

Court File No. CV-24-00720816-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

SIENA LENDING GROUP CANADA LLC

Applicant

- and -

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

Respondents

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

APPLICATION RECORD

May 23, 2024

Goodmans LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Joseph Latham LSO#: 32326A
Tel: 416.597.4211
latham@goodmans.ca

Luke Devine LSO#: 841870
Tel: 416.849.6009
ldevine@goodmans.ca

Lawyers for the Applicant

TO: **SERVICE LIST**

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NOTICE OF APPLICATION

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

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

- In person
- By telephone conference
- By video conference

at the following location:

- Video conference details to be provided by the Court

On Thursday, May 30, 2024 at 12:00 pm., before a judge presiding over the Commercial List (*or on a day to be set by the registrar*).

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

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

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

Date _____ Issued by _____
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 9th Floor
Toronto ON M5G 1R7

TO: THE SERVICE LIST

APPLICATION

1. The Applicant makes application for:
 - (a) An order abridging, if necessary, the time for service of this Application and validating service of notice hereof;
 - (b) An order appointing Richter Inc. (“**Richter**”) as receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of the Debtors that constitute ABL Priority Collateral (as defined in the Simpson Affidavit) of Global Food and Ingredients Inc. (“**GFI Inc.**”), Global Food and Ingredients Ltd. (“**GFI Ltd.**”) and GFI Brands Inc. (“**GFI Brands**” and, collectively with GFI Inc. and GFI Ltd., the “**Debtors**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended; and
 - (c) Such further and other relief as this Honourable Court may deem just.
2. The grounds for the application are:

Background

- (a) Capitalized terms used herein and not otherwise defined have the meaning given to them in the Affidavit of James Simpson to be sworn on or about May 23, 2024 (the “**Simpson Affidavit**”);
- (b) The Applicant is a company incorporated and existing under the laws of the State of Delaware, with its principal place of business in Stamford, Connecticut, and

it specializes in, among other things, providing asset-based loans to companies in various industries in Canada;

- (c) GFI Ltd. is a corporation incorporated and existing under the laws of the Province of Ontario, with its head office in Toronto, Ontario. GFI Ltd. is a public company, whose shares are listed on the TSX Venture Exchange, and it is the sole shareholder of GFI Inc.;
- (d) GFI Inc. is a corporation incorporated and existing under the federal laws of Canada, with its head office in Toronto, Ontario. GFI Inc. is the principal operating entity in the corporate group of which GFI Ltd. is the parent. GFI Inc. is a plant-based food and ingredients company which supplies plant-based high protein ingredients in North America, Asia, Europe, South America, and internationally. It provides peas, edibles beans, lentils, chickpeas, organic pulses, canary seeds, flax seeds, and pea hull fibers; pet food ingredients; pea protein inputs; and specialty crop, as well as pea, lentil, and pulse flour;
- (e) GFI Inc. has three (3) facilities where its principal operations are conducted, all in the Province of Saskatchewan. It also has leased office space in Toronto, Ontario;
- (f) GFI Brands, a wholly-owned subsidiary of GFI Inc., is incorporated under the laws of Canada and holds the GFI Group's consumer packaged goods division, including intellectual property and assets related to the Bentilia (high-protein, gluten-free pasta) brand. GFI Brands also at one time owned the YoFiit (plant-based milk and snack food) brand, but sold that in or about May of 2023 and now holds a note receivable from the purchaser of that brand;

- (g) The Debtors have two primary secured creditors both holding priority collateral: the Applicant and Farm Credit Canada (“FCC”);

Siena Loan and Security Agreement

- (h) The Applicant provides a senior secured revolving asset-based lending facility to GFI Inc., GFI Brands and North Lily Foods Inc. (“**North Lily**”), as co-borrowers, pursuant to a Loan and Security Agreement and various security documents which grant the Applicant general security over their assets;
- (i) GFI Ltd. and Global Food and Ingredients (USA) Inc. (“**GFI (USA)**”) are both guarantors of the obligations under the Loan and Security Agreement and have granted general security over their assets to the Applicant in connection with those obligations;

Farm Credit Canada Credit Agreement

- (j) FCC advanced three (3) real property credit facilities to GFI Inc. pursuant to a credit agreement dated November 22, 2019, which has been amended and restated on multiple occasions (as so amended and restated and as further amended, supplemented or otherwise modified from time to time, the “**FCC Credit Agreement**”), and FCC’s principal security is the 3 processing facilities of GFI Inc. in Saskatchewan and the equipment therein;
- (k) GFI Brands has provided a secured guarantee to FCC for the obligations of GFI Inc. under the FCC Credit Agreement;

The FCC/Siena Intercreditor Agreement

- (l) The Applicant and FCC entered into an intercreditor agreement dated as of February 1, 2024 (the “**Intercreditor Agreement**”), which was acknowledged by each of the Debtors, GFI (USA) and North Lily. The Intercreditor Agreement sets out the respective priorities of the security held by FCC and the Applicant on the assets of the GFI Group, along with certain other rights as between the Applicant and FCC, including rights of access by the Applicant in an enforcement scenario. In particular, FCC has priority over the Term Loan Priority Collateral (as defined in the Intercreditor Agreement), and the ABL Priority Collateral over which the Applicant has priority is defined in the Intercreditor Agreement to be all collateral granted to the Applicant which is not Term Loan Priority Collateral;
- (m) With respect to the Debtors, the ABL Priority Collateral consists principally of the inventory and accounts receivable of the Debtors, a note receivable owing to GFI Brands in connection with its sale of the YoFiit brand, a promissory note from LSM Commodities to GFI Inc., and shares in the capital of Big Sky Milling Inc. (“**Big Sky**”) which are owned by GFI Ltd.;

Defaults and Events Leading up to this Application

- (n) The Loan and Security Agreement with the Applicant was entered into for the purpose of re-financing the Debtors’ previous credit facilities with JP Morgan Chase Bank N.A.;
- (o) The Debtors’ financial distress was apparent almost immediately after closing, resulting in defaults under the Loan and Security Agreement;

- (p) The Applicant worked with the Debtors to see if matters could be corrected, but ultimately on May 7, 2024, GFI Ltd. issued a press release advising that it was winding down its operations;
- (q) On May 7, 2024, both FCC and the Applicant issued demands for repayment to their borrowers and guarantors, which in each case were accompanied by notices of intention to enforce security under Section 244 of the BIA;

The Proposed Receiver

- (r) The appointment of the Receiver is required to allow for an orderly realization on the ABL Priority Collateral of the Debtors, including any remaining inventory of the Debtors, their accounts receivable, various notes receivable owing to GFI Brands and, as appropriate, the equity interests owned by the Debtors;
- (s) The Applicant seeks no relief in these proceedings with respect to GFI (USA) or North Lily, as they are US corporations and their assets are located in the United States;
- (t) The Applicant requires the appointment of a Receiver over the Debtors' ABL Priority Collateral to avoid further erosion of value;
- (u) Richter has consented to act as receiver and is a trustee within the meaning of section 2 of the BIA;

Other

- (v) Section 243(1) of the *Bankruptcy and Insolvency Act* (Canada), section 101 of the *Courts of Justice Act* (Ontario) and Rules 3.02 and 14.05(2) and (3) of the *Rules of Civil Procedure* (Ontario); and
 - (w) Such further and other grounds as counsel may advise.
3. The following documentary evidence will be used at the hearing of the application:
- (a) The Simpson Affidavit, and the exhibits thereto;
 - (b) The consent of Richter to act as Receiver; and
 - (c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

May 23, 2024

GOODMANS LLP
333 Bay Street, Suite 3400
Toronto ON M5H 2S7

Joseph Latham LSO#: 32326A
Tel: 416.597.4211
latham@goodmans.ca

Luke Devine LSO#: 841870
Tel: 416.849.6009
ldevine@goodmans.ca

Lawyers for the Applicant

Court File No. _____

SIENA LENDING GROUP CANADA LLC

-and-

**GLOBAL FOOD AND INGREDIENTS INC., GLOBAL
FOOD AND INGREDIENTS LTD. AND GFIBRANDS
INC.**

Applicant

Respondents

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

NOTICE OF APPLICATION

GOODMANS LLP

333 Bay Street, Suite 3400
Toronto ON M5H 2S7

Joseph Latham LSO#: 32326A

Tel: 416.597.4211

latham@goodmans.ca

Luke Devine LSO#: 841870

Tel: 416.849.6009

ldevine@goodmans.ca

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AFFIDAVIT OF JAMES SIMPSON
(Affirmed May 23, 2024)

I, James Simpson, of the City of Chicago in the State of Illinois, in the United States of America, MAKE OATH AND SAY:

1. I am a Senior VP, Account Manager, with Siena Lending Group LLC, the parent company of Siena Lending Group Canada LLC (the “**Applicant**”), the senior secured creditor with respect to the ABL Priority Collateral (defined below) of Global Food and Ingredients Ltd. (“**GFI Ltd.**”), Global Food and Ingredients Inc. (“**GFI Inc.**”), and GFI Brands Inc. (“**GFI Brands**” and, collectively with GFI Ltd. and GFI Inc., the “**Debtors**”). I have been involved in the management of the Siena ABL Facility (as defined below) since

shortly after the funding thereof occurred on February 1, 2024. As such, I have personal knowledge of the matters addressed in this affidavit. Where my knowledge is based on information from documents or from others, I have stated the source of that information and believe it to be true.

2. I swear this affidavit in support of the Applicant's application to appoint Richter Inc. ("**Richter**") as receiver (in such capacity, the "**Receiver**"), without security, of all the assets, undertakings and properties of the Debtors that constitute the ABL Priority Collateral of the Debtors pursuant to section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"), and section 101 of the *Courts of Justice Act*, RSO, c C-43, as amended.

3. All monetary references in this affidavit are in CAD unless otherwise stated.

II. OVERVIEW

4. The Debtors are part of the Global Food and Ingredients group of companies (the "**GFI Group**"), a plant-based food and ingredients business that sources and processes raw materials from farmers, and distributes plant-based protein ingredients to food companies. The Applicant and Farm Credit Canada ("**FCC**") are the Debtors' two primary secured creditors, with each holding general security over the assets of some or all of the members of the GFI Group, and with the relative priority of those security interests being governed by the Intercreditor Agreement (as defined below).

5. Despite earlier rapid growth, the Debtors have recently suffered significant financial challenges, including an inability to secure adequate raw material inputs, which

have rendered their business no longer viable. On May 7, 2024, GFI Ltd. announced an orderly wind-down of the Debtors' business, citing insufficient cash flow to sustain operations or service their substantial debts. The Debtors are now in default of their obligations to the Applicant and to FCC.

6. With the Debtors' business no longer viable, the Applicant seeks to appoint the Receiver to realize on the ABL Priority Collateral of the Debtors over which the Applicant holds first ranking security. It is expected that the Receiver will work cooperatively with FCC's proposed receiver to carry out an orderly and efficient wind-down of the Debtors' remaining assets and operations.

III. BACKGROUND INFORMATION

A. The Applicant

7. The Applicant is an asset-based lender incorporated under the laws of Delaware with its principal place of business in Stamford, Connecticut. The Applicant, together with its parent, provides financing solutions to middle-market companies across the United States and Canada.

B. The Debtors

8. GFI Ltd. is a publicly traded company incorporated under the laws of Ontario, and the parent company of the GFI Group. GFI Inc., a wholly-owned subsidiary of GFI Ltd., is incorporated under the laws of Canada with its head office in Toronto, Ontario. GFI Inc. is the principal operating entity of the GFI Group. Attached as **Exhibits "A" and "B"** are corporate profile reports for GFI Ltd and GFI Inc., respectively.

9. GFI Inc. operates the GFI Group’s core plant-based food ingredients business, supplying plant-based high-protein ingredients worldwide and distributing bagged products directly to food processing companies and other institutional buyers in North America. GFI Inc. has three processing facilities, all in Saskatchewan, along with leased office space in Toronto, Ontario.

10. GFI Brands, a wholly-owned subsidiary of GFI Inc., is incorporated under the laws of Canada and holds the GFI Group’s consumer packaged goods division, including intellectual property and assets related to the Bentilia (high-protein, gluten-free pasta) brand. GFI Brands also at one time owned the YoFiit (plant-based milk and snack food) brand, but sold that in or about May of 2023 and now holds a note receivable from the purchaser of that brand. A corporate profile report for GFI Brands is attached as **Exhibit “C”**.

11. GFI Inc. also wholly owns Global Food and Ingredients (USA) Inc. (“**GFI (USA)**”), a Delaware incorporated subsidiary which in turn wholly owns North Lily Foods Inc. (“**North Lily**”). North Lily is also a Delaware corporation, and it serves as the GFI Group’s U.S. wholesale distribution arm. Corporate profile reports for GFI (USA) and North Lily are attached as **Exhibits “D” and “E”**, respectively.

12. In addition to its interests in GFI Inc. and GFI Inc.’s subsidiaries, GFI Ltd. also owns a majority (50.1%) stake in Big Sky Milling Inc. (“**Big Sky**”), which operates the GFI Group’s pet food ingredients business. A corporate profile report for Big Sky is attached as **Exhibit “F”**.

C. The Debtors' Business and Operations

13. As detailed in GFI Inc.'s *Management's Discussion and Analysis ("MD&A") for the Fiscal Year Ended March 31, 2022 ("FY22")*, a copy of which is attached as **Exhibit "G"**, the GFI Group sourced supply directly from over 500 farmers in North America, with a total processing capacity of approximately 440,000 metric tonnes annually across its four facilities. The business was organized into four primary lines:

- (a) Pea Protein Inputs: supplying glyphosate-free and organic yellow peas for the pea protein extraction industry;
- (b) Plant-Based Ingredients: offering plant-based, high protein ingredients under the North Lily and North Lily Organic brands;
- (c) Plant-Based Pet Food Ingredients: producing custom blends of milled pulses for pet food manufacturers at Big Sky's manufacturing facility in Bowden, Alberta; and
- (d) Plant-Based Consumer Packaged Goods: developing branded consumer packaged foods.

14. The FY 2022 MD&A discloses that, although the business grew rapidly, with revenues increasing approximately 102% from FY 2021 to FY 2022, the Debtors faced significant challenges in the second half of FY 2022 related to poor harvests, commodity price increases, shipping delays, and foreign exchange impacts. The Debtors' pursued a strategy of value-added processing and vertical integration to generate additional margin, including acquiring the YoFiit and Bentilia brands and investing approximately \$6.4 million to construct a "state-of-the art pea splitting facility" to increase its production of pea protein inputs. The Debtors also expanded their workforce to support these new business initiatives.

D. The Debtors' Secured Creditors

15. The Debtors have two primary secured creditors, the Applicant and Farm Credit Canada (“FCC”), each with priority security over different collateral.

(i) FCC's Term Loan Facility

16. FCC has provided three term credit facilities to GFI Inc. under a credit agreement dated November 22, 2019 which has been amended and/or restated a number of times (as amended and restated, the “FCC Credit Agreement”). Copies of these amendments and versions of the FCC Credit Agreement are attached as exhibits to the affidavit of Jason Inman sworn May 17, 2024 in connection with FCC's application to appoint a receiver over its priority collateral, and as such I do not intend to reproduce them in this affidavit.

17. FCC's principal security for its indebtedness is the equipment, land and buildings of the GFI Group's Saskatchewan facilities, as well as the intellectual property of the GFI Group. I understand, from the materials filed by FCC in their application to appoint a receiver over their priority collateral, that the aggregate outstanding indebtedness owed by GFI Inc. under the three credit facilities extended by FCC is approximately \$15 million.

18. GFI Brands has provided FCC a secured guarantee of GFI Inc.'s obligations under the FCC Credit Agreement. North Lily has also provided an unsecured guarantee to FCC. As such, FCC has no security over North Lily's assets.

(ii) The Prior JP Morgan ABL Facility

19. The Debtors previously had a revolving asset-based loan facility with JP Morgan Chase Bank (“JPM”) to fund working capital. The JPM ABL Facility was refinanced and replaced by the Siena ABL Facility effective February 1, 2024.

20. JPM, the Debtors and FCC were parties to an intercreditor agreement governing their relative priorities to the assets of the GFI Group.

(i) The Applicant's ABL Facility

21. The Applicant agreed to provide a senior secured revolving asset-based lending facility (the "**Siena ABL Facility**") to GFI Inc., GFI Brands, and North Lily (in such capacity, "**Borrowers**"), pursuant to a Loan and Security Agreement dated February 1, 2024 (the "**Loan and Security Agreement**"), a copy of which is attached as **Exhibit "H"**. The Siena ABL Facility was funded on February 1, 2024.

22. GFI Ltd. and GFI (USA) also executed the Loan and Security Agreement and provided, in Article 8 thereof, unconditional and unlimited guarantees of the Borrowers' obligations under the Loan and Security Agreement (GFI Ltd. and GFI (USA), in such capacity, "**Guarantors**"). These guarantees provide the Applicant recourse to additional GFI Group entities and assets upon a Borrower default, which was a key consideration for the Applicant in advancing funds.

23. As security for the obligations of the Borrowers and the Guarantors under the Loan and Security Agreement, the Applicant received the following security from the named parties (such documents collectively the "**Siena Security**"):

- (a) each of the Borrowers and Guarantors granted security over all of their present and future assets and property pursuant to Article 3 of the Loan and Security Agreement;

- (b) the Debtors (GFI Ltd., GFI Inc. and GFI Brands) collectively executed a Canadian General Security Agreement dated February 1, 2024 in favour of the Applicant (the “**Canadian GSA**”), a copy of which is attached hereto as **Exhibit “I”**. The Canadian GSA grants general security over the assets of the Debtors;
- (c) GFI (USA) and North Lily collectively executed a United States General Security Agreement dated February 1, 2024 in favour of the Applicant (the “**US GSA**”), a copy of which is attached hereto as **Exhibit “J”**. The US GSA grants general security over the assets of GFI (USA) and North Lily;
- (d) GFI Ltd. executed a Pledge and Security Agreement dated February 1, 2024 in favour of the Applicant (the “**GFI Ltd. Pledge**”), a copy of which is attached hereto as **Exhibit “K”**, specifically in respect of GFI Ltd.’s equity interests in both GFI Inc. and Big Sky;
- (e) GFI Inc. executed a Pledge and Security Agreement dated February 1, 2024 in favour of the Applicant (the “**GFI Inc. Pledge**”), a copy of which is attached hereto as **Exhibit “L”**, specifically in respect of GFI Inc.’s equity interests in both GFI Brands and GFI (USA);
- (f) GFI Inc., GFI Ltd., GFI (USA) and North Lily executed a Collateral Pledge Agreement dated February 1, 2024 in favour of the Applicant (the “**Collateral Pledge**”), a copy of which is attached hereto as **Exhibit “M”**, specifically pledging their equity interests in GFI Inc., Big Sky, GFI (USA) and North Lily;

- (g) the original share certificates for the shares in the capital of GFI Inc., GFI Brands and Big Sky, which were pledged in the GFI Ltd. Pledge, the GFI Inc. Pledge and/or the Collateral Pledge, together in each instance with a signed power of attorney to transfer shares, were delivered to the Applicant's counsel on closing of the funding of the Siena ABL Facility. The Applicant's counsel continues to hold those share certificates and powers of attorney, on behalf of the Applicant. I understand that there are no share certificates in respect of GFI (USA) or North Lily; and
- (h) GFI Inc. executed a collateral mortgage dated February 1, 2024 in favour of the Applicant, a copy of which is attached hereto as **Exhibit "N"**, charging its two (2) owned properties in Zealandia and Lajord, Saskatchewan (comprised of three surface parcels of land), and also charging its leasehold interest in its third Saskatchewan facility, located near Lajord.

24. On January 29, 2024, the applicant registered the following financing statements pursuant to the *Personal Property Security Act* ("**PPSA**") in the provinces as set out below:

Ontario

- (a) Against GFI Inc: Reference File No. 502259058 (Registration No. 20240129 0803 1590 8364) expiring on January 29, 2029, perfecting the Applicant's security interest in inventory, equipment, accounts, other, and motor vehicles;
- (b) Against GFI Ltd: Reference File No. 502259067 (Registration No. 20240129 0804 1590 8365) expiring on January 29, 2029, perfecting the Applicant's security interest in inventory, equipment, accounts, other, and motor vehicles;
- (c) Against GFI Brands: Reference File No. 502259076 (Registration No. 20240129 0804 1590 8366) expiring January 29, 2029, perfecting the Applicant's security interest in inventory, equipment, accounts, other, and motor vehicles;

British Columbia

- (a) Against GFI Inc: Base Registration No. 158580Q expiring on January 29, 2029, perfecting the Applicant's security interest in all of GFI Inc.'s present and after-acquired personal property;
- (b) Against GFI Brands: Base Registration No. 158579Q, expiring on January 29, 2029, perfecting the Applicant's security interest in all of GFI Brands' present and after acquired personal property;

Alberta

- (a) Against GFI Inc: Registration No. 24012901702, expiring on January 29, 2029, perfecting the Applicant's security interest in all of GFI Inc.'s present and after-acquired personal property;
- (b) Against GFI Brands: Registration No. 24012901651 expiring on January 29, 2029, perfecting the Applicant's security interest in all of GFI Brands' present and after-acquired personal property;

Saskatchewan

- (a) Against GFI Inc: Registration No. 302510581, expiring on January 22, 2029, perfecting the Applicant's security interest in all of GFI Inc.'s present and after-acquired personal property.

Manitoba

- (a) Against GFI Inc: Registration No. 202401528506 expiring on January 22, 2029, perfecting the Applicant's security interest in all of GFI Inc.'s present and after acquired personal property.

25. Attached as **Exhibit "O"** is a summary of *PPSA* search results for each of the Debtors in each of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia confirming the registrations above, which summary was prepared by the Applicant's counsel based on the raw searches.

26. Concurrent with the execution of the Loan and Security Agreement, the Applicant and FCC entered into an intercreditor agreement dated February 1, 2024 (the “**Intercreditor Agreement**”), which was acknowledged by each of the Debtors, GFI (USA) and North Lily, governing the respective priorities and rights of the Applicant and FCC with respect to the GFI Group’s assets and property, including the Applicant’s access rights in an enforcement scenario. The Intercreditor Agreement, a copy of which is attached as **Exhibit “P”**, is substantially similar to the prior intercreditor agreement between JPM and FCC.

27. In particular, under the Intercreditor Agreement, FCC has priority to “Term Loan Priority Collateral”, which is defined in the Intercreditor Agreement to effectively be all real property and real property leasehold interests of GFI Inc. which are mortgaged to FCC, all equipment and fixtures on such real property, all intellectual property owned by the GFI Group, the books and records relating thereto, and a life insurance policy on one of the executives of GFI Inc. The Intercreditor Agreement also provides that the Applicant has priority to all collateral granted to the Applicant (which is defined in the Intercreditor Agreement as the ABL Collateral) and which is not Term Loan Priority Collateral (such assets over which the Applicant has priority being the “**ABL Priority Collateral**”).

28. With respect to the Debtors, the principal assets over which the Applicant holds first ranking security are the inventory and accounts receivable of the Debtors, as well as various other assets including notes receivable owing to the Debtors, and shares owned by one or more of the Debtors in certain subsidiaries.

29. For greater certainty, the Applicant is not seeking relief in these proceedings against North Lily, as all of its assets are located in North Carolina, or against any assets of the GFI Group which do not constitute ABL Priority Collateral.

