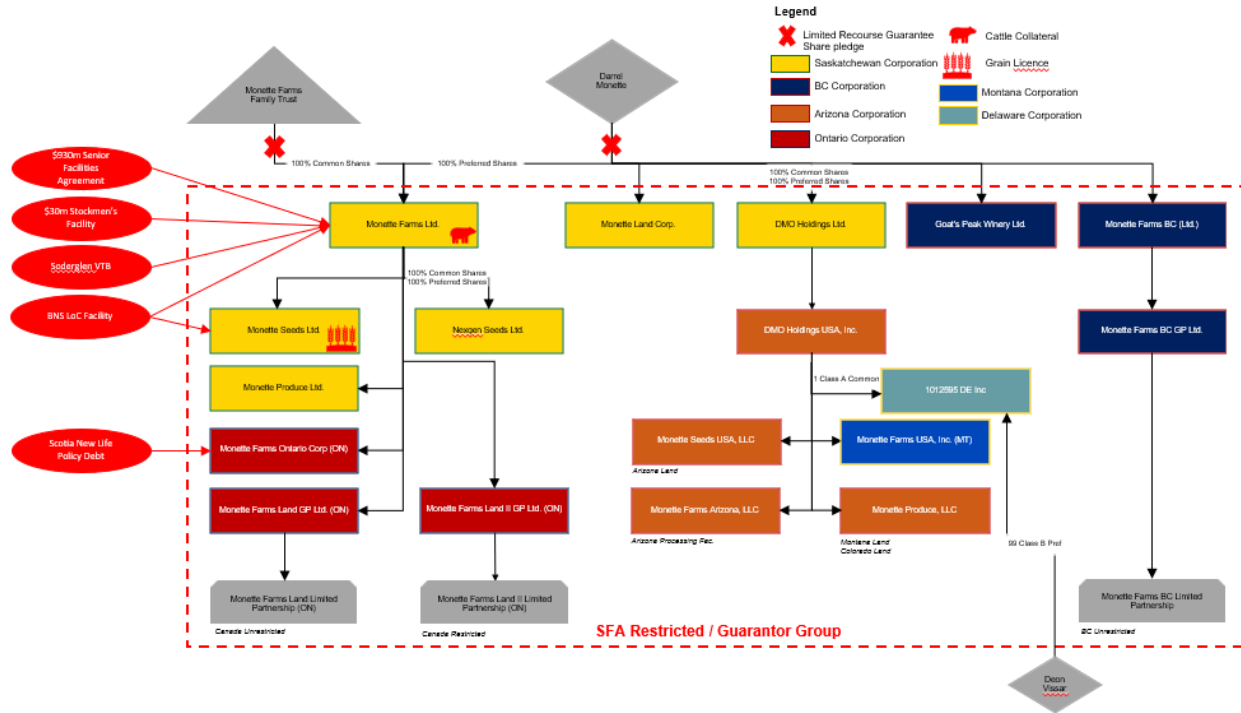
13. The Debtors' growth strategy historically relied on leverage, securing debt through Real Property and a capital facility described in more detail below. This strategy was enabled by low interest rates and increasing property values. Beginning in 2024, the Debtors' EBITDA declined as a result of expansion into lower-margin produce and cattle sectors as well as poor farming conditions. Furthermore, property values remained flat while interest rates increased materially. As a result, and despite the underlying value of its operations, the Company became overleveraged.

14. The Debtors pursued various strategies to reduce indebtedness while preserving enterprise value, including equity financing processes and a sale of certain of its farming operations. Given ongoing pressure, however, these efforts were ultimately insufficient to solve the Debtors' liquidity problems. As a result, the Debtors, supported by a syndicate of lenders (together, the "Syndicate"), require urgent liquidity to maximize the profitability of their upcoming growing season.

B. Corporate Structure and Business Operations

15. As shown in the organizational chart below, the Debtors' corporate structure consists of five (5) parent corporations (collectively, the "TopCos"): Monette Farms Ltd. ("Monette Farms"), Monette Land Corporation ("Monette Land"), DMO Holdings Ltd. ("DMO

Holdings”), Goat’s Peak Winery Ltd. (“Goat’s Peak Winery”), and Monette Farms BC Ltd. (“Monette Farms BC”). Darrel Monette is the sole and direct shareholder of each of the TopCos except for Monette Farms whose ownership is shared among Darrel Monette, who holds 100% of the preferred shares, and the Monette Farms Family Trust, which holds 100% of the common shares.



16. Substantially all of the Debtors’ corporate governance functions and directors are domiciled in Alberta. The Debtors’ corporate headquarters is located at 280023 Range Road 14, Rocky View County, AB T4B 4L9, Canada.

17. Monette Farms is a Canadian company formed via amalgamation under Saskatchewan’s *Business and Corporations Act*, SS 2021, c. 6 (“SBCA”). Monette Farms is the 100% owner of six (6) Canadian subsidiaries: Monette Farms Ontario Corp., NexGen Seeds Ltd., Monette Produce Ltd., Monette Seeds Ltd., Monette Farms Land GP Ltd., and Monette Farms Land GP II Ltd. Monette Farms has approximately 47 salaried employees and 158 hourly

employees based in Canada.

18. Monette Land is a Canadian company formed under the SCBA in March 2022 and has no subsidiaries.

19. DMO Holdings oversees the Debtors' U.S. operations. DMO Holdings is a Canadian company incorporated under the SCBA. DMO Holdings is the majority and sole voting shareholder of 1012595 DE Inc., a Delaware corporation. DMO Holdings is the 100% owner of its sole direct subsidiary, DMO Holdings USA, Inc. ("DMO USA").

20. DMO USA is the 100% owner of four (4) subsidiaries: Monette Seeds USA, LLC, Monette Farms Arizona, LLC, Monette Farms USA Inc., and Monette Produce, LLC (together with DMO USA and 1012595 DE Inc., the "USA Entities"). The Debtors employ an average of 31 employees across the USA Entities. A substantial portion of Monette Seeds USA LLC's seed processing capacity is dedicated to processing seed destined for planting on the Group's Canadian farmlands.

21. Goat's Peak Winery is a Canadian company incorporated in British Columbia under the *British Columbia Business Corporations Act* ("BCBCA"). Goat's Peak Winery historically operated a winery in Cache Creek, British Columbia. Today, there remains \$3 million of property, wine barrels, and other equipment in Goat's Peak Winery's possession.

22. Monette Farms BC is a Canadian company formed via amalgamation under the BCBCA. Monette Farms BC owns a series of cattle ranches in British Columbia. It is also the 100% owner of Monette Farms BC GP Ltd.

23. The working capital of all subsidiaries, including the USA Entities, is funded by Monette Farms. Some of the USA Entities hold accounts denominated in Canadian funds which supports the Debtors' cross-border operations. The USA Entities depend on transfers from

Monette Farms to operate.

C. The Debtors' Capital Structure

(i) The Senior Facilities Agreement

24. On December 5, 2018, Monette Farms, Monette Farms USA, and Darrel Monette as borrowers, each of the Debtors as guarantors, and the Bank of Nova Scotia ("Scotiabank") as agent, entered into the senior facilities agreement (the "Senior Facilities Agreement") with the Syndicate. Under the Senior Facilities Agreement, the Debtors have access to (i) a \$180 million revolving credit facility for general corporate expenses, (ii) a \$750 million revolving credit facility for certain capital expenditures, and (iii) a swingline facility with a maximum draw amount of \$10 million (collectively, the "Senior Facilities").

25. The Senior Facilities Agreement was most recently amended on April 15, 2024.

26. The Senior Facilities Agreement is secured by security interests in the personal and Real Property of the Debtors pursuant to certain collateral agreements made on June 21, 2024.

27. The Syndicate has supported the Debtors' operations and restructuring despite the occurrence of multiple events of default under the Senior Facilities Agreement. Accordingly, the Syndicate has entered into two waiver and covenant agreements, eight amending agreements, and a forbearance agreement which provided opportunity for the Debtors to pursue restructuring efforts.

28. On April 15, 2026, each of the Senior Facilities matured. As a result, there is no further funding available to the Debtors under the Senior Facilities Agreement. The Debtors have received several notices of default.

(ii) FCC Facility for Cattle Operations

29. As of the Petition Date, Monette Farms is indebted to Farm Credit Canada (“FCC”) in the amount of approximately \$11,809,862.49 plus interest, fees, and other amounts.

30. Under the credit agreement dated December 4, 2024 (the “FCC Loan Agreement”), Monette Farms received a \$30 million credit facility (the “FCC Facility”). The FCC Loan Agreement is secured by certain property, including all cattle purchased using proceeds from the FCC Facility, and any proceeds resulting from the same. Each of the Debtors has also guaranteed the obligations of Monette Farms under the FCC Facility.

31. On December 2, 2024, the Syndicate and FCC entered into an agreement providing FCC a priority security interest up to the amount of the FCC Facility.

32. The FCC Loan Agreement matured on April 15, 2026. The FCC issued demands and a notice to enforce security on April 16, 2026. Given the necessity of liquidity, the Debtors are currently unable to satisfy the FCC demands.

(iii) Soderglen VTB

33. As of the Petition Date, Monette Farms is indebted to Soderglen Ranches Ltd. (“Soderglen”) and Jane E. Grad in the amount of \$16,666,500.00.

34. On April 12, 2024, Monette Farms entered into a purchase and sale agreement with Soderglen and Jane E. Grad for Real Property located in Airdrie, Alberta (the “Airdrie Real Property”). The purchase was partially funded by a vendor take back debt obligation in an amount of \$18 million (the “Soderglen VTB”). Currently \$16,666,500 remains outstanding. The Soderglen VTB is secured by a first ranking mortgage in the Airdrie property. Failure to repay the Soderglen VTB entitles Soderglen and Ms. Grad to enforce and foreclose on the Airdrie Real Property. Interest is incurred under the Soderglen VTB at a rate of Canadian Prime plus 2.0%.

35. To facilitate the Soderglen VTB, the Debtors and the Syndicate initially amended the Senior Facilities Agreement to deem the Soderglen VTB as “Permitted Debt” under the Senior Facilities Agreement, provided that the Soderglen VTB had a maturity of less than 4 years from its incurrence. However, pursuant to the forbearance agreement to the fifth amended Senior Facilities Agreement, dated November 7, 2025, the Syndicate removed the Soderglen VTB as a “Permitted Debt” because its maturity exceeded 4 years from its incurrence. This removal resulted in an event of default under the Senior Facilities Agreement.

(iv) Other Secured Obligations

(a) Real Property Leases

36. The Debtors have a variety of additional secured obligations. As noted above, Debtors lease farmland across Canada and the United States with annual rent costs totaling \$29.4 million. The Debtors’ rent payments are due semi-annually. As of the Petition Date, the Debtors have paid the majority of rent due in the spring. I understand that the Company intends to pay its remaining rent due in October, approximately \$13.2 million.

(b) Scotiabank Bilateral Leased Equipment Loan

37. Certain of the Debtors entered into a \$10 million leasing facility on or around September 1, 2022 with Scotiabank (the “Bilat Equipment Agreement”).

38. The Bilat Equipment Agreement covers two loan facilities: (i) a facility secured against equipment for milling pea protein located in Lethbridge, Alberta and (ii) a facility secured against the Debtors’ 2003 Raytheon Aircraft Company. As of the Petition Date, the amounts outstanding under the two facilities are approximately \$5,611,406.11 and \$1,171,619.77, respectively.

(c) Scotia New Life Policy Debt

39. As of the Petition Date, Darrel Monette and Monette Farms are indebted in the amount of approximately \$7.7 million for individual sickness and accident insurance policies purchased from Sun Life Assurance Company of Canada and the Manufacturers Life Insurance Company, in respect of Darrel Monette, with Monette Farms as policy holder and beneficiary. The maximum benefit under the policy net of the loan amount is approximately \$130 million. On initial issuance, Debtor Monette Farms Ontario Corp. incurred \$12 million of debt to Scotiabank in connection with the issuance of the policy and payment of the initial premium thereunder (the “Scotia New Life Policy Debt”). Currently, there remains \$7.7 million outstanding. The life insurance policy has premiums of \$2.1 million due on May 4, 2026. The Scotia New Life Policy Debt is secured by way of assignment over the policy and is guaranteed by Darrel Monette. The Scotia New Life Policy Debt incurs interest at Canadian Prime or CORRA plus a margin per annum and is repayable on demand. The Scotia New Life Policy Debt is a “Permitted Debt” under the Senior Facilities Agreement.

(d) Security Granted for Equipment Leasing and Security Registrations

40. As of the Petition Date, there are approximately 600 unique personal property registrations related to equipment as against the Debtors. The majority of this secured equipment is financed through John Deere Financial (“John Deere”). Indeed, the Company has over 1,600 farming units leased from John Deere, subject to 481 registrations described as purchase-money-security interests (“PMSIs”).

41. I understand that most of the John Deere leases are paid up front for a period of 12 months. The John Deere leases require annual payment of approximately \$17.43 million. Of this total, the Debtors have paid approximately \$5 million and intend to pay the remainder when due.

42. The Debtors have also financed certain farming equipment through third party financing arrangements. As of the Petition Date, the Company is indebted in the amount of approximately \$26 million under these arrangements.

43. These arrangements are secured by collateral-specific security interests, including: (i) several registrations covering crops or crop inputs in respect of Monette Farms and NexGen Seeds Ltd., (ii) 12 registrations, inclusive of those securing the Bilat Equipment Agreement, in respect of approximately 51 units of equipment granted to Scotiabank as lender under the Bilat Equipment Agreement and as agent under the Senior Facilities Agreement, (iii) 21 serial-numbered or other registrations for the benefit of, among others, Meridian Onecap Credit Corp., Brandt Finance Ltd., Brandt Tractor Ltd., PNC Vendor Finance Corporation Canada, CNH Industrial Capital Canada Ltd., and Cargas Propane Inc. in respect of various farming and rural equipment.

D. The Debtors' Current Financial Performance

44. Despite their position as one of the largest private farming operations in North America, the Debtors have encountered financial and operational difficulties in recent years, largely owing to their expansion into lower margin agricultural sectors, including produce, underperforming farming operations caused by weather conditions and higher input costs and overall commodity prices.

45. Between 2017 and 2022, the Debtors' revenue increased from \$45 million to \$198 million through debt-driven expansion. Over the same period, EBITDA increased from \$20 million to \$83 million. However, in 2025 EBITDA fell to \$37 million even as cultivated acreage increased.

46. Defaults under the Senior Facilities Agreement began in October 2024, however issues began to accelerate in 2025. The Debtors' projected EBITDA for 2025 was \$72 million.

However, as a result of poor crop prices, increased input costs, and poor yields, EBITDA fell to approximately \$37 million.

47. Defaults under the Senior Facilities Agreement required amendments, including the appointment of FTI as financial advisor to the Debtor. In cooperation with the Syndicate, the Debtors undertook to address liquidity issues and their obligations to creditors. In particular, the Debtors prepared a deleveraging plan. Under the plan, the Company successfully liquidated certain farmland in Regina, Saskatchewan for \$41.18 million and in Montana for \$47.5 million. The Syndicate consented to the Debtors using the proceeds from these sales for working capital purposes as well as for partial repayment of the Senior Facilities.

48. The Debtors continued to default under the Senior Facilities Agreement, requiring its amendment in November 2025 (the “Forbearance Agreement”). Shortly after entry into the Forbearance Agreement, the Debtors defaulted on deleveraging milestones included as requirements thereto. Despite these multiple events of default, the Syndicate continued to provide access to its swingline credit facility on a discretionary basis.

49. As part of the Forbearance Agreement, the Debtors were required to enter into certain sales to raise working capital and to partially repay the Senior Facilities Agreement (the “Sale Program”). The Sale Program was executed between approximately January 16, 2026, and March 1, 2026. The Sale Program resulted in three sales across Saskatchewan totaling \$84.78 million but was otherwise unsuccessful or deemed uneconomical.

50. Despite the Debtors’ efforts, they remain in default under the Senior Facilities Agreement. As of the Petition Date, the Debtors owe approximately \$1.08 billion in total liabilities. \$830 million of the current liabilities consist of obligations under the Senior Facilities Agreement.

51. The value of the Debtors' assets is currently greater than its liabilities based on most recent appraised values and audited financial statements.

**EVENTS LEADING TO THE COMMENCEMENT OF
THE CANADIAN PROCEEDINGS**

52. Beginning in 2024, the Debtors faced significant obstacles which dampened their profitability despite the underlying value of the Company. FTI assisted Debtors in preparing a cash flow projection to measure the Company's liquidity for the 13-week period beginning April 15, 2026. These projections show an imminent liquidity need relating to the spring growing season. Timely investment in the growing season is essential for the Debtors to profit from their agricultural production and farmland.

53. The Debtors' current financial situation is the result of rising interest rates, higher crop input costs, high start-up costs associated with their expansion into the produce and cattle sectors, and poor crop results due to unfavorable weather conditions and commodity prices. As a result, the Debtors are overleveraged and are in default under certain credit facilities and other financing arrangements.

THE DEBTORS' DIP CREDIT FACILITY

54. Prior to commencing the Canadian Proceedings, the Debtors entered into a term sheet, a copy of which is attached hereto as **Exhibit A** (the "DIP Term Sheet")⁴, with Bank of Nova Scotia, as agent (in such capacity, the "DIP Agent"), and certain members of the Debtors' existing lender syndicate (the "DIP Lenders") for a senior secured super-priority debtor-in-possession revolving credit facility of up to \$90,000,000 (the "DIP Credit Facility"). The DIP Credit Facility reflected the most viable option available to the Debtors on an executable timeline

⁴ In the event of any inconsistency between the terms of the DIP Term Sheet and the summary provided herein, the DIP Term Sheet shall govern.

and on terms capable of supporting both (i) continuation of operations through the seeding season, and (ii) completion of a court-supervised sale and investment solicitation process in the Canadian Proceedings—to be filed at a subsequent court application—that will be designed to achieve the debt reduction milestones set out in the DIP Credit Facility.

55. Critically, the DIP Term Sheet conditions the Debtors’ ability to obtain advances under the DIP Credit Facility on, among other things, this Court’s provisional recognition of (i) the Canadian Court’s initial order granting relief to the Debtors, a copy of which is attached hereto as **Exhibit B** (the “Initial Order”), and (ii) upon its entry by the Canadian Court, an Amended and Restated Initial Order, including, in each case, giving full force and effect to the borrowings and charges authorized thereunder in the United States. I understand that the DIP Lenders are unwilling to provide advances to the Debtors absent this Court provisionally giving full force and effect to those orders in the United States pending recognition of the Canadian Proceeding.

56. Based upon my review of the Debtors’ books and records, the Debtors do not have sufficient liquidity to finance the Canadian Proceedings without the additional financing provided by the DIP Credit Facility. I believe that the terms of the DIP Credit Facility are fair and reasonable and were negotiated in good faith by the Debtors and the DIP Lenders and that the DIP Lenders would not have extended financing without the protections provided by section 364 of the Bankruptcy Code, made applicable by section 1519(a)(3) of the Bankruptcy Code.

SUPPORT FOR VERIFIED PETITION

57. Based on the following facts, I believe that each of the Canadian Debtors has its center of main interests in Canada as such term is used in section 1402(4) of the Bankruptcy Code:

- a. The Canadian Debtors each has its registered office in Canada. Darrel Monette, who is resident in the City of Airdrie, in the Province of Alberta, is the sole director and officer of virtually all Canadian Debtors, and is the directing mind, CEO, and ultimate beneficial shareholder (directly or through the Monette Farms Family

Trust) of the Debtors. As the directing mind, Darrel Monette makes all strategic, financial, and operational decisions for the Canadian Debtors from Alberta.

- b. The principal debt agreements governing the Canadian Debtors are centered in Canada. The Senior Facilities Agreement is expressly governed by the laws of the Province of Alberta. All defaults, waivers, and forbearance negotiations in respect of the Senior Facilities Agreement, from the initial events of default in October 2024 through the commencement of the Canadian Proceedings on April 17, 2026, were conducted under Alberta law and managed by Darrel Monette in Alberta together with the SFA Agent, The Bank of Nova Scotia, and its special loans team.
- c. The treasury and cash management function for the Debtors is centered in Canada. Monette Farms Ltd. maintains the Debtors' primary Canadian-dollar and U.S.-dollar operating accounts and high-interest savings accounts at Scotiabank in Canada. These accounts serve as the centralized treasury from which liquidity is distributed to all subsidiaries, including the USA Entities, as required. All foreign exchange conversion between Canadian and U.S. dollars is conducted through the Monette Farms Ltd. accounts.
- d. The Debtors' key professional advisors (FTI as Monitor (with its engagement team located in Calgary, Alberta), Cassels Brock & Blackwell LLP as Canadian lead restructuring counsel, and PricewaterhouseCoopers Consulting Canada Inc. as the Syndicate's Financial Advisor) are all located in Canada.
- e. The Canadian Debtors' agricultural operations are managed from Canada. Of the Debtors' approximately 425 full-time employees (increasing to approximately 600 during peak seeding and growing season), approximately 394 are employed in Canada.
- f. The Senior Management team (consisting of the Chief Operating Officer, the Chief Financial Officer, the Chief Human Resources Officer, and the General Counsel) is based in Saskatchewan and British Columbia and regularly convenes in Alberta to make key decisions, with Darrel Monette as the ultimate decision-maker.