(ii) 35 Oak Holdings' Subordinate Security

30. In connection with the closing of the refinancing with the Applicant, the GFI Group entered into a transaction with 35 Oak Holdings Ltd. ("**35 Oak**"), which involved the Big Sky assets and business being removed from the collateral available to be financed, effectively spinning much of that business out of the GFI Group. As part of that transaction, and for new financing of the Big Sky business, 35 Oak received 49.9% of the equity of Big Sky and made a separate loan which is secured only on the assets of Big Sky. The GFI Group retained a 50.1% shareholding interest in Big Sky.

31. In addition to the above noted transaction, in connection with the February 1 transactions, 35 Oak advanced \$500,000 to GFI Inc. under a secured promissory note (the "**Oak-GFI Note**"). However, the security held by 35 Oak in the assets of GFI Inc. is specifically subordinated to both FCC and the Applicant.

32. Pursuant to a Limited Subordination Agreement dated February 1, 2024 between 35 Oak, FCC, GFI Inc. and Big Sky, 35 Oak's security interest in GFI Inc.'s personal property is subordinate to FCC's security interest.

33. Pursuant to a Postponement, Subordination and Standstill Agreement dated February 1, 2024, a copy of which is attached hereto as **Exhibit "Q"**, 35 Oak acknowledged in writing that its interests in the assets of GFI Inc. were subordinate to the Applicant's security.

IV. FACTUAL BASIS FOR RECEIVERSHIP

A. The Debtors' Financial Difficulties and Defaults

34. The Debtors faced significant challenges almost immediately after executing the Loan and Security Agreement on February 1, 2024. These challenges, as disclosed in GFI Ltd.'s MD&A for the period ended December 31, 2023 (attached as **Exhibit "R"**), included:

- (a) disagreements between farmers and buyers over 2022 crop pricing leading up to the 2023 fall harvest;
- (b) lower pea protein sales as customers had built up high inventory levels coupled with lower than anticipated end user demand; and
- (c) seasonality and timing of contracts, with results tending to be lower in the first half of the fiscal year.

35. Most significantly, in or about late December of 2023 or early January 2024, competitors acquired substantially all of the pea crop for Western Canada, effectively cutting off the GFI Group's supply of peas, a critical input for over 50% of the GFI Group's products. The event negatively impacted all aspects of the Debtors' business and their ability to meet the covenants under the Loan and Security Agreement.

36. On May 7, 2024, GFI Ltd. issued a press release announcing the wind-down of the Debtors' business operations. The press release cited significant challenges in purchasing adequate raw material inputs due to recent macro-economic events, which were expected to result in material declines in sales and gross profit. Management determined that these

challenges made it near impossible for the Debtors to continue operating and servicing their debts.

37. The May 7 GFI press release, a copy of which is attached as **Exhibit “S”**, confirmed that the Debtors were in default under the Loan and Security Agreement. Following the announcement, the Debtors began shipping all remaining grain product from their facilities in Saskatchewan.

B. Demands, Notices, and Waivers

38. As of May 7, 2024, the Debtors were indebted to the Applicant in the principal amount of \$6,844,973.08, exclusive of accrued and accruing interest, legal expenses and other costs, charges and fees.

39. On May 7, 2024, following the issuance of the May 7 GFI press release, both FCC and the Applicant issued demand letters to their Borrowers and Guarantors for immediate payment of all outstanding obligations. These letters were accompanied by Notices of Intention to Enforce Security under section 244(1) of the *BIA Act*. Attached as **Exhibits “T”** and **“U”** are copies of the demand letters and BIA Notices issued by the Applicant.

C. Subsequent Events

40. Apparently, the Canadian Grain Commission (“CGC”) conducted a hearing in respect of the grain licenses it had issued to the GFI Group and, on May 16, 2024, revoked all of the GFI Group’s grain licenses, which would adversely affect the ability of the GFI Group to store and ship grain products. A copy of a news release confirming this event is attached as **Exhibit “V”**.

41. I am advised by the Debtors that, as of May 16, 2024, substantially all of the grain products in their inventory had been removed from their Saskatchewan facilities and had been shipped to customers. As of the time of swearing this affidavit, it is unclear what inventory may remain in those facilities and whether the revocation of the grain licenses by the CGC will negatively impact the ability of the Receiver to obtain value therefor.

V. PPSA SEARCH RESULTS

42. The summary of *PPSA* searches which is attached as Exhibit “O” confirms that the Applicant and FCC have each registered security interests in their respective priority collateral in all applicable provinces. The *PPSA* summary further reveals the following additional registrations:

- (a) A registration in favour of De Lage Landen Financial Services Canada Inc. (“**De Lage**”) in Saskatchewan, which appears to be in respect of a specific serial numbered good;
- (b) A registration in favour of Meridian Onecap Credit Corp. (“**Meridian**”) in Ontario, which appears to relate to the leasing of forklifts by GFI Inc.; and
- (c) A registration in favour of JPM in Ontario with respect to cash deposited with and maintained by JPM as security for certain obligations which remained after the refinancing.

43. No searches were conducted in Canada for North Lily as I understand that all of its assets are in the United States.

VI. REQUEST FOR RECEIVERSHIP ORDER

44. The Applicant understands that most of the inventory in Canada has been sold or is in transit. The majority of the expected remaining ABL Priority Collateral of the Debtors is likely to be accounts receivable owing to the Debtors for the purchase of inventory. However, the Debtors also have, among other things, a note receivable from the party who purchased the YoFiit business from GFI Brands, as well as a 50.1% interest in the equity of Big Sky. I also understand from the Debtors that there may be some inventory of Bentillia pasta and YoFiit products which are owned by GFI Brands and are located in Canada, in addition to certain of such inventories of GFI Brands which are located in the United States.

45. As of the close of business on May 22, 2024, the Debtors remain indebted to the Applicant in the principal amount of \$5,126,801.18, together with accrued and accruing interest, fees, legal expenses, and other costs.

46. The appointment of the Receiver over the ABL Priority Collateral of the Debtors is necessary to avoid further erosion of the Applicant's security, and to provide a framework to realize on the collateral and cooperate with the receiver which FCC is seeking to have appointed by the Court on May 30, 2024, namely FTI Canada Inc. ("FTI").

47. Richter has consented to act as the Receiver of the ABL Priority Collateral and is a licensed insolvency trustee within the meaning of Section 2 of the BIA. Richter has knowledge of the GFI Group, having previously been an advisor for the Debtors and for both JPM and the Applicant in the last 6 months. Richter has engaged in discussions with FTI in an attempt to ensure a coordinated approach between the secured lenders.


48. I make this Affidavit in support of the within application and for no other or improper purpose.

Affirmed remotely by James)
Simpson stated as being located in)
the City of Chicago, in the State of)
Illinois, before me at the City of)
Toronto, in the Province of)
Ontario, on May 23, 2024, in)
accordance with O. Reg, 431/20,)
Administering Oath or Declaration)
Remotely.



Commissioner for Taking
Affidavits, etc.

Luke Devine



James Simpson

This is Exhibit "A" referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.

Ministry of Public and
Business Service Delivery

Profile Report

GLOBAL FOOD AND INGREDIENTS LTD. as of May 23, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	GLOBAL FOOD AND INGREDIENTS LTD.
Ontario Corporation Number (OCN)	2802223
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	December 21, 2020
Registered or Head Office Address	43 Colborne Street, Suite 400, Toronto, Ontario, M5E 1E3, Canada

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

A handwritten signature in black ink, appearing to read "V. Quintanilla W.".

Director/Registrar

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

Active Director(s)

There are no active Directors currently on file for this corporation

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

V. Quintanilla W.

Director/Registrar

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

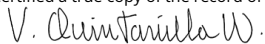
Active Officer(s)

Name DAVID HANNA
Position Chief Executive Officer
Address for Service 43 Colborne Street, Suite 400, Toronto, Ontario, M5E 1E3,
Canada
Date Began June 10, 2022

Name WILLIAM MURRAY
Position Chief Financial Officer
Address for Service 43 Colborne Street, Suite 400, Toronto, Ontario, M5E 1E3,
Canada
Date Began June 10, 2022

Name JAIME RUEDA
Position Vice-President
Address for Service 43 Colborne Street, Suite 400, Toronto, Ontario, M5E 1E3,
Canada
Date Began June 10, 2022

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



Director/Registrar

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

Corporate Name History**Name**

GLOBAL FOOD AND INGREDIENTS LTD.

Effective Date

June 09, 2022

Previous Name

PIVOTAL FINANCIAL CORP.

Effective Date

December 21, 2020

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

V. Quintanilla W.

Director/Registrar

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Active Business Names

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

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

V. Quintanilla W.

Director/Registrar

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

Expired or Cancelled Business Names

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

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

V. Quintanilla W.

Director/Registrar

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

Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: DAVID HANNA	May 09, 2024
Annual Return - 2023 PAF: WILLIAM MURRAY	February 23, 2024
Annual Return - 2022 PAF: WILLIAM MURRAY	February 23, 2024
Annual Return - 2021 PAF: WILLIAM MURRAY	February 23, 2024
CIA - Notice of Change PAF: David HANNA	June 24, 2022
BCA - Articles of Amendment	June 09, 2022
CIA - Notice of Change PAF: C. FRASER ELLIOTT - DIRECTOR	February 10, 2021
CIA - Initial Return PAF: C. FRASER ELLIOTT - DIRECTOR	December 30, 2020
BCA - Articles of Incorporation	December 21, 2020

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

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

V. Quintanilla W.

Director/Registrar

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

This is Exhibit “B” referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.




A Commissioner for Taking Affidavits, etc.



[Canada.ca](#) → [Innovation, Science and Economic Development Canada](#) → [Corporations Canada](#)
→ [Search for a Federal Corporation](#)

Federal Corporation Information - 1411701-8

 Beware of scams and other suspicious activities. See [Corporations Canada's alerts](#).

Note

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information](#)).

[Order copies of corporate documents](#)

Corporation Number

1411701-8

Business Number (BN)

758326912RC0002

Corporate Name

Global Food and Ingredients Inc.


Status

Active

Governing Legislation

Canada Business Corporations Act - 2022-06-10

[Order a Corporate Profile](#) [[View PDF Sample](#)] [[View HTML Sample](#)].

[Find existing extra-provincial registrations of this corporation on Canada's Business registries](#) 

Registered Office Address

43 Colborne Street
Suite 400

i Note

Active CBCA corporations are required to update this information within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Directors

Minimum 1

Maximum 10

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

i Note

Active CBCA corporations are required to update director information (names, addresses, etc.) within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Individuals with significant control

No information has been filed.

Learn more about when this information must be filed.

i Note

Active CBCA corporations are required to update this information annually (with their annual return) and within 15 days of a change in their ISC register via the Online Filing Centre. A corporation key is required. If you are not authorized to update this information, you can contact either the corporation or Corporations Canada. We will inform the corporation of its reporting obligations.

Anniversary Date (MM-DD)

06-10

Date of Last Annual Meeting

2022-10-06

Annual Filing Period (MM-DD)

06-10 to 08-09

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2024 - Not due

2023 - Filed

Corporate History

Corporate Name History

2022-06-10 to Present

Global Food and Ingredients Inc.

Certificates and Filings**Certificate of Amalgamation**

2022-06-10

Corporations amalgamated:

- [13476669 13476669 Canada Inc.](#)
- [10742317 Global Food and Ingredients Inc.](#)

Order copies of corporate documents

Start New Search

[Return to Search Results](#)

Date Modified:

2024-05-06

This is Exhibit "C" referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.



Certificate of Incorporation

Canada Business Corporations Act

Certificat de constitution

Loi canadienne sur les sociétés par actions

GFI Brands Inc.

Corporate name / Dénomination sociale

1363561-9

Corporation number / Numéro de société

I HEREBY CERTIFY that the above-named corporation, the articles of incorporation of which are attached, is incorporated under the *Canada Business Corporations Act*.

JE CERTIFIE que la société susmentionnée, dont les statuts constitutifs sont joints, est constituée en vertu de la *Loi canadienne sur les sociétés par actions*.

Isabelle Foley

Deputy Director / Directeur adjoint

2021-12-30

Date of Incorporation (YYYY-MM-DD)

Date de constitution (AAAA-MM-JJ)



Form 1
Articles of Incorporation
*Canada Business Corporations
Act (s. 6)*

Formulaire 1
Statuts constitutifs
*Loi canadienne sur les sociétés
par actions (art. 6)*

- 1 Corporate name
Dénomination sociale
GFI Brands Inc.
- 2 The province or territory in Canada where the registered office is situated
La province ou le territoire au Canada où est situé le siège social
ON
- 3 The classes and any maximum number of shares that the corporation is authorized to issue
Catégories et le nombre maximal d'actions que la société est autorisée à émettre
See attached schedule / Voir l'annexe ci-jointe
- 4 Restrictions on share transfers
Restrictions sur le transfert des actions
See attached schedule / Voir l'annexe ci-jointe
- 5 Minimum and maximum number of directors
Nombre minimal et maximal d'administrateurs
Min. 1 Max. 10
- 6 Restrictions on the business the corporation may carry on
Limites imposées à l'activité commerciale de la société
None
- 7 Other Provisions
Autres dispositions
See attached schedule / Voir l'annexe ci-jointe
- 8 **Incorporator's Declaration:** I hereby certify that I am authorized to sign and submit this form.
Déclaration des fondateurs : J'atteste que je suis autorisé à signer et à soumettre le présent formulaire.

Name(s) - Nom(s)

Original Signed by - Original signé par

William Murray

William Murray

William Murray

David Hanna

David Hanna

David Hanna

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

Schedule / Annexe**Description of Classes of Shares / Description des catégories d'action**

The Corporation is authorized to issue an unlimited number of common shares (hereinafter called the "Common Shares").

The holders of the Common Shares are entitled to:

- (i) vote at any meeting of shareholders of the Corporation other than meetings of the holders of another class of shares;
- (ii) to receive the remaining property of the Corporation upon dissolution; and
- (iii) to receive any dividend declared by the directors of the Corporation on the Common Shares.

Schedule / Annexe

Restrictions on Share Transfers / Restrictions sur le transfert des actions

Shares of the Corporation shall not be transferred without the consent of either:

- (a) the directors evidenced by a resolution passed or signed by them and recorded in the books of the Corporation; or
- (b) the holders of a majority in number of the outstanding voting shares of the Corporation.

Schedule / Annexe
Other Provisions / Autres dispositions

(a) The Corporation shall have a lien on any share registered in the name of a shareholder or the shareholder's legal representative for a debt of that shareholder to the Corporation.

(b) Debt securities, other than non-convertible debt securities, shall not be transferred without the restrictions on transfer contained in the applicable security holders' agreement, having been complied with.

(c) A holder of a fractional share shall be entitled to exercise voting rights and to receive dividends in respect of such fractional share.



Form 2
**Initial Registered Office Address
and First Board of Directors**
*Canada Business Corporations Act
(CBCA) (s. 19 and 106)*

Formulaire 2
**Siège social initial et premier
conseil d'administration**
*Loi canadienne sur les sociétés par
actions (LCSA) (art. 19 et 106)*

1 Corporate name
Dénomination sociale
GFI Brands Inc.

2 Address of registered office
Adresse du siège social
**43 Colborne Street, Suite 400
Toronto ON M5E 1E3**

3 Additional address
Autre adresse

4 Members of the board of directors
Membres du conseil d'administration

		Resident Canadian Résident Canadien
David Hanna	43 Colborne Street, Suite 400, Toronto ON M5E 1E3, Canada	Yes / Oui
William Murray	43 Colborne Street, Suite 400, Toronto ON M5E 1E3, Canada	Yes / Oui

5 Declaration: I certify that I have relevant knowledge and that I am authorized to sign this form.
Déclaration : J'atteste que je possède une connaissance suffisante et que je suis autorisé(e) à signer le présent formulaire.

Original signed by / Original signé par
David Hanna

David Hanna
416-000-0000

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

This is Exhibit “D” referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.

State Of Delaware⁵³

Entity Details

5/23/2024 11:30:25AM

File Number: 3631105

Incorporation Date / Formation Date: 9/10/2020

Entity Name: GLOBAL FOOD AND INGREDIENTS (USA) INC.

Entity Kind: Corporation

Entity Type: General

Residency: Domestic

State: DELAWARE

Status: AR Delinquent, Tax Due

Status Date: 3/2/2024

Registered Agent Information

Name: PARACORP INCORPORATED

Address: 2140 S DUPONT HWY

City: CAMDEN

Country:

State: DE

Postal Code: 19934

Phone: 302-697-4590

This is Exhibit "E" referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.

State Of Delaware⁵⁵

Entity Details

5/23/2024 11:28:14AM

File Number: 3631091

Incorporation Date / Formation Date: 9/10/2020

Entity Name: NORTH LILY FOODS INC.

Entity Kind: Corporation

Entity Type: General

Residency: Domestic

State: DELAWARE

Status: AR Delinquent, Tax Due

Status Date: 3/2/2024

Registered Agent Information

Name: PARACORP INCORPORATED

Address: 2140 S DUPONT HWY

City: CAMDEN

Country:

State: DE

Postal Code: 19934

Phone: 302-697-4590

This is Exhibit "F" referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.



Certificate of Incorporation

Canada Business Corporations Act

Certificat de constitution

Loi canadienne sur les sociétés par actions

BIG SKY MILLING INC.

Corporate name / Dénomination sociale

1527922-4

Corporation number / Numéro de société

I HEREBY CERTIFY that the above-named corporation, the articles of incorporation of which are attached, is incorporated under the *Canada Business Corporations Act*.

JE CERTIFIE que la société susmentionnée, dont les statuts constitutifs sont joints, est constituée en vertu de la *Loi canadienne sur les sociétés par actions*.

Hantz Prosper

Director / Directeur

2023-08-14

Date of Incorporation (YYYY-MM-DD)

Date de constitution (AAAA-MM-JJ)



Form 1
Articles of Incorporation
*Canada Business Corporations
Act (s. 6)*

Formulaire 1
Statuts constitutifs
*Loi canadienne sur les sociétés
par actions (art. 6)*

- 1 Corporate name
Dénomination sociale
BIG SKY MILLING INC.
- 2 The province or territory in Canada where the registered office is situated
La province ou le territoire au Canada où est situé le siège social
ON
- 3 The classes and any maximum number of shares that the corporation is authorized to issue
Catégories et le nombre maximal d'actions que la société est autorisée à émettre
See attached schedule / Voir l'annexe ci-jointe
- 4 Restrictions on share transfers
Restrictions sur le transfert des actions
See attached schedule / Voir l'annexe ci-jointe
- 5 Minimum and maximum number of directors
Nombre minimal et maximal d'administrateurs
Min. 1 Max. 10
- 6 Restrictions on the business the corporation may carry on
Limites imposées à l'activité commerciale de la société
None
- 7 Other Provisions
Autres dispositions
See attached schedule / Voir l'annexe ci-jointe
- 8 **Incorporator's Declaration:** I hereby certify that I am authorized to sign and submit this form.
Déclaration des fondateurs : J'atteste que je suis autorisé à signer et à soumettre le présent formulaire.

Name(s) - Nom(s)

Original Signed by - Original signé par

Bill Murray

Bill Murray

Bill Murray

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

Schedule / Annexe**Description of Classes of Shares / Description des catégories d'action**

The Corporation is authorized to issue an unlimited number of Class A common shares and an unlimited number of Class B common shares with the following rights, privileges, restrictions and conditions:

VOTING**1. Class A common shares**

Subject to the Canada Business Corporations Act (the "Act"), the holders of each of the Class A common shares, shall be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and to one vote in respect of each Class A common share held at all such meetings.

2. Class B common shares

Subject to the Act, the holders of each of the Class B common shares, shall be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and to one vote in respect of each Class B common share held at all such meetings.

DIVIDENDS

Subject to the Act and the rights of the holders of shares of any other class ranking senior to the Class A common shares or the Class B common shares, the board of directors may from time to time declare dividends on the Class A common shares and/or the Class B common shares, without declaring any dividends on any other class of shares of the Corporation, and the Corporation Shall pay dividends thereon as and when declared and in such amounts and in such form as the board of directors may determine out of moneys properly applicable to the payment of dividends.

DISSOLUTION, LIQUIDATION, WINDING-UP, OR FINAL DISTRIBUTION**1. Class A common shares**

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Class A common shares, subject to the rights of the holders of any other class of shares of the Corporation, are entitled to receive assets of the Corporation and upon such distribution be entitled to participate in the distribution in priority to the holders of the Class B common shares such that 100% of such distribution will be payable to holder of Class A common shares until such amount meets the total capital contributed by holders of the Class A common shares.

2. Subsequent Distributions - Class B common shares

Once the holders of Class A common share have received the amount equal to their contributed capital, any

further distributions, if any, will be made in equal amounts per share to all holders the Class B common shares at the time outstanding without preference or distinction in priority to the holders of the Class A common shares such that 100% of such distribution will be payable to holder of Class B common shares until such amount meets the total capital contributed by holders of the Class B common shares.

3. Residual Distributions – Class A and Class B common shares

Once all holders of Class A common share and Class B common shares have received the amount equal to their respective contributed capital, any further distributions, if any, will be made in equal amounts per share to all holders of the Class A and the Class B common shares at the time outstanding without preference or distinction in priority.

Schedule / Annexe**Restrictions on Share Transfers / Restrictions sur le transfert des actions**

The right to transfer shares of the Corporation shall be restricted in that no holder of such shares shall be entitled to transfer any such shares without either:

1. if the transfer of such shares is restricted by any shareholders' agreement, complying with such restrictions in such agreement; or

2. if there are no such restrictions, either:

a) the express sanction of the holders of more than 50% of the voting shares of the Corporation for the time being outstanding expressed by a resolution passed at a meeting of the shareholders or by an instrument or instruments in writing signed by the holders of more than 50% of such shares; or

b) the express sanction of the directors of the Corporation expressed by a resolution passed by the votes of a majority of the directors of the Corporation at a meeting of the board of directors or signed by all of the directors entitled to vote on that resolution at a meeting of directors.

Schedule / Annexe
Other Provisions / Autres dispositions

1. The right to transfer securities of the Corporation (other than debt securities that are not convertible into shares of the Corporation) shall be restricted in that no holder of such securities shall be entitled to transfer any such securities without either:

a) if the transfer of such securities is restricted by any securities holders' agreement, complying with such restrictions in such agreement; or

b) if there are no such restrictions, either:

i) the express sanction of the holders of more than 50% of the voting shares of the Corporation for the time being outstanding expressed by a resolution passed at a meeting of the shareholders or by an instrument or instruments in writing signed by the holders of more than 50% of such shares; or

ii) the express sanction of the directors of the Corporation expressed by a resolution passed by the votes of a majority of the directors of the Corporation at a meeting of the board of directors or signed by all of the directors entitled to vote on that resolution at a meeting of directors.

2. The directors may appoint one or more directors, who shall hold office for a term expiring not later than the close of the next annual general meeting of shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual general meeting of shareholders.



Form 6
Changes Regarding Directors
Canada Business Corporations Act
(CBCA) (s. 106 and 113)

Formulaire 6
Changements concernant les administrateurs
Loi canadienne sur les sociétés par actions (LCSA) (art. 106 et 113)

Received Date (YYYY-MM-DD): 2024-05-22
Date de réception (AAAA-MM-JJ):

1 Corporate name
Dénomination sociale
BIG SKY MILLING INC.

2 Corporation number
Numéro de la société
1527922-4

3 Members of the Board of Directors (new directors in bold)
Membres du conseil d'administration (les nouveaux administrateurs sont indiqués en caractère gras)

Name Nom	Start Date YYYY-MM-DD Date d'entrée en fonction AAAA-MM-DD	Address Adresse	Resident Canadian Résident Canadien
Bill Murray	2023-08-14	43 Colborne Street, Suite 400, Toronto ON M5E 1E3, Canada	Yes
David Hanna	2024-02-01	43 Colborne St, Toronto ON M5E 1E3, Canada	Yes
Frank Van Biesen	2024-02-01	35 Oak St, Toronto ON M9N 3Z5, Canada	Yes

4 The following individuals are no longer directors
Les individus suivants ont cessé d'être administrateur de la société

Name Nom	End Date YYYY-MM-DD Date de fin de mandat AAAAA-MM-DD

5 Declaration: I certify that I have relevant knowledge of the corporation and that I am authorized to sign this form.
Déclaration: J'atteste que je possède une connaissance suffisante de la société et que je suis autorisé(e) à signer le présent formulaire.

Original signed by / Original signé par
Bill Murray

Bill Murray
(416) 840-6801

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.



Form 2
**Initial Registered Office Address
and First Board of Directors**
*Canada Business Corporations Act
(CBCA) (s. 19 and 106)*

Formulaire 2
**Siège social initial et premier
conseil d'administration**
*Loi canadienne sur les sociétés par
actions (LCSA) (art. 19 et 106)*

1 Corporate name
Dénomination sociale
BIG SKY MILLING INC.

2 Address of registered office
Adresse du siège social
**43 Colborne Street
Suite 400
Toronto ON M5E 1E3**

3 Additional address
Autre adresse

4 Members of the board of directors
Membres du conseil d'administration

		Resident Canadian Résident Canadien
Bill Murray	43 Colborne Street, Suite 400, Toronto ON M5E 1E3, Canada	Yes / Oui

5 Declaration: I certify that I have relevant knowledge and that I am authorized to sign this form.
Déclaration : J'atteste que je possède une connaissance suffisante et que je suis autorisé(e) à signer le présent formulaire.

Original signed by / Original signé par
Bill Murray

Bill Murray
416-840-6801

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.



*Canada Business Corporations Act
(CBCA) (s. 19)*

**Change of Registered Office
Address
Form 3**

*Loi canadienne sur les sociétés par
actions (LCSA) (art. 19)*

**Changement d'adresse du
siège social
Formulaire 3**

Received Date (YYYY-MM-DD): 2024-05-22
Date de réception (AAAA-MM-JJ):

1 Corporate name
Dénomination sociale
BIG SKY MILLING INC.

2 Corporation number
Numéro de la société
1527922-4

3 New registered office address
Nouvelle adresse du siège social
**2369 W Railway St
Bowden AB T0M 0K0**

4 Additional address
Autre adresse

5 Declaration: I certify that I have relevant knowledge of the corporation and that I am authorized to sign this form.
Déclaration : J'atteste que je possède une connaissance suffisante de la société et que je suis autorisé(e) à signer le présent formulaire.

Original signed by / Original signé par
BILL MURRAY
BILL MURRAY
647-339-8162

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.



Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

BIG SKY MILLING INC.

Corporate name / Dénomination sociale

1527922-4

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 178 of the *Canada Business Corporations Act* as set out in the attached articles of amendment.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 178 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes.

Hantz Prosper

Director / Directeur

2024-05-22

Date of amendment (YYYY-MM-DD)

Date de modification (AAAA-MM-JJ)



Form 4
Articles of Amendment
Canada Business Corporations Act
(CBCA) (s. 27 or 177)

Formulaire 4
Clauses modificatrices
Loi canadienne sur les sociétés par
actions (LCSA) (art. 27 ou 177)

1 Corporate name
Dénomination sociale
BIG SKY MILLING INC.

2 Corporation number
Numéro de la société
1527922-4

3 The articles are amended as follows
Les statuts sont modifiés de la façon suivante

The corporation changes the province or territory in Canada where the registered office is situated to:
La province ou le territoire au Canada où est situé le siège social est modifié pour :
AB

4 Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

Original signed by / Original signé par
BILL MURRAY
BILL MURRAY
(416) 840-6801

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

This is Exhibit "G" referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.



GLOBAL FOOD AND INGREDIENTS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31 2022

This Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess the operations and financial conditions as it relates to the consolidated financial position and financial performance of Global Food and Ingredients Inc. and its wholly owned subsidiaries (collectively, "GFI", the "Company", "we", "us" and "our") for the year ended March 31, 2022. This MD&A provides the reader with a view and analysis, from the perspective of management, of the Company's financial results. The following MD&A should be read in conjunction with our annual audited consolidated financial statements, including the related notes thereto, for the year ended March 31, 2022.

BASIS OF PRESENTATION

Our annual consolidated financial statements and the financial information contained in the MD&A were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Unless otherwise stated herein, all financial information in this MD&A is presented in Canadian dollars. Certain totals, subtotals, and percentages throughout this MD&A may not reconcile due to rounding.

References in the MD&A are defined as follows:

Reference	Period
Q4 2022	Fiscal quarter for the three months period ended March 31, 2022
Q4 2021	Fiscal quarter for the three months period ended March 31, 2021
Fiscal year 2022 or FY 2022	For the twelve months period ended March 31, 2022
Fiscal year 2021 or FY 2021	For the twelve months period ended March 31, 2021

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Such forward-looking statements include, but are not limited to, information with respect to our objectives and the strategies for achieving those objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. Forward-looking statements are typically identified by the use of words such as "may", "would", "should", "could", "expect", "intend", "estimate", "anticipate", "plan", "foresee", "believe", or "continue", although not all forward-looking statements contain these words. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments, and the reader is therefore cautioned that such information may not be appropriate for other purposes. Forward-looking statements are based on assumptions and are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. Those risks and uncertainties are discussed in detail under PART VII - "Risk Factors" in the filing statement dated May 30, 2022 (the "Filing Statement"), a copy of which is available under the Global Food & Ingredients Ltd. profile on SEDAR at www.sedar.com. Consequently, all of the forward-looking statements contained herein are qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking statements contained herein are provided as of the date hereof, and we do not undertake to update or amend such forward-looking statements whether as a result of new information, future events or otherwise, except as may be required by applicable law.

BUSINESS OVERVIEW

Corporate Structure

GFI was incorporated as “Global Food and Ingredients Inc.” on April 19, 2018 pursuant to the laws of Canada. GFI has three operating subsidiaries that are either 100% owned or controlled by the Company including: GFI Brands Inc. (“GFI Brands”), Global Food and Ingredients (USA) Inc. (“GFI USA”), and North Lily Foods Inc. (“North Lily”). During the twelve months period ended March 31, 2022, the Company also had two other subsidiaries 11567403 Canada Inc. (“115”) and GFI LP (“GFI LP”) which were dissolved at the end of the period (see below). GFI’s registered office is located at 43 Colborne Street, Ste. 400, Toronto, Ontario, M5E 1E3.

On December 30, 2021 GFI incorporated a new wholly owned subsidiary, GFI Brands, for the purposes of housing the Company’s consumer products division.

On January 2, 2022, GFI entered into an agreement to acquire 100% of the limited partnership interest in GFI LP, GFI LP in turn becoming a 100% owned subsidiary of the Company. On March 31, 2022, 11567403 Canada Inc was dissolved; thereby, triggering the dissolution of GFI LP and wind-up of 11567403 Canada Inc. In doing so, all of the assets owned by GFI LP were transferred to the Company.

Reverse Takeover

On November 2, 2021 the Company and Pivotal Financial Corp (“Pivotal”) entered into a Business Combination Agreement (the “Combination Agreement”). The Combination Agreement outlines the general terms and condition pursuant to which Pivotal and the Company intended to complete a reverse takeover transaction through a three-cornered amalgamation resulting in Pivotal acquiring all of the issued and outstanding securities of the Company, constituting the Qualifying Transaction (the “Transaction”) under the policies of the TSX Venture Exchange (the “TSX-V”). On completion of the Transaction, the resulting company (the “Resulting Issuer”) held 100% of the Company’s common shares and the Company is a wholly-owned subsidiary of the Resulting Issuer.

The terms of the transaction include the purchase by Pivotal of all of the issued and outstanding securities of the Company in exchange for: (a) the issuance of Pivotal common shares to the Company shareholders on the basis of five (5) Pivotal common shares for each of the Company Class A and Class B common shares (including the common shares to be issued upon the conversion of the convertible debentures on a one(1)-for-one(1) basis immediately prior to the closing of the Transaction); and (b) convertible securities of Pivotal in exchange for outstanding convertible securities of the Company, with appropriate adjustments. Immediately prior to the Transaction, all of the directors and officers of Pivotal resigned such that following the closing of the Transaction, the officers and directors of the Company became the officers and directors of the Resulting Issuer.

On June 10, 2022, Pivotal and the Company completed the Transaction whereby the Company and a wholly owned subsidiary of Pivotal amalgamated under the law of the Province of Ontario to form Global Food and Ingredients Inc. which became a wholly owned subsidiary of Pivotal. Immediately prior to the closing of the Transaction, Pivotal changed its name to Global Food and Ingredients Ltd. and consolidated all of its common shares on the basis of the terms therein, five (5) Pivotal common shares for one common share of Global Food and Ingredients Ltd.

On June 20, 2022, the common shares of Global Food and Ingredients Ltd. commenced trading on the TSX-V under the symbol “PEAS”. Please see “Subsequent Events” section of the MD&A for updates to the capital structure.

General Development of the Business

GFI is a fast-growing, Canadian plant-based food and ingredients company focused on pulses and specialty crops. The Company supplies premium plant-based high protein ingredients to customers around the world and is developing a growing portfolio of plant-based consumer packaged foods in North America. GFI directly sources its supply at farms surrounding its four processing facilities, three in Saskatchewan and one in Alberta, in the heart of Canada’s pulse and specialty crops growing region. GFI’s total processing capacity at these facilities is approximately 440,000 metric tonnes per year. Subsequent to year-end the Company commissioned their state-of-the-art pea splitting facility which is capable of processing over 60,000 metric tonnes of yellow and green peas into split peas and pea fibre annually.

The success of GFI’s strategy to focus on value-added processing and vertical integration has allowed GFI to participate in the US\$35.6 billion global plant-based foods industry¹ and realize rapid growth in revenues.

¹ Bloomberg Intelligence

Business Model and Growth Strategy

GFI believes there is a significant opportunity to continue its vertical integration with further value-added processing and packaging activities, to generate additional margin on every metric tonne of product GFI purchases. This strategy is evidenced by the significant investment that GFI has made in building a pea splitting and flour production facility which was completed in June 2022. North Lily also fits into this strategy by selling truckloads of bagged product directly to food processing companies, foodservice companies and institutional buyers (educational institutions, healthcare facilities, correctional facilities, etc.) in the United States. To further vertically integrate and expand profit margins, GFI is developing its own line of branded consumer packaged foods under the brand name “Five Peas in Love”, with the first product launch into the U.S. retail market expected in the Fall of calendar year 2022. In addition, and to supplement and accelerate its path to market, in Q4 2022 GFI completed the acquisition of Your Fitness Dish Inc. o/a YoFiit (“YoFiit”), a premium plant-based milk and snack food company and certain assets of Export-Associates Inc. o/a Bentilia (“Bentilia”), a high protein, gluten-free pasta.

GFI is organized into four primary business lines:

1. *Pea Protein Inputs:* GFI supplies glyphosate-free and organic yellow peas for the pea protein extraction industry. We source our peas directly at the farm level with detailed specifications and control the processing through GFI’s organic certified facilities. Our rigorous controls include testing at our in-house glyphosate lab supplemented by additional third-party testing to meet the most stringent industry requirements. Our pea protein inputs can be used in a number of applications, including: meat alternatives, non-dairy milk, non-dairy alternatives, baked goods, protein supplements, pasta, gluten-free products and snacks.
2. *Plant-Based Ingredients:* GFI offers top grade North American plant-based, high protein ingredients. Processed at one of our four facilities in Western Canada, with a focus on premium quality and traceability, we have the ability to supply conventional, organic, non-GMO and gluten-free products. GFI products include lentils, peas, chickpeas, beans, specialty crops and split peas. Our premium plant-based ingredients are offered through our North Lily and North Lily Organic brands, through private label or bulk as needed by our customers. We are a quality conscious and service-oriented supplier that food processors can count on for premium products delivered reliably and in whatever packaging best suits their inputs requirements.
3. *Plant-Based Pet Food Ingredients:* In September 2021, GFI completed the acquisition of a plant-based pet food ingredients production facility located in Bowden, Alberta, leading to the creation of GFI’s plant-based pet food ingredients business unit. The facility produces custom blends of milled red lentils, green lentils, chickpeas, pinto beans, yellow peas, and green peas to produce specific nutritional profiles for pet food manufacturers. The facility is an ideal addition to GFI’s expanding facilities network as it complements the operation and has allowed GFI to develop a zero-waste system whereby we are able to maximize value throughout the process. The facility is designed to extract valuable ingredients from by-products at GFI’s facilities, greatly reducing waste through the extraction and segregation of by-products into pet food ingredients and other feed ingredients. The global pet-food market is set to reach US\$139 billion by 2026 from US\$42 million in 2020², growing at annual rate of 9.7% over the period.
4. *Plant-Based Consumer Packaged Goods:* GFI recently acquired the YoFiit and Bentilia brands; thereby, accelerating GFI’s path to market for consumer-packaged goods, providing it with existing brands, consumer followings and customer and market penetration. In addition to the existing portfolio of product offerings, YoFiit is engaged in a major research and development project with support of its consortium of members, including Protein Industries Canada. The project is underway to develop additional plant-based milk SKUs, plant-based yogurts and plant-based egg replacements. The Company has secured \$1.2 million in government grants to support the project. Development is also underway with GFI’s in-house consumer packaged foods under the name “Five Peas in Love” including prepared and “read-to-eat” high protein side dishes.

In the previous fiscal years and following the initial purchase of the three processing facilities, the Company engaged in toll processing services for third-party customers to utilize additional capacity at the facilities while growing its own book of business. As part of the acquisition of the three processing facilities in 2019, the Company entered into a take-or-pay toll processing agreement (“TPA”) with the vendor. For purposes of this MD&A, TPA will reference the specific contract with the aforementioned vendor, while toll processing related services will reference the collective services for all third-party clients.

In Q3 2021, the vendor entered into receivership and the TPA was subsequently cancelled. As a result of the cancellation, the Company incurred an impairment charge of \$1.7 million, representing the carrying value of the TPA at the time of cancellation. Concurrently, the Company also recorded a \$1.3 million gain on the retirement of the vendor-take-back note associated with the acquisition.

² ResearchAndMarket, June 2021 / American Pet Products Association, 2021

In addition, the Company received net insurance proceeds of \$3.8 million under its contract frustration policy in connection with the cancellation of the TPA. Under an agreement with an insurance company for the payment of the insurance proceeds, the Company is required to enforce a guarantee it was required to have obtained from the vendor's related party at the time of entering into the TPA and remit all recoveries to the insurance company. The insurance proceeds were received in Q4 2021 and were quantified to reflect five quarters, Q3 2021 to and including Q3 2022, of revenue under the TPA that was lost as a result of the cancellation. See "Non-IFRS Measures" for additional discussion on the allocation of proceeds.

Toll processing related services were booked at 100% gross profit and deemed ancillary to the Company's core operation and utilized fixed overhead costs and available capacity. Despite the attractive margins, toll processing required the Company maintain a certain percentage of unutilized capacity at their facilities for each of its toll processing customers; thereby, hindering the Company's ability to grow their own book of business. Following the cancellation of the TPA, management made a strategic decision to no longer provide toll processing related services to allow the Company to focus on growing their book of business and volume to support the growth strategy to become a vertically integrated plant-based ingredient supplier. The Company was able to double its plant-based ingredient sales in FY 2022, which represented the first fiscal year without toll processing related services. This amounted to an increase over \$66 million in in-house plant-based ingredient sales versus \$3.7 million toll processing related service revenues recorded in FY 2021.

GFI has developed a strategy to pursue growth with the target of being a fully integrated plant-based food business through the following areas of focus:

1. *Plant-Based Core Ingredients*: Continued growth in the primary business operation with a focus on higher value, premium pulses and specialty crops, including pea protein inputs, edibles beans, chickpeas, lentils and pet food ingredients. Pet food ingredients processing was only commissioned in Q4 2022 and will benefit from a full year of operation in FY 2023.
2. *Value-added Ingredients*: Growth by expansion of our in-house capabilities at our facilities and also through acquisitions, with a focus on value added pulse products, including split-peas, high protein pulse flours, pea protein concentrate, pea fibre and blended and ground pet food mixes. Commissioning of our state-of-the-art pea splitting facility occurred in Q1 2023.
3. *Functional Ingredients*: Development and expansion into functional ingredients, such as texturized pea protein, functional pulse flours and plant-based substitutes. The development of a plant-based egg substitute is being conducted by GFI's YoFiit division through their ongoing research and development mandate which could contribute and support this pillar of growth.
4. *Branded Consumer Products*: Expand our existing portfolio of consumer products through in-house development and acquisition including a full product line-up of plant-based dairy and egg products, functional lentil pasta, prepared "ready-to-eat" high protein side dishes and nutritious, high protein snacks. In addition to expanding our portfolio of offerings, we are focusing on expanding our geographical footprint and widening our channels of distribution.
5. *North American Distribution Network*: Expand distribution capabilities of GFI's wholesale distribution arm, North Lily Foods, across each of the strategic categories noted above in the U.S. and Canada.

We intend to continue to grow our business and continuously generate improvements in our financial performance

FISCAL 2022 OPERATIONS: SUMMARY OF FINANCIAL PERFORMANCE

FY 2022, particularly Q3 and Q4, presented a challenging period for the business and the ingredients industry as a whole, predominantly related to the following factors:

- (i) Poor harvest due to droughts leading to increased pricing and decreased supply of quality product;
- (ii) Significant increase in commodity prices which resulted in higher selling prices but also higher input costs; thereby, lowering the percentage margin per commodity. In addition, the drastic price increases in the latter half of the year led to the default and/or renegotiation of several farmer/broker contracts. The Company enters in contracts with farmers and brokers to supply the Company with commodities at a set period in the future. Concurrently, the Company will enter into a sale contract to be delivered around the same time period to hedge the purchase and avoid being overly exposed to rapid price changes in a single commodity. In a rising price environment, when farmers and brokers default on supply contracts, the Company is forced to repurchase product in the open market at a higher purchase price; thereby reducing the margin on those particular sales. Due to our relationship with our supplier network, GFI only experienced a few instances of this throughout the year.
- (iii) Constraints experienced from industry wide delays in shipping and floods at the British Columbia port, resulted in working capital constraints as the Company carried a higher level of inventory and the delivery of contracts were delayed. This results in increased costs to the Company to store product, while slowing the cash conversion cycle and ultimately increasing working capital requirements. The industry wide shipping delays also resulted in increased shipping costs which reduced margin. In addition, when the Company enters into a foreign denominated contract, we will hedge our position for certain contracts by entering into a foreign exchange forward contract for a period that will align with the delivery date of the contract. Therefore, the delayed shipping also resulted in foreign exchange future contracts expiring prior to the product being delivered coupled with increased exchange rates during the year, resulting in higher foreign exchange losses.

Despite the challenges, FY 2022 was highlighted by the following milestones:

- (i) The ingredients business grew revenues by over 100% in the fiscal year;
- (ii) The Company completed the following acquisitions in higher margin categories to achieve vertical integration, namely:
 - a. Bowden pet food facility; thereby, expanding GFI's plant-based pet food ingredients business. The facility is designed to extract valuable ingredients from by-products at GFI's other three facilities, greatly reducing waste through the extraction and segregation of by-products into pet food ingredients. In addition to giving GFI a full suite of healthy and sustainable, high protein formulated plant-based ingredients for pets, the facility also enhances the company's operations and represents a key step forward in realizing its zero-waste strategy, while maximizing the value of every step throughout the production system and bolstering profitability. The acquisition was completed in September 2021 and the facility began commercial production in January 2022.
 - b. Your Fitness Dish, operating as YoFiit. The YoFiit brand bolsters a full line-up of nourishing and delicious plant-based products that are free of chemical additives and contain zero to low sugar. This includes a plant-based milk made with chickpeas, pea protein, and flax oil; thereby, expanding GFI's vertical footprint into plant-based consumer packaged goods. The acquisition was completed in February 2022.
 - c. Bentilia, which offers a commercially available high-protein pasta line made with one key ingredient – red lentils. There are no other additives. Bentilia also offers a new generation of delicious superfood pasta made with an exclusive blend of 21 nutrients designed to maintain, strengthen, and support the immune system, The acquisition was completed in March 2022.
- (iii) The Company raised \$11.4 million through a \$4.0 million long-term debt facility and \$7.4 million of convertible debentures
- (iv) Increased working capital financing and reduced borrowing costs by obtaining a 3-year committed facility with a limit of \$25 million, a significant increase from the prior demand facility limit of \$6 million

The following tables summarizes select operating results for the periods indicated:

	Three months ended		Twelve months ended	
	Q4 2022	Q4 2021	FY 2022	FY 2021
Revenue	\$ 34,834,013	\$ 26,503,930	\$ 124,436,679	\$ 61,566,535
Cost of sales	34,128,286	25,149,569	120,457,673	58,698,431
Gross profit	705,727	1,354,361	3,979,006	2,868,104
Expenses:				
General and administration	1,332,538	1,106,948	5,806,685	3,878,466
Depreciation and amortization	170,209	178,351	335,847	713,477
Profit (loss) before the undernoted	(797,020)	69,062	(2,163,526)	(1,723,839)
Other expenses (income)	1,690,389	(5,162,834)	4,253,892	(3,725,945)
(Loss) profit before income taxes	(2,487,409)	5,231,896	(6,417,418)	2,002,106
Income tax expense (recovery)	(162,320)	1,213,135	(126,781)	846,545
(Loss) profit for the period	\$ (2,325,089)	\$ 4,018,761	\$ (6,290,637)	\$ 1,155,561

The following tables summarizes select non-IFRS financial measures for the periods indicated:

	Three months ended		Twelve months ended	
	Q4 2022	Q4 2021	FY 2022	FY 2021
Gross profit margin	2.0%	5.1%	3.2%	4.7%
Adjusted gross profit	1,538,020	3,061,787	9,921,440	8,295,923
Adjusted gross profit margin	4.4%	11.6%	8.0%	13.5%
Adjusted gross profit less toll processing related services	1,501,658	1,846,225	7,436,642	3,039,717
Adjusted gross profit margin less toll processing related services	4.3%	7.1%	6.0%	5.3%
EBITDA	(1,295,288)	5,756,448	(3,201,076)	4,394,238
EBITDA margin	(3.7%)	21.7%	(2.6%)	7.1%
Adjusted EBITDA	(475,050)	1,598,255	1,735,497	2,287,473
Adjusted EBITDA margin	(1.4%)	6.0%	1.4%	3.7%

See "Non-IFRS Financial Measures".