58. In addition, based on the following facts, I believe that each of the USA Entities has its center of main interests in Canada as such term is used in section 1402(4) of the Bankruptcy

Code:

- a. Every USA Entity shares the same director and officer: Darrel Monette, resident in Alberta, Canada. No independent U.S.-based management personnel holds any authority over the operations, finances, or strategic direction of any USA Entity. The managers of Monette Seeds USA LLC, Monette Farms Arizona, LLC, and Monette Produce, LLC, and the director and officer of Monette Farms USA, Inc. and DMO Holdings USA, Inc., are each Darrel Monette, domiciled in Alberta.

- b. The corporate ownership structure places all USA Entities under direct or indirect Canadian control. DMO Holdings Ltd., a Saskatchewan corporation wholly owned by Darrel Monette, is the sole parent of DMO Holdings USA, Inc. DMO Holdings USA, Inc. in turn holds 100% of Monette Seeds USA LLC, Monette Farms Arizona, LLC, Monette Farms USA, Inc., and Monette Produce, LLC. DMO Holdings Ltd. also holds the sole Class A common voting share of 1012595 DE Inc., a Delaware corporation. All capital allocation and equity-level decisions for the USA Entities, including decisions relating to capital allocation, guarantees, and strategic direction, flow through DMO Holdings Ltd. in Saskatchewan and ultimately through Darrel Monette in Alberta.
- c. The USA Entities are entirely dependent on intercompany financing from Canada. Funding for 1012595 DE Inc., which contributes operating costs and pays a management service fee to Monette Farms USA, Inc. under a joint venture agreement, is provided exclusively through intercompany transfers from DMO Holdings Ltd. in Saskatchewan. The USA Entities' BMO USA accounts (held by DMO USA, MF Arizona, Monette USA, Seeds USA, Produce USA, and 1012595 DE Inc.) are operationally subordinate to the Monette Farms Ltd. Scotiabank accounts in Canada, which serve as the centralized treasury and foreign exchange conversion point for the entire Group.
- d. The USA Entities are bound by the Senior Facilities Agreement governed by Alberta law. Each of the six USA Entities is a guarantor under the Senior Facilities Agreement, under which approximately \$830 million was outstanding as of April 2026. All material decisions relating to the Senior Facilities Agreement, including decisions concerning compliance, default management, forbearance negotiations, and the ultimate decision to commence these proceedings, were made by Darrel Monette in Alberta. These facts have been and remain readily apparent to third parties, and in particular to creditors, at all times.
- e. The USA Entities' primary assets (approximately 54,482 acres of agricultural real property across Big Horn County and other locations in Montana (held by Monette Farms USA, Inc.), approximately 3,134 acres of produce farmland in Aguila, Arizona and a non-operating seed processing facility (held by MF Arizona and Seeds USA), and approximately 4,079 acres of farmland in Genoa, Colorado (held by Monette Farms USA, Inc.)) were acquired, financed, and are managed as an integrated component of the Debtors' operations directed from Alberta.
- f. The USA Entities cannot operate independently without the financial support and management direction of the Canadian Debtors. If the USA Entities were not part of the Canadian Proceedings or the Cash Management System did not permit intercompany transfers from the Monette Farms Ltd. Scotiabank accounts in Canada, the USA Entities would be unable to continue in business as a going concern and would be forced to cease operations. The USA Entities' operational viability is accordingly not an independent function of their U.S. place of incorporation but is wholly contingent on the continued operation of an integrated enterprise whose direction, financing, and decision-making are centered in Canada.

59. Based on the foregoing, the Debtors have substantially more ties to Canada than to any other country.

SUPPORT FOR PROVISIONAL RELIEF

60. I believe that provisional recognition and relief in these cases is important to prevent irreparable damage to the interests of the Debtors' estates, creditors, and the efficacy of the Canadian Proceeding. As set forth above, provisional recognition of the Initial Order and the Amended and Restated Initial Order, once entered, is a condition precedent for the Debtors to obtain advances under the DIP Credit Facility. Absent provisional recognition of those orders in the United States, including the advances and DIP Charges authorized thereunder, the DIP Lenders are unwilling to provide funding to the Debtors. Without access to the DIP Credit Facility, the Debtors will suffer immediate and irreparable harm.

61. Indeed, I understand that the Debtors are just days away from their critical growing season and urgently need liquidity to purchase critical inputs and continue operations. The Company has been delayed in commencing operations in certain regions due to its limited available liquidity. In particular, the Debtors' seeding operations require significant upfront expenditures for pre-soil treatment, fertilizer, chemicals, seed, and related inputs, typically exceeding \$40 million annually, which the Debtors cannot currently fund. Absent an immediate liquidity injection, the Debtors would be unable to seed substantial portions of their farmland, resulting in an irreversible loss of value for the 2026 crop year and materially impairing realizations from any sale of operating farmland. Seeding operations cannot be suspended temporarily given the seasonality of the Debtors' operations and further delay would have significant economic consequences: if land is not seeded within the applicable spring window, the opportunity to generate revenue from that land for the entire year is lost. Missing the 2026 season would also risk widespread layoffs because farming employment is inseparable from seasonal

production activity, loss of licenses that would adversely impact operations, cause environmental risks, and have disparate impacts on rural communities.

62. I believe that the Debtors will suffer immediate and irreparable harm without the protections of sections 362 and 365(e). If such protections were unavailable, the Debtors could face immediate and irreparable harm resulting from the potential termination of critical leases and contracts and the piecemeal loss of assets from individual creditor collection and enforcement efforts. The Debtors thus require the protections of 362 and 365(e) to ensure operational stability as they implement a sale process in the Canadian Proceeding in order to deleverage their business. Absent immediate protection, I believe creditor enforcement would risk a disorderly liquidation and material value destruction to the Debtors assets that could hinder the sale and investment solicitation process being undertaken in Canada. Provisional relief will preserve value and protect stakeholders, including the Debtors' employees, by providing the Debtors with sufficient time to implement an orderly and value-maximizing sales process and the liquidity to remain operational for the 2026 seeding season. Continued operation will ensure continued revenue through the 2026 financial year, maintain asset values, and protect the jobs of the Debtors' employees.

63. I also believe that extending the automatic stay to the Non-Debtor Stay Parties (Monette Farms Land I LP, Monette Farms Land II LP, and Monette Farms BC LP) is critical to preserving the value of the Debtors' business and assets. The Non-Debtor Stay Parties hold beneficial title to substantially all of the Group's Canadian real property, which constitutes the primary collateral under the Senior Facilities Agreement and the primary source of value available to creditors. I believe that absent equivalent protection in the United States, creditors could seek to enforce against the Non-Debtor Stay Parties' U.S.-connected interests and thereby circumvent the Canadian Proceedings, undermining the orderly administration of the estate and materially

impairing the value of the real property assets that underpin the Debtors' restructuring. The Non-Debtor Stay Parties are guarantors under the Senior Facilities Agreement, and enforcement against them in the United States would have the same practical effect as enforcement against the Debtors directly. Extending provisional relief to cover the Non-Debtor Stay Parties is therefore necessary to give full effect to the Canadian Proceedings and protect all stakeholders.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: April 22, 2026
Alberta, Canada

Respectfully Submitted,

/s/ Deryck Helkaa
Deryck Helkaa for FTI, Monitor and Foreign
Representative

EXHIBIT C

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This draft Senior Secured Debtor-In-Possession Interim Financing Term Sheet Agreement (this “DIP Term Sheet”) is for discussion purposes only and does not represent a commitment by The Bank of Nova Scotia to arrange for the extension of credit to any person. This is not a committed offer to lend and no credit review has been performed by The Bank of Nova Scotia or any proposed lender. Furthermore, this DIP Term Sheet is not exhaustive as to the terms and conditions that would be included in a committed offer to lend or the definitive credit documentation that would ultimately be required to consummate the transaction contemplated hereby. This DIP Term Sheet is delivered to you on the basis that you retain as confidential the matters outlined herein and that none of the information be used in a manner inconsistent with its confidential nature or be disclosed to anyone other than the DIP Loan Parties and their advisors directly involved in the proposed transaction.

**SENIOR SECURED DEBTOR-IN-POSSESSION
INTERIM FINANCING TERM SHEET AGREEMENT**

Dated as of April 17, 2026

WHEREAS the Borrowers (as defined herein) have requested and the DIP Lenders have agreed to provide interim financing to the Borrowers during the pendency of the DIP Loan Parties’ (as defined herein) proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) commenced before the Court of King’s Bench of Alberta (the “**Court**”) on or about the date hereof, all in accordance with the terms and conditions set out in this DIP Term Sheet (this “**DIP Term Sheet**”).

WHEREAS the DIP Lenders have agreed to provide interim financing to fund certain obligations of the DIP Loan Parties (as defined herein) in order for such DIP Loan Parties to finalize arrangements for the restructuring or recapitalization of their business, subject to the terms and conditions set out in this DIP Term Sheet and DIP Commitment Letter and on the basis of the DIP Loan Parties’ representation, and the DIP Lenders’ good faith understanding, that the core element of the DIP Loan Parties’ successful restructuring and recapitalization plan is repaying or refinancing the Existing Senior Secured Obligations (as defined herein) in full in cash prior to the DIP Outside Date (as defined herein).

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

(Unless otherwise defined in the body of this DIP Term Sheet, defined terms have meanings given to them in Schedule A – Definitions.)

1. **Borrowers:** Monette Farms Ltd. (the “**Canadian Borrower**”) and Monette Farms USA, Inc. (the “**US Borrower**” and, collectively with the Canadian Borrower, the “**Borrowers**”).
2. **Guarantors:** The entities set forth on Schedule B hereto (collectively, the “**DIP Guarantors**”, and together with the Borrowers, the “**DIP Loan Parties**” and individually, a “**DIP Loan Party**”).
3. **Monitor:** The Monitor in the CCAA Proceedings shall be FTI Consulting Canada Inc. (the “**Monitor**”).
4. **DIP Agent:** The Bank of Nova Scotia, in its capacity as DIP Agent for the DIP Lenders (the “**DIP Agent**”), appointed in accordance with and subject to the terms and conditions of the DIP

Commitment Letter (as defined below).

5. **Counsel to DIP Agent and the DIP Lenders:** **Lead Counsel:** McMillan LLP
US Counsel: Womble Bond Dickinson (US) LLP
6. **DIP Lenders:** Certain financial institutions currently party to the Existing Senior Secured Credit Agreement (collectively, the “**DIP Lenders**” and each a “**DIP Lender**”) have agreed to provide commitments in respect of the DIP Credit Facility (the “**DIP Commitments**”) in accordance with and subject to the terms and conditions of the Commitment Letter dated April 17, 2026, between the Borrowers, the DIP Agent and the DIP Lenders (the “**DIP Commitment Letter**”). The initial pro rata share of each DIP Lender in the DIP Commitments is set forth in Schedule A of the DIP Commitment Letter.
7. **Existing Senior Secured Credit Agreement:** Effective as of the date of filing of the CCAA Proceedings, no additional loans or other extensions of credit will be made available to the Borrowers under the Existing Senior Secured Credit Agreement. The loans and all other obligations under the Existing Senior Secured Credit Agreement will be repaid as set forth in Section 34 below.
8. **DIP Credit Facility:** Up to CDN\$90,000,000 (or Equivalent Amount thereof) (the “**Maximum Amount**”) available to the Borrowers provided by way of a senior secured super-priority debtor-in-possession revolving credit facility (the “**DIP Credit Facility**”).
- Subject to Availability, advances under the DIP Credit Facility shall be made available to the Borrowers on a revolving basis as provided herein, from the Effective Date until the Maturity Date.
- All advances under the DIP Credit Facility will be made by way of loans denominated in Canadian dollars or United States Dollars, as requested by the Borrowers, and on which interest is payable based on CAD Prime Rate or US Base Rate, as the case may be, in accordance with the terms hereof (collectively, the “**DIP Loans**”).
- The amount of the DIP Loans outstanding under the DIP Credit Facility at any time shall be the aggregate principal amount of the DIP Loans denominated in Canadian Dollars plus the Canadian Dollar Equivalent Amount of the aggregate principal amount of the DIP Loans denominated in US Dollars as determined at such time (the “**Outstanding DIP Loans**”).

9. **Availability:** “**Availability**” means, at any time, an amount equal to (i) the Maximum Amount, minus (ii) the Outstanding DIP Loans at such time.

Availability shall be determined as of the date the Borrowers submit a Draw Request to the DIP Agent in accordance with the terms hereof.

Provided that no Default or Event of Default has occurred under the DIP Credit Facility and is then continuing, the Borrowers may submit a Draw Request to the DIP Agent on or following the Effective Date subject to the following:

- (a) if the Draw Request is submitted on or after the date on which the Initial Availability Conditions have been satisfied but prior to the date on which the Further Availability Conditions have been satisfied, the Borrowers may request advances up to CDN\$40,000,000 (the “**Initial Availability Amount**”); or
- (b) if the Draw Request is submitted on or after the date on which the Further Availability Conditions have been satisfied, the Borrowers may request advances under the DIP Credit Facility up to the Maximum Amount at all times subject to Availability (the “**Further Availability Amount**”).

10. **Effectiveness of the DIP Credit Facility:** The effectiveness of this DIP Term Sheet shall be subject to the following conditions precedent, which shall be satisfied, or waived in writing by the DIP Agent, on behalf of the DIP Lenders, acting reasonably (the “**Effective Date**”):

- (a) The DIP Loan Parties shall have executed and delivered this DIP Term Sheet, the DIP Commitment Letter and the other applicable DIP Loan Documents to the DIP Agent and the DIP Lenders.
- (b) The Court shall have granted the CCAA Initial Order in respect of the DIP Loan Parties substantially in the form attached hereto as Schedule H, or in such other form and substance satisfactory to the DIP Agent, in its sole discretion, and approving the DIP Term

Sheet and granting the DIP Charge on the Collateral with the priority provided for herein, securing all DIP Obligations including, without limitation, all principal, interest, fees and costs and the DIP Expenses and providing, among other things, that the DIP Charge, in an initial amount of CDN\$42,000,000, shall have priority on such Collateral over the Directors' Charge and all Liens, other than the Permitted Priority Liens, and such CCAA Initial Order shall not have been stayed, vacated or otherwise caused to be ineffective or amended, restated or modified in any manner that adversely affects the DIP Agent or the DIP Lenders, without the written consent of the DIP Agent.

- (c) All applications, motions or petitions brought by any DIP Loan Party in the CCAA Proceedings and in the US Chapter 15 Proceedings and all Court Orders granted or entered in response to such applications, motions and petitions, in each case, as of the date that all other conditions to effectiveness in this Section 10 have been satisfied, shall be satisfactory to the DIP Agent.
- (d) Each of the representations and warranties specified in Section 35 of this DIP Term Sheet shall be true and correct in all material respects as of the date made or deemed made (unless any representation and warranty is qualified by materiality, in which case it shall be true and correct in all respects as of the date made or deemed made).
- (e) No Default or Event of Default shall have occurred and be continuing under the DIP Credit Facility.

The commitment (if any) of the DIP Lenders to provide the DIP Credit Facility shall expire and terminate if the Effective Date has not occurred on or before April 24, 2026, or such later date as the Unanimous DIP Lenders may approve.

11. **Initial Availability Conditions:**

The DIP Lenders agree to make advances up to the Initial Availability Amount available to the Borrowers subject to

satisfaction of the following conditions precedent for each advance in respect thereof (the “**Initial Availability Conditions**”):

- (a) All of the conditions to the Effective Date under Section 10 hereof shall have been satisfied or waived and continue to be satisfied.
- (b) The United States Bankruptcy Court of competent jurisdiction that is acceptable to the DIP Agent (the “**US Bankruptcy Court**”) shall have granted the US Provisional Recognition Order pursuant to chapter 15 of the US Bankruptcy Code, or any other order that provisionally recognizes the CCAA Initial Order, including the advances under the DIP Credit Facility and the DIP Charge authorized therein, in each case which shall be satisfactory to the DIP Agent, and such order remains in full force and effect and has not been stayed, vacated or otherwise caused to be ineffective or amended, restated or modified in any manner that adversely affects the DIP Agent or the DIP Lenders.
- (c) The DIP Loan Parties shall have complied in all material respects with all of the terms of the CCAA Initial Order and the US Provisional Recognition Order.
- (d) There shall be no Liens ranking senior in priority to the DIP Charge other than Permitted Priority Liens.
- (e) The DIP Agent shall have received confirmation that service of the CCAA Initial Order and the application record seeking the ARIO have been effected on each holder of a Lien listed on the service list agreed between the Borrowers and the DIP Agent (or its counsel).
- (f) No Court Order shall have been made in the CCAA Proceedings, in the US Chapter 15 Proceedings or in any other court of competent jurisdiction relating to the DIP Credit Facility or

the DIP Loan Documents which could reasonably be expected to have a Material Adverse Effect.

- (g) The current DIP Budget shall be in form and substance satisfactory to the DIP Agent, acting reasonably.
- (h) All documented expenses (including all documented legal and professional fees and expenses on a full indemnity basis) of the DIP Agent and the DIP Lenders incurred in connection with their pre-filing claims and/or the DIP Credit Facility shall have been paid in full (which documented expenses shall be deducted from the first advance of the DIP Credit Facility).
- (i) The making of any DIP Loans shall not result in the aggregate amounts outstanding under the DIP Credit Facility exceeding the amount authorized at such time by the CCAA Initial Order.
- (j) The making of any DIP Loan shall not violate any requirement of Applicable Law, after giving effect to the CCAA Initial Order and any other Court Order, and shall not be enjoined, temporarily, preliminarily or permanently.
- (k) A duly completed and executed Draw Request shall have been delivered by the Borrowers to the DIP Agent in accordance with Section 13.

For greater certainty, the DIP Lenders shall not be obligated to advance or otherwise make available any loans or advances until all of the foregoing conditions have been satisfied and all of the foregoing documentation and confirmations have been obtained, each in form and substance satisfactory to the DIP Agent, acting reasonably, provided further that the DIP Agent, with the written consent of the Majority DIP Lenders, acting reasonably, may waive satisfaction of any one or more of such conditions precedent.

12. **Further Availability Conditions:**

The DIP Lenders agree to make advances up to the Further Availability Amount available to the Borrowers subject to satisfaction of the following conditions precedent for each

advance in respect thereof (the “**Further Availability Conditions**”):

- (a) The Initial Availability Conditions have been satisfied and the Initial Availability Conditions in paragraphs (b), (c), (d), (e), (f), (g) and (i) thereof continue to be satisfied.
- (b) The Borrowers shall have paid to the DIP Agent, out of the first advance drawn under the Initial Availability Amount, the Arranger Fee, the DIP Agent Fee and the Commitment Fee as contemplated in Sections 26, 27, 28 and 29 hereof.
- (c) No notice of appeal, or application or motion to vary, amend, stay, reverse or otherwise affect the CCAA Initial Order as it relates to the DIP Credit Facility, the ARIO, the Court Orders of the US Bankruptcy Court relating to or affecting the DIP Credit Facility, the DIP Charge, the SISP, the SISP Order, the SISP Procedures or any SISP Transaction Approval Order shall have been filed or is pending.
- (d) The Court shall have granted the ARIO in form and substance satisfactory to the DIP Agent, acting reasonably, by not later than May 6, 2026, which ARIO shall include a Court Order increasing the amount of the DIP Charge to CDN\$95,000,000 or such other amount acceptable to the DIP Agent, in its sole discretion.