Selected financial highlights for Q4 2022 compared to Q4 2021

- Total revenues increased by 31.4% or \$8.3 million to \$34.8 million, compared to \$26.5 million in Q4 2021.
- Gross profit totalled \$0.7 million, compared to \$1.4 million in Q4 2021. Gross profit margin was 2.0% of revenue, compared to 5.1% in the prior comparable period.
- Adjusted gross profit totalled \$1.5 million in comparison to \$3.0 million in Q4 2021. Adjusted gross profit margin was 4.4% of revenue, compared to 11.6% in the prior comparable period.
- Adjusted gross profit less toll processing related services totalled \$1.5 million in comparison to \$1.8 million in Q4 2021. Adjusted gross profit margin less toll processing related services was 4.3% of revenue, compared to 7.1% in the prior comparable period.
- Loss for the period of \$2.3 million in Q4 2022, compared to profit of \$4.0 million in Q4 2021.

Selected financial highlights for FY 2022 compared to FY 2021

- Total revenues increased by 102.1% or \$62.9 million to \$124.4 million, compared to \$61.5 million in FY 2021.
- Gross profit totalled \$4.0 million, an increase of 38.7% or \$1.1 million compared to \$2.9 million in FY 2021. Gross profit margin was 3.2% of revenue, compared to 4.7% in FY 2021.
- Adjusted gross profit totalled \$9.9 million, an increase of \$1.6 million or 19.6% compared to \$8.3 million in FY 2021. Adjusted gross profit margin was 8.0% of revenue, compared to 13.5% in the prior comparable period.
- Adjusted gross profit less toll processing related services totalled \$7.4 million in comparison to \$3.0 million in FY 2021, an increase of \$4.4 million or 144.6%. Adjusted gross profit margin less toll processing related services was 6.0% of revenue, compared to 5.3% in the prior comparable period.

- Loss for the period of \$6.3 million in FY 2022, compared to profit of \$1.2 million in FY 2021.
- Adjusted EBITDA decreased by \$0.6 million or 23.9% to \$1.7 million in FY 2022 in comparison to \$2.3 million in the prior comparable period. Adjusted EBITDA margin represented 1.4% of revenue compared to 3.7% in FY 2021.

RESULTS OF OPERATIONS FOR THE THREE-MONTHS ENDED MARCH 31, 2022

Revenue

Total revenues increased by 31.4% or \$8.3 million to \$34.8 million, compared to \$26.5 million in Q4 2021.

The following table presents the Company's revenue disaggregated by major goods/service lines for the periods indicated:

	Three months ended		Change	
	Q4 2022	Q4 2021	\$	%
Pea protein inputs & plant-based ingredients	\$ 28,144,755	\$ 26,028,948	\$ 2,115,807	8.1 %
Plant-based pet food ingredient sales	6,636,231	-	6,636,231	-
Total plant-based ingredient sales	34,780,986	26,028,948	\$ 8,752,038	33.6
Toll processing related services	36,362	455,994	(419,632)	(92.0)
Plant-based consumer packaged goods	16,665	-	16,665	-
Other income	-	18,988	(18,988)	(100.0)
Revenue	\$ 34,834,013	\$ 26,503,930	\$ 8,330,083	31.4 %

During Q4 2022, total plant-based ingredient sales increased by \$8.8 million or 33.6% to \$34.8 million. GFI built on its growth in the previous year and realized on increased volume throughput across each of its processing facilities, attributing to 24% of the growth in the quarter. The Bowden pet food facility was commissioned late Q3 2022; therefore, Q4 2022 was the first full quarter of operating results from the new business line. During Q4 2022 plant-based pet food ingredients generated sales of \$6.6 million, representing 75% of the total growth in the quarter from total plant-based ingredient sales.

Q4 2021 included revenue from toll processing related services of \$0.5 million compared to \$36 thousand in Q4 2022 as a take-or-pay TPA was cancelled in Q3 2021 and simultaneously the Company made a strategic decision to end third-party toll processing with its other customers. Sales following the cancellation of the agreement were residual from existing arrangements. Q4 2022 included \$17 thousand of plant-based consumer packaged goods sales from the completed YoFiit and Bentilia acquisitions in February and March 2022, respectively.

Gross profit and margin

The following table presents the Company's margin performance for the period indicated:

	Three months ended		Change	
	Q4 2022	Q4 2021	\$	%
Gross profit	\$ 705,727	\$ 1,354,361	\$ (648,634)	(47.9) %
Gross profit margin ⁽¹⁾	2.0%	5.1%		
Adjusted gross profit ⁽¹⁾	\$ 1,538,020	\$ 3,061,787	\$ (1,523,767)	(49.8) %
Adjusted gross profit margin ⁽¹⁾	4.4%	11.6%		
Adjusted gross profit less toll processing related services ⁽²⁾	\$ 1,501,658	\$ 1,846,225	\$ (344,567)	(18.7) %
Adjusted gross profit margin less toll processing related services ⁽²⁾	4.3%	7.1%		

⁽¹⁾ Gross profit margin, adjusted gross profit and adjusted gross profit margin are non-IFRS measures. Refer to the section entitled "Non-IFRS Measures".

⁽²⁾ Adjusted gross profit less toll processing related services and adjusted gross profit margin less toll processing related services are non-IFRS measures. Refer below for further discussion and calculation.

Gross profit totalled \$0.7 million, a decrease of 47.9% or \$0.7 million compared to \$1.4 million in Q4 2021. Gross margin represented 2.0% of revenue, compared to 5.1% in Q4 2021. The decrease in gross margin is due to a larger portion of GFI's revenue in FY 2021 being derived from processing revenue which carry a 100% margin and an increase in the Company's overhead and headcount at its processing facilities in Q4 2022 to accommodate the increased volumes processed. In addition, the Company experienced higher processing costs in Q4 2022 as a result of the addition of pet food processing at the Bowden facility following the acquisition at the end of September 2021, with the facility starting to generate regular revenues in Q4 2022.

Adjusted gross profit totalled \$1.5 million, a decrease of 49.8% or \$1.5 million compared to \$3.0 million in Q4 2021. Adjusted gross profit margin represented 4.4% of revenue, compared to 11.6% in Q4 2021. The decline in margin is directly attributable to a higher portion of GFI's revenue in Q4 2021 being derived from toll processing related services as well as a quarter of the net insurance proceeds received, or \$0.8 million, being attributed to Q4 2021 and not to Q4 2022. During Q4 2021 the Company recorded a realized gain on foreign exchange of \$0.6 million in comparison to a loss of \$0.1 million in Q4 2022, which represented almost \$0.7 million of the \$1.5 million difference.

Management believes that to accurately assess the margin performance in the current period of the ongoing operation against its comparative period, the metric should be assessed net of toll processing related services revenue and margin. The rationale is that toll processing revenue carried a gross margin of 100% as the facility expenses are considered fixed in nature as they are required to operate the underlying business and toll processing related services did not require any additional personnel or operating costs. The toll processing related services were a strategic undertaking to fill the under-utilized facilities as the Company was in its early stages of growth. As the Company has doubled its underlying business, the focus has been shifted from toll processing related services to internally generated revenue from product sales; therefore, toll processing related services are not part of the ongoing business operation.

Adjusted gross profit less toll processing services amounted to \$1.5 million in Q4 2022 which represents a \$0.3 million or 18.7% decrease in gross profit compared to \$1.8 million in Q4 2021. The decline in adjusted gross profit less toll processing related services period over period is primarily attributable to a realized loss in foreign exchange in Q4 2022 of \$0.1 million compared to realized foreign exchange gain in Q4 2021 of \$0.6 million. The Company has shifted focus from toll processing and volume handling to higher margin, premium products and more value-added processing which is expected to expand the Company's margin future periods.

Adjusted gross profit margin less toll processing related services represented 4.3% of revenue less toll processing related services in Q4 2022 in comparison to 7.1% in Q4 2021. The decline is primarily attributable to industry wide shipping delays and increased commodity prices. Shipping delays resulted in a timing difference between foreign exchange forward contract and the execution of the revenue contract which in foreign exchange losses in the period. Rising commodity prices led to default supplier contracts which had to be fulfilled and repurchased at higher prices.

Generally, given the commodities industry is a margin-based business, in rising commodity price environments, profit margins will be lower as both cost of inputs and selling price of outputs will increase at relatively the same rate.

The following table provides a reconciliation of revenue to revenue less toll processing related services and gross profit to adjusted gross profit less toll processing related services for the periods presented:

	Three months ended		Change	
	Q4 2022	Q4 2021	\$	%
Revenue	\$ 34,834,013	\$ 26,503,930	\$ 8,330,083	31.4 %
Less: toll processing related services	36,362	455,994		
Revenue less toll processing related services	\$ 34,797,651	\$ 26,047,936	\$ 8,749,715	33.6 %
Gross profit	\$ 705,727	\$ 1,354,361	\$ (648,634)	(47.9) %
Less: toll processing related services	36,362	455,994		
Less: realized foreign exchange loss (gain) ⁽³⁾	135,969	(556,963)		
Plus: total costs attributable to bringing inventory to a saleable condition ⁽⁴⁾	968,262	390,895		
Adjusted gross profit less toll processing related services ⁽¹⁾	\$ 1,501,658	\$ 1,846,225	\$ (344,567)	(18.7) %
<i>Adjusted gross profit margin less toll processing related services ⁽²⁾</i>	<i>4.3%</i>	<i>7.1%</i>		

⁽¹⁾ Adjusted gross profit less toll processing related services is a non-IFRS measure used in the current period by management to assess the operating performance of the ongoing business operation net of revenue and margin associated with toll processing services. As these services were a larger portion of the operation in Q4 2021 and have been significantly reduced in Q4 2022 and will no longer be provided in FY 2023, management view is that this metric is indicative of the

ongoing operating performance of the Company. Adjusted gross profit less toll processing related services is calculated by adding or deducting, as applicable from gross profit, certain costs, charges or benefits incurred in such period which in management's view are either not indicative or are directly correlated to the Company's process to sell its products, including: (a) toll processing revenue, (b) realized foreign exchange loss (gain), and (c) overhead costs attributable to bringing inventory to a saleable condition that have been recorded as cost of sales under IFRS.

- (2) Adjusted gross profit margin less toll processing related services represents adjusted gross profit less toll processing related services divided by revenue less toll processing related services. In the current period, management use adjusted gross profit margin less toll processing related services to facilitate a comparison of the operating performance of the Company on a consistent basis reflecting the ongoing operating business.
- (3) Consists of realized gains and losses on foreign exchange rates for executed transactions. The Company does not employ hedge accounting practices, but books forward contracts at the time the Company enters into a new contract with a foreign currency denominated vendor. The gain or loss realized at the time of sale is directly related to each of the executed contracts and as a result is indicative of the margin realized on said contract.
- (4) This is an IFRS adjustment to allocate applicable overhead costs, including compensation and benefits and other general and administration costs, and amortization of property, plant and equipment specifically related to the Company's operating facilities to cost of sales. Management views these costs as fixed in nature and does not assess them as being indicative of the variable cost of selling its products.

General and administration

General and administration expenses amounted to \$1.3 million in Q4 2022, a \$0.2 million or 20.4% increase compared to \$1.1 million in Q4 2021. General and administration expenses represented 3.8% of revenue in Q4 2022 compared to 4.2% of revenue in the comparative period.

The following table provides a summary of the total general and administrative expenses recorded in cost of sales and expenses for the periods presented:

	Three months ended		Change	
	Q4 2022	Q4 2021	\$	%
Recorded in expenses	\$ 1,332,538	\$ 1,106,948	\$ 225,590	20.4%
Recorded in cost of sales	801,812	367,345	434,466	118.3%
Total general and administration expense	\$ 2,134,350	\$ 1,474,293	\$ 660,056	44.8%

Total general and administration expenses, inclusive of facility overhead expenses recorded in cost of sales attributable to bringing inventory to a saleable condition under IFRS, amounted to \$2.1 million in Q4 2022 or 6.1% of revenue. This represents an increase in total general and administration expense in the current period of \$0.6 million or 44.8% in comparison to \$1.5 million (5.6% of revenue) in Q4 2021.

The increase in general and administration was primarily driven by the increase in the Company's headcount to support the growing operation, including additional personnel related to (a) building a consumer-products team in anticipation of the completion of the YoFiit and Bentilia acquisitions, (b) ramping up production at the pet food facility and (c) developing a book of business and team in anticipation of the completion of the pea splitting facility.

Other expenses

Depreciation and amortization include the depreciation of property, plant and equipment, amortization of right-of-use assets and amortization of intangible assets. The amount totalled \$0.3 million in Q4 2022, representing an increase of \$0.1 million or 73.4% compared to \$0.2 million in Q4 2021. The increase in depreciation and amortization expense is related to the addition of the pet food facility in Q4 2022 that was acquired during FY 2022.

The following table provides a summary of the total depreciation and amortization expenses recorded in cost of sales and expenses for the periods presented:

	Three months ended		Change	
	Q4 2022	Q4 2021	\$	%
Recorded in expenses	\$ 170,209	\$ 178,351	\$ (8,142)	(4.6)
Recorded in cost of sales	179,795	23,550	156,245	663.5
Total depreciation and amortization expense	\$ 350,004	\$ 201,901	\$ 148,103	73.4

Finance costs, net of interest income increased by 148.0%, or \$0.5 million, to \$0.8 million in Q4 2022 as compared to \$0.3 million in Q4 2021. The increase is primarily related to the increase in interest expense and amortization related to financing activities. During FY 2022, the Company entered into a new credit facility with Farm Credit Canada ("FCC"), to draw a maximum of \$4.0 million to support the completion of the pea-splitting project at our Zealandia facility. In the same period, the Company replaced its revolving line of credit with a revolving asset backed loan facility with JP Morgan Chase which increased its borrowing capacity from \$6.0 million during FY 2021 to \$25.0 million (\$28.0 million in peak periods) in FY 2022. With the growing operations and increased working capital demands, the Company carried a higher balance on its operating line during FY 2022. This represented \$0.1 million

of the increase in interest expense related to financing activities. The remaining difference relates to interest of \$40 thousand on the shareholder loan issued in Q4 2022 and the interest on the convertible debentures of \$0.1 million which did not exist in Q4 2021.

Amortization related to financing activities increased from \$26 thousand in Q4 2021 by \$0.2 million or 921.3% to \$0.3 million in Q4 2022. The increase relates to the issuance of the \$7.4 million convertible debentures during FY 2022. In FY 2021 the amortization related to the \$3.0 million vendor-take-back note associated with the acquisition of the three processing facilities, in November 2019, which was retired during Q4 2021.

The following table provides a summary of the net finance costs for the periods presented:

	Three months ended		Change	
	Q4 2022	Q4 2021	\$	%
Interest income	(57,014)	991	(58,005)	(5,853.2) %
Interest expense related to financing activities	560,743	284,487	276,256	97.1
Amortization related to financing activities	269,746	26,412	243,334	921.3
Total finance costs, net	773,475	311,890	461,585	148.0 %

Q4 2022 included a \$0.1 million loss on the revaluation of the convertible debentures which were issued in July and August 2021 as well as a \$34 thousand loss on the revaluation of finder warrants associated with the convertible debentures. FY 2022 included a \$1.4 million loss on the revaluation of the convertible debentures which were issued in July and August 2021 as well as a \$0.1 million loss on the revaluation of finder warrants associated with the convertible debentures. Under IFRS, the convertible debentures included two components, debt carried at amortized costs and an embedded derivative which was revalued at each reporting period with gains and losses through profit and loss. As the probability of the Transaction closing became more likely through the fiscal year, the value of the embedded derivative increased throughout the year, resulting in a revaluation loss.

In Q4 2022, the Company also recorded \$1.3 million of expenses related to the acquisitions completed during the year and additional professional and legal costs incurred as the Company worked towards the completion of the Transaction. In Q4 2022, the Company recorded other income of \$0.5 million related to a government grant received during the period attributed to the work being completed on the pea splitting project.

During Q4 2021, the Company recorded \$3.8 million of net insurance proceeds under the contract frustration policy related to the cancellation of the TPA as the vendor entered receivership. Further related to the cancellation of the TPA and receivership of the vendor, the Company recorded a \$1.3 million gain on the retirement of the vendor take-back note with the vendor.

Loss for the period

The Company recorded a loss for the period of \$2.3 million in comparison to a profit of \$4.0 million in Q4 2021. The decline in profit is primarily due to the challenging factors that impacted the North American exporters, including shipping delays, increased shipping costs and rising commodity prices. The Company continued to grow its overhead during the period to support current and future growth opportunities and began building a sales order book for the pea-splitting facility (under construction) and development of the consumer brands division. In Q4 2022 the Company also recorded additional expenses associated with completing the acquisitions and working towards the completion of the Transaction and liquidity event, whereas in Q4 2021 the Company recorded \$5.1 million in income related to net insurance proceeds received and a gain on the retirement of the vendor-take-back note.

EBITDA and Adjusted EBITDA

EBITDA declined to negative \$1.3 million in Q4 2022, compared to positive \$5.8 million in Q4 2021.

Adjusted EBITDA represented negative \$0.5 million in Q4 2022, a decline of \$2.1 million compared to \$1.6 million in Q4 2021. A portion of insurance proceeds recorded as income in fiscal 2021 were allocated to each of the periods to align with the corresponding periods in which the income under the TPA would have been earned and recognized. One quarter of proceeds was allocated to Q4 2021 and no amounts were allocated to Q4 2022.

Adjusted EBITDA and adjusted EBITDA margin are non-IFRS measures. Refer to the section entitled "Non-IFRS Measures".

RESULTS OF OPERATIONS FOR THE TWELVE-MONTHS ENDED MARCH 31, 2022

Revenue

Total revenues increased by 102.1% or \$62.9 million to \$124.4 million, compared to \$61.5 million in FY 2021. The following table presents the Company's revenue disaggregated by major goods/service lines for the periods indicated:

	Twelve months ended		Change	
	FY 2022	FY 2021	\$	%
Pea protein inputs & plant-based ingredients	\$ 116,338,462	\$ 57,810,477	\$ 58,527,985	101.2 %
Plant-based pet food ingredient sales	7,875,457	-	7,875,457	-
Total plant-based ingredient sales	124,213,919	57,810,477	66,403,442	114.9
Toll processing related services	206,095	3,737,070	(3,530,975)	(94.5)
Plant-based consumer packaged goods	16,665	-	16,665	-
Other income	-	18,988	(18,988)	(100.0)
Revenue	\$ 124,436,679	\$ 61,566,535	\$ 62,870,144	102.1 %

Total plant-based ingredient sales of \$124.2 grew by 114.9% or \$66.4 million from \$57.8 million in FY 2021 to \$124.2 million in FY 2022. The growth is primarily attributable to a combination of the increased throughput of volume at each of GFI's existing processing facilities and rising commodity prices during the period. In addition to the organic growth, the Company realized sales from plant-based pet food ingredients processing facility acquired in September 2021 of \$7.9 million during its two quarters of operations. Overall, the growth of the existing pea protein inputs and plant-based ingredients business represented 88% of the growth in total plant-based ingredient sales during FY2022 and the remaining 12% is attributable to the new plant-based pet food ingredient sales. The Company will further benefit from a full year of plant-based pet food ingredient sales in FY 2023 from a full twelve months of operations as well as higher margin business.

The Company completed the acquisition of two consumer packaged goods companies, YoFiit and Bentilia in February and March 2022, respectively. These new revenue streams contributed sales of \$17 thousand in FY 2022 after closing of the transactions.

The Company benefited from two full quarters of revenues from the TPA and other toll processing related services in FY 2021, resulting in total processing sales for the year of \$3.7 million. The TPA was cancelled in Q3 2021 following the third-party entering receivership; therefore, the volumes associated with that contract and other toll processing customers were nominal in FY 2022, amounting to \$206 thousand, a decline of \$3.5 million.

Gross profit and margin

The following table presents the Company's margin performance for the period indicated:

	Twelve months ended		Change	
	FY 2022	FY 2021	\$	%
Gross profit	\$ 3,979,006	\$ 2,868,104	\$ 1,110,902	38.7 %
Gross profit margin	3.2%	4.7%		
Adjusted gross profit ⁽¹⁾	\$ 9,921,440	\$ 8,295,923	\$ 1,625,517	19.6 %
Adjusted gross profit margin ⁽¹⁾	8.0%	13.5%		
Adjusted gross profit less toll processing related services ⁽²⁾	\$ 7,436,642	\$ 3,039,717	\$ 4,396,925	144.6 %
Adjusted gross profit margin less toll processing related services ⁽²⁾	6.0%	5.3%		

⁽¹⁾ Adjusted gross profit and adjusted gross profit margin are non-IFRS measures. Refer to the section entitled "Non-IFRS Measures".

⁽²⁾ Adjusted gross profit less toll processing related services and adjusted gross profit margin less toll processing related services are non-IFRS measures. Refer below for further discussion and calculation.

Gross profit totalled \$4.0 million, an increase of 38.7% or \$1.1 million compared to \$2.9 million in FY 2021. Gross margin represented 3.2% of revenue, compared to 4.7% in FY 2021. The decrease in gross margin is due to a larger portion of GFI's revenue in FY 2021 being derived from processing revenue which carry a 100% margin and an increase in the Company's overhead and headcount at its processing facilities in FY 2022 to accommodate the increased volumes processed. In addition, the Company experienced higher processing costs in FY 2022 as a result of the addition of pet food processing and the Bowden facility following the acquisition at the end of September 2021.

Adjusted gross profit totalled \$9.9 million, an increase of 19.6% or \$1.6 million compared to \$8.3 million in FY 2021. Adjusted gross profit margin represented 8.0% of revenue, compared to 13.5% in FY 2021. The decline in margin is directly attributable to a higher portion of GFI's revenue in FY 2021 being derived from toll processing related services and higher shipping and storage costs in FY 2022.

Management believes that to accurately assess the margin performance in the current period of the ongoing operation against its comparative period, the metric should be assessed net of toll processing related services revenue and margin. The rationale is that toll processing revenue carried a gross margin of 100% as the facility expenses are considered fixed in nature as they are required to operate the underlying business and toll processing related services did not require any additional personnel or operating costs. The toll processing related services were a strategic undertaking to fill the under-utilized facilities as the Company was in its early stages of growth. As the Company has doubled its underlying business, the focus has been shifted from toll processing related services to internally generated revenue from product sales; therefore, toll processing related services are not part of the ongoing business operation.

Adjusted gross profit less toll processing related services amounted to \$7.4 million in FY 2022 which represents a \$4.4 million or 144.6% increase compared to \$3.0 million in FY 2021. Adjusted gross profit margin less toll processing related services represented 6.0% of revenue less toll processing related services in FY 2022 in comparison to 5.3% in FY 2021. Therefore, the margin of the ongoing operation improved from the comparative period as the Company shifted focus to higher margin, premium ingredient products.

The following table provides a reconciliation of revenue to revenue less toll processing related services and gross profit to adjusted gross profit less toll processing related services for the periods presented:

	Twelve months ended		Change	
	FY 2022	FY 2021	\$	%
Revenue	\$124,436,679	\$ 61,566,535	\$ 62,870,144	102.1 %
Less: toll processing related services	206,095	3,737,070		
Revenue less toll processing related services	\$124,230,584	\$ 57,829,465	\$ 66,401,198	114.8 %
Gross profit	\$ 3,979,006	\$ 2,868,104	\$ 1,110,902	38.7 %
Less: toll processing related services	206,095	3,737,070		
Less: realized foreign exchange loss (gain) ⁽³⁾	(406,597)	(1,254,044)		
Plus: total costs attributable to bringing inventory to a saleable condition ⁽⁴⁾	3,257,134	2,654,639		
Adjusted gross profit less toll processing related services ⁽¹⁾	\$ 7,436,642	\$ 3,039,717	\$ 4,396,925	144.6 %
<i>Adjusted gross profit margin less toll processing related services ⁽²⁾</i>	6.0%	5.3%		

(1) Adjusted gross profit less toll processing related services is a non-IFRS measure used in the current period by management to assess the operating performance of the ongoing business operation net of revenue and margin associated with toll processing services. As these services were a larger portion of the operation in Q4 2021 and have been significantly reduced in Q4 2022 and will no longer be provided in FY 2023, management views this metric as indicative of the ongoing operating performance of the Company. Adjusted gross profit less toll processing related services is calculated by adding or deducting, as applicable from gross profit, certain costs, charges or benefits incurred in such period which in management's view are either not indicative or are directly correlated to the Company's process to sell its products, including: (a) toll processing revenue, (b) realized foreign exchange loss (gain), and (c) overhead costs attributable to bringing inventory to a saleable condition that have been recorded as cost of sales under IFRS.

(2) Adjusted gross profit margin less toll processing related services represents adjusted gross profit less toll processing related services divided by revenue less toll processing related services. In the current period, management uses adjusted gross profit margin less toll processing related services to facilitate a comparison of the operating performance of the Company on a consistent basis reflecting the ongoing operating business.

(3) Consists of realized gains and losses on foreign exchange rates for executed transactions. The Company does not employ hedge accounting practices, but books forward contracts at the time the Company enters into a new contract with a foreign currency denominated vendor. The gain or loss realized at the time of sale is directly related to each of the executed contracts and as a result is indicative of the margin realized on said contract.

(4) This is an IFRS adjustment to allocate applicable overhead costs, including compensation and benefits and other general and administration costs, and amortization of property, plant and equipment specifically related to the Company's operating facilities to cost of sales. Management views these costs as fixed in nature and does not assess them as being indicative of the variable cost of selling its products.

General and administration

General and administration expenses amounted to \$5.8 million in FY 2022, a \$1.9 million or 49.7% increase compared to \$3.9 million in FY 2021. General and administration expenses represented 4.7% of revenue in FY 2022 compared to 6.3% of revenue in the comparative period.

The following table provides a summary of the total general and administrative expenses recorded in cost of sales and expenses for the periods presented:

	Twelve months ended		Change	
	FY 2022	FY 2021	\$	%
Recorded in expenses	\$ 5,806,685	\$ 3,878,466	\$ 1,928,219	49.7 %
Recorded in cost of sales	2,602,477	2,181,792	420,685	19.3
Total general and administration expense	\$ 8,409,162	\$ 6,060,258	\$ 2,348,904	38.8 %

Total general and administration expenses, inclusive of facility overhead expenses recorded in cost of sales attributable to bringing inventory to a saleable condition under IFRS, amounted to \$8.4 million in FY 2022 or 6.8% of revenue. This represents an increase in total general and administration expense in the current period of \$2.3 million or 38.8% in comparison to \$6.1 million (9.8% of revenue) in FY 2021.

The increase in general and administration was primarily driven by the increase in the Company's headcount to support the growing operation, including additional personnel related to (a) building a consumer-products team in anticipation of the completion of the YoFiit and Bentilia acquisitions, (b) ramping up production at the pet food facility and (c) developing a book of business and team in anticipation of the completion of the pea splitting facility. Other primary drivers included facility and office expenses, insurance and travel, meals and entertainment as the Company continues to grow its operation and the easing of COVID-19 restrictions allowed for attendance at industry events in the current year. The improvement in general and administration as a percentage of revenue was primarily due to the increase in revenues exceeding the increase general and administration expenses. Management believe the Company has the core team in place to support future growth opportunities.

Other expenses

Depreciation and amortization expense includes the depreciation of property, plant and equipment, amortization of right-of-use assets and amortization of intangible assets. The amount totalled \$1.0 million in FY 2022, representing a decrease \$0.2 million or 15.4% compared to \$1.2 million in FY 2021. The decrease in depreciation and amortization expense is attributable to the \$0.4 million of amortization of intangible assets recorded in FY 2021 related to the TPA which was impaired and written off in FY 2021; compared to \$0.1 million recorded in FY 2022 related to intangible assets acquired through acquisitions. The \$0.1 million difference between the change in amortization of intangible assets (\$0.3 million) and the change in total depreciation and amortization expense (\$0.2 million) is related to increased depreciation and amortization expenses associated with the pet food facility that was acquired during FY 2022.

The following table provides a summary of the total depreciation and amortization expenses recorded in cost of sales and expenses for the periods presented:

	Twelve months ended		Change	
	FY 2022	FY 2021	\$	%
Recorded in expenses	\$ 335,847	\$ 713,477	\$ (377,630)	(52.9) %
Recorded in cost of sales	668,002	472,847	195,155	41.3
Total depreciation and amortization expense	\$ 1,003,849	\$ 1,186,324	\$ (182,475)	(15.4) %

Finance costs, net of interest income increased by 82.5%, or \$1.0 million, to \$2.1 million in FY 2022 as compared to \$1.1 million in FY 2021. The increase is primarily related to the increase in interest expense and amortization related to financing activities. During FY 2022, the Company entered into a new credit facility with FCC, to draw a maximum of \$4.0 million to support the completion of the pea-splitting project at our Zealandia facility. In the same period, the Company replaced its revolving line of credit with a revolving asset backed loan facility with JP Morgan Chase which increased its borrowing capacity from \$6.0 million during FY 2021 to \$25.0 million (\$28.0 million in peak periods) in FY 2022. With the growing operation and increased working capital demands, the Company carried a higher balance on our operating line during FY 2022.

Amortization related to financing activities increased from \$0.2 million in FY 2021 by \$0.5 million or 232.1% to \$0.7 million in FY 2022. The increase relates to the issuance of the \$7.4 million convertible debentures during FY 2022. In FY 2021 the amortization related to the \$3.0 million vendor-take-back note associated with the acquisition of the three processing facilities, in November 2019, which was retired in FY 2021.

The following table provides a summary of the net finance costs for the periods presented:

	Twelve months ended		Change	
	FY 2022	FY 2021	\$	%
Interest income	\$ (59,702)	\$ (6,297)	\$ (53,405)	848.1 %
Interest expense related to financing activities	1,495,998	958,571	537,427	56.1
Amortization related to financing activities	669,983	201,726	468,257	232.1
Total finance costs, net	\$ 2,106,279	\$ 1,154,000	\$ 952,279	82.5 %

FY 2022 included a \$1.4 million loss on the revaluation of the convertible debentures which were issued in July and August 2021 as well as a \$0.1 million loss on the revaluation of finder warrants associated with the convertible debentures. Under IFRS, the convertible debentures included two components, debt carried at amortized costs and an embedded derivative which was revalued at each reporting period with gains and losses through profit and loss. As the probability of the Transaction closing became more likely through the fiscal year, the value of the embedded derivative increased throughout the year, resulting in a revaluation loss.

In FY 2022, the Company also recorded \$1.3 million of expenses related to the acquisitions completed during the year and additional professional and legal costs incurred as the Company worked towards the completion of their reverse-takeover and liquidity event.

None of these costs were incurred in FY 2021. During FY 2021, the Company recorded \$3.8 million of net insurance proceeds under the contract frustration insurance policy related to the cancellation of the TPA as the vendor entered receivership. Further related to the cancellation of the TPA and receivership of the vendor, the Company recorded an impairment loss \$1.7 million on the TPA in the period and a \$1.3 million gain on the retirement of the vendor take-back note with the vendor.

Loss for the period

The Company recorded a loss for the period of \$6.3 million in comparison to a profit of \$1.2 million in FY 2021. The decline in profit is primarily due to the challenging factors that impacted the North American exporters, including shipping delays, increased shipping costs and rising commodity prices. The Company continued to grow its overhead during the period to support current and future growth opportunities and began building a sales order book for both the pet food division (acquired in September 2021) and pea-splitting facility (under construction) and development of the consumer brands division. These additional costs incurred in the fiscal year will pave the path for future sales and gross profit which will be realized in later periods. In FY 2022 the Company also recorded additional expenses associated with completing the acquisitions and working towards to the completion of the reverse-takeover and liquidity event. In FY 2021, the Company incurred additional income of \$3.4 million related to the net insurance proceeds received and a gain on the retirement of the vendor-take-back note, net of the impairment loss on the cancellation of the TPA.

EBITDA and Adjusted EBITDA

EBITDA declined to negative \$3.2 million in FY 2022, compared to positive \$4.4 million in FY 2021.

Adjusted EBITDA amounted to \$1.7 million in FY 2022, a decline of \$0.6 million compared to \$2.3 million in FY 2021. Adjusted EBITDA margin reflected 1.4% of revenue, compared to 3.7% in the prior comparable period. A portion of insurance proceeds recorded as income in fiscal 2021 were allocated to each of the periods to align with the corresponding periods in which the income under the TPA would have been earned and recognized.

Adjusted EBITDA and adjusted EBITDA margin are non-IFRS measures. Refer to the section entitled "Non-IFRS Measures".

Off-Balance Sheet Arrangements

GFI has no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, revenues, expenses, results of operation, liquidity, capital expenditures or capital resources.

Related Party Transactions

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company. Key management personnel include members of the Board of Directors and executive officers. Compensation of key management personnel may include short-term and long-term benefits as applicable, including salaries, bonuses, and/or stock options.

In January 2022, the Company entered into a loan agreement with a shareholder in the principal amount of \$2,000,000. The loan bore interest at a rate of 1.00% per month and will accrue and become payable along with the principal amount 120 days following the issuance. The loan agreement was amended in May 2022 to extend the repayment period from 120 days to 150 days. As of the date herein, the loan was fully repaid.

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company. Key management personnel include members of the Board of Directors and executive officers. Compensation of key management personnel may include short-term and long-term benefits as applicable, including salaries, bonuses, stock options or post-employment benefits.

The following table provides a summary of the compensation provided to the key management for the periods presented:

	Twelve months ended		Change	
	FY 2022	FY 2021	\$	%
Short-term employee benefits	\$ 1,020,125	\$ 860,615	\$ 159,510	18.5 %
Long-term employee benefits	27,882	19,370	8,512	43.9
Total	\$ 1,048,007	\$ 879,985	\$ 168,022	19.1 %

LIQUIDITY AND CAPITAL RESOURCES

Capital Management

The Company's objective in managing its capital is to ensure sufficient liquidity to finance its operations, maximize the preservation of capital and deliver competitive returns on invested capital. The principal uses of funds are for operating expenses, capital expenditures, growth opportunities and debt service requirements. To fund its activities, the Company has relied on private equity and debt financing and bank-supplied long-term debt, which are included in the Company's definition of capital. The Company manages its excess cash to ensure that it has sufficient reserves to fund its operations and capital expenditures. Management believes that cash available under its credit facilities and equity raised, will be sufficient to meet its future operating expenses, capital expenditures and debt service requirements. Management believes that the Company's current capital structure provides sufficient financial flexibility to pursue its planned growth strategies. However, GFI's ability to fund future operating expenses, capital expenditures and debt service requirements, and to comply with financial covenants will depend on, among other things, its future operating performance, which will be affected by general economic, financial and other factors, see "Forward-Looking Statements" and "COVID-19".

Cash Flows

The following table summarizes the Company's cash flows for the periods presented:

	Twelve months ended		Change	
	FY 2022	FY 2021	\$	%
Cash (used in) generated from operations	\$ (1,650,540)	\$ 4,496,659	\$ (6,147,199)	(136.7) %
Changes in non-cash operating working capital	(10,918,275)	(9,103,040)	(1,815,235)	19.9
Cash used in operating activities	(12,568,815)	(4,606,381)	(7,962,434)	172.9
Cash used in investing activities	(12,277,807)	(1,124,586)	(11,153,221)	991.8
Cash provided by financing activities	25,176,517	6,366,336	18,810,181	295.5
Net increase in cash	329,895	635,369		
Effect of movements in exchange rates on cash	(93,240)	(20,566)		
Cash beginning of the period	1,556,202	941,399		
Cash, end of the period	\$ 1,792,857	\$ 1,556,202		

Cash flow from operating activities

Cash used in operations was \$1.6 million in FY 2022 a change of \$6.1 million from \$4.5 million of cash generated from operations in FY 2021. The change is predominantly attributable to the decrease in EBITDA stemming from lower margins, increased operating expenses and other one-time period expenses. Changes in non-cash operating working capital items resulted in a use of cash of \$10.9 million for FY 2022 compared to \$9.1 million in FY 2021. The \$1.8 million difference in cash used by non-cash operating working capital was predominantly a result of organic revenue growth and higher than normal accounts receivable and inventory balances due to: (i) increase volume throughput throughout the year and 100%+ increase in sales; (ii) the constraints experienced from industry wide delays in shipping; (iii) the floods in British Columbia which closed access to the Vancouver Port; and (iv) significantly higher commodity prices that resulted in a higher amount of working capital.

Cash flow from investing activities

Investing activities used cash of \$12.3 million in FY 2022, compared to \$1.1 million in FY 2021. The significant increase is due to the acquisition completed and major capital expenditures in relation to the construction of a pea spitting line during the fiscal year. No acquisitions were completed or major projects undertaken in FY 2021.

During FY 2022, the Company completed three acquisitions which resulted in cash outflows of \$5.1 million. In September 2021 the Company completed the asset acquisition of a plant-based pet food ingredients production facility in Bowden, Alberta; thereby launching the Company's new Plant-Based Pet Food Ingredients division. The facility is designed to extract valuable ingredients from by-products at 'FI's other facilities, greatly reducing waste through the extraction and segregation of by-products into pet food ingredients and other food ingredients. Therefore, in addition to giving GFI a full suite of healthy and sustainable, high protein formulated plant-based ingredients for pets, the facility also enhances the company's operations and represents a key step forward in realizing its zero-waste strategy, while maximizing the value of every step throughout the production system and bolstering profitability. In connection with the acquisition, the Company paid cash consideration of \$2.5 million.

In February 2022, the Company completed the acquisition of all of the issued and outstanding shares of YoFiit, a plant-based milk and snack food company. The YoFiit brand bolsters a full line-up of nourishing and delicious plant-based products that are free of chemical additives and contain zero to low sugar. This includes a plant-based milk made with chickpeas, pea protein, and flax oil. In March 2022, the Company completed the acquisition of certain assets of Bentilia, a premium provider of high protein, gluten-free pasta. Bentilia is a brand of high-protein pasta with no additives and one key ingredient, red lentils. Bentilia also offers a new generation of delicious superfood pasta made with an exclusive blend of 21 nutrients designed to maintain, strengthen, and support the immune system. In connection with these acquisitions, the Company paid cash consideration of \$1.9 million and \$0.7 million, respectively.

In FY 2022, the Company invested \$6.4 million in the construction of the state-of-the art pea splitting facility. The facility was commissioned subsequent to FY 2022, in June 2022. The project is a major undertaking which provides the Company with value-adding capabilities of processing over 60,000 metric tones of yellow and green peas into split peas and pea fibre annually at full capacity. The project is ideally situated to use Zealandia's competitive rail, container and truck freight options to ship finished product to key markets globally. The facility uses advanced steam-based technology, producing industry leading quality and efficiency that dramatically reduces water utilization compared to older technologies and recycles heat resulting in a uniquely low environmental impact process. The installation of this operation at 'FI's existing Zealandia facility has allowed GFI to leverage its existing infrastructure and employee base to build a world class facility at an attractive total project cost with modest incremental operating costs, which management of GFI believes will result in an attractive return on investment. The project was partially funded through a new credit facility with FCC.

The Company will benefit from its significant capital investments made in FY 2022 from a full year operation from the pet food facility, Bentilia and YoFiit and the growing consumer packaged goods division and the new revenue stream from the commissioning of the pea splitting facility. All these projects have primarily been funded in FY 2022 and will generate growth and returns in future fiscal years.

Cash flow from financing activities

Financing activities provided cash flows of \$25.2 million in FY 2022 compared to \$6.4 million in FY 2021.

During FY 2022, the Company replaced its operating facility with an asset backed loan facility with JP Morgan Chase which increased GFI's borrowing capacity from \$6.0 million in FY 2021 to \$25.0 million (\$28.0 million in peak periods) in FY 2022. As described above, shipping delays, increases in freight charges and higher than normal commodity prices required a higher level of working capital, resulting in an increase in cash provided from bank indebtedness in FY 2022 to \$15.1 million in comparison to \$5.1 million in FY 2021.

Also, during the fiscal year, the Company entered into a new credit facility with FCC, to draw a maximum amount of \$4.0 million to finance the completion of the pea splitter project at the Zealandia facility. As at March 31, 2022, the Company had drawn \$3.6 million on the credit facility. During FY 2021, the Company increased borrowings from FCC by entering into a \$2.0 million working capital loan and a \$0.5 million demand loan (repaid in FY 2022).

The Company raised \$7.4 million in FY 2022 by way of offering convertible debenture units. There were no convertible debentures issued in FY 2021. The purpose of the raise was to support capital requirements related to the acquisition of the pet food facility, commissioning of the pea splitter at the Zealandia facility, general working capital requirements and future acquisitions in the consumer-packaged goods sector to realize on the Company's growth plan. To further support the growth opportunities and acquisitions, during the fiscal year the Company entered in to a \$2.0 million shareholder loan which was repaid subsequent to year-end.

Indebtedness

JP Morgan Chase

On August 27, 2021, the Company entered into a revolving Asset Backed Loan facility with JP Morgan Chase Bank N.A. Toronto Branch to fund working capital. The committed facility carries a three-year term and can be drawn to a maximum of \$25.0 million or the USD equivalent, which can increase to \$28.0 million during December 1 to March 31 each year. The facility can be increased to \$40.0 million (and \$43.0 million during December 1 to March 31 of the year) during the term subject to certain financial and non-financial requirements being met. The facility is secured by a first ranking on all of the inventory and accounts receivable of the Company and its subsidiaries and any amounts drawn under the facility carry an interest rate of Canadian prime rate/US Base rate plus 0.25%, or CDOR plus 1.70%. The Company is required to pay an annual interest rate of 0.25% of undrawn amounts. Under the terms of the credit agreement, the Company is required to comply with certain financial and non-financial covenants.

Farm Credit Canada

The Company's long-term debt consists of credit facilities with FCC, which was comprised of three different term loans of \$12.0 million, \$2.0 million and up to \$4.0 million.

On May 28, 2021, the Company's credit facility agreement with FCC was amended to establish a non-revolving real asset facility in the maximum amount of \$4.0 million, bearing interest at 'CC's variable mortgage rate plus 2.00% and repayable in equal monthly payments of \$28 thousand plus interest beginning on June 1, 2022, with any remaining balance due in full on the maturity date of April 1, 2026. As at March 31, 2022 the Company had drawn \$3.6 million on the new portion of the facility.

The facility was also amended such that an existing continuing collateral mortgage granted by 11567403 Canada Inc. on behalf of GFI LP in favour of FCC registered on November 29, 2019 in the principal sum of \$15.0 million against the Company's properties was increased to \$25.0 million. The facility was further amended and restated on May 17, 2022 to remove 11567403 Canada Inc. and GFI LP as borrowers and add a new unlimited guarantee from GFI Brands Inc. and a first ranking security in all the present and acquired personal property of GFI Brands Inc.

Collectively, the facilities are secured by the collateral mortgage against the Company's properties, a general security agreement, constituting a first priority security interest in all present and future real and personal property of the Company, security pledge agreements, assignment of insurance and material contracts, and guarantees from certain shareholders.

Shareholder Loan

In January 2022, the Company entered into a loan agreement with a shareholder in the principal amount of \$2.0 million. The loan bore interest at a rate of 1.00% per month was payable along with the principal amount 120 days following the issuance. The loan agreement was amended in May 2022 to extend the repayment period from 120 days to 150 days. Subsequent to FY 2022, the loan was fully repaid.

Additional Financing Requirements

As a result of realized and anticipated growth in its activities, planned investments in processing equipment, operations, marketing, logistics, new product development and the potential for operating losses, the Company may require additional financing in the future to realize the goals outlined in the "Business Model and Growth Strategy" section of this MD&A.

EQUITY

Shares Outstanding

The Company's authorized share capital is unlimited common shares without par value. As at March 31, 2022 there were 3,476,000 issued and outstanding Class A common shares and 6,920,080 issued and outstanding Class B common shares.

In January 2022, the Company entered into an agreement to acquire 100% of the limited partnership ("LP") interest in GFI LP at a price equal to \$1.00 per LP unit. The Company satisfied the consideration for 6,000,000 LP units by issuing 960,000 Class B common shares. On the same date, 675,000 warrants of the Company held by a LP unitholder were exercised on a cashless basis and resulted in the issuance of 325,080 Class B common shares to the holder on a cashless basis.

During the fiscal year, the Company issued an additional 200,000 and 60,000 Class B common shares in connection with the consideration paid for the YoFiit and Bentilia acquisitions, respectively. The 60,000 Class B common shares issued included a put option at the right of the holder that, if exercised, would require the Company to repurchase the shares. The put would only become enforceable in the event the Company did not complete the Transaction within six months of the completion of the Bentilia acquisition. As a result, the common shares have been recorded as a liability as at March 31, 2022. The puttable option expired on completion of the Transaction and the common shares were transferred to share capital.

In March 2022, the Company exchanged 350,000 issued and outstanding Class A preferred shares for 56,000 Class A common shares.

The Class A and Class B common shares of the Company hold the same dividends, dissolution, liquidation, wind-up and distribution rights. The Class A common shareholders have the right to one vote in respect of each common share held and the Class B common shareholders have the right to 1.001 votes in respect of each common share held.

Options and Warrants

During the period the Company issued 783,000 options of which 56,000 were cancelled and 806,672 warrants of which 675,000 were exercised on a cashless basis. No options were exercised or vested in the period. There were no options or warrants issued or outstanding in FY 2021.

Dividends

The Company did not pay dividends on any classes of shares in FY 2022 or FY 2021.

OPERATING SEGMENTS

Management evaluates and makes decisions on operating performance by segment. The Company has one reportable segment, as its principal business activity is the purchasing, processing, exporting and distribution of agricultural commodities, ingredients and plant-based consumer packaged goods. The Company has five primary geographic segments: North America, Europe, Asia, South America and North Africa.

The following table presents GFI's revenue disaggregated by geographical market for the periods indicated:

	Three months ended		Twelve months ended	
	Q4 2022	Q4 2021	FY 2022	FY 2021
Primary geographical markets				
North America	\$ 15,943,589	\$ 11,643,944	\$ 61,650,211	\$ 28,182,250
Asia	14,429,042	11,144,552	47,549,735	23,309,929
Europe	1,495,524	2,662,330	8,255,812	7,618,410
South America	2,965,858	1,053,104	6,870,381	2,455,946
North Africa	-	-	110,540	-
Total	\$ 34,834,013	\$ 26,503,930	\$ 124,436,679	\$ 61,566,535

SUMMARY OF FACTORS AFFECTING OUR PERFORMANCE

We believe that our performance and future success depend on a number of factors that present significant opportunities for us. These factors are subject to a number of inherent risks and challenges, some of which we discuss below. See all the risk factors described in PART VII – “Risk Factors” in the Filing Statement.