- (e) The CCAA Proceedings shall have been recognized in the United States pursuant to chapter 15 of the US Bankruptcy Code in a proceeding before the US Bankruptcy Court and the US Bankruptcy Court shall have entered the US Recognition Order, in the form accepted by the DIP Agent, giving full force and effect to the CCAA Initial Order and the ARIO, or, for a period of no longer than 25 days from the date of the CCAA Initial Order, if the US Bankruptcy Court has entered an order, including the US Provisional Recognition Order, that provisionally recognizes the ARIO, including the advances under the DIP Credit Facility and the DIP Charge authorized therein, and such order remains in full force and effect and has not been stayed, vacated or otherwise caused to be ineffective or amended, restated or modified in any manner that adversely affects the DIP Agent or the DIP Lenders.
- (f) The DIP Loan Parties are in compliance, in all material respects, with the ARIO and all Court Orders that are effective at the time of the Draw Request.
- (g) The making of any DIP Loan shall not violate any requirement of Applicable Law, after giving effect to the ARIO and any other Court Order, and shall not be enjoined, temporarily, preliminarily or permanently.
- (h) None of the Court Orders shall have been stayed, vacated or otherwise caused to be ineffective or amended, restated or modified in any manner that adversely affects the DIP Agent or the DIP Lenders, without the written consent of the DIP Agent.
- (i) Unless otherwise agreed to by the DIP Agent, acting reasonably, the DIP Milestones shall have been met or satisfied by the deadlines agreed to herein.
- (j) The DIP Loan Parties shall have paid all statutory liens, trust and other government

claims arising after the CCAA Filing Date (but for greater certainty, not including any such claims in existence on the CCAA Filing Date) including, without limitation, source deductions in accordance with the DIP Budget, except, in each case, for any such amounts that are not yet due and payable or which are in dispute, in which case appropriate reserves have been made.

- (k) A duly completed and executed Draw Request shall have been delivered by the Borrowers to the DIP Agent in accordance with Section 13.

For greater certainty, the DIP Lenders shall not be obligated to advance or otherwise make available any funds until all of the foregoing conditions have been satisfied and all of the foregoing documentation and confirmations have been obtained, each in form and substance satisfactory to the DIP Agent, acting reasonably, provided further that the DIP Agent, with the written consent of the Majority DIP Lenders, acting reasonably, may waive satisfaction of any one or more of such conditions precedent.

13. **Drawdowns:**

Provided that no Default or Event of Default has occurred and is then continuing under the DIP Credit Facility, the Borrowers may, concurrent with notification to the Monitor, make a drawdown request for an advance in the form attached as Schedule G hereto (a “**Draw Request**”).

Subject to the satisfaction of the Initial Availability Conditions in Section 11, the Borrowers may make a Draw Request for a single advance up to the Initial Availability Amount on any Business Day following the date of the US Provisional Recognition Order.

Subject to the satisfaction of the Further Availability Conditions in Section 12, the Borrowers may make Draw Requests for advances (after the initial advance) from time to time in the aggregate up to the Further Availability Amount, on not less than one (1) Business Day’s notice of the requested draw down date, provided that such request is delivered before 10:00 am Calgary time and, in each case, for an amount not to exceed the projected disbursements for the immediately following two week period as set out in the DIP Budget, at all times subject to Availability.

14. **Cash Management:** All bank accounts, credit cards, and securities accounts or investment accounts (including any accounts in respect of cash equivalents) of the DIP Loan Parties shall be maintained with the Cash Management Banks and their affiliates. The Cash Management Banks shall ensure that the Bank Products remain accessible to the Borrowers until the Maturity Date subject to the payment of the fees owing to the DIP Agent and the DIP Lenders, provided that, in each case the Cash Management Banks will require the Borrowers to either post cash collateral or seek the approval of a court ordered charge to secure the exposure up to the credit limits. The DIP Agent, in its capacity as Existing Senior Secured Agent, agrees neither it nor any of the Cash Management Banks shall sweep cash in any Bank Products other than as permitted by Court Order and in accordance with this DIP Term Sheet. The DIP Loan Parties shall deposit and maintain all cash, including, without limitation, the advances under the DIP Credit Facility and all proceeds of DIP Intercompany Loans, in account(s) with the Cash Management Banks.
15. **Maturity Date:** The maturity of the DIP Credit Facility (the “**Maturity Date**”) shall be the earliest of:
- (a) the date on which the stay of proceedings in the CCAA Initial Order or the ARIO (as same may be amended from time to time) expires without being extended or on which the CCAA Proceedings are dismissed or converted into a proceeding under the BIA;
 - (b) the date on which (i) the US Provisional Recognition Order expires without the US Bankruptcy Court granting a US Recognition Order, (ii) the stay specified in the US Recognition Order expires or (iii) the US Chapter 15 Proceedings are dismissed or converted into a proceeding under Chapter 7 of the US Bankruptcy Code;
 - (c) the DIP Outside Date;
 - (d) the effective date of any plan of reorganization or arrangement confirmed by the Court; and
 - (e) the date of the acceleration of the DIP Loans and the termination of the DIP Commitments

with respect to the DIP Credit Facility due to an Event of Default.

All of the DIP Obligations shall be payable in full on the Maturity Date without any requirement for notice or demand.

The Maturity Date may be extended from time to time at the request of the Borrowers, with notification to the DIP Agent and the Monitor and with the prior written consent of the Unanimous DIP Lenders, for such period and on such terms and conditions as the Unanimous DIP Lenders may agree to, acting reasonably.

16. **Permitted Uses of Proceeds:**

The DIP Credit Facility may only be used for the following purposes, after any cash balances available to the Borrowers in excess of \$5,000,000 are fully utilized:

- (a) for working capital, capital expenditures, and other Ordinary Course expenditures of the DIP Loan Parties in accordance with the DIP Budget, including any Permitted Pre-Filing Payments and DIP Intercompany Loans to DIP Guarantors, on and subject to the terms and conditions set forth in Section 19;
- (b) to pay the Permitted Fees and Expenses;
- (c) to post cash collateral required by the Cash Management Banks pursuant to Section 14;
- (d) to pay amounts owing to Farm Credit Canada pursuant to the Loan and Security Agreement (Livestock), dated December 4, 2024; or
- (e) to pay interest when due in respect of the Existing Senior Secured Obligations, including without limitation interest owing in respect of interest due but unpaid in respect of the Existing Senior Secured Obligations prior to the CCAA Filing Date.

For greater certainty, without the prior written consent of the DIP Agent, and subject to the CCAA Initial Order or the ARIO, the proceeds of the DIP Credit Facility and available cash shall not be used to:

- (a) make any loans, distributions or payments of any

kind to the Individual Borrower except as authorized by the CCAA Initial Order or the ARIO and contemplated by the DIP Budget;

- (b) pay any pre-filing obligations, other than Permitted Pre-Filing Payments or payments otherwise authorized by the CCAA Initial Order or the ARIO and contemplated by the DIP Budget;

17. **Permitted Fees and Expenses:**

“Permitted Fees and Expenses” means, collectively:

- (a) the DIP Expenses (as hereinafter defined);
- (b) all reasonable and documented costs and expenses incurred by the Existing Senior Secured Agent after the CCAA Filing Date in connection with the Existing Senior Secured Credit Agreement;
- (c) the fees owing to the DIP Agent and the DIP Lenders in connection with the DIP Credit Facility;
- (d) the reasonable and documented costs and expenses of the DIP Loan Parties associated with the DIP Credit Facility;
- (e) the reasonable and documented costs and expenses of the CCAA Applicants or the CCAA Non-Applicant Stay Parties in connection with the CCAA Proceedings and the US Chapter 15 Proceedings, including the reasonable and documented fees and expenses of the CCAA Applicants’ or the CCAA Non-Applicant Stay Parties’ financial advisor and legal counsel; and
- (f) the reasonable and documented costs and expenses of the Monitor and the Monitor’s legal counsel.

18. **Reimbursement of DIP Expenses:**

The Borrowers will reimburse the DIP Agent and the DIP Lenders, without duplication, for the following (collectively, the **“DIP Expenses”**):

- (a) all reasonable and documented costs and expenses (including reasonable and documented

legal and professional fees and expenses on a full indemnity basis) including expenses incurred in connection with the negotiation and development of this DIP Term Sheet, the DIP Commitment Letter and the other DIP Loan Documents, whether or not any of the transactions contemplated hereby are consummated and whether incurred prior to or after the CCAA Filing Date;

- (b) all reasonable and documented costs and expenses (including reasonable and documented legal and professional fees and expenses on a full indemnity basis) in connection with the CCAA Proceedings and the US Chapter 15 Proceedings, including due diligence, review and negotiation of any Court Order, other filing materials and all related documentation;
- (c) all reasonable and documented costs and expenses (including reasonable and documented legal and professional fees and expenses on a full indemnity basis) in connection with the SISP, the SISP Order, the review and evaluation of offers submitted through the SISP or in connection with any SISP Transaction and the review and negotiation of any SISP Transaction Approval Orders; and
- (d) the on-going monitoring, administration and enforcement of the DIP Charge and any other security for the DIP Obligations and in relation to the CCAA Proceedings and US Chapter 15 Proceedings generally.

All DIP Expenses incurred prior to the Effective Date shall be paid in full from an advance under the DIP Credit Facility after the Initial Availability Conditions have been satisfied or waived in accordance with Section 11 hereof and the Borrowers shall pay all DIP Expenses incurred after the Effective Date within 15 days of presentment of the applicable invoice.

19. **DIP Intercompany Loans:**

Subject to the terms of this DIP Term Sheet (including, without limitation, the DIP Budget) and the ARIO, the Borrowers shall be permitted to use proceeds of DIP Loans

advanced under the DIP Credit Facility to advance intercompany loans to DIP Guarantors (the “**DIP Intercompany Loans**”), provided that the following conditions precedent shall be satisfied, or waived in writing by the DIP Agent, in its sole discretion, prior to the Borrowers making any such DIP Intercompany Loan:

- (a) the Initial Availability Conditions and, as applicable, the Further Availability Conditions shall have been satisfied or waived in accordance with this DIP Term Sheet;
- (b) there shall be no Default or Event of Default outstanding under the DIP Credit Facility that has not been cured or waived in writing by the DIP Agent, in its sole discretion;
- (c) such DIP Intercompany Loans shall be properly recorded on the books and records of the DIP Loan Parties and appropriately documented; and
- (d) the indebtedness and obligations of the DIP Guarantors to the Borrowers under and in respect of the DIP Intercompany Loans shall be deemed to be assigned as security to the DIP Agent for the benefit of the DIP Lenders pursuant to the DIP Charge.

Interest Rates:

- 20. *For CAD DIP Loans Advanced under DIP Credit Facility:* CAD Prime Rate (subject to a floor of 0%) plus 4% per annum.
- 21. *For USD DIP Loans Advanced under DIP Credit Facility:* US Base Rate (subject to a floor of 0%) plus 4% per annum.
- 22. *Rates upon an Event of Default:* Interest Rate shall be automatically increased by 2% per annum upon the occurrence and during the continuance of an Event of Default under the DIP Credit Facility.
- 23. *Payment of Interest:* Interest shall be payable on the Outstanding DIP Loans under the DIP Credit Facility from the date of the funding thereof at the Interest Rate applicable to such Outstanding DIP Loans, compounded monthly and payable monthly in arrears in cash on the last Business Day of each month.

24. *Criminal Interest Rates:* If any provision of this DIP Term Sheet or any of the other DIP Loan Documents would obligate the DIP Loan Parties to make any payment of interest, fees or other amount payable to the DIP Agent or the DIP Lenders in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the DIP Agent or the DIP Lenders of interest at a criminal or usurious rate (as construed under the *Criminal Code* (Canada) or applicable US law, as applicable), then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by the DIP Agent or the DIP Lenders, as the case may be, of interest at a criminal or usurious rate, the adjustment to be effected, to the extent necessary, as follows:
- (a) first, by reducing the amount or rate of interest required to be paid to the DIP Agent or the DIP Lenders under this DIP Term Sheet; and
 - (b) thereafter, by reducing any other amounts (other than costs and expenses) (if any) required to be paid to the DIP Lender which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada) or applicable US Law.
25. *Interest Act:* For the purposes of the *Interest Act* (Canada), the parties acknowledge and agree that all calculations of interest under this DIP Term Sheet are to be made on the basis of the nominal interest rate described herein and not on the basis of effective yearly rates or on any other basis which gives effect to the principle of deemed reinvestment of interest.
- Other Fees:**
26. *Arranger Fee:* An arranger fee as set forth in the Fee Letter, fully earned upon the granting of the CCAA Initial Order and payable in accordance with the DIP Fee Letter (the “**Arranger Fee**”).
27. *DIP Agent Fee:* An agent fee as set forth in the Fee Letter, payable to the DIP Agent monthly in arrears on the last Business Day of each month, with the first such period commencing on the Business Day immediately following the date of issuance of the DIP Commitment Letter by the DIP Lenders (the “**DIP Agent Fee**”).

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28. *Commitment Fee:* A commitment fee equal to 100 bps on the Maximum Amount, which fee shall be fully earned upon execution of this DIP Term Sheet and payable to the DIP Agent (the “**Commitment Fee**”) in accordance with this Section 28.
- The Borrowers shall pay the Commitment Fee from the first advance under the DIP Credit Facility.
29. *Allocation of Commitment Fee:* The Commitment Fee shall be paid to the DIP Agent for allocation amongst the DIP Lenders on a pro rata basis based on their respective DIP Commitments. For greater certainty, the Arranger Fee and the DIP Agent Fee are intended to compensate the DIP Agent for its services in arranging the DIP Credit Facility and its duties under this DIP Term Sheet and the other DIP Loan Documents and shall each be retained by the DIP Agent for its own account and shall not be allocated among the DIP Lenders.
30. **Security and Priority:** A first-ranking (except as otherwise contemplated herein) court-ordered super-priority charge (the “**DIP Charge**”) on all of the existing and after-acquired real and personal, tangible and intangible, assets and property of the DIP Loan Parties, including without limitation, all shares, partnership interests, limited partnership interests, securities or other investment property, whether certificated or uncertificated, owned by the DIP Loan Parties, all insurance proceeds, all rights of the Borrowers under or in connection with any DIP Intercompany Loans, and all proceeds of the foregoing (the “**Collateral**”).
31. **Permitted Liens and Priority:** All Collateral will be free and clear of other liens, encumbrances and claims, except for the Permitted Liens. Unless otherwise agreed to in writing by the DIP Agent, in its sole discretion, the DIP Charge shall be subordinate only to the Permitted Priority Liens.
32. **Mandatory Prepayment Due to Currency Fluctuations:** If at any time the Equivalent Amount of the Outstanding DIP Loans under the DIP Credit Facility exceeds the Initial Availability Amount or the Further Availability Amount, as may be then applicable (the “**Deficiency**”), as a result of currency exchange fluctuations, the Borrowers shall within one (1) Business Day of the receipt of a written notice by the DIP Agent in respect of such Deficiency, prepay the Outstanding DIP Loans in an amount equal to such Deficiency, together with accrued interest on the principal amount so prepaid to the date of such prepayment.

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33. **Mandatory Payment of Excess Cash:** If the DIP Loan Parties hold or otherwise control Excess Cash, then the DIP Loan Parties shall, within three (3) Business Days, unless otherwise approved in writing by the DIP Agent: (i) apply the Excess Cash to reduce any amounts then owing in respect of the Outstanding DIP Loans, or (ii) in the event no amounts are then owing in respect of the Outstanding DIP Loans, either (a) provided that the Monitor is satisfied that the Existing Senior Secured Lenders' security is valid and enforceable, distribute such Excess Cash to the Existing Senior Secured Agent to be applied to any outstanding Existing Senior Secured Obligations, or (b) the Monitor shall hold such Excess Cash segregated and in trust for the Existing Senior Secured Lenders until the Monitor is satisfied that such security is valid and enforceable.
- For greater certainty, Excess Cash applied to reduce the amounts then owing in respect of the Outstanding DIP Loans may be re-borrowed prior to the Maturity Date, subject to the satisfaction of the Initial Availability Conditions or the Further Availability Conditions, as the case may be, in respect of such requested advances.
34. **Mandatory Prepayment upon Disposition of Collateral:** For the purposes of determining the application of proceeds of dispositions solely as between the DIP Obligations and the Existing Senior Secured Obligations, all proceeds of dispositions of Collateral save and except for (i) dispositions of inventory in the Ordinary Course of the DIP Loan Parties' business (including without limitation any proceeds from the completion of any SISP Transaction and any proceeds of insurance relating to Collateral) or (ii) any proceeds generated by sales of cattle and contemplated in the then-current DIP Budget, shall, after first being applied to the extent not funded, to fund an administrative reserve maintained by the Monitor for the purposes of securing the Administration Charge and the Directors' Charge in accordance with the priority set out in the CCAA Initial Order or the ARIIO, as applicable, such reserve not to exceed the maximum aggregate amount of such charges (with any balance of such administrative reserve remaining upon the completion of the SISP being distributed as soon as possible by the Monitor in accordance with the waterfall set out below or in accordance with any Court Order), be applied as follows:
- First, applied to any Permitted Fees and Expenses of the DIP Agent and the DIP Lenders then due and payable in respect of

amounts owing under the DIP Credit Facility;

Second, applied to any interest then due and payable in respect of the Outstanding DIP Loans;

Third, after the acceleration of the DIP Obligations, applied to any principal amounts of the Outstanding DIP Loans;

Fourth, prior to the acceleration of the DIP Obligations, applied to any outstanding principal amounts of the Existing Senior Secured Obligations in accordance with the Existing Senior Secured Credit Agreement;

Fifth, prior to the acceleration of the DIP Obligations, applied to any fees and expenses of the Existing Senior Secured Agent and the Existing Senior Secured Lenders then due and payable with respect to the Existing Senior Secured Credit Agreement;

Sixth, prior to the acceleration of the DIP Obligations, applied to any interest then due and payable on the Existing Senior Secured Obligations;

Seventh, prior to the acceleration of the DIP Obligations, applied to any principal amounts of the Outstanding DIP Loans; and

Eight, to the Borrowers or as the Court may otherwise direct.

For greater certainty, no proceeds of Collateral (including without limitation any proceeds from the completion of a SISP Transaction and any proceeds of insurance relating to the Collateral) shall be retained by the Borrowers or the other DIP Loan Parties to be used for working capital purposes or to reduce debt or any obligation ranking junior to the security securing the Existing Senior Secured Obligations until the DIP Obligations and all remaining Existing Senior Secured Obligations have been repaid in full in cash.

Within five (5) Business Days of any distributions made under this Section 34 to the DIP Agent and/or the DIP Lenders, the DIP Agent shall provide the Monitor and the DIP Loan Parties an accounting summary of how all disposed proceeds have been applied and an update on the amounts owing under each of the above thereafter.

35. **Representations and Warranties:** The representations and warranties of the DIP Loan Parties to the DIP Agent and each DIP Lender are set forth in Schedule C attached hereto. The DIP Agent and the DIP Lenders are relying upon the representations and warranties of the DIP Loan Parties in agreeing to enter into this DIP Term Sheet and providing the DIP Credit Facility. Unless expressly stated to be made as of a specific date, the representations and warranties made in this DIP Term Sheet shall survive the execution of this DIP Term Sheet and the other DIP Loan Documents and shall be deemed to be repeated as of the date of each advance under the DIP Credit Facility.
36. **Covenants:** The affirmative, negative and reporting covenants given by the DIP Loan Parties to the DIP Agent and each DIP Lender are set forth in Schedule D attached hereto.
37. **DIP Budget and Variance Reporting:** Attached hereto as Schedule I is a copy of the initial DIP Budget (excluding the supporting documentation provided directly to the DIP Agent in connection therewith), that has been reviewed and approved by the Monitor. The DIP Budget shall be the DIP Budget referenced in this DIP Term Sheet until such time as a revised DIP Budget has been approved by the DIP Agent in accordance with this Section 37.

The Borrowers shall provide an updated rolling 13-week cash flow forecast (the “**Rolling Cash Flow**”) to the DIP Agent every two weeks (unless otherwise consented to by the DIP Agent), in each case to be delivered to the DIP Agent, its counsel and the Monitor, no earlier than the last Business Day of the second week following the date of the delivery of the DIP Budget or the prior Rolling Cash Flow, as applicable. Such Rolling Cash Flow shall be reviewed and approved by the Monitor and the DIP Agent, acting reasonably. If the DIP Agent, acting reasonably, approves in writing such Rolling Cash Flow, such Rolling Cash Flow shall become the then-current DIP Budget for purposes of this DIP Term Sheet.

On the last Business Day of every second week, the Borrowers shall deliver to the DIP Agent and its counsel, a variance calculation (the “**Variance Report**”) setting forth (i) actual aggregate receipts and disbursements and net cash flow of the DIP Loan Parties for the two-week period ended on the previous Friday and (ii) actual aggregate receipts and disbursements and net cash flow of the DIP Loan Parties on a cumulative basis since the beginning of the period covered by the 13-week static cash flow forecast provided by the

Borrowers to the DIP Agent on April 16, 2026, in each case as against the then-current DIP Budget, and setting forth all the variances, on a line-item and aggregate basis in comparison to the amounts set forth in respect thereof in the DIP Budget. Each such Variance Report shall include reasonably detailed written explanations for any material variances during the relevant period and such additional information as the DIP Agent may from time to time reasonably request respecting the DIP Budget. The Borrowers shall promptly discuss the Variance Report with the DIP Agent, and its counsel and financial advisors, as requested by the DIP Agent.

38. **Events of Default and Remedies:**

Upon the occurrence and during the continuance of an Event of Default under the DIP Credit Facility, the DIP Agent may, upon the instruction of the Majority DIP Lenders, terminate the DIP Commitments under the DIP Credit Facility immediately upon written notice to the DIP Loan Parties and the Monitor and, subject to any Court Orders, with two (2) days prior written notice, and declare the DIP Obligations to be immediately due and payable by providing such a notice and demand to the Borrowers, with a copy to the Monitor. Subject to obtaining prior approval of the Court, with not less than three (3) Business Days' notice to the Borrowers after the occurrence and during the continuance of an Event of Default, the DIP Agent shall have the rights and powers of a secured party under Applicable Law to enforce the DIP Charge and to exercise all other rights and remedies in respect of the DIP Obligations and the DIP Charge.

Without limiting the foregoing remedies, upon the occurrence and during the continuance of an Event of Default, and upon obtaining prior approval of the Court, the DIP Agent may, upon the instruction of the Majority DIP Lenders:

- (a) apply to a court for the appointment of a receiver, an interim receiver or a receiver and manager over the Collateral or any of it, or for the appointment of a trustee in bankruptcy of the Borrowers or any of the other DIP Loan Parties;
- (b) set-off or combine any amounts then owing by the DIP Agent or any of the DIP Lenders to the DIP Loan Parties against the DIP Obligations of the DIP Loan Parties hereunder;

- (c) subject to obtaining prior approval from the Court, exercise any and all rights under any deposit account control agreements with the Cash Management Banks, including delivery of notices of exclusive control, or any similar notices, to the Cash Management Banks.
- (d) subject to obtaining prior approval from the Court, exercise the powers and rights of a secured party under the *Personal Property Security Act* (Alberta), or any legislation of similar effect; and/or
- (e) subject to obtaining prior approval from the Court, exercise all such other rights and remedies under this DIP Term Sheet, the other DIP Loan Documents, the Court Orders and Applicable Law.

39. **Set-Off:**

Subject to the Court Orders and approval of the Court, upon (a) the occurrence and during the continuance of any Event of Default and (b) the declaration by the DIP Agent that the DIP Obligations are due and payable pursuant to the provisions of Section 38, each DIP Lender and each of its respective affiliates may, to the fullest extent permitted by law, set off and otherwise apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such DIP Lender or such affiliate to or for the credit or the account of the Borrowers against any and all of the DIP Obligations of the Borrowers now or hereafter existing under this DIP Term Sheet or the other DIP Loan Documents. Each DIP Lender agrees promptly to notify the Borrowers two (2) days prior to any such set-off and application. The rights of each DIP Lender and its respective affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such DIP Lender and its respective affiliates may have.

40. **Governing Law:**

This DIP Term Sheet shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein. Without prejudice to the ability of the DIP Agent and the DIP Lenders to enforce this DIP Term Sheet in any other proper jurisdiction, the DIP Loan Parties irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the

Province of Alberta.

41. **DIP Lender Approvals and Consents:** Any reference to the approval or consent of the DIP Agent herein (except where expressly stated otherwise) is subject to the prior approval of the Majority DIP Lenders.
42. **DIP Agent and Administration of DIP Credit Facility** The provisions of Article 15 (*The Agent and Administration of the Credit Facilities*) of the Existing Senior Secured Credit Agreement are hereby incorporated by reference and shall apply *mutatis mutandis* with respect to the DIP Agent and the administration of the DIP Credit Facility.
43. **Assignments and Participations:** None of the DIP Loan Parties may assign, transfer or delegate any of its rights or obligations under this DIP Term Sheet or the other DIP Loan Documents without the prior written consent of the Unanimous DIP Lenders.
- Each of the DIP Lenders shall have the right to assign or sell participations in their DIP Commitments or Outstanding DIP Loans in accordance with and subject to the terms and conditions of the DIP Commitment Letter.
44. **Currency:** Unless otherwise stated, all monetary denominations shall be in lawful currency of Canada and all payments made by the Borrowers or any DIP Guarantor under this DIP Term Sheet shall be in Canadian dollars, other than with respect to DIP Loans denominated in US Dollars, in respect of which payments shall be made in US Dollars.
45. **Judgment Currency:** If for the purposes of obtaining judgment in any court it is necessary to convert all or any part of the DIP Obligations or any other amount due to the DIP Agent or any of the DIP Lenders in respect of this DIP Term Sheet or any of the other DIP Loan Documents in any currency (the “**Original Currency**”) into another currency (the “**Other Currency**”), the Borrowers, to the fullest extent that they may effectively do so, agree that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the DIP Agent or the applicable DIP Lender could purchase the Original Currency with the Other Currency on the Business Day preceding that on which final judgment is paid or satisfied.
- The obligations of the Borrowers in respect of any sum due in the Original Currency from it to the DIP Agent or the applicable DIP Lender shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by the DIP Agent or the

applicable DIP Lender of any sum adjudged to be so due in such Other Currency, the DIP Agent or the applicable DIP Lender may, in accordance with its normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the DIP Agent or the applicable DIP Lender in the Original Currency, the Borrowers agree, as a separate obligation and notwithstanding any such judgment, to indemnify the DIP Agent or the applicable DIP Lender, as the case may be, against such loss, and if the amount of the Original Currency so purchased exceeds the sum originally due to the DIP Agent or the applicable DIP Lender in the Original Currency, the DIP Agent or the applicable DIP Lender, as the case may be, agrees to remit such excess to the applicable Borrowers.

46. **Indemnities:**

The DIP Loan Parties agree, on a joint and several basis, to indemnify and hold harmless the DIP Agent, each of the DIP Lenders, their respective affiliates, and each of their respective directors, officers, employees, agents, attorneys, counsel and advisors (all such Persons being referred to hereafter as “**Indemnified Persons**”) from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against any Indemnified Person as a result of or arising out of or in any way related to the DIP Credit Facility, this DIP Term Sheet, the DIP Commitment Letter and the other DIP Loan Documents and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim; provided, however, the Borrowers and other DIP Loan Parties shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability (x) to the extent it resulted from the gross negligence or wilful misconduct of such Indemnified Person as finally determined by a court of competent jurisdiction, or (y) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or omission on the part of the Borrowers or the other DIP Loan Parties. The indemnities granted under this DIP Term Sheet shall survive any termination of the DIP Credit Facility.

47. **Taxes:**

All payments by the Borrowers and any other DIP Loan Parties

under this DIP Term Sheet or any of the other DIP Loan Documents to the DIP Agent or the DIP Lenders, including any payments required to be made from and after the exercise of any remedies available to the DIP Agent or the DIP Lenders upon an Event of Default, shall be made free and clear of, and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country (collectively “**Taxes**”); provided, however, that if any Taxes are required by Applicable Law to be withheld (“**Withholding Taxes**”) from any amount payable to the DIP Agent or the DIP Lenders under this DIP Term Sheet or any of the other DIP Loan Documents, the amount so payable to the DIP Agent or the DIP Lenders shall be increased to the extent necessary to yield to the DIP Agent or the DIP Lenders, as the case may be, on a net basis after payment of all Withholding Taxes, the amount payable under the DIP Term Sheet or such other DIP Loan Document, as applicable, at the rate or in the amount specified herein or therein and the Borrowers shall provide evidence satisfactory to the DIP Agent or the DIP Lenders, as the case may be, that the Taxes have been so withheld and remitted. The Borrowers’ obligation to pay additional amounts shall be subject to customary exclusions for any Withholding Taxes arising as a result of a present or former connection between the DIP Agent or the DIP Lenders and the jurisdiction imposing Withholding Tax (excluding any connection arising solely in connection with the DIP Credit Facility). If the DIP Loan Parties are required to pay an additional amount to the DIP Agent or the DIP Lenders to account for any deduction or withholding, the DIP Agent or the applicable DIP Lenders, as the case may be, shall reasonably cooperate with the applicable DIP Loan Parties (i) to claim any available exemption or reduction of withholding, or (ii) to obtain a refund of the amounts so withheld, including in each case by filing income tax returns in applicable jurisdictions, claiming a refund of such tax and/or providing evidence of entitlement to the benefits of any applicable tax treaty, as applicable. The amount of any refund so received, and interest paid by the tax authority with respect to any refund, shall be paid over by the DIP Agent or the applicable DIP Lenders, as the case may be, to the applicable DIP Loan Parties promptly. If reasonably requested by the DIP Loan Parties, the DIP Agent or the applicable DIP Lenders, as the case may be, shall apply to the relevant taxing

authority to obtain a waiver from such withholding requirement, and the DIP Agent or the applicable DIP Lenders, as the case may be, shall cooperate with the applicable DIP Loan Parties and assist such DIP Loan Parties to minimize the amount of deductions or withholdings required, including by providing the DIP Loan Parties with a duly completed copy of Canada Revenue Agency form NR-303, as may be applicable (or any other applicable form). Notwithstanding the foregoing, the DIP Agent or the applicable DIP Lenders, as the case may be, may, in respect of any additional payment to which this Section 47 would otherwise apply and in its sole and unfettered discretion, decline to provide any of the information or cooperation (including the completion of any form) contemplated in this Section 47, provided it has waived its rights and entitlements thereunder in respect of such additional payment.

48. **Liabilities Joint and Several:**

The obligations and liabilities of the DIP Loan Parties hereunder are joint and several.

49. **Guarantee and Indemnity:**

Each of the DIP Guarantors, on a joint and several basis, unconditionally and fully guarantees the full and prompt payment and performance of the DIP Obligations to the DIP Agent and the DIP Lenders, subject to the terms and conditions of this DIP Term Sheet and any applicable Court Order, including any DIP Obligations owed by the Borrowers and each other DIP Guarantor and hereby waives all defences that any of them may now have or have in the future.

As an original and independent obligation, each DIP Guarantor shall, on a joint and several basis: (i) indemnify the DIP Agent and the DIP Lenders and keep the DIP Agent and the DIP Lenders indemnified against any cost, loss, expense or liability of whatever kind resulting from the failure by the Borrowers to make due and punctual payment of any of the DIP Obligations or resulting from any of the DIP Obligations or payments of the DIP Obligations being or becoming void, voidable, unenforceable or ineffective against the Borrowers (including, but without limitation, all legal and other costs, charges and expenses incurred by the DIP Agent and the DIP Lenders in connection with preserving or enforcing, or attempting to preserve or enforce, their rights against the DIP Guarantors under the DIP Term Sheet and the other DIP Loan Documents); and (ii) pay on demand the amount of such cost, loss, expense or liability whether or not the DIP Agent and the DIP Lenders have attempted to enforce any rights against the

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Borrowers or any other Person or otherwise.

50. **Evidence of Indebtedness:** The DIP Agent's accounts and records constitute, in the absence of manifest error, prima facie evidence of the indebtedness of the Borrowers to the DIP Lenders pursuant to the DIP Credit Facility.
51. **Further Assurances:** The DIP Loan Parties shall, at their expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the DIP Agent may reasonably request for the purpose of giving effect to this DIP Term Sheet.
52. **Amendments and Waivers:** No waiver or delay on the part of the DIP Agent or any DIP Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing by the DIP Agent or such DIP Lender, as the case may be, and delivered in accordance with the terms of this DIP Term Sheet, and then such waiver shall be effective only in the specific instance and for the specific purpose given. No amendment of this DIP Term Sheet shall be effective unless signed by all parties hereto.
53. **Severability:** Any provision of this DIP Term Sheet or any of the other DIP Loan Documents that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
54. **Notices:** Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to such party at its address set out on its signature page hereof. Any such notice, request or other communication hereunder shall be concurrently sent to the Monitor and its counsel.
- Any such notice shall be deemed to be given and received when received, unless received after 3:00 p.m. Calgary Time or on a day other than a Business Day, in which case the notice shall be deemed to be received the next Business Day.
55. **Counterparts and Electronic Submission:** This DIP Term Sheet may be executed in any number of counterparts and by facsimile or other electronic transmission

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including “pdf email”, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF the undersigned have executed this DIP Term Sheet on the date first above written.

Address:

P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

**MONETTE FARMS LTD.
as Borrower and DIP Guarantor**

By: _____
Name: Darrel Monette
Title: Authorized Signatory

with a copy to:

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3 St SW, Calgary, AB T2P 5C5

Attention: Jeffrey Oliver
Danielle Marechal
Matteo Clarkson-Maciel
Email: joliver@cassels.com
dmarechal@cassels.com
mclarksonmaciel@cassels.com

Address:

P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

with a copy to:

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3 St SW, Calgary, AB T2P 5C5

Attention: Jeffrey Oliver
Danielle Marechal
Matteo Clarkson-Maciel
Email: joliver@cassels.com
dmarechal@cassels.com
mclarksonmaciel@cassels.com

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

**MONETTE FARMS USA, INC.
as Borrower and DIP Guarantor**

By: _____
Name: Darrel Monette
Title: Authorized Signatory

**MONETTE FARMS ONTARIO CORP.
as a DIP Guarantor**

By: _____
Name: Darrel Monette
Title: Authorized Signatory

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Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

NEXGEN SEEDS LTD.
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

MONETTE PRODUCE LTD.
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

MONETTE LAND CORP.
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

DMO HOLDINGS LTD.
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

GOAT'S PEAK WINERY LTD.
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

MONETTE FARMS BC LTD.
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

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Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

MONETTE FARMS BC GP LTD.
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

MONETTE FARMS LAND GP LTD.
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

MONETTE FARMS LAND II GP LTD.
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

MONETTE SEEDS LTD.
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

DMO HOLDINGS USA, INC.
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

MONETTE SEEDS USA, LLC
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

MONETTE FARMS ARIZONA, LLC
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

MONETTE PRODUCE, LLC
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

1012595 DE INC.
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

MONETTE FARMS LAND LIMITED PARTNERSHIP, by its general partner
MONETTE FARMS LAND GP LTD.
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

MONETTE FARMS LAND II LIMITED PARTNERSHIP, by its general partner
MONETTE FARMS LAND II GP LTD.
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

c/o Monette Farms Ltd.
P.O. Box 1298
Swift Current, Saskatchewan
S9H 3X4

Attention: Darrel Monette
David Kemp
Email: darrel@monettefarms.com
david@monettefarms.com

MONETTE FARMS BC LIMITED PARTNERSHIP, by its general partner
MONETTE FARMS BC GP LTD.
as a DIP Guarantor

By: _____
Name: Darrel Monette
Title: Authorized Signatory

Address:

THE BANK OF NOVA SCOTIA

The Bank of Nova Scotia
GWO Loan Operations
150 King Street West, 6th Floor
Toronto, ON M5H 1J9

By:

Name: James Cook
Title: Senior Manager

Attention: Manager
Email:
orporatelending.agencyops@scotiabank.com

with a copy to:

The Bank of Nova Scotia
Global Loan Syndication – Agency Services
40 Temperance Street, 6th Floor
Toronto, ON M5H 0B4

By:

Name: Justin Mitges
Title: Director

Attention: Head of Agency Services
Rocco Fabiano, Justin Mitges and
Jim Cook
Email: agency.services@scotiabank.com
rocco.fabiano@scotiabank.com
justinl.mitges@scotiabank.com
james.cook@scotiabank.com

with a further copy to:

McMillan LLP
BCE Place, Suite 4400
Bay Wellington Tower, 181 Bay Street
Toronto, ON M5J 2T3

Attention: Wael Rostom
Email: wael.rostom@mcmillan.ca

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Address:

FARM CREDIT CANADA

Attention: Dale Snider
Olivia Chmelowski
Email: dale.snider@fcc.ca
olivia.chmelowski@fcc.ca

By: _____
Name:
Title:

By: _____
Name:
Title:

Address:

BANK OF MONTREAL

Attention: Daniel To
Email: daniel.to@bmo

By: _____
Name:
Title:

By: _____
Name:
Title:

Address:

EXPORT DEVELOPMENT CANADA

Attention: Trevor Kuhn
Stephano Carrera
Email: tkuhn@edc.ca

By: _____
Name:
Title:

By: _____
Name:
Title:

Address:

**CANADIAN IMPERIAL BANK OF
COMMERCE**

Attention: Devang Shah
Email: devang.shah@cibc.com

By: _____

Name:

Title:

By: _____

Name:

Title:

HIGHLY CONFIDENTIAL

EXECUTION COPY

Address:

ROYAL BANK OF CANADA

Attention: Cameron Bailey
Email: Cameron.bailey@rbc.com

By: _____
Name:
Title:

By: _____
Name:
Title:

Address:

THE TORONTO-DOMINION BANK

Attention: Christopher Creo
Xiaoyu Jia
Email: christopher.creo@td.com
Xiaoyu.jia@td.com

By: _____
Name:
Title:

By: _____
Name:
Title:

Address:

NATIONAL BANK OF CANADA

Attention: Alexandre Leblanc
Moneedb Hussain
Email: moneeb.hussain@nbc.ca

By: _____
Name:
Title:

By: _____
Name:
Title:

Address:

CONEXUS CREDIT UNION

Attention: Brad Fennig
Tim Proseilo
Email: brad.fennig@conexus.ca
tim.proseilo@conexus.ca

By: _____
Name:
Title:

By: _____
Name:
Title:

Schedule A – Definitions

“**Administration Charge**” means an administration charge to secure the unpaid fees and expenses of the legal counsel for the DIP Loan Parties, the Monitor and the Monitor’s legal counsel and the Borrowers’ financial advisor in an amount not to exceed CDN\$1,500,000 or such other amount agreed to by the Majority DIP Lenders.

“**Arranger Fee**” has the meaning given thereto in Section 26.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any Governmental Authority having the force of law.

“**ARIO**” means an amended and restated CCAA Initial Order of the Court in form and substance satisfactory to the DIP Agent and the DIP Lenders.

“**Availability**” has the meaning given thereto in Section 9.

“**Bank Products**” means any facilities or services related to cash management services, including centralized operating accounts, automated clearing house transactions, controlled disbursement services, treasury, depository, overdraft, credit or debit card, purchase card, electronic funds transfer, cash pooling, foreign exchange facilities, currency exchange transactions or agreements and options with respect thereto and other cash management arrangements and commercial credit card services provided to any DIP Loan Party by the Existing Senior Secured Lenders or their respective affiliates.

“**BIA**” means the *Bankruptcy and Insolvency Act* (Canada), as amended.

“**BNS Bi-Lateral Leased Equipment Debt**” means the attributable debt (as defined in the Existing Senior Secured Credit Agreement) owing by the applicable Loan Parties to The Bank of Nova Scotia in connection with leasing facilities in the maximum amount of CDN\$10,000,000.

“**Borrowers**” has the meaning given thereto in Section 1.

“**Business Days**” means any day other than a Saturday, Sunday or any other day on which banks in Calgary, Alberta are not open for business.

“**CAD Prime Rate**” means, on any day, the interest rate expressed as a percentage rate per annum calculated on the basis of a 365 or 366 day year, as the case may be, equal to the annual rate of interest announced from time to time by the DIP Agent as being its reference rate then in effect on such day for determining interest rates on Canadian Dollar denominated commercial loans made by it in Canada, as adjusted automatically with each announced, displayed or quoted change in such rate without the necessity of notice to the Borrowers or any other Person. Any change in the CAD Prime Rate determined by the DIP Agent shall be effective on the date the change becomes effective generally.

“**Canadian Dollar**”, “**CAD**” or “**CDN\$**” mean lawful money of Canada.

“**Cash Management Banks**” means The Bank of Nova Scotia and BMO Bank N.A..

“**CCAA**” has the meaning given in the recitals.

“**CCAA Applicants**” means, collectively, the Borrowers and the DIP Guarantors (other than the CCAA Non-Applicant Stay Parties).

“**CCAA Filing Date**” means the date of commencement of the CCAA Proceedings.