COVID-19

On March 11, 2020, the World Health Organization recognized the outbreak of COVID-19 as a global pandemic resulting in a continued and uncertain economic and business impact on a global scale. As a result, the Company has reviewed its estimates, judgments and assumptions used in the preparation of its consolidated financial statements, including the determination of whether indicators of impairment exist for its tangible assets, including the credit risk of its counterparties.

To date, the COVID-19 pandemic has had an impact on the Company's results of operations primarily due to shipping delays. Although the Company's primary distribution channels include a number of transportation routes that continue to operate during this period, shipping delays have an impact on the Company's ability to accurately enter into foreign exchange forward contracts that will align with the execution of the sales contract and may result in delayed or defaulted product inflow that may result in having to purchase new product at higher market prices. The Company has determined that no significant revisions to estimates, judgments or assumptions were required for its operating segment; however, the situation is dynamic and the impact of COVID-19 on the Company's results of operations and financial condition cannot be reasonably estimated at this time. Management continues to monitor and evaluate the situation and its impact on the Company's business.

Foreign Exchange

GFI's financial statements are presented in Canadian dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements. GFI is exposed to foreign currency exchange rate risk with respect to its revenue, expenses, assets and liabilities. While many of these risks offset each other within GFI's operations, it still has net exposure to foreign

currency fluctuations, particularly in regards to the U.S. dollar. The Company does not employ hedge accounting practices, but books forward contracts at the time the Company enters into certain new contracts with a foreign currency denomination with customers. GFI's reported earnings may be affected by changes in foreign currency exchange rates. Moreover, any favourable impacts on profit margins or financial results from fluctuations in foreign currency exchange rates are likely to be unsustainable over time. As we continue to expand our footprint in North America and globally, we will assess our currency exposure and take further steps as may be required to proactively manage this exposure.

Trends and Seasonality

GFI's sales are somewhat seasonal, tending to be lower in the months of July, August and December, January. Both slower seasons are due to holidays but additionally the months of July and August signify the end of availability of crop for sale from the prior year's harvest leading up to the current year's end of summer harvest in September and October. GFI's working capital requirements generally increase in the periods preceding these peak periods.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to credit risk, liquidity risk, currency risk, and interest rate risk. The Company's management oversees the management of these risks. The Company's management is supported by the members of the Board of Directors that advise on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by policies and procedures and financial risks are identified, measured, and managed in accordance with the Company's policies and the Company's risk appetite.

Fair Value

The Company's financial instruments include cash, trade and other receivables, promissory note, trade payables and accrued liabilities, bank indebtedness, derivative financial instruments, derivative liability on convertible debentures, convertible debentures, warrant liability, long-term debt, other loan payable, shareholder loan and puttable shares. As of March 31, 2022, derivative financial instruments, derivative liability related to convertible debentures, convertible debentures and warrant liability are carried at fair value. All other financial instruments are not measured at fair value as their carrying values are considered to approximate their fair value due to their short-term nature or due to similar market instruments.

Financial assets:

		FVTPL	Carrying value at amortized cost	Total
Cash	\$	-	\$ 1,792,857	\$ 1,792,857
Derivative financial instruments		185,363	-	185,363
Trade and other receivables		-	17,544,684	17,544,684
Promissory note		-	891,802	891,802
As of March 31, 2022	\$	185,363	\$ 20,229,343	\$ 20,414,706

Financial liabilities:

		FVTPL	Carrying value at amortized cost	Total
Trade payables and accrued liabilities	\$	-	\$ 9,991,110	\$ 9,991,110
Bank indebtedness		-	21,337,562	21,337,562
Derivative liability on convertible debentures		2,058,107	-	2,058,107
Convertible debentures		-	7,005,837	7,005,837
Warrant liability		186,019	-	186,019
Long-term debt		-	16,280,151	16,280,151
Other loan payable		-	40,000	40,000
Puttable share		-	375,000	375,000
Shareholder loan		-	2,000,000	2,000,000
As of March 31, 2022	\$	2,244,126	\$ 57,029,660	\$ 59,273,786

Credit Risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash, deposits and trade and other receivable. The Company recorded an ECL equivalent to 1.24% of the uninsured portion of trade receivable for the year ended March 31, 2022. In the current year, this amounts to less than 0.50% of the trade receivable balance. The Company is not significantly exposed to its accounts receivable due to its diversified customer base and a stringent collection policy.

	0 - 30 days	1 - 90 days	Over 90 days	Total
As of March 31, 2022	\$ 12,227,300	\$ 2,983,365	\$ 2,334,019	\$ 17,544,684

Liquidity Risk

Liquidity risk is the risk that the Company is unable to generate or obtain sufficient cash in a cost-effective manner to fund its obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk through maintaining sufficient funds on hand and continuously monitoring forecast and actual cash flows.

The Company had the following gross obligations as of March 31, 2022, which are expected to be payable in the following respective periods:

	Less than 1 year	1 - 5 years	Over 5 years	Total
Trade payables and accrued liabilities	\$ 9,991,110	\$ -	\$ -	\$ 9,991,110
Bank indebtedness	21,337,562	-	-	21,337,562
Derivative liability on convertible note	2,058,107	-	-	2,058,107
Convertible notes	7,005,837	-	-	7,005,837
Warrant liability	186,019	-	-	186,019
Long-term debt	1,201,888	15,198,543	-	16,400,431
Lease obligations	305,541	796,322	-	1,101,863
Other loan payable	40,000	-	-	40,000
Puttable share	375,000	-	-	375,000
Shareholder loan	2,000,000	-	-	2,000,000
As of March 31, 2022	\$ 44,501,064	\$ 15,994,865	\$ -	\$ 60,495,929

Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company operates in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency transaction and translation risks.

The Company believes that a change in exchange rates can have a significant impact on financial results. As of March 31, 2022, the Company had forward contracts in place with respect to foreign exchange rates.

	Amount (USD)	Conversion Rate	Sensitivity	Effect on fair value, as at March 31, 2022
Cash and cash equivalents	\$ 1,190,144	1.250	Increase/Decrease 1%	\$ 14,872
Trade and other receivables	\$ 14,586,673	1.250	Increase/Decrease 1%	\$ 182,275
Trade payables	\$ (2,429,629)	1.250	Increase/Decrease 1%	\$ (30,361)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash and cash equivalents and long-term debts. Cash and cash equivalents and deposits bear interest at market rates. A large portion of the Company's debts have variable rates of interest. The Company does not use any derivative instruments to hedge against interest rate risk and believes that the change in interest rates will not have a significant impact on its financial results.

	Amount	Interest Rate	Sensitivity	Effect on fair value, as at March 31, 2022
Bank indebtedness	\$ 20,290,619	4.000%	Increase/Decrease 1%	\$ (202,906)
Long-term debt	\$ 10,866,667	5.250%	Increase/Decrease 1%	\$ (108,667)
Long-term debt	\$ 5,533,764	6.700%	Increase/Decrease 1%	\$ (55,338)
Long-term debt	\$ 2,000,000	12.000%	Increase/Decrease 1%	\$ (20,000)

Economic Dependency

Approximately 22% (2021 – 16%) of the Company's revenue was derived from two (2021 – one) customers. The accounts receivable balance relating to these customers at year end was \$680,000 (2021 – \$1,294,540).

Industry

The Company operates in the agricultural environment and is affected by general economic trends. A decline in economic conditions, consumer-spending levels or other adverse conditions could lead to reduced revenue and gross margins.

The Company is dependent on the supply chain and distribution industry which has been impacted by the effects of COVID-19. These impacts may result in delays in shipments which could have an adverse impact on the Company's revenue and gross margins.

Weather / Climate

A number of the Company's product inputs are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, frosts, earthquakes hurricanes and pestilence. Adverse weather conditions and natural disaster can lower crop yields and reduce crop size and quality, which in turn could reduce available supply of or increase the price of quality ingredients.

Price

The pulse, grain and specialty crops processing industry is a margin-based business in which gross profits depend on the excess of sales prices over costs. Consequently, profitability is sensitive to fluctuations in wholesale price of crops caused by changes in supply, taxes, government programs and policies for the farming and transportation industries, and other market conditions. The world market for pulses and specialty crops is subject to numerous risks and uncertainties, including risks and uncertainties related to international trade and global political conditions.

CRITICAL ACCOUNTING ESTIMATES

Please see the Company's audited consolidated financial statements for the year ended March 31, 2022 for a discussion of the accounting policies and estimates that are critical to the understanding of the Company's business operations and the results of its operations.

NON-IFRS FINANCIAL MEASURES

Non-IFRS Financial Measures

This MD&A makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have standardized meaning prescribed by IFRS, and therefore may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures are not intended to represent, and should not be considered as alternatives to, our financial information reported under IFRS. In addition to our results determined in accordance with IFRS, we use non-IFRS measures including: adjusted gross profit, adjusted gross profit margin, earnings before interest, taxes and depreciation and amortization ("EBITDA"), adjusted EBITDA and adjusted EBITDA margin. These non-IFRS measures are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures.

Management also uses non-IFRS measures to exclude the impact of certain expenses and income that management does not believe reflect the Company's underlying operating performance. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period and to prepare annual operating budgets and as a measure of the Company's ability to finance its ongoing operations and service its obligations. For definitions and reconciliations of these non-IFRS measures to the relevant reported measures, please see "Reconciliation of Non-IFRS Measures" section of this MD&A

Gross Profit Margin

Gross profit margin is defined as gross profit divided by revenue.

Adjusted Gross Profit and Adjusted Gross Profit Margin

Adjusted Gross Profit

Adjusted gross profit is a non-IFRS financial measure used by management to assess the financial and operating performance of our business. Adjusted gross profit is calculated by adding or deducting, as applicable from gross profit, certain costs, charges or benefits incurred in such periods which in management's view are either not indicative or are directly correlated to the Company's process to sell its products, including: (a) realized foreign exchange loss (gain), (b) overhead costs attributable to bringing inventory to a saleable condition that have been recorded as cost of sales under IFRS and (c) net insurance proceeds attributable to the applicable period as the proceeds are compensation for the forgone revenue related to the cancellation of the TPA which generated 100% gross profit. Management believes adjusted gross profit is a useful supplemental measure to compare the Company's margin over time on a consistent basis and is believed to be a clearer indication of trade margin on the Company's core plant-based ingredients business.

Adjusted Gross Profit Margin

Adjusted gross profit margin represents adjusted gross profit divided by revenue. Management uses adjusted gross profit margin to facilitate a comparison of the operating performance of the Company on a consistent basis reflecting factors and trends affecting our business.

Reconciliation

The following table provides a reconciliation of consolidated gross profit (loss) for the period to adjusted gross profit for the periods presented:

	Three months ended		Twelve months ended	
	Q4 2022	Q4 2021	FY 2022	FY 2021
Gross profit	\$ 705,727	\$ 1,354,361	\$ 3,979,006	\$ 2,868,104
Less:				
Realized foreign exchange loss (gain) ⁽¹⁾	135,969	(556,963)	(406,597)	(1,254,044)
Plus:				
Total costs attributable to bringing inventory to a saleable condition: ⁽²⁾				
Overhead	801,812	367,345	2,602,477	2,181,792
Amortization of property plant and equipment	166,450	23,550	654,657	472,847
Net insurance proceeds attributable to current period ⁽³⁾	-	759,568	2,278,703	1,519,136
Adjusted gross profit	\$ 1,538,020	\$ 3,061,787	\$ 9,921,440	\$ 8,295,923

⁽¹⁾ Consists of realized gains and losses on foreign exchange rates for executed transactions. The does not participate in hedge accounting practices, but books forward contracts at the time the Company enters into a new contract with a foreign currency denominated vendor. The gain or loss realized at the time of sale is directly related to each of the executed contracts and as a result is indicative of the margin realized on said contract.

⁽²⁾ This is an IFRS adjustment to allocate applicable overhead costs, including compensation and benefits and other general and administration costs, and amortization of property, plant and equipment specifically related to the Company's operating facilities to cost of sales. Management views these costs as fixed in nature and does not assess them as being indicative of the variable cost of selling its products.

⁽³⁾ Relates to the net insurance proceeds received under the Company's contract frustration policy in connection with the TPA and the vendor entering receivership. The net insurance proceeds were awarded to compensate for the forgone revenue as a result of the cancellation of the TPA. The net insurance proceeds were attributable to the five-quarter operating period, Q3 2021 through and inclusive of Q3 2022. Revenue under the TPA was booked at 100% gross profit as it was deemed ancillary to the Company's core operation and utilized fixed overhead costs and available capacity.

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin

EBITDA

EBITDA is a non-IFRS financial measure which calculates, for the applicable period, earnings before interest, taxes and depreciation and amortization. Interest includes all finance costs net of interest income and depreciation and amortization includes the depreciation of property, plant and equipment, amortization of right-of-use assets, amortization of intangible assets and amortization of deferred financing fees. Management does not use EBITDA as a financial performance metric.

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure used by management to assess the financial performance of our business as well as a key metric in analyzing and assessing any strategic investment or financing opportunity. Adjusted EBITDA is calculated by adding and deducting, as applicable from EBITDA, certain expenses, costs, charges or benefits incurred in such period which in management's view are either not indicative of underlying business performance, impact the ability to assess the operating performance of our business or are deemed non-cash, non-recurring or one-time in nature. We utilize adjusted EBITDA to facilitate a comparison of our operating performance on a consistent basis reflecting factors and trends affecting our business. Management believe that adjusted EBITDA is a useful measure of financial performance because it provides an indication of the Company's ability to seize growth opportunities in a cost-effective manner, finance its ongoing operation and service its financing obligations. As we continue to grow our business, we

may be faced with new events or circumstances that are not indicative of our underlying business performance or that impact the ability to assess our operating performance.

Adjusted EBITDA margin

Adjusted EBITDA margin represents adjusted EBITDA divided by revenue. Management use adjusted EBITDA margin to facilitate a comparison of the operating performance of the Company on a consistent basis reflecting factors and trends affecting our business.

Reconciliation

The following table provides a reconciliation of consolidated loss for the period to EBITDA and adjusted EBITDA for the periods presented:

	Three months ended		Twelve months ended	
	Q4 2022	Q4 2021	FY 2022	FY 2021
(Loss) profit for the period	\$ (2,325,089)	\$ 4,018,761	\$ (6,290,637)	\$ 1,155,561
Plus:				
Income tax expense (recovery)	(162,320)	1,213,135	(126,781)	846,545
Interest ⁽¹⁾	830,489	310,899	2,165,981	1,160,297
Depreciation and amortization ⁽²⁾	361,632	213,653	1,050,361	1,231,835
EBITDA	(1,295,288)	5,756,448	(3,201,076)	4,394,238
Impairment of intangible asset	-	-	-	1,676,897
Other expense (income) ⁽³⁾	(495,233)	(1,345,204)	(464,196)	(1,365,046)
Loss on derivative liability related to convertible debentures ⁽⁴⁾	129,933	-	1,370,519	-
Loss on warrant revaluation ⁽⁴⁾	33,587	-	131,764	-
Unrealized loss (gain) on derivative financial instruments ⁽⁵⁾	(315,136)	308,651	(185,363)	(189,658)
Unrealized foreign exchange loss (gain) ⁽⁵⁾	177,396	(83,369)	451,088	49,745
Acquisition / one-time transaction costs ⁽⁶⁾	1,250,398	-	1,250,398	-
Net insurance proceeds attributable to current (future) period ⁽⁷⁾	-	(3,038,271)	2,278,703	(2,278,703)
Share based compensation ⁽⁸⁾	39,293	-	103,660	-
Adjusted EBITDA	\$ (475,050)	\$ 1,598,255	\$ 1,735,497	\$ 2,287,473

⁽¹⁾ Interest includes all finance costs net of interest income.

⁽²⁾ Depreciation and amortization includes depreciation of property, plant and equipment, amortization of right-of-use assets, amortization of intangible assets and amortization of deferred financing fees.

⁽³⁾ Consists of income and expense incurred outside of the normal course of operation. Q4 2022 and FY 2022 includes \$0.5 million of income from a government grant received in connection with the pea splitting project. Q4 2021 and FY 2021 includes \$1.3 million of income related to an extraordinary gain on the retirement of debt associated with the vendor-take-back note as it related to the vendor entering receivership.

⁽⁴⁾ This is a non-cash item that consists of the fair value revaluation of the convertible debentures and warrants.

⁽⁵⁾ Consists of (i) non-cash, unrealized gains and losses attributable to foreign exchange rate fluctuations and (ii) non-cash gains and losses on foreign exchange "mark-to-market" in connection with our derivative financial instruments.

⁽⁶⁾ Consists of acquisition, integration and other costs such as legal, consulting and other fees and expenses incurred in respect of acquisitions, financing and Transaction-related activities completed during the applicable period. We expect to incur similar costs in connection with other acquisitions and completion of the Transaction in the future and, under IFRS, such costs relating to acquisitions are expensed as incurred and not capitalized.

⁽⁷⁾ Relates to the net insurance proceeds received under the Company's contract frustration policy in connection with the TPA and the vendor entering receivership. The net insurance proceeds were awarded to compensate for the forgone revenue as a result of the cancellation of the TPA. The net insurance proceeds were attributable to the five-quarter operating period, Q3 2021 through and inclusive of Q3 2022. The net proceeds of \$3.8 million were received and booked in Q4 2021. The adjustment reallocates the proceeds to align them with their operating quarter in which the revenue would have been received on a basis of \$0.8 million in each of the five-quarter period. One quarter of proceeds is allocated to Q4 2021 and nil to Q4 2022. Two quarters (Q3 – Q4 2021) of proceeds are allocated to FY 2021 and three quarters (Q1 – Q3 2022) are allocated to FY 2022.

⁽⁸⁾ This is a non-cash item and consists of the amortization of the estimated fair value of share-based options granted under the Company's share-based option plan.

SUBSEQUENT EVENTS

On April 9, 2022, select Class A common shareholders exchanged 1.4 million Class A common shares for an equivalent number of Class B common shares.

On May 18, 2022, the Company completed a brokered and non-brokered private placement financing, pursuant to which it issued 2.8 million subscription receipts (the “Subscription Receipts”) for gross proceeds of \$3.6 million. The Subscription Receipts are priced at \$1.25 each. Upon completion of the Transaction, each Subscription Receipt was converted into one unit of the Resulting Issuer for no additional consideration. Each unit consisted of one common share and one warrant. Each warrant entitled the holder to purchase one Resulting Issuer common share at \$1.75 for a period of 24 months following the completion of the Transaction. In connection with the brokered private placement, the agents were paid a cash commission equal to 7.0% of the gross proceeds and reduced to 3.5% of the gross proceeds from certain subscribers, in addition to a corporate finance advisory fee. The agents were also granted broker warrants in connection to the brokered private placement, equal to 7.0% of the total brokered Subscription Receipts issued, other than for Subscription Receipts issued to certain subscribers (“Broker Warrants”). Each Broker Warrant can be exercised for one aforementioned Resulting Issuer unit at \$1.25 per unit for a period of 24 months following the closing of the Transaction. In connection with the non-brokered private placement, a finder was paid a cash commission equal to 7.0% of the gross proceeds issued to subscribers introduced by the finder and granted finder’s warrants equal to 7.0% of total Subscription Receipts issued to subscribers introduced by the finder (the “Finder’s Warrants”). Each Finder’s Warrant can be exercised for one aforementioned Resulting Issuer unit at \$1.25 per unit for a period of 24 months following the closing of the Transaction.

On June 10, 2022 the Company closed the Transaction with Pivotal, resulting in the reverse takeover of Pivotal by the Company. As a condition to the completion of the Transaction, Pivotal changed its name to “Global Food and Ingredients Ltd.” and consolidated its share capital on the basis of five (old) common shares for one (new) common share. Pursuant to the terms of the Transaction, the Company completed an amalgamation with 13476669 Canada Inc., a wholly-owned subsidiary of Pivotal and all of the issued and outstanding securities of GFI were exchanged for securities of the Resulting Issuer, including the Convertible Debentures and the Subscription Receipts.

On June 20, 2022 the common shares of the Resulting Issuer commenced trading on the TSX-V under the ticker symbol “PEAS.”

QUALIFYING TRANSACTION

Please refer to the details described in PART I - “Summary of Filing Statement” in the Filing Statement. The Transaction was completed on June 10, 2022.

This is Exhibit “H” referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.

LOAN AND SECURITY AGREEMENT

Dated as of February 1, 2024

between

SIENA LENDING GROUP CANADA LLC

as Lender,

**GLOBAL FOOD AND INGREDIENTS INC.,
GFI BRANDS INC. &
NORTH LILY FOODS INC.**

as Borrowers

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SCHEDULES

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Schedule B - Definitions

Schedule C - Fees

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EXHIBITS

Exhibit A - Form of Notice of Borrowing

Exhibit B – Closing Checklist

Exhibit C - Client User Form

Exhibit D - Authorized Accounts Form

Exhibit E - Form of Account Debtor Notification

Exhibit F - Form of Compliance Certificate

Exhibit G - Form of Monthly Financial Model

Loan and Security Agreement

This Loan and Security Agreement (as it may be amended, restated or otherwise modified from time to time, this “**Agreement**”) is entered into as of February 1, 2024 by and among (1) Siena Lending Group Canada LLC, together with its successors and assigns (“**Lender**”), (2) Global Food and Ingredients Inc., GFI Brands Inc. and North Lily Foods Inc. and any other Person who from time to time becomes a borrower hereunder, collectively, the “**Borrowers**” and each individually, a “**Borrower**”), (3) the parent company of the Borrowers and each of the direct and indirect Subsidiaries of the Borrowers signatory to this Agreement from time to time as guarantors (each a “**Guarantor**” and collectively, the “**Guarantors**”) and (4) the Loan Parties (as defined herein) set forth on the signature pages to this Agreement. The Schedules and Exhibits to this Agreement are an integral part of this Agreement and are incorporated herein by reference. Terms used, but not defined elsewhere, in this Agreement are defined in Schedule B.