“**CCAA Initial Order**” means a CCAA Initial Order of the Court in form and substance satisfactory to the DIP Agent pursuant to which the DIP Loan Parties commence the CCAA Proceedings.

“**CCAA Non-Applicant Stay Parties**” means Monette Farms Land Limited Partnership, Monette Farms Land II Limited Partnership, and Monette Farms BC Limited Partnership.

“**CCAA Proceedings**” has the meaning given in the recitals.

“**Collateral**” has the meaning given thereto in Section 30.

“**Commitment Fee**” has the meaning given thereto in Section 28.

“**Court**” has the meaning given in the recitals.

“**Court Order**” means any of the CCAA Initial Order, the US Provisional Recognition Order, the US Recognition Order, the ARIO, the SISP Order, any SISP Transaction Approval Order and any other orders of the Court or the US Bankruptcy Court entered in connection with the CCAA Proceedings or the US Chapter 15 Proceedings, as at the relevant time.

“**Cumulative Actual Disbursements**” means, as of any date, the aggregate of the actual total disbursements of the DIP Loan Parties for the period beginning on the Effective Date, to such date.

“**Cumulative Actual Receipts**” means, as of any date, the aggregate of the actual total receipts of the DIP Loan Parties for the period beginning on the Effective Date, to such date.

“**Cumulative Budgeted Disbursements**” means, as of any date, the aggregate total disbursements of the DIP Loan Parties for the period beginning on the Effective Date, to the last Business Day of the week in which such date falls, as set forth in the then-current DIP Budget.

“**Cumulative Budgeted Receipts**” means, as of any date, the aggregate total receipts of the DIP Loan Parties for the period beginning on the Effective Date, to the last Business Day of the week in which such date falls, as set forth in the then-current DIP Budget.

“**Default**” means an event or circumstance which, after the giving of notice or the passage of time, or both, would result in an Event of Default.

“**Deficiency**” has the meaning given thereto in Section 32.

“**DIP Agent**” has the meaning given thereto in Section 4.

“**DIP Agent Fee**” has the meaning given thereto in Section 27.

“**DIP Budget**” means the approved Rolling Cash Flow prepared by the Borrowers’ management and advisors, which shall be in form and substance acceptable to the DIP Agent, and which, for greater certainty, shall set forth all forecasted revenues, operating and non-operating cash receipts, professional fees, disbursements, net operating cash flow and liquidity of the Borrowers and the DIP Guarantors, on a weekly basis for such 13-week period beginning on the Effective Date, broken down by week, including the anticipated weekly borrowings and uses of the DIP Loans for such period, and which shall include, among other things, available cash, cash flow, trade payables and Ordinary Course expenses, total expenses and capital expenditures, fees and expenses relating to the DIP Credit Facility, fees and expenses related to the CCAA Proceedings (including professional fees), as applicable, and working capital and other general corporate needs (such DIP Budget shall be updated and supplemented in the manner required pursuant to Section 37). For greater certainty, for purposes of this DIP Term Sheet, the DIP Budget shall include all supporting documentation provided in respect thereof to the DIP Agent.

“**DIP Charge**” has the meaning given thereto in Section 30.

“**DIP Commitments**” has the meaning given thereto in Section 6.

“**DIP Commitment Letter**” has the meaning given thereto in Section 6.

“**DIP Credit Facility**” has the meaning given thereto in Section 8.

“**DIP Expenses**” has the meaning given thereto in Section 18.

“**DIP Guarantors**” has the meaning given thereto in Section 2.

“**DIP Intercompany Loans**” has the meaning given thereto in Section 19.

“**DIP Lenders**” has the meaning given thereto in Section 6.

“**DIP Loan Documents**” means, collectively, the DIP Term Sheet, the DIP Commitment Letter, the Fee Letter, any deposit account control agreements contemplated by the DIP Term Sheet and any other agreement between the DIP Loan Parties and the DIP Agent or the DIP Lenders contemplated by the DIP Term Sheet or the DIP Commitment Letter.

“**DIP Loan Parties**” has the meaning given thereto in Section 2.

“**DIP Loans**” has the meaning given thereto in Section 8.

“**DIP Milestones**” means the actions and timelines described in Schedule J attached hereto.

“**DIP Obligations**” shall mean any and all DIP Loans and all other obligations, liabilities and indebtedness of every kind, nature and description owing by one or more DIP Loan Parties to the DIP Lenders, the DIP Agent and/or their respective affiliates, including principal, interest,

charges, fees, costs and expenses and indemnities solely pursuant to or in connection with this DIP Term Sheet or any of the other DIP Loan Documents, any obligations arising under or in connection with Bank Products, whether arising before, during or after the initial or any renewal of term of this DIP Term Sheet or after the commencement of any proceeding with respect to any DIP Loan Party under the CCAA, BIA, the US Bankruptcy Code or any similar statute in any jurisdiction (including payment of interest and other amounts which would accrue and become due but for the commencement of such proceedings, whether or not such amounts are allowed or allowable in whole or in part in such proceeding), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated.

“**DIP Outside Date**” means March 31, 2027.

“**DIP Term Sheet**” has the meaning given in the recitals.

“**Directors’ Charge**” means a directors and officers liability charge in an amount not to exceed CDN\$1,500,000 or such other amount agreed to by the Unanimous DIP Lenders.

“**Draw Request**” has the meaning given thereto in Section 13.

“**Effective Date**” has the meaning given thereto in Section 10.

“**Equivalent Amount**” means, on any date, the equivalent amount in Canadian Dollars or US Dollars, as the case may be, after giving effect to a conversion of a specified amount of US Dollars to Canadian Dollars or Canadian Dollars to US Dollars, as the case may be, at the Exchange Rate.

“**Event of Default**” means the occurrence of any of the events described in Schedule E attached hereto.

“**Excess Cash**” means the amount by which, as determined at the end of each two-week reporting period, the DIP Loan Parties’ unrestricted cash is greater than CDN\$5,000,000 (or the Equivalent Amount thereof) more than the net cash flow required to fund the operating and financing activities of the DIP Loan Parties taking into account projected availability under the DIP Credit Facility, as forecast in the DIP Budget for the following two-week reporting period.

“**Exchange Rate**” means, on any day, with respect to the exchange of either of Canadian Dollars or US Dollars into the other of those currencies, the 4:30 p.m. rate of the Bank of Canada on the immediately preceding Business Day for purchases of the Other Currency with the Original Currency, or if such rate is not or has not yet been quoted on such day, the last preceding 4:30 p.m. rate of the Bank of Canada.

“**Existing Senior Secured Agent**” means The Bank of Nova Scotia in its capacity as agent under the Existing Senior Secured Credit Agreement.

“**Existing Senior Secured Credit Agreement**” means the fifth amended and restated credit agreement originally made as of December 5, 2018, amended and restated as of March 18, 2021, further amended and restated as of October 18, 2021, further amended and restated as of March

18, 2022, further amended and restated as of March 31, 2023 and further amended and restated as of April 15, 2024 between the Borrowers, as borrowers, the Existing Senior Secured Lenders, as lenders, and the Existing Senior Secured Agent, as amended and supplemented to the date hereof including pursuant to an accordion exercise agreement made as of May 13, 2024, as further amended by the following:

- (a) the waiver and covenant agreement dated October 31, 2024, delivered to the Borrowers by the Existing Senior Secured Agent on behalf of the Existing Senior Secured Lenders, which was accepted, acknowledged and agreed to by the Borrowers,
- (b) the first amending agreement made as of November 22, 2024, between the Borrowers, the Existing Senior Secured Lenders and the Existing Senior Secured Agent;
- (c) the second waiver and covenant agreement dated March 19, 2025, from the Existing Senior Secured Agent, on behalf of the majority of the Existing Senior Secured Lenders, which was accepted, acknowledged and agreed to by the Borrowers;
- (d) the second amending agreement made as of January 31, 2025, between the Borrowers, the Existing Senior Secured Lenders and the Existing Senior Secured Agent;
- (e) the third amending agreement made as of February 21, 2025, between the Borrowers, the Existing Senior Secured Lenders and the Existing Senior Secured Agent;
- (f) the fourth amending agreement made as of April 15, 2025, between the Borrowers, the Existing Senior Secured Lenders and the Existing Senior Secured Agent;
- (g) the fifth amending agreement made as of May 2, 2025, between the Borrowers, the Existing Senior Secured Lenders and the Existing Senior Secured Agent;
- (h) the sixth amending agreement made as of June 10, 2025, between the Borrowers, the Existing Senior Secured Lenders and the Existing Senior Secured Agent;
- (i) the seventh amending agreement made as of July 30, 2025, between the Borrowers, the Existing Senior Secured Lenders and the Existing Senior Secured Agent;
- (j) the eighth amending agreement made as of October 31, 2025, between the Borrowers, the Existing Senior Secured Lenders and the Existing Senior Secured Agent; and

- (k) the forbearance agreement dated November 7, 2025, between the Borrowers, the Individual Borrower, the Existing Senior Secured Lenders and the Existing Senior Secured Agent.

“Existing Senior Secured Lenders” means the Persons to whom Existing Senior Secured Obligations are owed under the Existing Senior Secured Credit Agreement.

“Existing Senior Secured Obligations” means the “Obligations” as defined in the Existing Senior Secured Credit Agreement, which, for greater certainty, shall include the Swap Unwind Amounts.

“FCC Lien” means any valid, enforceable, perfected, first ranking security interests granted by the Borrowers in favour of Farm Credit Canada as described in the Loan and Security Agreement (Livestock), dated December 4, 2024.

“Fee Letter” means the fee letter dated as of the date hereof, between the Borrowers and The Bank of Nova Scotia, in its capacity as arranger of the DIP Credit Facility.

“Further Availability Amount” has the meaning given thereto in Section 9.

“Further Availability Conditions” has the meaning given thereto in Section 12.

“GAAP” means the generally accepted accounting principles which are in effect from time to time approved by the Canadian Accounting Standards Board or any successor thereto, as applicable, which are currently the International Financial Reporting Standards as adopted by Chartered Professional Accountants Canada.

“Governmental Authority” means any federal, provincial, state, municipal, local or other government, governmental or public department, commission, board, bureau, agency or instrumentality, domestic or foreign and any subdivision, agency, commission, board or authority of any of the foregoing.

“Individual Borrower” means Darrel Noel Monette, an individual.

“Initial Availability Amount” has the meaning given thereto in Section 9.

“Initial Availability Conditions” has the meaning given thereto in Section 11.

“Indemnified Persons” has the meaning given thereto in Section 46.

“Liens” means all liens, hypothecs, charges, mortgages, trusts, deemed trusts (statutory or otherwise), encumbrances and security interests of every kind and nature whatsoever.

“Majority DIP Lenders” means, at any time, (i) the DIP Lenders whose DIP Commitments represent, in the aggregate, at least 66 2/3% of the total DIP Commitments under the DIP Credit Facility at such time or, if no DIP Commitments are in effect at such time, at least 66 2/3% of the sum of Outstanding DIP Loans at such time, and (ii) no fewer than two DIP Lenders.

“Material Adverse Effect” means, as determined by the DIP Agent, anything that would reasonably be expected to cause a material adverse effect on (a) the business, assets, liabilities, operations, condition (financial or otherwise), operating results, properties or prospects of the DIP Loan Parties, taken as a whole (other than events publicly disclosed in public filings prior to the commencement of the CCAA Proceedings and the commencement and continuation of the CCAA Proceedings and the consequences that would normally result therefrom), (b) the rights and remedies of the DIP Agent or any DIP Lender under this DIP Term Sheet or any of the other DIP Loan Documents, (c) the ability of any DIP Loan Party to perform its obligations under this DIP Term Sheet or any of the other DIP Loan Documents or (d) the ability of the DIP Loan Parties to conduct the SISP or close a SISP Transaction.

“Maturity Date” has the meaning given thereto in Section 15.

“Maximum Amount” has the meaning given thereto in Section 8.

“Monitor” has the meaning given thereto in Section 3.

“Ordinary Course” means, in respect of any DIP Loan Party, the ordinary course of business of such DIP Loan Party consistent with past practice, as such practice is, may have been or may be modified as a result of the CCAA Proceedings or by any Applicable Laws which were in effect on the CCAA Filing Date and with which such DIP Loan Party is required to comply.

“Original Currency” has the meaning given thereto in Section 45.

“Other Currency” has the meaning given thereto in Section 45.

“Outstanding DIP Loans” has the meaning given thereto in Section 8.

“Permit” means governmental licences, authorizations, consents, registrations, exemptions, permits and other approvals required by each DIP Loan Party under Applicable Law in order to conduct its business in the Ordinary Course.

“Permitted Fees and Expenses” has the meaning given thereto in Section 17.

“Permitted Liens” means (i) the DIP Charge; (ii) the Administration Charge, (iii) any charges created under the CCAA Initial Order (as amended from time to time) or any other Court Order subsequent in priority to the DIP Charge and approved in writing by the DIP Agent, with the consent of the Majority DIP Lenders, in their sole discretion; (iv) validly perfected Liens existing prior to the CCAA Filing Date permitted under the Existing Senior Secured Credit Agreement; (v) inchoate statutory Liens arising after the CCAA Filing Date in respect of any accounts payable arising after the CCAA Filing Date in the Ordinary Course, provided that the Borrowers shall pay all such amounts as and when due; (vi) any validly perfected Liens created as part of the Soderglen vendor take-back loan owing to Soderglen Ranches Ltd and Jane E. Grad in connection with the purchase by the Canadian Borrower of certain real property in Airdrie, Alberta; and (vii) any Permitted Priority Liens not already included in clauses (i) through (v) of this defined term.

“Permitted Pre-Filing Payments” means all payments on account of obligations of any DIP Loan Party incurred before the CCAA Filing Date that are either: (a) pre-filing payments, including credit card charges, in respect of amounts permitted to be paid under the CCAA Initial Order or the ARIO; (b) pre-filing payments to the DIP Agent permitted hereunder; (c) pre-filing payments, which shall require the approval of the Monitor and the DIP Agent, that do not exceed CDN\$3,000,000 in aggregate, provided that, in each case, such pre-filing payments are contemplated by the DIP Budget; or (d) pre-filing payments in respect of feeder cattle financing debt owing by the DIP Loan Parties to Farm Credit Canada in the aggregate maximum principal amount of CDN\$20,000,000 (or the Equivalent Amount thereof in United States Dollars), to the extent that such pre-filing payments are made from the proceeds of disposition of feeder cattle subject to the FCC Lien.

“Permitted Priority Liens” means (a) at any time following the commencement of the CCAA Proceedings, the FCC Lien, (b) from the commencement of the CCAA Proceedings through to the granting of the ARIO, (i) the Administration Charge and (ii) valid and perfected security interests in specific financed or leased equipment and (c) after the granting of the ARIO, (i) the Administration Charge and (ii) any other charge to which the DIP Agent consents in writing from time to time.

“Person” means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“Rolling Cash Flow” has the meaning given thereto in Section 37.

“Senior Secured Lenders” means, collectively, the Existing Senior Secured Lenders, the DIP Lenders and the Cash Management Banks.

“Senior Secured Obligations” means, collectively, the Existing Senior Secured Obligations and the DIP Obligations.

“SISP” means the sale and investor solicitation process for the sale, recapitalization or refinancing of the DIP Loan Parties’ business, including a purchase of all or any portion of the assets of the DIP Loan Parties, designed to, among other things, achieve the DIP Milestones, to be conducted in accordance with the SISP Procedures, which transactions shall be approved pursuant to one or more SISP Transaction Approval Orders.

“SISP Order” has the meaning given thereto in Schedule J.

“SISP Procedures” means the procedures for the SISP, as approved as to form and substance by the DIP Agent to be set out as a schedule to the SISP Order.

“SISP Transaction” means any transaction for the sale, recapitalization or refinancing of the DIP Loan Parties or a purchase of all or any portion of the assets of the DIP Loan Parties in accordance with the SISP Procedures.

“**SISP Transaction Approval Order**” means, with respect to any SISP Transaction, a Court Order approving such SISP Transaction.

“**Swap Unwind Amounts**” means, in respect of any Lender Financial Instruments (as defined in the Existing Senior Secured Credit Agreement) which are terminated, the amounts owing by the Borrowers on account of such terminations as confirmed to the DIP Agent by the counterparties referenced therein as an accurate representation of the amounts owing thereunder.

“**Taxes**” has the meaning given thereto in Section 47.

“**Unanimous DIP Lenders**” means, at any time, all of the DIP Lenders with outstanding DIP Commitments at such time or, if no DIP Commitments are in effect at such time, all of the DIP Lenders with Outstanding DIP Loans at such time.

“**US Bankruptcy Code**” means Title 11 of the United States Code.

“**US Bankruptcy Court**” has the meaning given to it in Section 11(b).

“**US Base Rate**” means, on any day, the interest rate expressed as percentage rate per annum calculated on the basis of a 365 or 366 day year, as the case may be, equal to the rate of interest per annum determined by the DIP Agent from time to time as the reference rate of interest for the determination of the interest rates that it will charge customers for US Dollar loans made by it in Canada, as adjusted automatically with each announced, displayed or quoted change in such rate without the necessity of notice to the Borrowers or any other Person. Any change in the US Base Rate determined by the DIP Agent shall be effective on the date the change becomes effective generally.

“**US Chapter 15 Proceedings**” means the proceeding in the United States pursuant to Chapter 15 of the US Bankruptcy Code before the US Bankruptcy Court in respect of the recognition of the CCAA Proceedings.

“**US Dollars**”, “**USD**” or “**US\$**” means lawful money of the United States of America.

“**US Provisional Recognition Order**” means an order of the US Bankruptcy Court granting provisional relief pending entry of the US Recognition Order pursuant to s1519 of the US Bankruptcy Code, which provides for, among other things, (i) a nationwide stay of proceedings, and (ii) provisional recognition of the CCAA Initial Order, including by giving full force and effect to the advances under the DIP Credit Facility and DIP Charge authorized under the CCAA Initial Order.

“**US Recognition Order**” means an order of the US Bankruptcy Court that, among other things, grants (i) recognition of the CCAA Proceedings pursuant to s1517 of the US Bankruptcy Code and (ii) recognition of the CCAA Initial Order and the ARIO, including by giving full force and effect to the advances under the DIP Credit Facility and the DIP Charge authorized under such orders, which shall be in form and substance satisfactory to the DIP Agent.

“**Variance Report**” has the meaning given thereto in Section 37.

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“Withholding Taxes” has the meaning given thereto in Section 47.

Schedule B – DIP Guarantors

Monette Farms Ltd.
Monette Farms Ontario Corp.
NexGen Seeds Ltd.
Monette Produce Ltd.
Monette Land Corp.
DMO Holdings Ltd.
Goat's Peak Winery Ltd.
Monette Farms BC Ltd.
Monette Farms BC GP Ltd.
Monette Farms Land GP Ltd.
Monette Farms Land II GP Ltd.
Monette Seeds Ltd.
DMO Holdings USA, Inc.
Monette Seeds USA, LLC
Monette Farms Arizona, LLC
Monette Farms USA, Inc.

Monette Produce, LLC
1012595 DE Inc.
Monette Farms Land Limited Partnership
Monette Farms Land II Limited Partnership
Monette Farms BC Limited Partnership

Schedule C – Representations and Warranties

Each DIP Loan Party hereby represents and warrants to the DIP Agent and each of the DIP Lenders as follows:

(1) **Organization; Qualification; Authority.** Each DIP Loan Party (i) is a corporation, partnership, limited liability company or other organization duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, (ii) is duly qualified and in good standing in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed, and (iii) has all requisite power and authority (including, without limitation, all governmental licenses, permits and other approvals) to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted. Subject to obtaining approval of the Court and the recognition by the US Bankruptcy Court, each DIP Loan Party has the requisite power and authority to enter into this DIP Term Sheet and the other DIP Loan Documents and perform its obligations hereunder.

(2) **Authorization; Enforceability.** Subject to obtaining the approval of the Court and the recognition by the US Bankruptcy Court, all necessary action, corporate or otherwise, has been taken to authorize the execution, delivery and performance by each DIP Loan Party of this DIP Term Sheet and the other DIP Loan Documents. Each DIP Loan Party has duly executed and delivered this DIP Term Sheet and the other DIP Loan Documents and such DIP Term Sheet and such DIP Loan Documents constitute legal, valid and binding obligations of such DIP Loan Party, enforceable against such DIP Loan Party in accordance with their respective terms, subject only to any limitation under Applicable Laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally; and (ii) the discretion that a court may exercise in the granting of equitable remedies.