ARTICLE 1 LOANS AND LETTERS OF CREDIT

1.1 Amount of Loans / Letters of Credit

- (a) Revolving Loans and Letters of Credit. Subject to the terms and conditions contained in this Agreement, including Sections 1.3 and 1.6, Lender shall, from time to time prior to the Maturity Date, at Borrowing Agent’s request, (i) make revolving loans to Borrowers (“**Revolving Loans**”), and (ii) make, or cause or permit a Participant (as defined in Section 10.10) to make, letters of credit (“**Letters of Credit**”) available to Borrowers; provided, that after giving effect to each such Revolving Loan and each such Letter of Credit, (A) the outstanding balance of all Revolving Loans and the Letter of Credit Balance will not exceed the lesser of (x) the Maximum Revolving Facility Amount, minus Reserves and (y) the Borrowing Base, and (B) none of the other Loan Limits for Revolving Loans will be exceeded. All Revolving Loans shall be made in and repayable Canadian Dollars.
- (b) Facility Increase. The Borrowers may, from time to time, request in writing that the Lender increase the Maximum Revolving Facility Amount (each a “**Facility Increase**”) and the Maximum Revolving Facility Amount shall be so increased, subject to the following terms and conditions:
 - (i) the effective date of such Facility Increase (the “**Increase Effective Date**”) shall be the date that the terms and conditions below have been met, in form and substance satisfactory to Lender;
 - (ii) immediately before and after giving effect to such Facility Increase, there shall exist no Default or Event of Default;
 - (iii) after giving effect to such Facility Increase, the Maximum Revolving Facility Amount shall not exceed \$25,000,000;
 - (iv) no single Facility Increase shall be for an amount less than \$1,000,000;

- (v) Borrowers shall deliver to Lender on or before the Increase Effective Date the following documents in form and substance reasonably satisfactory to Lender: (i) certifications of corporate secretary of the Borrowers and each Guarantor with attached resolutions certifying that the increase in the Maximum Revolving Facility Amount has been authorized by Borrowers' and each Guarantor's board of directors, (ii) a certificate dated as of the Increase Effective Date certifying that (A) immediately before and after giving effect to such Facility Increase on the Increase Effective Date, there shall exist no Default or Event of Default and (B) that the representations and warranties made by Borrowers and the Guarantors herein and in the other Loan Documents are true and complete with the same force and effect as if made on and as of such date (except to the extent any such representation or warranty expressly relates only to any earlier and/or specified date, in which case it shall be true and correct as of such date) and (iii) such other agreements, instruments and information (including supplements or modifications to this Agreement and/or the other Loan Documents executed by the Borrowers and each of the Guarantors as Lender reasonably deems necessary in order to document such Facility Increase and to protect, preserve and continue the perfection and priority of the Liens, security interests, rights and remedies of Lender hereunder and under the other Loan Documents in light of such increase;
- (vi) on the Increase Effective Date, Borrowers shall pay (x) all reasonable fees, costs and expenses incurred by Lender in connection with the preparation, negotiation, execution and delivery of all agreements and instruments executed and delivered by Lender and Borrowers in connection with such increase and (y) a Revolving Loan Increase Fee set forth on Schedule C, which fee shall be deemed to be fully earned and payable as of the Increase Effective Date.

1.2 Reserves re Revolving Loans / Letters of Credit

Lender may, with or without notice to Borrowing Agent, from time to time establish and revise reserves against the Borrowing Base and/or the Maximum Revolving Facility Amount in such amounts and of such types as Lender deems appropriate in its Permitted Discretion, including with respect to Priority Payables (“Reserves”). Such Reserves shall be available for Borrowing Agent to view in ABLServe simultaneously with the imposition thereof; provided, that, unless an Event of Default has occurred and is continuing, Lender shall provide email notice advising Borrowing Agent of such Reserves two (2) Business Days prior to the imposition of such Reserves (during which period (x) Lender shall be available to discuss any such proposed Reserves with the Borrowing Agent to afford the Borrowing Agent an opportunity to take such action as may be required so that the event, condition or circumstance that is the basis for such Reserve no longer exists in the manner and to the extent satisfactory to the Lender in its Permitted Discretion and (y) Borrowers may not obtain any new Revolving Loan or Letter of Credit to the extent that, after giving pro forma effect to such proposed Reserves, such Revolving Loan or Letter of Credit would cause the outstanding balance of all Revolving Loans and the Letter of Credit Balance to exceed the lesser of (a) the Maximum Revolving Facility Amount minus Reserves and (b) the Borrowing

Base). Without limiting the foregoing, references to Reserves shall include, without limitation, the Dilution Reserve and reserves for Priority Payables, including, without limitation, amounts owing under the *Wage Earner Protection Program Act* (Canada) and in respect of sales taxes and payroll deductions and shall, at the sole discretion of the Lender, also include amounts due and payable to shipping and transportation suppliers used by the Loan Parties to ship product to a customer after such product has been invoiced to such customer by a Loan Party. In no event shall the establishment of a Reserve in respect of a particular actual or contingent liability obligate Lender to make advances to pay such liability or otherwise obligate Lender with respect thereto.

1.3 Protective Advances

Any contrary provision of this Agreement or any other Loan Document notwithstanding, Lender is hereby authorized by Borrowers at any time during the existence of a Default or an Event of Default, regardless of (a) whether any of the other applicable conditions precedent set forth in Section 1.6 hereof have not been satisfied or the commitment of Lender to make Loans hereunder has been terminated for any reason, or (b) any other contrary provision of this Agreement, to make Revolving Loans to, or for the benefit of, Borrowers that Lender, in its sole discretion, deems necessary or desirable (i) to preserve or protect the Collateral, or any portion thereof, or its desired priority position, (ii) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations, or (iii) to pay any other amount chargeable to Borrowers or Guarantors pursuant to the terms of this Agreement (the “Protective Advances”). Any contrary provision of this Agreement or any other Loan Document notwithstanding, Lender may direct the proceeds of any Protective Advance to Borrowers or to such other Person as Lender determines in its Permitted Discretion. All Protective Advances shall be payable promptly upon Lender’s demand, shall constitute Obligations hereunder, and shall bear interest at the rate applicable from time to time to the Loans.

1.4 Notice of Borrowing; Manner of Revolving Loan Borrowing

Borrowing Agent shall request each Revolving Loan by an Authorized Officer submitting such request via ABLServe (or, if requested by Lender, by delivering, in writing or via an Approved Electronic Communication, a Notice of Borrowing substantially in the form of Exhibit A hereto) (each such request a “**Notice of Borrowing**”). Subject to the terms and conditions of this Agreement, including Sections 1.1 and 1.6, Lender shall, except as provided in Section 1.3, deliver the amount of the Revolving Loan requested in the Notice of Borrowing for credit to any account of Borrowers at a bank in the United States of America or Canada as Borrowing Agent may specify (provided that such account must be one identified on Section 39 of the Information Certificate(s) and approved by Lender as an account to be used for funding of loan proceeds) by wire transfer of immediately available funds (a) on the same day if the Notice of Borrowing is received by Lender on or before 11:00 a.m. Eastern Time on a Business Day, or (b) on the immediately following Business Day if the Notice of Borrowing is received by Lender after 11:00 a.m. Eastern Time on a Business Day, or is received by Lender on any day that is not a Business Day. Lender shall charge to the Revolving Loan, Lender’s usual and customary fees for the wire transfer of each Loan.

1.5 Other Provisions Applicable to Letters of Credit

Lender shall, on the terms and conditions set forth in this Agreement (including the terms and conditions set forth in Section 1.1 and Section 1.6), make Letters of Credit available to Borrowers either by issuing them, or by causing other financial institutions to issue them supported by Lender's guarantee or indemnification; provided, that after giving effect to each Letter of Credit, the Letter of Credit Balance will not exceed the Letter of Credit Limit. Notwithstanding anything in this Agreement, the parties agree that in connection with Lender's option to make Letters of Credit available to Borrowers by causing other financial institutions to issue Letters of Credit, Lender may cause or permit any Participant under this Agreement to cause other financial institutions to issue such Letters of Credit and thereafter (a) all such Letters of Credit shall be treated for all purposes under this Agreement as if such Letters of Credit were requested by Borrowing Agent and made available by Lender, (b) such Participant's support of such Letters of Credit in the form of a guarantee or indemnification shall be treated as if such support had been made by Lender, (c) Borrowers hereby unconditionally and irrevocably, jointly and severally agree to pay to Lender the amount of each payment or disbursement made by such Participant or the applicable issuer under any such Letter of Credit honoring any demand for payment thereunder upon demand in accordance with the reimbursement provisions of this Section 1.5 and agrees that such reimbursement obligations of Borrowers constitute Obligations under this Agreement, and (d) any and all amounts paid by such Participant or the applicable issuer in respect of any such Letter of Credit will, at the election of Lender, be treated for all purposes as a Revolving Loan, and be payable, in the same manner as a Revolving Loan. Borrowers agree to execute all documentation reasonably required by Lender and/or the issuer of any Letter of Credit in connection with any such Letter of Credit. Borrowers hereby unconditionally and irrevocably, jointly and severally agree to reimburse Lender and/or the applicable issuer for each payment or disbursement made by Lender and/or the applicable issuer under any Letter of Credit honoring any demand for payment made thereunder, in each case on the date that such payment or disbursement is made. Borrowers' reimbursement obligations hereunder shall be irrevocable and unconditional under all circumstances, including (w) any lack of validity or enforceability of any Letter of Credit, this Agreement or any other Loan Document, (x) the existence of any claim, set-off, defense or other right which any Loan Party may have at any time against a beneficiary named in a Letter of Credit, any transferee of any Letter of Credit (or any Person for whom any such transferee may be acting), Lender, any Participant, the applicable issuer under any Letter of Credit, or any other Person, whether in connection with any Letter of Credit, this Agreement, any other Loan Document, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between any Loan Party and the beneficiary named in any Letter of Credit), (y) any lack of validity, sufficiency or genuineness of any document which Lender or the applicable issuer has determined complies on its face with the terms of the applicable Letter of Credit, even if such document should later prove to have been forged, fraudulent, invalid or insufficient in any respect or any statement therein shall have been untrue or inaccurate in any respect, or (z) the surrender or impairment of any security for the performance or observance of any of the terms hereof. Any and all amounts paid by Lender and any Participant in respect of a Letter of Credit will, at the election of Lender, be treated for all purposes as a Revolving Loan, and bear interest, and be payable, in the same manner as a Revolving Loan.

1.6 Conditions of Making the Loans and Issuing Letters of Credit

Lender's obligation to make any Loan or issue or cause any Letter of Credit to be issued under this Agreement is subject to the following conditions precedent (as well as any other conditions set forth in this Agreement or any other Loan Document), all of which must be satisfied in a manner acceptable to Lender (and as applicable, pursuant to documentation which in each case is in form and substance acceptable to Lender) as of each day that such Loan is made or such Letter of Credit is issued, as applicable:

- (a) **Loans and Letters of Credit Made and/or Issued on the Closing Date:** With respect to Loans made, and/or Letters of Credit issued, on the Closing Date, (i) each applicable Loan Party shall have duly executed and/or delivered, or, as applicable, shall have caused such other applicable Persons to have duly executed and/or delivered, to Lender such agreements, instruments, documents and/or certificates listed on the closing checklist attached hereto as Exhibit B (the "**Closing Checklist**"); (ii) Lender shall have completed its business and legal due diligence pertaining to the Loan Parties, their respective businesses and assets, and insurance matters (including without limitation, satisfaction with insurance coverage provided to Borrowers by EDC and Intact including, without limitation, the Grains Payable Insurance Policy, the sale of the Pet Foods Business and the 35 Oak Subordinated Indebtedness and the 35 Oak Big Sky Financing) set out on the Closing Checklist with results thereof satisfactory to Lender in its sole discretion; (iii) Lender's obligations and commitments under this Agreement shall have been approved by Lender's Credit Committee; (iv) after giving effect to such Loans and Letters of Credit, as well as to the payment of all trade payables older than sixty (60) days past due and the consummation of all transactions contemplated hereby to occur on the Closing Date, closing costs and any book overdraft, Excess Availability shall be no less than \$3,500,000 (inclusive of the Availability Block); and (v) Borrowers shall have paid to Lender all fees due on the date hereof, and shall have paid or reimbursed Lender for all of Lender's reasonable costs, charges and expenses incurred through the Closing Date (and in connection herewith, Borrowers hereby irrevocably authorize Lender to charge such fees, costs, charges and expenses as Revolving Loans); and
- (b) **All Loans and/or Letters of Credit:** With respect to Loans made and/or Letters of Credit issued, on the Closing Date and/or at any time thereafter, in addition to the conditions specified in clause (a) above as applicable, (i) Borrowers shall have provided to Lender such information as Lender may require in order to determine the Borrowing Base, as of such borrowing or issue date, after giving effect to such Loans and/or Letters of Credit, as applicable; (ii) each applicable Loan Party shall have duly executed and/or delivered a Notice of Borrowing; (iii) each of the representations and warranties set forth in this Agreement, the Information Certificate(s) and in the other Loan Documents shall be true and correct in all material respects (without duplication of materiality qualifiers therein) as of the date such Loan is made and/or such Letter of Credit is issued (or to the extent any representations or warranties are expressly made solely as of an earlier date, such representations and warranties shall be true and correct in all material respects

(without duplication of materiality qualifiers therein) as of such earlier date), both before and after giving effect thereto; and (iv) no Default or Event of Default shall be in existence, both before and after giving effect thereto.

1.7 Repayments

- (a) **Revolving Loans/Letters of Credit.** If at any time for any reason whatsoever (including without limitation as a result of currency fluctuations) (i) the sum of the outstanding balance of all Revolving Loans and the Letter of Credit Balance exceeds the lesser of (x) the Maximum Revolving Facility Amount and (y) the Borrowing Base, or (ii) any of the Loan Limits for Revolving Loans or Letters of Credit are exceeded, then in each case, Borrowers will promptly following Lender's demand jointly and severally pay to Lender such amounts (or, with respect to the Letter of Credit Balance, provide cash collateral to Lender in the manner set forth in clause (c) below) as shall cause Borrowers to eliminate such excess (such excess, an "**Overadvance**").
- (b) **[Reserved].**
- (c) **Maturity Date Payments / Cash Collateral.** All remaining outstanding monetary Obligations (including, all accrued and unpaid fees described on Schedule C shall be payable in full on the Maturity Date. Without limiting the generality of the foregoing, if, on the Maturity Date, there are any outstanding Letters of Credit, then on such date Borrowers shall provide to Lender cash collateral in an amount equal to 105% of the Letter of Credit Balance to secure all of the Obligations (including estimated attorneys' fees and other expenses) relating to said Letters of Credit, pursuant to a cash pledge agreement in form and substance reasonably satisfactory to Lender.
- (d) **Currency Due.** If, notwithstanding the terms of this Agreement or any other Loan Document, Lender receives any payment from or on behalf of Borrowers or any other Person in a currency other than the Currency Due, Lender may convert the payment (including the monetary proceeds of realization upon any Collateral and any funds then held in a cash collateral account) into the Currency Due at exchange rate selected by Lender in the manner contemplated by Section 6.2(b) and Borrowers shall jointly and severally reimburse Lender on demand for all reasonable costs it incurs with respect thereto. To the extent permitted by law, the obligation shall be satisfied only to the extent of the amount actually received by Lender upon such conversion.

1.8 Prepayments / Voluntary Termination / Application of Prepayments

- (a) **Certain Mandatory Prepayment Events.** Borrowers shall be required to prepay the unpaid principal balance of the Revolving Loans within three (3) Business Days following the date of each and every Prepayment Event (and within three (3) Business Days following any date thereafter on which proceeds pertaining thereto are received by any Loan Party), in each case without any demand or notice from

Lender or any other Person, all of which is hereby expressly waived by Borrowers, in the amount of 100% of the Net Cash Proceeds received by any Loan Party with respect to such Prepayment Event. No prepayment made pursuant to this Section 1.8(a) or in connection with any Prepayment Event shall be subject to the Early Payment/Termination Premium.

- (b) **[Reserved]**.
- (c) **[Reserved]**.
- (d) **[Reserved]**.
- (e) **Voluntary Termination of Loan Facilities.** Borrowers may, on at least thirty (30) days prior written and irrevocable notice received by Lender, permanently terminate the Loan facilities by repaying all of the outstanding Obligations, including all principal, interest and fees with respect to the Revolving Loans, and an Early Payment/Termination Premium in the amount specified in Schedule C. If, on the date of a voluntary termination pursuant to this Section 1.8(e), there are any outstanding Letters of Credit, then on such date, and as a condition precedent to such termination, Borrowers shall provide to Lender cash collateral in an amount equal to 105% of the Letter of Credit Balance to secure all of the Obligations (including estimated attorneys' fees and other expenses) relating to said Letters of Credit, pursuant to a cash pledge agreement in form and substance reasonably satisfactory to Lender. From and after such date of termination, Lender shall have no obligation whatsoever to extend any additional Loans or Letters of Credit and all of its lending commitments hereunder shall be terminated.
- (f) **[Reserved]**.

1.9 **Obligations Unconditional**

- (a) The payment and performance of all Obligations shall constitute the absolute and unconditional obligations of each Loan Party and shall be independent of any defense or rights of set-off, recoupment or counterclaim which any Loan Party or any other Person might otherwise have against Lender or any other Person. All payments required by this Agreement and/or the other Loan Documents shall be made in Canadian Dollars (unless payment in a different currency is expressly provided otherwise in the applicable Loan Document).
- (b) If, at any time and from time to time after the Closing Date (or at any time before or after the Closing Date with respect to (x) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith, or (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case for purposes of this clause (y) pursuant to Basel III, regardless of the date enacted, adopted or issued), (i) any change in any existing law, regulation, treaty or directive or in the interpretation or

application thereof, (ii) any new law, regulation, treaty or directive enacted or application thereof, or (iii) compliance by Lender with any request or directive (whether or not having the force of law) from any Governmental Authority, central bank or comparable agency (A) subjects Lender to any tax, levy, impost, deduction, assessment, charge or withholding of any kind whatsoever with respect to any Loan Document, or changes the basis of taxation of payments to Lender of any amount payable thereunder (other than (1) Indemnified Taxes, (2) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (3) Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes), or (B) imposes on Lender any other condition or increased cost in connection with the transactions contemplated thereby or participations therein, and the result of any of the foregoing is to increase the cost to Lender of making or continuing any Loan or Letter of Credit or to reduce any amount receivable hereunder or under any other Loan Documents, then, in any such case, Borrowers shall within ten (10) days after demand jointly and severally pay to Lender, when notified to do so by Lender, any additional amounts necessary to compensate Lender, on an after-tax basis, for such additional cost or reduced amount as determined by Lender. Each such notice of additional amounts payable pursuant to this Section 1.9(b) submitted by Lender to Borrowing Agent shall, absent manifest error, be final, conclusive and binding for all purposes.

- (c) This Section 1.9 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Obligations.

1.10 Reversal of Payments

To the extent that any payment or payments made to or received by Lender pursuant to this Agreement or any other Loan Document are subsequently invalidated, declared to be fraudulent or preferential, set aside, or required to be repaid to any trustee, receiver or other Person under any state, provincial, territorial, federal or other bankruptcy or other such applicable law, then, to the extent thereof, such amounts (and all Liens, rights and remedies therefore) shall be revived as Obligations (secured by all such Liens) and continue in full force and effect under this Agreement and under the other Loan Documents as if such payment or payments had not been received by Lender. This Section 1.10 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Obligations.

ARTICLE 2 INTEREST AND FEES; LOAN ACCOUNT

2.1 Interest

All Loans and other monetary Obligations shall bear interest at the interest rate(s) set forth in Section 3 of Schedule A, and accrued interest shall be payable (a) on the first day of each month in arrears, (b) upon a prepayment of such Loan in accordance with Section 1.8, and (c) on the Maturity Date; provided, that after the occurrence and during the continuation of an Event of Default, all Loans and other monetary Obligations shall bear interest at a rate per annum equal to

three (3) percentage points in excess of the rate otherwise applicable thereto (the “**Default Rate**”), and all such interest shall be payable on demand.

2.2 Fees

Borrowers shall jointly and severally pay Lender the fees set forth on Schedule C hereto on the dates set forth therein, which fees are in addition to all fees and other sums payable by Borrowers or any other Person to Lender under this Agreement or under any other Loan Document, and, in each case are not refundable once paid.

2.3 Computation of Interest and Fees

All interest and fees shall be calculated daily on the outstanding monetary Obligations based on the actual number of days elapsed in a year of 360 days. For the purposes of disclosure pursuant to the *Interest Act* (Canada), the annual rates of interest or fees to which the rates of interest or fees provided in this Agreement and the other Loan Documents (and stated herein or therein, as applicable, to be computed on the basis of 360 days, or any other period of time less than a calendar year) are equivalent are the rates so determined multiplied by the actual number of days in the applicable calendar year and divided by 360 or such other period of time, respectively. All calculations of interest and fees under this Agreement and the other Loan Documents shall be made on the basis of the nominal rates described in this Agreement and not on the basis of effective yearly rates or any other basis that gives effect to the principle of deemed reinvestment. The parties acknowledge that there is a material difference between the stated nominal rates and effective yearly rates taking into account reinvestment, and that they are capable of making the calculations required to determine effective yearly rates.

2.4 Loan Account; Monthly Accountings

Lender shall maintain a loan account for Borrowers reflecting all outstanding Loans and the Letters of Credit Balance, along with interest accrued thereon and such other items reflected therein (the “**Loan Account**”), and shall provide Borrowing Agent with a monthly accounting reflecting the activity in the Loan Account, viewable by Borrowing Agent on ABLServe. Each accounting shall be deemed correct, accurate and binding on Borrowers and an account stated (except for reverses and reapplications of payments made and corrections of errors discovered by Lender), unless Borrowing Agent notifies Lender in writing to the contrary within thirty (30) days after such account is rendered, describing the nature of any alleged errors or omissions. However, Lender’s failure to maintain the Loan Account or to provide any such accounting shall not affect the legality or binding nature of any of the Obligations. Interest, fees and other monetary Obligations due and owing under this Agreement (including fees and other amounts paid by Lender to issuers of Letters of Credit) may, in Lender’s discretion, be charged to the Loan Account, and will thereafter be deemed to be Revolving Loans and will bear interest at the same rate as other Revolving Loans.

2.5 Further Obligations; Maximum Lawful Rate

With respect to all monetary Obligations for which the interest rate is not otherwise specified herein (whether such Obligations arise hereunder or under any other Loan Document, or otherwise), such Obligations shall bear interest at the rate(s) in effect from time to time with respect to the applicable Loan to which such Obligations relate and shall be payable upon demand by

Lender. In no event shall the interest charged with respect to any Loan or any other Obligation exceed the maximum amount permitted under applicable law. Notwithstanding anything to the contrary herein or elsewhere, if at any time the rate of interest payable or other amounts hereunder or under any other Loan Document (the “**Stated Rate**”) would exceed the highest rate of interest or other amount permitted under any applicable law to be charged (the “**Maximum Lawful Rate**”), then for so long as the Maximum Lawful Rate would be so exceeded, the rate of interest and other amounts payable shall be equal to the Maximum Lawful Rate; provided, that if at any time thereafter the Stated Rate is less than the Maximum Lawful Rate, Borrowers shall, to the extent permitted by applicable law, continue to pay interest and such other amounts at the Maximum Lawful Rate until such time as the total interest and other such amounts received is equal to the total interest and other such amounts which would have been received had the Stated Rate been (but for the operation of this provision) the interest rate payable or such other amounts payable. Thereafter, the interest rate and such other amounts payable shall be the Stated Rate unless and until the Stated Rate again would exceed the Maximum Lawful Rate, in which event this provision shall again apply. In no event shall the total interest or other such amounts received by Lender exceed the amount which it could lawfully have received had the interest and other such amounts been calculated for the full term hereof at the Maximum Lawful Rate. If, notwithstanding the prior sentence, Lender has received interest or other such amounts hereunder in excess of the Maximum Lawful Rate, such excess amount shall be applied to the reduction of the principal balance of the Loans or to other Obligations (other than interest) payable hereunder, and if no such principal or other Obligations are then outstanding, such excess or part thereof remaining shall be paid to Borrowers. In computing interest payable with reference to the Maximum Lawful Rate applicable to any Lender, such interest shall be calculated at a daily rate equal to the Maximum Lawful Rate divided by the number of days in the year in which such calculation is made.