(3) **Governmental Approvals.** Except for the granting of the CCAA Initial Order, the ARIQ and the US Provisional Recognition Order, and those filings or recordings already made or to be made pursuant to any Applicable Law, no authorization, approval or other action by, and no notice to or filing with, any Governmental Authority or other Person, is required for:

- (a) the due execution, delivery, recordation, filing or performance by any DIP Loan Party of this DIP Term Sheet, the other DIP Loan Documents or for the consummation of each of the transactions contemplated hereby; or
- (b) the grant by any DIP Loan Party of the DIP Charge and other Liens granted or to be granted by it pursuant to this DIP Term Sheet or the other DIP Loan Documents.

(4) **Duly Licensed.** Each DIP Loan Party is duly licensed, registered or qualified in all jurisdictions where the character of its owned or leased property or assets (of whatever kind) or the nature of the activities conducted by it make such licensing, registration or qualification necessary or desirable, except where failure to do so would not have a Material Adverse Effect.

(5) **Permits.** No DIP Loan Party requires any Permits to enter into and perform its respective obligations under this DIP Term Sheet or the other DIP Loan Documents, or to conduct the business in which such DIP Loan Party is currently engaged, other than the Permits currently held, all of which are in good standing in all material respects.

(6) **Financial Position.** Each of the monthly, quarterly and annual financial statements that have been furnished to the DIP Agent and the DIP Lenders, or any of them, in connection with this DIP Term Sheet or the other DIP Loan Documents are complete in all material respects and fairly present its financial position as of the dates referred to therein and have been prepared in accordance with GAAP.

(7) **Proceedings.** Except as previously disclosed to the DIP Agent in writing, there is no action, suit, investigation, liability or proceeding affecting any of the DIP Loan Parties pending or, to the best knowledge of the DIP Loan Parties, threatened before any court, governmental agency or arbitrator that (i) is reasonably expected to be determined adversely to such DIP Loan Party and, if so adversely determined, could reasonably be expected to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this DIP Term Sheet or the other DIP Loan Documents.

(8) **Compliance with Laws.** The business operations of the DIP Loan Parties have been and continue to be conducted in material compliance with all Applicable Laws, including without limitation all environmental laws, of each jurisdiction in which the business or properties of the DIP Loan Parties are or have been located or carried out.

(9) **Taxes.** Each DIP Loan Party has filed or caused to be filed all tax returns and reports (federal, provincial, local and foreign) which are required to have been filed and has paid or caused to be paid all Taxes, payroll and source deductions required to have been paid by it, together with applicable interest and penalties, except (i) Taxes that are being contested in good faith by appropriate proceedings and for which such DIP Loan Party has set aside on its books adequate reserves or (ii) to the extent that the failure to do so would not have a Material Adverse Effect.

(10) **DIP Budgets.** The DIP Budget (and any revised DIP Budget delivered to the DIP Agent), the Variance Reports and all projected consolidated balance sheets, income statements and cash flow statements of the DIP Loan Parties delivered to the DIP Agent and the DIP Lenders in accordance with this DIP Term Sheet and the other DIP Loan Documents were prepared and will be prepared, as applicable, in good faith on the basis of the assumptions stated therein, which assumptions were fair and will be fair in the light of conditions existing at the time of delivery of such DIP Budgets, Variance Reports or projections, as the case may be, and represented and will represent, at the time of delivery, the DIP Loan Parties' best estimate of their future financial performance.

(11) **Information Disclosure.** No written information, exhibits and reports furnished by or on behalf of any DIP Loan Party to the DIP Agent or any DIP Lender from time to time in connection with this DIP Term Sheet or any other DIP Loan Document (other than to the extent that any such information, exhibits and reports constitute projections described in paragraph (10)

above), taken as a whole and in light of the circumstances in which made, contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements made therein, in light of the circumstances in which any such statements were made, not misleading.

(12) ***Title to Property.*** Each DIP Loan Party has good and marketable title to, or has duly leased or licensed, all of its property, assets and undertaking, in each case free from any Lien other than Permitted Liens. Each DIP Loan Party owns or has licensed for use all of the software now used in conducting the Ordinary Course business of such DIP Loan Party except where failure to do so could not reasonably be expected to have a Material Adverse Effect. All computer equipment owned by or used by the DIP Loan Parties has been properly maintained and is in good working order for the purposes of an on-going operation, subject to ordinary wear and tear for computer equipment of comparable age.

(13) ***Insurance.*** Each DIP Loan Party maintains adequate insurance coverage, as is customary with companies in the same or similar business of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contain reasonable coverage and scope.

(14) ***No Other Transactions.*** Except as disclosed to the DIP Agent and the DIP Lenders in writing (including as disclosed in materials filed in connection with the CCAA Proceedings) there are no agreements of any kind between any DIP Loan Party and any other third party or any holder of debt or equity securities of any DIP Loan Party with respect to any restructuring, refinancing or recapitalization matters except for this DIP Term Sheet and the transactions contemplated hereunder.

(15) ***Subsidiaries.*** As of the date hereof, the organizational chart set out in Schedule K attached hereto accurately list all subsidiaries of the Borrowers and accurately describe the percentage interest in the issued and outstanding capital of each such subsidiary.

(16) ***Relevant Jurisdictions.*** As of the date hereof, Schedule L attached hereto sets forth for each DIP Loan Party (a) its jurisdiction of organization, (b) the location of its registered office and (c) the locations of its chief executive office, head office, or domicile (within the meaning of the Civil Code of Quebec) or sole place of business, as the case may be.

(17) ***Bank Accounts.*** The DIP Loan Parties maintain all bank accounts with the Cash Management Banks and have no bank accounts with any other financial institution.

(18) ***No Default.*** No Default or Event of Default has occurred and is continuing.

Schedule D – Covenants

1. Affirmative Covenants

Each DIP Loan Party hereby covenants and agrees in favour of the DIP Agent and the DIP Lenders that, so long as the DIP Lenders are committed to make loans under the DIP Credit Facility and thereafter so long as any indebtedness remains outstanding under the DIP Credit Facility, such DIP Loan Party shall:

- (a) have filed an application record with the Court, in form and substance satisfactory to the DIP Agent, acting reasonably, seeking the ARIO by no later than April 28, 2026;
- (b) duly and punctually pay, or cause to be duly and punctually paid, to the DIP Agent, the DIP Lenders and the Cash Management Banks, as applicable, all amounts payable hereunder and under the other Loan Documents when due in accordance with the CCAA Initial Order, the ARIO and each other applicable Court Order;
- (c) perform its obligations under this DIP Term Sheet and the other DIP Loan Documents, as applicable, and under any other contract or agreement with the DIP Agent, the DIP Lenders, the Cash Management Banks and any of their respective affiliates as and when required and in the manner required;
- (d) comply with the provisions of all Court Orders and take all actions necessary or available to defend the Court Orders from any appeal, reversal, modifications, amendment, stay or vacating not expressly consented to in writing in advance by the DIP Agent and the Majority DIP Lenders;
- (e) treat as unaffected the DIP Obligations in any plan of compromise or arrangement, proposal or any other restructuring whatsoever, unless the DIP Agent and the Unanimous DIP Lenders, acting reasonably, consent to a different treatment;
- (f) at all times be and remain subject to the CCAA Proceedings and the US Chapter 15 Proceedings until the DIP Obligations are irrevocably and unconditionally repaid in full, with no further right to DIP Loans;
- (g) comply with all Applicable Laws applicable to it or its property, including all applicable environmental laws, laws for the welfare and protection of animals, sanctions laws and anti-money laundering laws, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect;
- (h) ensure that all proceeds of the DIP Intercompany Loans are paid only to DIP Guarantors and in accordance with the DIP Budget and to bank accounts

maintained with the Cash Management Banks which are subject to the DIP Charge;

- (i) within 30 calendar days after the date that the ARIO is granted, enter into deposit account control agreement(s), in form and substance satisfactory to the DIP Agent, in respect of all their accounts with BMO Bank N.A.;
- (j) comply with the DIP Budget, subject to the variances which may include either (i) variances which do not constitute an Event of Default pursuant to Section 1.1(26) or Section 1.1(27) of Schedule E or (ii) variances that have been consented to by the DIP Agent on behalf of the DIP Lenders;
- (k) pay all its obligations arising after the CCAA Filing Date promptly and in accordance with their terms as provided for in the current DIP Budget, and pay and discharge all lawful claims for labour, materials and supplies or otherwise arising after the CCAA Filing Date which, if unpaid, would become a Lien or charge upon such properties or any part thereof ranking senior in priority to the Liens securing the obligations under the Existing Senior Secured Credit Agreement; provided, however, that the DIP Loan Parties shall not be required to pay and discharge or to cause to be paid and discharged any such Tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings, in each case, if the DIP Loan Parties shall have set aside on their books adequate reserves therefor in conformity with GAAP;
- (l) provide the DIP Agent with copies of all motions, applications, petitions, proposed Court Orders (including without limitation, the draft CCAA Initial Order, the ARIO, the SISP Order and any SISP Transaction Approval Orders) or other materials or documents that any of the DIP Loan Parties intend to file in the CCAA Proceedings or the US Chapter 15 Proceedings at least three (3) Business Days prior to any such filing or, where it is not practically possible to do so within such time, as soon as possible and in any event not less than one day prior to the date on which such motion, application, petition, proposed Court Order or other materials or document is served on the service list in respect of the CCAA Proceedings or the US Chapter 15 Proceedings; provided that prior to the filing or service, all such materials and documents by the DIP Loan Parties shall be in form and substance acceptable to the DIP Agent, acting reasonably, to the extent that any such materials or documents may have a Material Adverse Effect;
- (m) conduct the SISP in a timely fashion and in accordance with the SISP Procedures (including to achieve the related DIP Milestones and timelines) and strictly comply with the SISP Order;
- (n) achieve, in a timely fashion, the DIP Milestones by the dates set forth in Schedule J for the achievement of such DIP Milestones;

- (o) provide the DIP Agent with regular updates with respect to the conduct of the SISP, the status of any SISP Transactions, progress towards the achievement of the DIP Milestones, the collection of accounts and any process conducted to sell or assign other material assets, including, without limitation, hosting weekly update calls with the Monitor, as well as all additional material information impacting the CCAA Proceedings or the US Chapter 15 Proceedings;
- (p) deliver to the DIP Agent the reporting and other information from time to time reasonably requested by the DIP Agent and that are set out in this DIP Term Sheet and the other DIP Loan Documents including, without limitation, the Variance Reports at the times set out herein;
- (q) use the proceeds of the DIP Credit Facility only in accordance with Section 16 and in accordance with the restrictions set out herein and not use the proceeds of the DIP Credit Facility to repay any pre-filing obligations other than as authorized under the CCAA Initial Order, the ARIO or any other applicable Court Order;
- (r) promptly notify the DIP Agent of any Default or Event of Default, or any material claims, proceedings, litigation or actions in respect of which a complaint, notice of claim or a statement of claim has been served upon a DIP Loan Party or of which a DIP Loan Party otherwise has notice;
- (s) promptly notify the DIP Agent of all material developments with respect to the business affairs of the DIP Loan Parties, the SISP, any SISP Transaction, the DIP Milestones, the CCAA Proceedings and the US Chapter 15 Proceedings;
- (t) ensure that the Monitor is appointed as the foreign representative in the US Chapter 15 Proceedings;
- (u) preserve and maintain in full force and effect such DIP Loan Party's corporate or other existence and all governmental rights, privileges, qualifications, permits, licenses and franchises necessary or desirable in the Ordinary Course of its business, including without limitation, all relevant Permits; provided that, notwithstanding the foregoing, such failure to preserve the same shall only be permitted if it could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;
- (v) at all times maintain adequate insurance coverage, including crop insurance and necessary or desirable flood insurance, with the DIP Agent and the DIP Lenders named as additional insureds and loss payees, as is customary with companies in the same or similar business of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contain reasonable coverage and scope, provided that the DIP Loan Parties shall provide the DIP Agent with copies of drafts of all new insurance policies, amendments or renewals and shall not enter into such insurance policies, amendments or renewals without the DIP Agent's prior written consent, not to be unreasonably withheld or delayed;

- (w) subject to the CCAA and the Court Orders, grant the DIP Agent and its professional advisors reasonable access to the Collateral and the DIP Loan Parties' business, properties, and books and records in connection with matters reasonably related to the DIP Credit Facility, the SISP or any SISP Transaction;
- (x) ensure that the DIP Loan Parties' financial advisor, their other advisors and their senior management team are available to meet with and respond to enquiries and information requests from the DIP Agent, the DIP Lenders and their advisors as may be reasonably required, and in any event no less frequently than once per month (and in the case of senior management not more than once a week), and to provide them with updates as to progress of the SISP, any SISP Transaction and progress in achieving the DIP Milestones;
- (y) maintain all of their cash management services, bank accounts and investment accounts with the Cash Management Banks;
- (z) the DIP Loan Parties shall (i) not renew or apply for any Canadian Grain Commission license, and (ii) use their commercially reasonable efforts, taking into account the Canadian Grain Commissions (the "CGC") procedures, to arrange for Letter of Credit No. OSB82312CGY issued to the CGC to be returned to The Bank of Nova Scotia for cancellation within one-hundred and twenty (120) days from the Effective Date; and
- (aa) promptly pay interest when due in respect of the Existing Senior Secured Obligations and the BNS Bi-Lateral Leased Equipment Debt, and for greater certainty, the Borrowers shall, upon the satisfaction of the Further Availability Conditions, pay all such interest due in respect of the Existing Senior Secured Obligations but unpaid prior to the commencement of the CCAA Proceedings.

2. Negative Covenants

Each DIP Loan Party hereby covenants and agrees in favour of the DIP Agent and the DIP Lenders that, so long as the DIP Lenders are committed to make loans under the DIP Credit Facility and thereafter so long as any indebtedness remains outstanding under the DIP Credit Facility, such DIP Loan Party shall not:

- (a) make any payment, including, without limitation, any payment of principal, interest or fees, in respect of pre-filing indebtedness, or in respect of any other pre-filing liabilities, including payments with respect to pre-filing trade or unsecured liabilities of the DIP Loan Parties, other than as required or permitted pursuant to the CCAA Initial Order or the ARIIO or as otherwise expressly permitted under this DIP Term Sheet or the DIP Budget;
- (b) make any payment, prepayment, redemption, purchase or exchange of any equity, or amend or modify any of the terms thereof, except as expressly permitted by the terms of the CCAA Initial Order or the ARIIO;

- (c) use any of the proceeds of the DIP Loans to make any investment, payment, distribution, loan, return of equity or other payment, to the Individual Borrower or any person related to the Individual Borrower, other than as required or permitted under the DIP Budget;
- (d) pay any dividends, distributions or advances to shareholders of the DIP Loan Parties, or any management bonus or similar payments, except to the extent expressly provided for in the approved DIP Budget;
- (e) enter into any transaction with any affiliate or related person, unless such transaction is on terms that are not less favorable to such DIP Loan Party or such subsidiary, as the case may be, other than any DIP Intercompany Loans and those transactions that might be obtained at the time in a comparable arm's-length transaction from a Person who is not an affiliate or related Person (as reasonably determined by such DIP Loan Party in good faith);
- (f) undertake any actions with respect to their business operations and/or capital structure which would have a Material Adverse Effect;
- (g) change its fiscal year;
- (h) issue any equity;
- (i) enter into any other credit facilities (whether before or after the CCAA Filing Date) secured senior in priority or *pari passu* to the DIP Charge;
- (j) (i) create or permit to exist any indebtedness, including the giving of any guarantees, other than (A) the indebtedness existing as of the date of this DIP Term Sheet and disclosed to the DIP Agent and the DIP Lenders in writing, (B) the DIP Obligations, (C) post-filing trade payables or other unsecured obligations incurred in the Ordinary Course in accordance with the DIP Budget and the CCAA Initial Order or the ARIIO, (D) the DIP Intercompany Loans or (E) any indebtedness secured by the Permitted Liens; or (ii) make or give any financial assurances, in the form of bonds, letter of credit, financial guarantees or otherwise to any Person or Governmental Authority;
- (k) create or permit to exist any Liens on any of its properties or assets other than the Permitted Liens;
- (l) challenge, or support any challenge of, the DIP Term Sheet or the other DIP Loan Documents, the DIP Obligations, the DIP Charge or the Existing Senior Secured Obligations or the priorities thereof;
- (m) enter into any merger, amalgamation, consolidation, reorganization or recapitalization, sale or any transaction resulting in the change of ownership or control of the Borrowers or any of the other DIP Loan Parties, without the prior written consent of the DIP Agent or pursuant to one or more SISP Transactions;

- (n) without the prior written consent of the DIP Agent, (i) declare or pay any dividends on, or make any other distributions (whether by reduction of capital or otherwise) with respect to any of their issued and outstanding shares or other equity interest except to other DIP Loan Parties, (ii) make any intercompany loans other than the DIP Intercompany Loans, or (iii) make any other payment or other transfer of funds;
- (o) sell or otherwise dispose of any of its assets out of the Ordinary Course of its business or which have an aggregate net book value in excess of CDN\$10,000,000 million except as contemplated by the SISP and as authorized by a Court Order in form and substance reasonably satisfactory to the DIP Agent; notwithstanding the foregoing, the Borrowers may consummate dispositions outside the Ordinary Course (i) with prior approval of the DIP Agent, the Court and the Monitor, that are necessary for operational stability or value preservation not contemplated by the SISP, provided net proceeds are applied in accordance with Section 34 or (ii) with the consent of the Monitor, of feeder cattle subject to the FCC Lien as provided for in the then-current DIP Budget;
- (p) enter into any agreements (including any amendments thereto) relating to any SISP Transaction that do not provide for the indefeasible repayment in cash of the DIP Obligations and the Existing Senior Secured Obligations without the prior written consent of (i) the DIP Agent and the DIP Lenders and (ii) the Existing Senior Secured Agent and the Existing Senior Secured Lenders;
- (q) make any material change to its existing senior management arrangements without the prior written consent of the DIP Agent;
- (r) seek, obtain or support any Court Order or any amendment or modification to a Court Order except with the prior written consent of the DIP Agent, in its sole discretion, (i) in respect of any Court Order or amendment thereto relating to the DIP Credit Facility, the SISP, any SISP Transaction or any other matter that adversely affects the DIP Agent or the DIP Lenders and (ii) acting reasonably in respect of any other Court Order or amendment or modification thereto;
- (s) other than the SISP Order or a SISP Transaction Approval Order with respect to a SISP Transaction, commence, continue or seek Court approval of any other sale, liquidation or restructuring transaction without the prior written consent of the DIP Agent and the Majority DIP Lenders, acting reasonably;
- (t) change its jurisdiction of organization, change its name, or change its corporate or capital structure (including its organizational documents) or enter into any agreement committing to such actions;
- (u) enter into any settlement agreement or agree to any settlement arrangements in connection with any litigation, arbitration, other investigations, proceedings or disputes or other similar proceedings which are threatened or pending against any one of them without the prior written consent of the DIP Agent, or make any

payments or repayments to customers, outside the Ordinary Course, other than those set out in the DIP Budget, provided that the foregoing shall not limit the ability of the DIP Loan Parties to provide a discount or enter into a settlement with a customer in connection with the collection of accounts receivable provided that the aggregate amount of such discounts or settlements does not exceed \$500,000 (or its US Dollar Equivalent Amount) without the prior approval of the Monitor;

- (v) open any deposit, securities or other account with any financial institution other than the Cash Management Banks;
- (w) create any new subsidiary; or
- (x) seek, or consent to the appointment of, a receiver, interim receiver, receiver and manager or trustee in bankruptcy or any similar official in respect of any DIP Loan Party in any jurisdiction.

3. Reporting Covenants

Each DIP Loan Party hereby covenants and agrees in favour of the DIP Agent and the DIP Lenders that, so long as the DIP Lenders are committed to make loans under the DIP Credit Facility and thereafter so long as any indebtedness remains outstanding under the DIP Credit Facility, such DIP Loan Party shall:

- (a) ***Pre-Filing Payments Report:*** deliver, a written report to the DIP Agent not less than 24 hours prior to making any Permitted Pre-Filing Payment in excess of CDN\$100,000, providing details as to the amount, recipient and nature of any such proposed pre-filing payment together with a statement as to the cumulative balance of all pre-filing payments including such proposed payment and, for greater certainty, including payments which are individually less than CDN\$100,000; provided that if such report is not delivered to the DIP Agent at least 24 hours prior to making any such payment, the Borrowers shall, and shall request the Monitor to, deliver such report to the DIP Agent as soon as possible and not later than close of business on the date such payment is made;
- (b) ***Quarterly Financials:*** commencing with the fiscal quarter ending April 30, 2026, as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the DIP Loan Parties, a consolidated balance sheet of the DIP Loan Parties as of the end of such quarter, and consolidated statements of income and cash flows of the DIP Loan Parties for the period commencing at the end of their previous quarter and ending with the end of such quarter, and consolidated statements of income and cash flows of the DIP Loan Parties for the period commencing at the end of their previous fiscal year and ending with the end of such quarter, setting forth, in each case in comparative form the corresponding figures for the corresponding period of their immediately preceding fiscal year, all in reasonable detail and duly certified (subject to normal year-end audit adjustments) by a responsible officer of the Canadian Borrower as

having been prepared in accordance with GAAP, together with a certificate of said officer stating that no Default has occurred and is continuing or, if a Default has occurred and is continuing, a statement as to the nature thereof and the action that the DIP Loan Parties have taken and propose to take with respect thereto along with schedules (A) setting out the basis of the combination and consolidation of such financial information in respect of the DIP Loan Parties and (B) commencing with the quarterly financial statements delivered in connection with the fiscal quarter end of April 30, 2026, setting out results of each business unit consisting of “grain and oilseeds”, “vegetables”, “cattle” and “seed & marketing” operations;

- (c) ***DIP Budgets***: promptly provide to the DIP Agent the DIP Budget, revised DIP Budgets and Variance Reports as required in accordance with Section 37;
- (d) ***Crop Harvest Report***: as soon as available and, in any event, by October 31 in each year, a management report on the crop harvest results, such report to be in a form and containing such information as may be required by the DIP Agent, acting reasonably;
- (e) ***Insurance Policies*** – (A) prior to any establishment, amendment or renewal of any new or existing crop, revenue or gross margin insurance policy, drafts of such new policy or amendment or renewal, (B) promptly following the establishment, amendment or renewal of any insurance policy, and also upon request by the DIP Agent, copies of all insurance policies in respect of the Borrowers and the other DIP Loan Parties and their assets and operations and any amendments or renewals and (C) within 10 days of the issuance, re-issuance or extension of any “Receivables Insurance Policy”, and also upon any additional request by the DIP Agent, a copy of such receivables insurance policy along with all supporting documentation in connection therewith;
- (f) ***Leased Land***: from time to time, at the request of the DIP Agent, a detailed listing of all land leased by the Borrowers and the other DIP Loan Parties (excluding Crown lands), which report shall be in form and substance satisfactory to the DIP Agent, acting reasonably, and, without limitation, shall include the jurisdiction, the land legal description and lease maturity date and shall indicate if harvested crops are stored on the leased land; and
- (g) ***Appraisals***: from time to time, at the request of the DIP Agent, the Borrowers and the other DIP Loan Parties shall deliver bare land appraisals on all land or appraisals of any other real estate assets of the DIP Loan Parties that are subject to the DIP Charge, by an appraiser or appraisers satisfactory to the DIP Agent, acting reasonably, which appraisals shall be satisfactory to the DIP Agent, acting reasonably.

Schedule E – Events of Default

The occurrence or continuance of any of the following events shall constitute an “**Event of Default**” for the purposes of this DIP Term Sheet:

- (1) any of the DIP Loan Parties fails to pay any principal of any DIP Loan when the same shall become due and payable or any DIP Loan Party fails to make any payment of interest or fees or any other payment under this DIP Term Sheet or any DIP Loan Document within three (3) Business Days after the same becoming due and payable;
- (2) any representation or warranty made by any DIP Loan Party (or any of its officers) under or in connection with this DIP Term Sheet or the other DIP Loan Documents shall prove to have been incorrect in any material respect when made or deemed made;
- (3) any DIP Loan Party fails to perform or observe (i) any term, covenant or agreement contained in Section 1 or Section 2 of Schedule D, (ii) any other term, covenant or agreement contained in Section 3 of Schedule D if such failure remains unremedied for three (3) Business Days or (iii) any other term, covenant or agreement (other than those listed in clause (i) and (ii) above) contained in this DIP Term Sheet or the other Loan Documents, if such failure shall remain unremedied for 10 Business Days;
- (4) the issuance of a CCAA Initial Order or ARIIO (and any other required orders in the CCAA Proceedings), unless such CCAA Initial Order or ARIIO is satisfactory in form and substance to the DIP Agent, and such CCAA Initial Order or ARIIO approves and authorizes the DIP Loan Parties to file for protection under the CCAA, approves the DIP Credit Facility as interim financing, grants the DIP Charge with the priority contemplated herein, authorizes the payment by the DIP Loan Parties of all principal, interest and fees provided for under the DIP Credit Facility, and grants all relief customarily associated with such a filing including the provision of stays against the Borrowers’ and the other DIP Loan Parties’ creditors;
- (5) failure of the DIP Loan Parties to have filed an application with the Court, in form and substance satisfactory to the DIP Agent, seeking an ARIIO, on or before April 28, 2026;
- (6) the ARIIO is not approved by the Court on or prior to May 6, 2026;
- (7) the DIP Loan Parties fail to receive the US Provisional Recognition Order from the US Bankruptcy Court by April 24, 2026;
- (8) the US Bankruptcy Court refuses to recognize any order in the CCAA Proceeding, and such refusal has or could reasonably be expected to have a Material Adverse Effect;
- (9) (i) any of the CCAA Proceedings shall be dismissed or converted to a proceeding under the BIA, or any of the US Chapter 15 Proceedings shall be dismissed or converted to a proceeding under Chapter 7 of the US Bankruptcy Code, or a receiver, interim receiver or receiver-manager is appointed for any of the DIP Loan Parties (without the consent of the DIP Agent), or any DIP Loan Party shall file an application, motion, petition or other pleading or

support an application, petition, motion or other pleading filed by any other Person seeking, or fail to contest in a timely and appropriate manner, any of the foregoing actions or proceedings; (ii) the Court or the US Bankruptcy Court, as the case may be, shall enter any material (in the discretion of the DIP Agent or the Majority DIP Lenders, acting reasonably) Court Order or Court Orders granting relief from any stay, including any Court Order or Court Orders granting relief from the stay of proceedings contained in the CCAA Initial Order, the ARIO or the US Provisional Recognition Order, including to the holder or holders of any security interest to permit foreclosure or enforcement (or the granting of a deed in lieu of foreclosure or the like) or other exercise of rights or remedies on any assets of the DIP Loan Parties, or any DIP Loan Party shall file a motion or other pleading or support a motion or other pleading filed by any other Person seeking, or fail to contest in a timely and appropriate manner, any of the foregoing Court Orders; or (iii) an application shall be filed by any DIP Loan Party for the approval of any other Lien in any of the CCAA Proceedings or US Chapter 15 Proceedings which is *pari passu* with or senior to the claims of the DIP Agent and the DIP Lenders against any DIP Loan Parties pursuant to this DIP Term Sheet, the other DIP Loan Documents and the Court Orders, or there shall arise or be granted any such *pari passu* or senior Lien other than the Permitted Liens, to the extent of the scope and priority provided therein; or (iv) an application shall be filed by any DIP Loan Party for any refinancing of the DIP Obligations, in whole or in part, or (v) an application shall be filed by any DIP Loan Party for the approval of any other priority charge in any of the CCAA Proceedings or the US Chapter 15 Proceedings which is *pari passu* with or senior to the DIP Charge, or there shall arise or be granted any such *pari passu* or senior charge; or (vi) any of the stays granted pursuant to the CCAA Initial Order, the ARIO or the US Provisional Recognition Order expires without being extended;

(10) any DIP Loan Party shall make, bring or file an application, motion or petition in the CCAA Proceedings or in the US Chapter 15 Proceedings: (i) to obtain financing from any Person other than DIP Lenders that does not satisfy in full all Senior Secured Obligations; or (ii) to obtain financing or interim financing for such DIP Loan Party from any Person other than the DIP Lenders or with respect to the existence of any charge, in each case which is or which is claimed to be senior to or *pari passu* with the priority of the DIP Lenders' claims or DIP Charge (except as expressly provided herein) (in each case, other than with respect to a financing or interim financing used, in whole or part, to repay in full the Existing Senior Secured Obligations); or (iii) to effect any other action or actions adverse to the DIP Agent or DIP Lenders or their rights and remedies hereunder or their interest in the Collateral that would, individually or in the aggregate, have a Material Adverse Effect;

(11) an order of the Court or the US Bankruptcy Court shall be granted or entered (i) without the prior written consent of the DIP Agent and the Majority DIP Lenders, reversing, staying, vacating, amending, supplementing or modifying CCAA Initial Order, the US Provisional Recognition Order or the ARIO; or (ii) granting a claim which is senior or *pari passu* with the priority of the Liens of the DIP Agent and the DIP Lenders pursuant to the DIP Loan Documents and the CCAA Initial Order, the US Provisional Recognition Order or the ARIO or a priority charge which is senior to or *pari passu* with the DIP Charge, or any DIP Loan Party shall file an application, motion, petition or other pleading or support an application, motion, petition or other pleading filed by any other Person seeking, or fail to contest in a timely and appropriate manner, any of the foregoing Court Orders in this paragraph (11);

- (12) an order of the Court or the US Bankruptcy Court shall be granted or entered avoiding or requiring disgorgement of any portion of the payments made on account of the obligations owing to the DIP Agent, the Cash Management Banks or the DIP Lenders under this DIP Term Sheet or the other DIP Loan Documents.
- (13) any DIP Loan Party defaults in any material respect in the due observance or performance of any term or condition contained in any Court Order, including the making of payments of any kind not permitted by the CCAA Initial Order, the US Provisional Recognition Order or the ARIO (as amended in accordance with the consent of the DIP Agent and the Majority DIP Lenders);
- (14) if any DIP Loan Party fails to achieve any DIP Milestone by the date it is required to be so achieved, as set forth in Schedule J;
- (15) the unpaid and overdue amount secured by the Permitted Priority Liens of any DIP Loan Party (not including any unpaid and overdue amounts secured by the FCC Lien) at any time after the date the ARIO has been approved exceeds CDN\$5,000,000 unless the amount of same is being contested by the applicable DIP Loan Party in good faith by appropriate proceedings promptly instituted and diligently conducted, and so long as the DIP Agent is satisfied that the value of the Collateral is sufficient to ensure payment of the DIP Obligations;
- (16) any of the DIP Loan Parties ceases (or threatens to cease) to carry on business in the Ordinary Course or undertakes any actions with respect to its business operations and/or capital structure which would, in the sole determination of the DIP Agent, have a Material Adverse Effect on such DIP Loan Party;
- (17) any provision of this DIP Term Sheet or any of the other DIP Loan Documents shall for any reason cease to be valid and binding on or enforceable against any DIP Loan Party intended to be a party to such provision;
- (18) the denial or repudiation by any DIP Loan Party of the legality, validity, binding nature or enforceability of (i) this DIP Term Sheet or any of the other DIP Loan Documents, or (ii) Existing Senior Secured Obligations;
- (19) if the DIP Charge shall for any reason cease to create a valid and perfected lien on and security interest (or charge, as applicable) in the Collateral purported to be covered thereby;
- (20) if a competent Governmental Authority fails to renew any Permit and such failure has a Material Adverse Effect;
- (21) if there is a change to the Borrowers' existing senior management compensation that is not acceptable to the DIP Agent or the Majority DIP Lenders;
- (22) if there occurs a change of ownership or control of any of the DIP Loan Parties;
- (23) if any of the DIP Loan Parties makes any payments of any kind not permitted by the CCAA Initial Order or ARIO as either may be amended from time to time or not permitted under

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this DIP Term Sheet or the other DIP Loan Documents which is not materially consistent with the DIP Budget;

(24) if there is any change to the governance of the Borrowers that is not acceptable to the DIP Agent;

(25) a Variance Report is not delivered when due under this DIP Term Sheet, unless agreed among the DIP Loan Parties, the Monitor and the DIP Agent;

(26) for a relevant bi-weekly period in the DIP Budget, the Cumulative Actual Disbursements calculated as of the last Business Day of such bi-weekly period exceed the Cumulative Budgeted Disbursements for such bi-weekly period by more than the greater of (x) fifteen percent (15%) and \$1,000,000 or (y) such other amount as requested by the Borrowers and agreed by the DIP Agent; or

(27) for a relevant bi-weekly period in the DIP Budget, the Cumulative Actual Receipts calculated as of the last Business Day of such bi-weekly period are less than the Cumulative Budgeted Receipts for such bi-weekly period by more than the greater of (x) fifteen percent (15%) and \$1,000,000 or (y) such other amount as requested by the Borrowers and agreed by the DIP Agent.

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Schedule F – [Not used]

Schedule G – Form of Draw Request

DIP CREDIT FACILITY – DRAW REQUEST

TO: **THE BANK OF NOVA SCOTIA** (the “**DIP Agent**”)
 AND TO: **FTI CONSULTING CANADA INC.** (the “**Monitor**”)
 FROM: **MONETTE FARMS LTD. and MONETTE FARMS USA, INC.** (collectively,
 the “**Borrowers**”)
 DATE: **●, 20●**

We refer to the Senior Secured Debtor-In-Possession Interim Financing Term Sheet Agreement dated as of April 17, 2026 (as amended, restated and otherwise modified from time to time, the “**DIP Term Sheet**”), among the Borrowers, the DIP Guarantors signatory thereto, the financial institutions signatory thereto as lenders (the “**DIP Lenders**”) and the DIP Agent. Unless otherwise defined herein, all capitalized terms used in this Draw Request will have the meanings given to such terms in the DIP Term Sheet.

The Borrowers hereby irrevocably request the following advance of DIP Loans under the DIP Credit Facility in accordance with Section 13:

(1) the advance of the DIP Loan(s) is in respect of (*check one*):

		<u>Availability</u>
Initial Availability Amount	<input type="checkbox"/>	[●]
Further Availability Amount	<input type="checkbox"/>	[●]

(2) the type, amount and currency of the Loan(s) are as follows (*check all that apply*):

<u>Type of Loan</u>	<u>Currency</u>	<u>Amount</u>
CAD Prime Rate Loan	CDN\$	[●]
US Base Rate Loan	US\$	[●]

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- (3) the proceeds of the Loan(s) shall be deposited in the following account(s) at the Cash Management Banks:

<u>Currency</u>	<u>Account Particulars</u>
CDN\$ Loan Proceeds	[●]
US Base Rate Loan	[●]

- (4) the draw down date for the Loan(s) is: [●], 2026

Each of the Borrowers hereby represents and warrants to the DIP Agent and the DIP Lenders as follows:

- (a) the advance of DIP Loans requested under this Draw Request is in accordance with Section 13 of the DIP Term Sheet;
- (b) the Initial Availability Conditions or the Further Availability Conditions, as the case may be, have been satisfied or waived in writing by the DIP Agent and the Majority DIP Lenders;
- (c) the representations and warranties set forth in Schedule C of the DIP Term Sheet are true and accurate in all material respects as of the date hereof, as though made on and as of the date hereof;
- (d) the proceeds of the DIP Loans shall be used only as permitted by Section 16 of the DIP Term Sheet;
- (e) the DIP Loan Parties are in compliance with the covenants and all other terms and conditions set forth in the DIP Term Sheet, other than those that have been waived in writing by the DIP Agent and the Majority DIP Lenders; and
- (f) no Default or Event of Default has occurred and is continuing nor will the making of the requested advance result in the occurrence of any such event.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the undersigned has executed this Draw Request on the date first above written.

MONETTE FARMS LTD.

By: _____
Name:
Title:

MONETTE FARMS USA, INC.

By: _____
Name:
Title:

Schedule H – Form of CCAA Initial Order

(See attached)

Schedule I – Initial DIP Budget

(See attached)

Schedule J – DIP Milestones

No.	Milestone	Deadline
1.	The Court shall have granted a Court Order, in form and substance acceptable to the DIP Agent, acting reasonably, approving the SISP and the SISP Procedures (the “SISP Order”).	Within 45 calendar days of the granting of the ARIO
2.	The DIP Loan Parties shall enter into binding definitive purchase and sale agreements in respect of owned lands, equipment, fixtures (and any inventory or other personal property directly related to such sales), in each case on terms acceptable to the DIP Agent, such that the aggregate of: (i) gross cash proceeds of sales of owned lands received by the DIP Loan Parties after January 1, 2026; and (ii) the anticipated gross cash proceeds of (A) sales of owned lands completed prior to the date of this DIP Term Sheet that have closed in the fiscal year 2026, plus (B) sales of owned lands that are the subject of binding definitive purchase and sale agreements entered into by the DIP Loan Parties, is not less than CDN\$ [REDACTED] (or the Equivalent Amount thereof).	October 31, 2026
3.	The net proceeds of the transactions referred to in Milestone 2 have been applied in permanent reduction of the Existing Senior Secured Obligations.	December 1, 2026
4.	The DIP Loan Parties shall have applied for one or more SISP Transaction Approval Orders to approve bids identified in the SISP that, when closed, would successfully recapitalize or refinance the DIP Loan Parties’ business and, among other things, repay the Existing Senior Secured Obligations in full.	January 15, 2027
5.	The Existing Senior Secured Obligations shall be indefeasibly repaid in full in cash.	March 1, 2027

Schedule K – Organizational Chart

(See attached)

Schedule L – Jurisdictions and Locations

Loan Party	Jurisdiction of Organization	Registered Office Address	Chief Executive Office and Principal Place of Business
Monette Farms Ltd.	Saskatchewan	717 South Railway Street West, Swift Current Saskatchewan S9H 2Y9	Alberta
Monette Farms Ontario Corp.	Ontario	16 Neekaunis Road, Waubaushe, Ontario L0K 2C0	Alberta
NexGen Seeds Ltd.	Saskatchewan	51 1 st Ave NW, Swift Current, Saskatchewan S9H 0M5	Alberta
Monette Produce Ltd.	Saskatchewan	410-475 2 nd Avenue South, Saskatoon, Saskatchewan S7K 1P4	Alberta
Monette Land Corp.	Saskatchewan	51 1st Ave NW, Swift Current, Saskatchewan, Canada, S9H 0M5	Alberta
DMO Holdings Ltd.	Saskatchewan	51 1st Ave NW, Swift Current, Saskatchewan S9H 0M5	Alberta
Goat's Peak Winery Ltd.	British Columbia	1800 - 1631 Dickson Avenue, Kelowna, British Columbia V1Y 0B5, Canada	Alberta
Monette Farms BC Ltd.	British Columbia	1800 – 1631 Dickson Avenue, Kelowna, British Columbia V1Y 0B5	Alberta
Monette Farms BC GP Ltd.	British Columbia	1800 – 1631 Dickson Avenue, Kelowna, British Columbia V1Y 0B5	Alberta
Monette Farms BC Limited Partnership	British Columbia	1800 – 1631 Dickson Avenue, Kelowna, British Columbia V1Y 0B5	Alberta
Monette Farms Land GP Ltd.	Ontario	222 Bay Street, Suite 3000, Toronto, Ontario M5K 1E7	Alberta
Monette Farms Land Limited Partnership	Ontario	222 Bay Street, Suite 3000, Toronto, Ontario M5K 1E7	Alberta
Monette Farms Land II GP Ltd.	Ontario	222 Bay Street, Suite 3000, Toronto, Ontario	Alberta

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Loan Party	Jurisdiction of Organization	Registered Office Address	Chief Executive Office and Principal Place of Business
		M5K 1E7	
Monette Farms Land II Limited Partnership	Ontario	222 Bay Street, Suite 3000, Toronto, Ontario, M5K 1E7	Alberta
Monette Seeds Ltd.	Saskatchewan	51 1 st Ave NW, Swift Current, Saskatchewan S9H 0M5	Alberta
DMO Holdings USA, Inc.	Arizona	39332 W. Camelback Rd. Tonopah, Arizona Maricopa 85354 USA	Alberta
Monette Seeds USA, LLC	Arizona	39332 W. Camelback Rd. Tonopah, Arizona Maricopa 85354 USA	Arizona
Monette Farms Arizona, LLC	Arizona	39332 W. Camelback Rd. Tonopah, Arizona Maricopa 85354 USA	Arizona
Monette Farms USA, Inc.	Montana	1555 Campus Way Suite 201 Steven T. Small Billings, Montana 59102 USA	Montana
Monette Produce, LLC	Arizona	39332 W. Camelback Rd. Tonopah, Arizona Maricopa 85354 USA	Arizona
1012595 DE Inc.	Delaware	800 North State Street – Suite 304 – Dover DE 19901	Montana

EXHIBIT B

Initial Order

the original order

Dated this 21 day of April 2026

[Signature]

COURT FILE NUMBER 2601-07148
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

for Clerk of the Court

Clerk's Stamp



IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, RSC 1985, c
C-36, as amended

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
MONETTE FARMS LTD., MONETTE FARMS
ONTARIO CORP., NEXGEN SEEDS LTD.,
MONETTE PRODUCE LTD., MONETTE SEEDS
LTD., MONETTE LAND CORP., DMO HOLDINGS
LTD., DMO HOLDINGS USA, INC., MONETTE
SEEDS USA, LLC, MONETTE FARMS ARIZONA,
LLC, MONETTE FARMS USA, INC., 1012595 DE
INC., MONETTE PRODUCE, LLC, GOAT'S PEAK
WINERY LTD., MONETTE FARMS BC LTD.,
MONETTE FARMS LAND GP LTD., MONETTE
FARMS LAND II GP LTD., AND MONETTE FARMS
BC GP LTD.

APPLICANTS

MONETTE FARMS LTD., MONETTE FARMS
ONTARIO CORP., NEXGEN SEEDS LTD.,
MONETTE PRODUCE LTD., MONETTE SEEDS
LTD., MONETTE LAND CORP., DMO HOLDINGS
LTD., DMO HOLDINGS USA, INC., MONETTE
SEEDS USA, LLC, MONETTE FARMS ARIZONA,
LLC, MONETTE FARMS USA, INC., 1012595 DE
INC., MONETTE PRODUCE, LLC, GOAT'S PEAK
WINERY LTD., MONETTE FARMS BC LTD.,
MONETTE FARMS LAND GP LTD., MONETTE
FARMS LAND II GP LTD., AND MONETTE FARMS
BC GP LTD.

DOCUMENT

CCAA INITIAL ORDER

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT

Cassels Brock & Blackwell LLP
Suite 3700, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5

Telephone: (403) 351-2920
Facsimile: (403) 648-1151
Email: joliver@cassels.com / dmarechal@cassels.com /
mclarksonmaciel@cassels.com

File No.: 063030-01

Attention: Jeffrey Oliver / Danielle Maréchal / Matteo Clarkson-Maciel

DATE ON WHICH ORDER WAS PRONOUNCED: April 21, 2026
NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice C.M. Jones
LOCATION OF HEARING: Calgary, Alberta

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UPON the application (the "**Originating Application**") of Monette Farms Ltd., Monette Farms Ontario Corp., Nexgen Seeds Ltd., Monette Produce Ltd., Monette Seeds Ltd., Monette Land Corp., DMO Holdings Ltd., DMO Holdings USA, Inc., Monette Seeds USA, LLC, Monette Farms Arizona, LLC, Monette Farms USA, Inc., 1012595 DE INC., Monette Produce, LLC, Goat's Peak Winery Ltd., Monette Farms BC Ltd., Monette Farms Land GP Ltd., Monette Farms Land II GP Ltd., and Monette Farms BC GP Ltd. (the "**Applicants**"); **AND UPON** having read the Originating Application, the Affidavit of Darrel Noel Monette sworn April 17, 2026 (the "**Monette Affidavit**"); the Confidential Affidavit of Darrel Noel Monette sworn April 17, 2026 (the "**Confidential Affidavit**"); and the Affidavit of Service of Angeline Gagnon, sworn April 17, 2026; **AND UPON** reading the consent of FTI Consulting Canada Inc. ("**FTI**") to act as court-appointed monitor (the "**Monitor**"); **AND UPON** being advised that the secured creditors who are likely to be affected by the Charges created herein have been provided notice of this application; **AND UPON** reading the Pre-Filing Report of FTI, in its capacity as proposed Monitor, filed April 20, 2026

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today.

APPLICATION

2. The Applicants are companies to which the *Companies' Creditors Arrangement Act* (the "**CCAA**") applies.

NON-APPLICANT STAY PARTIES

3. Monette Farms Land I LP, Monette Farms Land II LP, and Monette Farms BC LP (together, the "**Non-Applicant Stay Parties**", and together with the Applicants, the "**Group**") are integrally related to the Applicants' business and are hereby granted and shall have the same benefits, protections, duties, obligations, and authorizations provided to the Applicants in this Order, and all the property and business of the Non-Applicant Stay Parties shall henceforth be deemed to be included within the Property and Business (each as defined below) of the Applicants, notwithstanding that none of these entities are a "company" pursuant to the CCAA.

PLAN OF ARRANGEMENT

4. The Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

5. The Group shall:
 - (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**");

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- (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property;
 - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order; and
 - (d) be entitled to continue to utilize the central cash management system and, subject to the terms of the Term Sheet (as defined below), continue to use all credit cards currently in place, as described in the Monette Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Group of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Group, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.
6. Neither the Group, nor any member thereof, will accept delivery of any crop from a producer (being any eligible holder of cash purchase tickets, elevator receipts or grain receipts issued pursuant to the *Canada Grain Act*, RSC 1985, c G-10) unless payment in full has been made in advance and in accordance with the Term Sheet.
7. The Group is authorized to complete outstanding transactions and engage in new transactions and to continue, on or after the date hereof, to buy and sell goods and services including without limitation head office and shared services, and allocate, collect and pay costs, expenses and other amounts from and to the other members of the Group (collectively, together with the Cash Management System and all transactions, intercompany funding and other processes and services among the Group, the "**Intercompany Transactions**") in the ordinary course of business. All ordinary course Intercompany Transactions among the Group, including the provision of goods and services amongst the Group, shall continue on terms consistent with existing arrangements or past practice, subject to such changes thereto, or to such governing principles, policies or procedures as the Monitor may require, or subject to further Order of this Court. Other than as permitted elsewhere by this Order, the Group shall not enter into any Intercompany Transactions outside the ordinary course of business with any other member of the Group.

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8. To the extent permitted by law, the Group shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order:
 - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
 - (b) obligations and expenses owing for goods and services supplied to the Group prior to the date of this Order by vendors and suppliers, deemed by the Group to be critical to the extent required to ensure ongoing supply of critical goods and services necessary for the continued operation or preservation of the Business or Property, subject to: (i) the Term Sheet, or (ii) the prior approval by the Monitor, the Syndicate's Financial Advisor, and the DIP Agent (as defined below), up to a maximum amount of \$100,000 in any one transaction and \$3,000,000 in the aggregate;
 - (c) all outstanding and future amounts owing to or in respect of individuals working as independent contractors solely with the Business, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
 - (d) the reasonable fees and disbursements of any Assistants retained or employed by the Group in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.
9. Except as otherwise provided to the contrary herein, the Group shall be entitled but not required to pay all reasonable expenses incurred by the Group in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
 - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
 - (b) payment for goods or services actually supplied to the Group following the date of this Order.
10. The Group shall remit, in accordance with legal requirements, or pay:
 - (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of:
 - (i) employment insurance;
 - (ii) Canada Pension Plan; and

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- (iii) income taxes,
but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;
 - (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Group in connection with the sale of goods and services by the Group, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
 - (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by the Group.
11. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Group may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Group from time to time for the period commencing from and including the date of this Order ("**Rent**"), but shall not pay any rent in arrears.
12. Except as specifically permitted in this Order or the Term Sheet, the Group is hereby directed, until further order of this Court:
- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Group to any of their creditors as of the date of this Order;
 - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and
 - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

13. The Group shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Term Sheet and the Definitive Documents (as hereinafter defined at paragraphs 35 and 36 respectively), have the right to:
- (a) other than in respect of all breeding and feeder cattle owned or controlled by the Group (the "**Cattle**"), permanently or temporarily cease, downsize or shut down any portion of their business or operations and to dispose of redundant or non-material assets not

exceeding \$1,000,000 in any one transaction or \$10,000,000 in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to the Applicants (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;

- (b) in accordance with the Term Sheet, dispose of the Cattle without further order of this Court;
- (c) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Group and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
- (d) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Group deems appropriate, in accordance with section 32 of the CCAA; and
- (e) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Group to proceed with an orderly restructuring of the Business (the "**Restructuring**").

14. The Group shall provide each of the relevant landlords with notice of the Group's intention to remove any fixtures 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. If the landlord disputes any of the Group'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 Group, or by further order of this Court upon application by the Group on at least two (2) days' notice to such landlord and any such secured creditors. If any Applicant disclaims or resiliates the lease governing such leased premises in accordance with section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to the Group's claim to the fixtures in dispute.
15. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
 - (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Group and the Monitor twenty-four (24) hours' prior written notice; and
 - (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any

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claims or rights such landlord may have against the Group in respect of such lease or leased premises and such landlord shall be entitled to notify the Group of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE GROUP OR THE PROPERTY

16. Until and including May 1, 2026, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Group or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Group or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

17. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Group or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
- (a) empower the Group to carry on any business that the Group is not lawfully entitled to carry on;
 - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
 - (c) prevent the filing of any registration to preserve or perfect a security interest;
 - (d) prevent the registration of a claim for lien; or
 - (e) exempt the Group from compliance with statutory or regulatory provisions relating to health, safety or the environment.
18. Nothing in this Order shall prevent any party from taking an action against the Group where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

19. During the Stay Period, no Person shall accelerate, suspend, 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 Group, except with the written consent of the Group and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

20. During the Stay Period, all Persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
 - (b) oral or written agreements or arrangements with the Group, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance (including crop insurance), transportation, services, utilities, raw materials, fertilizer, chemicals, equipment, customs clearing, warehouse services, outside processors or other services to the Business or the Group,
- are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Group exercising any other remedy provided under such agreements or arrangements. The Group shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Group in accordance with the payment practices of the Group, or such other practices as may be agreed upon by the supplier or service provider and each of the Group and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

21. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any person, be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Group.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 18 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date of this Order and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

23. The Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors and or officers of the Applicants after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
24. The directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,500,000, as security for the indemnity provided in paragraph 23 of this Order. The Directors' Charge shall have the priority set out in paragraphs 40 and 42 herein.
25. Notwithstanding any language in any applicable insurance policy to the contrary:
 - (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and
 - (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

APPOINTMENT OF MONITOR

26. FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs of the Group with the powers and obligations set out in the CCAA or set forth herein and that the Group and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Group pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
27. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
 - (a) monitor the Group's receipts and disbursements, Business and dealings with the Property;
 - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Group;
 - (c) assist the Group, to the extent required by the Group, in its dissemination to the DIP Lenders and their counsel periodically of financial and other information as agreed to

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- between the Group and the DIP Lenders which may be used in these proceedings, including reporting on a basis as reasonably required by the DIP Lenders;
- (d) advise the Group in the preparation of the Group's cash flow statements and reporting required by the DIP Lenders, which information shall be reviewed by the Monitor and delivered to the DIP Lenders and its counsel in accordance with the Term Sheet, or as otherwise agreed to by the DIP Lenders;
 - (e) advise the Group in its development of the Plan and any amendments to the Plan;
 - (f) assist the Group, to the extent required by the Group, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
 - (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Group to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Group or to perform its duties arising under this Order;
 - (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
 - (i) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Group and any other Person; and
 - (j) perform such other duties as are required by this Order or by this Court from time to time.
28. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, 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 or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.
29. The Monitor shall provide any creditor of the Group with information provided by the Group in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information

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disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Group is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Group may agree.

30. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any applicable legislation.
31. The Monitor, counsel to the Monitor, counsel to the Group, and the financial advisor to the Syndicate (as defined in the Monette Affidavit), PricewaterhouseCoopers Inc. (the "**Syndicate's Financial Advisor**"), shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Group as part of the costs of these proceedings. The Group is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Group, and the Syndicate's Financial Advisor in accordance with the Term Sheet.
32. The Monitor and its legal counsel shall pass their accounts from time to time.
33. The Monitor, counsel to the Monitor, the Group's counsel, and the Syndicate's Financial Advisor shall, as security for the professional fees and disbursements incurred both before and after the granting of this Order, be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,500,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor, counsel to the Monitor, the Group's counsel, and the Syndicate's Financial Advisor, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 40 and 42 herein.

INTERIM FINANCING

34. The Group is hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lenders (as defined in the Term Sheet (the "**DIP Lenders**")) in order to finance the Group's working capital requirements and other general corporate purposes and capital expenditures, provided that the initial advance under such facility shall not exceed \$40,000,000 unless permitted by further order of this Court.
35. Such credit facility shall be on the terms and subject to the conditions set forth in the Senior Secured Debtor-In-Possession Interim Financing Term Sheet Agreement, between Monette Farms Ltd., and Monette Farms USA, Inc., as Borrowers, the Group, as Guarantors, The Bank of Nova Scotia, as DIP Agent (the "**DIP Agent**"), and the DIP Lenders, as lenders, each as defined therein, dated as of April 17, 2026 (the "**Term Sheet**").

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36. The Group is hereby authorized and empowered to execute and deliver such credit agreements, commitment letters, mortgages, charges, hypothecs, account control agreements and security documents, guarantees, and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Term Sheet or as may be reasonably required by the DIP Lenders pursuant to the terms thereof, and the Group is hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities, and obligations to the DIP Lenders under and pursuant to the Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
37. The DIP Lenders shall be entitled to the benefits of and are hereby granted a charge (the "**DIP Lenders' Charge**") on the Property to secure all obligations under the Term Sheet and the Definitive Documents. The DIP Lenders' Charge shall not secure any obligation existing before the date this Order is made, except as provided for in the Term Sheet or the Definitive Documents, as applicable. The DIP Lenders' Charge shall have the priority set out in paragraphs 40 and 42 hereof.
38. Notwithstanding any other provision of this Order:
 - (a) the DIP Lenders may take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the DIP Lenders' Charge, the Term Sheet, or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under the Term Sheet, the Definitive Documents or the DIP Lenders' Charge, the DIP Lenders shall be entitled to immediately cease making advances to the Group and, upon 2 days' prior notice to the Group and the Monitor, may exercise any and all of its rights and remedies against the Group or the Property under or pursuant to the Term Sheet, the Definitive Documents, and the DIP Lenders' Charge, including without limitation, to set off and/or consolidate any amounts owing by the DIP Lenders to the Group against the obligations of the Group to the DIP Lenders under the Term Sheet, the Definitive Documents or the DIP Lenders' Charge, to make demand, accelerate payment, and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Group and for the appointment of a trustee in bankruptcy of the Group; and
 - (c) the foregoing rights and remedies of the DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Group or the Property.
39. The DIP Lenders shall be treated as unaffected in any plan of arrangement or compromise filed by the Group under the CCAA, or any proposal filed by the Group under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES

40. The priorities of the Directors' Charge, the Administration Charge, and the DIP Lenders' Charge, as among them, shall be as follows:
- First – Administration Charge (to the maximum amount of \$1,500,000);
 - Second – DIP Lenders' Charge (to the maximum of \$95,000,000); and
 - Third - Directors' Charge (to the maximum amount of \$1,500,000).
41. The filing, registration or perfection of the Directors' Charge, the Administration Charge, and the DIP Lenders' Charge (collectively, the "**Charges**") shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
42. Each of the Directors' Charge, the Administration Charge, and the DIP Lenders' Charge (all as constituted and defined herein) shall constitute a charge on the Property and, subject always to section 34(11) of the CCAA, such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, provided that:
- (a) the DIP Lenders' Charge and the Directors' Charge shall rank junior in priority to any valid, enforceable, perfected, first ranking security interests (the "**FCC Security**") granted by the Group in favour of Farm Credit Canada ("**FCC**") pursuant to a Loan and Security Agreement (Livestock) dated December 4, 2024 (as amended, the "**FCC Loan Agreement**"), in respect of certain personal Property (as defined therein) (the "**FCC Priority Collateral**"). For greater certainty, nothing in this Order recognizes or grants to FCC a priority in the FCC Priority Collateral, other than in respect of the Charges, that the FCC Security does not otherwise have under applicable law or contract; and
 - (b) amounts held as cash collateral in accordance with the Term Sheet to secure the continued use of credit cards by the Group shall not be subject to the Charges or any other Encumbrances.
43. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Group shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge, or the DIP Lenders' Charge unless the Group also obtain the prior written consent of the Monitor and the beneficiaries of the Directors' Charge, the Administration Charge, the DIP Lenders' Charge, or further order of this Court.
44. The Directors' Charge, the Administration Charge, the Term Sheet, the Definitive Documents, and the DIP Lenders' Charge shall not be rendered invalid or unenforceable and the rights and

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remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by:

- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
- (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
- (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
- (d) the provisions of any federal or provincial statutes; or
- (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") that binds the Group and, notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof shall create or be deemed to constitute a new breach by the Group of any Agreement to which it is a party;
 - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
 - (iii) the payments made by the Group pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

ALLOCATION

45. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Directors' Charge, the Administration Charge, or the DIP Lenders' Charge amongst the various assets comprising the Property.

FOREIGN REPRESENTATIVE

46. The Monitor is hereby authorized and empowered to act as the foreign representative (in such capacity the "**Foreign Representative**") in respect of these proceedings for the purpose of having these proceedings recognized under chapter 15 of Title 11 of the United States Bankruptcy Code. The Foreign Representative is hereby authorized to apply for foreign recognition and approval of these proceedings, as necessary, in the United States of America.

“STATUS QUO” OF GROUP’S LICENCES

47. The *status quo* in respect of the Group’s licences, (excluding the Group’s Canadian Grain Commission licences) but including the British Columbia Ministry of Forests, Lands, Natural Resource Operations and Rural Development grazing licences (collectively, the “**Licences**”) shall be preserved and maintained during the pendency of the Stay Period any such Licences expiring during the Stay Period are deemed extended by a period equal to the Stay Period.

INTERIM DISTRIBUTIONS

48. Subject to the Monitor being satisfied (following a review of the security and proprietary rights of stakeholders) that the Syndicate has valid and senior ranking security in respect of any of the Property of the Group, the Group is hereby authorized, without further order of this Court and in accordance with the Term Sheet, to make distributions from time to time first to any parties holding claims senior to the Syndicate in respect of such property, then in accordance with the distribution waterfall specified in the Term Sheet (the “**Distributions**”).

49. Should the Group sell any FCC Priority Collateral, the Group is authorized and directed, subject to the Monitor being satisfied (following a review of the security and proprietary rights of stakeholders) that FCC has valid and senior ranking security in respect of the FCC Priority Collateral, to distribute such proceeds of sale to FCC through such payment arrangements as otherwise directed by FCC (the “**FCC Distributions**”). The Group is hereby authorized and directed, without further order of this Court, to make the FCC Distributions from time to time through such payment arrangements as otherwise directed by FCC. Any proceeds realized from the sale of the FCC Priority Collateral which remain after the payment in full of amounts owing to FCC in respect of or relating to the FCC Loan Agreement, FCC Security, and/or FCC Priority Collateral, may be distributed in accordance with the Term Sheet and paragraph 48 above.

50. The Group is hereby authorized to take all necessary steps and actions to effect the Distributions in accordance with the terms of this Order and the Term Sheet, and shall not incur any liability as a result of making the Distributions.

51. Notwithstanding:

- (a) the pendency of these proceedings;
- (b) any application for a bankruptcy or receivership order now or hereafter issued pursuant to the BIA or other applicable legislation in respect of the Group or any of them, and any bankruptcy or receivership order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Group or any of them;
- (d) any provision of any federal or provincial legislation,

the Distributions shall be made free and clear of all Encumbrances (including the Charges) and shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Group and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

SERVICE AND NOTICE

52. The Monitor shall (i) without delay, publish in the Globe and Mail, Calgary Herald, and Regina Leader Post a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order: (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Group of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.
53. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL <http://cfcanada.fticonsulting.com/MonetteFarms>.
54. The Group or the Monitor, as applicable, are at liberty to serve this Order, any other materials and orders in these proceedings, or any notice or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, recorded mail, courier, personal delivery or electronic transmission to the Group's creditors or other interested parties at their respective addresses as last shown on the records of the Group, or as otherwise updated on the Service List (as defined below), and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on that business day, or if sent by ordinary mail or recorded mail, on the third business day after mailing.
55. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, or electronic transmission, a request to be added to the service list (the "**Service List**") to be maintained by the Monitor. Subject to Rules 11.25 and 11.26 of the Alberta Rules of Court (the "**Rules**"), this Order shall constitute an order for substituted service pursuant to Rule 11.28 of the Rules.
56. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to the email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor's website.

GENERAL

57. The Group or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
58. Notwithstanding Rule 6.11 of the Rules, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
59. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Group, the Business or the Property.
60. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Group, the Monitor and their respective 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 Group and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Group and the Monitor and their respective agents in carrying out the terms of this Order.
61. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
62. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Time on the date of this Order.



Justice of the Court of King's Bench of Alberta