2.6 Illegality; Alternate Rate of Interest

Notwithstanding anything to the contrary herein or in any other Loan Document:

- (a) **Replacing CDOR.** On May 16, 2022 Refinitiv Benchmark Services (UK) Limited (“**RBSL**”), the administrator of CDOR, announced in a public statement that the calculation and publication of all tenors of CDOR will permanently cease immediately following a final publication on Friday, June 28, 2024. On the date that all Available Tenors of CDOR have either permanently or indefinitely ceased to be provided by RBSL (the “**CDOR Cessation Date**”), if the then-current Benchmark is CDOR, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document. If the Benchmark Replacement is Daily Compounded CORRA, all interest payments will be payable on a monthly basis.
- (b) **Replacing Future Benchmarks.** Upon the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Borrowers without

any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Lender has not received, by such time, written notice of objection to such Benchmark Replacement from the Borrowers. At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the administrator or the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrowers may revoke any request for a borrowing of, conversion to or continuation of Loans to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrowers' receipt of notice from the Lender that a Benchmark Replacement has replaced such Benchmark, and, failing that, the Borrowers will be deemed to have converted any such request into a request for a borrowing of or conversion to Loans at the Canadian Prime Rate.

- (c) **Benchmark Replacement Conforming Changes.** In connection with the implementation and administration of a Benchmark Replacement, the Lender will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.
- (d) **Notices; Standards for Decisions and Determinations.** The Lender will promptly notify the Borrowers (i) the implementation of any Benchmark Replacement, (ii) any occurrence of a Term CORRA Transition Event, and (iii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Lender pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section.
- (e) **Unavailability of Tenor of Benchmark.** At any time (including in connection with the implementation of a Benchmark Replacement), if the then-current Benchmark is a term rate (including Term CORRA or CDOR), then (i) the Lender may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings, and (ii) the Lender may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.
- (f) **Secondary Term CORRA Conversion.** Notwithstanding anything to the contrary herein or in any Loan Document and subject to the proviso below in this clause, if a Term CORRA Transition Event and its related Term CORRA Transition Date

have occurred, then on and after such Term CORRA Transition Date (i) the Benchmark Replacement described in clause (i)(A) of such definition will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; and (ii) each Loan outstanding on the Term CORRA Transition Date bearing interest based on the then-current Benchmark shall convert, at the start of the next interest payment period into a Loan bearing interest at the Benchmark Replacement described in clause (i)(A) of such definition having a tenor approximately the same length as the interest payment period applicable to such Loan immediately prior to the conversion or such other Available Tenor as may be selected by the Borrowers and agreed by the Lender; provided that, this clause (f) shall not be effective unless the Lender has delivered to the Borrowers a Term CORRA Notice.

(g) **Definitions.**

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an interest period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

“**Benchmark**” means, initially, CDOR; provided that if a replacement of the Benchmark has occurred pursuant to this Section titled “Benchmark Replacement Setting”, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to “Benchmark” shall include, as applicable, the published component used in the calculation thereof.

“**Benchmark Replacement**” means, for any Available Tenor:

- (i) For purposes of clause (a) of this Section, the first alternative set forth below that can be determined by the Lender:
 - (A) the sum of: (i) Term CORRA and (ii) 0.29547% (29.547 basis points) for an Available Tenor of one-month’s duration, and 0.32138% (32.138 basis points) for an Available Tenor of three-months’ duration; or
 - (B) the sum of: (i) Daily Compounded CORRA and (ii) 0.29547% (29.547 basis points) for an Available Tenor of one-month’s duration, and 0.32138% (32.138 basis points) for an Available Tenor of three-months’ duration; and
- (ii) For purposes of clause (b) of this Section, the sum of (a) the alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Lender and the

Borrowers as the replacement for such Available Tenor of such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for Canadian Dollar-denominated syndicated credit facilities at such time;

provided that, if the Benchmark Replacement as determined pursuant to clause (i) or (ii) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Canadian Prime,” the definition of “Business Day,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters, including with respect to the obligation of the Lender to create, maintain or issue bankers’ acceptances) that the Lender decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents). Without limiting the foregoing, Benchmark Replacement Conforming Changes made in connection with the replacement of CDOR with a Benchmark Replacement may include the implementation of mechanics for borrowing loans that bear interest by reference to the Benchmark Replacement, to replace the creation or purchase of drafts or bankers’ acceptances.

“Benchmark Transition Event” means, with respect to any then-current Benchmark other than CDOR, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Bank of Canada, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark or (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

“Canadian Prime Rate” means, the rate of interest equal to the greater of (i) the annual rate of interest publicly announced from time to time by Bank of Montreal as its reference

rate of interest for loans made in Canadian Dollars to Canadian customers and designated as its “prime” rate, and (ii) the 30-day CDOR plus 1.00%. The Canadian Prime Rate is a rate set by Bank of Montreal based upon various factors including Bank of Montreal’s costs and desired return, general economic conditions and other factors and is used as a reference point for pricing some loans.

“**CORRA**” means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

“**Daily Compounded CORRA**” means, for any day, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by the Lender in accordance with the methodology and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded CORRA for business loans; provided that if the Lender decides that any such convention is not administratively feasible for the Lender, then the Lender may establish another convention in its reasonable discretion; and provided that if the administrator has not provided or published CORRA and a Benchmark Transition Event with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

“**Relevant Governmental Body**” means the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada, or any successor thereto.

“**Term CORRA**” means, for the applicable corresponding tenor, the forward-looking term rate based on CORRA that has been selected or recommended by the Relevant Governmental Body, and that is published by an authorized benchmark administrator and is displayed on a screen or other information service, as identified or selected by the Lender in its reasonable discretion at approximately a time and as of a date prior to the commencement of an interest period determined by the Lender in its reasonable discretion in a manner substantially consistent with market practice.

“**Term CORRA Notice**” means the notification by the Lender to the Borrowers of the occurrence of a Term CORRA Transition Event.

“**Term CORRA Transition Date**” means, in the case of a Term CORRA Transition Event, the date that is set forth in the Term CORRA Notice provided to the Borrowers, for the replacement of the then-current Benchmark with the Benchmark Replacement described in clause (i)(A) of such definition, which date shall be at least thirty (30) Business Days from the date of the Term CORRA Notice.

“**Term CORRA Transition Event**” means the determination by the Lender that (a) Term CORRA has been recommended for use by the Relevant Governmental Body, and is determinable for any Available Tenor, (b) the administration of Term CORRA is administratively feasible for the Lender and (c) a Benchmark Replacement, other than Term CORRA, has replaced CDOR in accordance with paragraph (a) of the Section titled “Benchmark Replacement Setting”.

ARTICLE 3
SECURITY INTEREST GRANT / POSSESSORY COLLATERAL / REAL PROPERTY
SECURITY / FURTHER ASSURANCES

3.1 Grant of Security Interest

To secure the full payment and performance of all of the Obligations, each Loan Party hereby assigns to Lender and grants to Lender a continuing security interest in all property of such Loan Party, whether tangible or intangible, real or personal, now or hereafter owned, existing, acquired or arising and wherever now or hereafter located, and whether or not eligible for lending purposes, including, without limitation,: (a) all Accounts (whether or not Eligible Accounts) and all Goods whose sale, lease or other disposition by such Loan Party has given rise to Accounts and have been returned to, or repossessed or stopped in transit by, such Loan Party; (b) all Chattel Paper (including Electronic Chattel Paper), Instruments, Documents, and General Intangibles (including all patents, patent applications, industrial designs, industrial design applications, trademarks, trademark applications, trade names, trade secrets, goodwill, copyrights, copyright applications, registrations, licenses, software, franchises, customer lists, tax refund claims, claims against carriers and shippers, guarantee claims, contracts rights, payment intangibles, security interests, security deposits and rights to indemnification); (c) all Inventory (whether or not Eligible Inventory); (d) all Goods (other than Inventory), including Equipment, Farm Products, Health-Care-Insurance Receivables, vehicles, and Fixtures; (e) all Investment Property (f) all Deposit Accounts, bank accounts, deposits and cash; (g) all Letter-of-Credit Rights; (h) all Commercial Tort Claims listed in Section 40 of the Information Certificate(s); (i) all Supporting Obligations; (j) any other property of such Loan Party now or hereafter in the possession, custody or control of Lender or any agent or any parent, Affiliate or Subsidiary of Lender or any Participant with Lender in the Loans, for any purpose (whether for safekeeping, deposit, collection, custody, pledge, transmission or otherwise), and (k) all additions and accessions to, substitutions for, and replacements, products and Proceeds of the foregoing property, including proceeds of all insurance policies insuring the foregoing property, and all of such Loan Party's books and records relating to any of the foregoing and to such Loan Party's business.

Notwithstanding the foregoing, no Loan Party shall pledge, and the Collateral shall not include, (i) Equipment or other property owned by any Loan Party on the date hereof or hereafter acquired that is subject to a Lien securing capitalized leases and purchase money Indebtedness permitted to be incurred pursuant to clause (a) of the definition of Permitted Liens to the extent and for so long as the documentation providing for such capitalized leases and purchase money Indebtedness prohibits the creation of a Lien on such assets (other than to the extent that any such term or prohibition would be rendered ineffective after giving effect to Section 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions), the PPSA or any other applicable law (including the Bankruptcy Code and any Canadian Insolvency Law), (ii) any United States intent-to-use trademark applications to the extent that the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable Federal law, (iii) assets and property to the extent such assets and property are subject to a term or a rule of law, statute or regulation that restricts, prohibits, or requires a consent (that has not been obtained) of a Person (other than such Loan Party) to, the creation, attachment or perfection of the security interest granted herein, and any such restriction, prohibition and/or requirement of consent is effective and enforceable under applicable law and is not rendered ineffective by applicable law

(including, without limitation, pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or the corresponding provisions of the PPSA), (iv) (a) any property held in trust by Borrowers and lawfully belonging to others; (v) the last day of the term of any lease of real property which is not assignable without the consent of a landlord which consent has not been received, provided that Borrowers shall stand possessed of such last day and shall on the exercise by Lender of its rights under this Agreement following an Event of Default that is continuing, assign and transfer such interest as instructed by Lender; (vi) any rights or interests of a Loan Party in or under any license, contract, permit, Instrument, Investment Property or franchise to which such Loan Party is a party or any of its rights or interests thereunder to the extent, but only to the extent, that a grant of a security interest to Lender therein would, under the terms of such license, contract, permit, Instrument, Investment Property or franchise, result in a breach of the terms of, or constitute a default under, such license, contract, permit, Instrument, Investment Property or franchise (other than to the extent that any such term would be rendered ineffective pursuant to the UCC, the PPSA or any other applicable law or principles of equity); (vii) motor vehicles and other assets subject to a certificate of title, and (viii) any “consumer goods” as such term is defined in the PPSA or the UCC; provided, that with respect to any such limitation described in the foregoing clauses (i) and (iii) and (vi) (1) immediately upon the ineffectiveness, lapse or termination of any such restriction, the Collateral shall include, and such Loan Party shall be deemed to have granted a Lien on such property under the applicable Loan Documents as if such restriction had never been in effect; and (2) notwithstanding any such restriction, the Collateral shall, to the extent such restriction does not by its terms apply thereto and such rights and proceeds do not otherwise constitute Excluded Collateral, include all rights incident or appurtenant to any such property, and the right to receive all proceeds derived from, or in connection with the sale, assignment or transfer of, such property (collectively, “**Excluded Collateral**”).

To further secure the full payment and performance of all of the Obligations, each Loan Party hereby hypothecates to and in favor of Lender the “l’universalité de ses biens meubles, corporels et incorporels, présents et à venir, de quelque nature qu’ils soient et où qu’ils puissent être situés.” The parties agree that the English version of the foregoing description is as follows: “the universality of its movable property, corporeal and incorporeal, present and future, of any nature whatsoever and wherever situate”. The aforesaid hypothec is created for a sum of CAD\$30,000,000 with interest thereon at the rate of 25% per annum. Each Loan Party hereby confirms that this Agreement has been freely negotiated by the parties hereto. The parties hereto confirm that they have expressly requested that this Agreement (except for any French language set out therein), and all related documents be drafted in the English language. Chaque Partie du Prêt confirme que la présente convention a été librement négociée par les parties aux présentes. Les parties aux présentes confirment qu’elles ont expressément exigé que la présente convention (à l’exception de quelconque texte en français prévu aux présentes) et tous les documents connexes soient rédigés en langue anglaise. This paragraph entitled “Province of Quebec” shall be governed by and enforced in accordance with the laws of the Province of Quebec without regard to principles of conflicts of laws that would require the application of any other law, the whole so to create a valid and enforceable hypothec pursuant to the laws of the Province of Quebec.

3.2 Possessory Collateral

Promptly, but in any event no later than five (5) Business Days after any Loan Party’s receipt of any portion of the Collateral outside the ordinary course of its business evidenced by any

(i) agreement, Instrument or Document, including any Tangible Chattel Paper, in each case with a value in excess of \$50,000 individually, and (ii) any Investment Property consisting of certificated securities, (other than certificates representing ULC Interests) such Loan Party shall deliver the original thereof to Lender together with an appropriate endorsement or other specific evidence of assignment thereof to Lender (in form and substance acceptable to Lender). If an endorsement or assignment of any such items shall not be made for any reason, Lender is hereby irrevocably authorized, as attorney and agent-in-fact (coupled with an interest) for each Loan Party, to, upon written notice to such Loan Party, endorse or assign the same on such Loan Party's behalf.

3.3 Real Property Security

On or before the Closing Date, each of the Loan Parties will, and will cause each of the other Loan Parties to, execute and deliver to Lender any and all financing statements, fixture filings, security agreements, pledges, assignments, mortgages, deeds of trust, opinions of counsel, and all other documents, certificates and filings necessary to give Lender a valid and enforceable second-ranking priority charge on all real property interests (owned, leased or otherwise) of the Loan Parties. The real property rights and assets of the Loan Parties charged and encumbered by such real property security shall constitute and form part of the "Collateral".

3.4 Further Assurances

- (a) Each Loan Party will, at the time that any Loan Party forms any direct or indirect Subsidiary, acquires any direct or indirect Subsidiary after the Closing Date, within thirty (30) days of such event (or such later date as permitted by Lender in its sole discretion) (i) cause such new Subsidiary to become a Loan Party and to grant Lender a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary), (ii) provide, or cause the applicable Loan Party to provide, to Lender a pledge agreement and appropriate certificates and powers or financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary in form and substance reasonably satisfactory to Lender (which pledge, if reasonably requested by Lender, shall be governed by the laws of the jurisdiction of such Subsidiary), and (iii) provide to Lender all other documentation, including one or more opinions of counsel reasonably satisfactory to Lender, which, in its opinion, is appropriate with respect to the execution and delivery of the applicable documentation referred to above (including policies of title insurance, flood certification documentation or other documentation with respect to all real property owned in fee and subject to a mortgage). Any document, agreement, or instrument executed or issued pursuant to this Section 3.3 shall constitute a Loan Document.
- (b) Each Loan Party will, and will cause each of the other Loan Parties to, at any time upon the reasonable request of Lender, execute or deliver to Lender any and all financing statements, fixture filings, security agreements, pledges, assignments, mortgages, deeds of trust, opinions of counsel, and all other documents (the "**Additional Documents**") that Lender may reasonably request in form and substance reasonably satisfactory to Lender, to create, perfect, and continue to be perfected the security interests granted to Lender in the Collateral, to create and

perfect Liens in favor of Lender in any real property acquired by any other Loan Party with a fair market value in excess of \$100,000, and in order to fully consummate all of the transactions contemplated hereby and under the other Loan Documents. To the maximum extent permitted by applicable law, if any Borrower or any other Loan Party refuses or fails to execute or deliver any reasonably requested Additional Documents within a reasonable period of time following the request to do so, each Borrower and each other Loan Party hereby authorizes Lender to execute any such Additional Documents in the applicable Loan Party's name and authorizes Lender to file such executed Additional Documents in any appropriate filing office.

- (c) Each Loan Party shall, at its own cost and expense, promptly and duly take, execute, acknowledge and deliver (and/or use commercially reasonable efforts to cause such other applicable Person to take, execute, acknowledge and deliver) all such further acts, documents, agreements and instruments as Lender shall deem reasonably necessary in order to (i) carry out the intent and purposes of the Loan Documents and the transactions contemplated thereby, (ii) establish, create, preserve, protect and perfect a first priority lien (subject only to Permitted Liens) in favor of Lender in all Collateral (wherever located) from time to time owned by the Loan Parties, (iii) cause each Loan Party to guarantee all of the Obligations, all pursuant to documentation that is in form and substance satisfactory to Lender in its Permitted Discretion and (iv) facilitate the collection of the Collateral. Without limiting the foregoing, each Loan Party shall, at its own cost and expense, promptly and duly take, execute, acknowledge and deliver (and/or use commercially reasonable efforts to cause such other applicable Person to take, execute, acknowledge and deliver) to Lender all promissory notes, security agreements, agreements with landlords, mortgagees and processors and other bailees, subordination and intercreditor agreements and other agreements, instruments and documents, in each case in form and substance reasonably acceptable to Lender, as Lender may request from time to time to perfect, protect, and maintain Lender's security interests in the Collateral, including the required priority thereof, and to fully carry out the transactions contemplated by the Loan Documents.

3.5 UCC and PPSA Financing Statements

Each Loan Party authorizes Lender to file, transmit, or communicate, as applicable, from time to time, Uniform Commercial Code and/or PPSA financing statements and finance change statements, along with amendments and modifications thereto, in all filing offices selected by Lender, listing such Loan Party as the debtor and Lender as the secured party, and describing the collateral covered thereby in such manner as Lender may elect, including using descriptions such as "all personal property of debtor" or "all assets of debtor" or words of similar effect. Each Loan Party also hereby ratifies its authorization for Lender to have filed in any filing office any financing statements filed prior to the date hereof.

3.6 ULC Interests

Notwithstanding the grant of security interest made by each Loan Party in favor of the Lender of all of its Collateral, or any provision to the contrary contained in this Agreement, any Loan Party that controls any interest (for the purposes of this Section 3.6, “**ULC Interests**”) in any unlimited liability company (for the purposes of this Section 3.6, a “**ULC**”) pledged hereunder shall remain registered as the sole registered and beneficial owner of such ULC Interests and will remain as registered and beneficial owner until such time as such ULC Interests are effectively transferred into the name of the Lender or any other Person on the books and records of such ULC. Nothing in this Agreement is intended to or shall constitute the Lender or any Person as a shareholder or member of any ULC until such time as notice is given to such ULC and further steps are taken thereunder so as to register the Lender or any other Person as the holder of the ULC Interests of such ULC. To the extent any provision hereof would have the effect of constituting the Lender or any other Person as a shareholder or member of a ULC prior to such time, such provision shall be severed therefrom and ineffective with respect to the ULC Interests of such ULC without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Collateral which are not ULC Interests. Except upon the exercise of rights to sell or otherwise dispose of ULC Interests following the occurrence and during the continuance of an Event of Default hereunder, no Loan Party shall cause or permit, or enable any ULC in which it holds ULC Interests to cause or permit, the Lender to: (a) be registered as shareholders or members of such ULC; (b) have any notation entered in its favor in the share register of such ULC; (c) be held out as a shareholder or member of such ULC; (d) receive, directly or indirectly, any dividends, property or other distributions from such ULC by reason of the Lender holding a security interest in such ULC; or (e) act as a shareholder or member of such ULC, or exercise any rights of a shareholder or member of such ULC including the right to attend a meeting of, or to vote the shares of, such ULC.

3.7 Valid Security Interest

Each Loan Party and the Lender hereby acknowledge that (a) value has been given, (b) such Loan Party has rights in the Collateral in which it has granted a security interest, (c) this Agreement constitutes a “security agreement” as that term is defined in the UCC and the PPSA, and (d) the security interest attaches upon the execution of this Agreement (or in the case of any after-acquired property, at the time of acquisition thereof).

ARTICLE 4

CERTAIN PROVISIONS REGARDING ACCOUNTS, INVENTORY, COLLECTIONS, APPLICATIONS OF PAYMENTS, INSPECTION RIGHTS, AND APPRAISALS

4.1 Lock Boxes and Blocked Accounts

Each Loan Party hereby represents and warrants that all Deposit Accounts and all other depository and other accounts maintained by each Loan Party as of the Closing Date are described in Section 39 of the Information Certificate(s), which description includes for each such account the name of the Loan Party maintaining such account, the name, of the financial institution at which such account is maintained, the account number, and the purpose of such account. After the Closing Date, no Loan Party shall open any new Deposit Accounts or any other depository or other

accounts without the prior written consent of Lender and without updating Section 39 of the Information Certificate(s) to reflect such Deposit Accounts or other accounts, as applicable. No Deposit Accounts or other accounts of any Loan Party shall at any time constitute a Restricted Account other than accounts expressly indicated on Section 39 of the Information Certificate(s) as being a Restricted Account (and each Loan Party hereby represents and warrants that each such account shall at all times meet the requirements set forth in the definition of Restricted Account to qualify as a Restricted Account). Each Loan Party will, at its expense, establish (and revise from time to time as Lender may require) procedures acceptable to Lender, in Lender's Permitted Discretion, for the collection of checks, wire transfers and all other proceeds of all of such Loan Party's Accounts and other Collateral ("**Collections**"), which shall include (a) directing all Account Debtors to send all Account proceeds directly to a post office box designated by Lender either in the name of such Loan Party (but as to which Lender has exclusive access) or, at Lender's option, in the name of Lender (a "**Lock Box**"), and/or (b) depositing all Collections received by such Loan Party into one or more bank accounts maintained in the name of such Loan Party (but as to which Lender has exclusive access) or, at Lender's option, in the name of Lender (each, a "**Blocked Account**"), under an arrangement acceptable to Lender with a depository bank acceptable to Lender, pursuant to which all funds deposited into each Blocked Account are to be transferred to Lender in such manner, and with such frequency, as Lender shall reasonably specify, and/or (c) a combination of the foregoing. Each Loan Party agrees to execute, and to cause its depository banks and other account holders to execute, such Lock Box and Blocked Account control agreements and other documentation as Lender shall reasonably require from time to time in connection with the foregoing, all in form and substance acceptable to Lender, and in any event such arrangements and documents must be in place on the date hereof with respect to accounts in existence on the date hereof, or prior to any such account being opened with respect to any such account opened after the date hereof, in each case excluding Restricted Accounts; each Loan Party shall provide Lender with online read-only access to such Loan Party's Deposit Accounts, securities accounts and any investment accounts constituting securities accounts and maintain such access in effect for Lender throughout the term of this Agreement and until all Obligations have been paid in full, all in a manner acceptable to Lender in its Permitted Discretion. Prior to the Closing Date, Borrowing Agent shall deliver to Lender a complete and executed Authorized Accounts form regarding Borrowers' operating account(s) into which the proceeds of Loans are to be paid in the form of Exhibit D annexed hereto. The parties hereto hereby acknowledge, confirm and agree that the implementation of the cash management arrangements is a contractual right provided to the Lender hereunder in order for the Lender to manage and monitor its collateral position and not a proceeding for enforcement or recovery of a claim, or pursuant to, or an enforcement of, any security or remedies whatsoever, that the cash management arrangements contemplated herein are critical to the structure of the lending arrangements contemplated herein, that the Lender is relying on the Loan Parties' acknowledgement, confirmation and agreement with respect to such cash management arrangements in making accommodations of credit available to the Borrowers and in particular that any accommodations of credit are being provided by the Lender to the Borrowers strictly on the basis of a borrowing base calculation to fully support and collateralize any such accommodations of credit hereunder. Notwithstanding the foregoing, North Lily may maintain up to USD\$500,000 in the aggregate in one or more deposit accounts to fund its operations; provided that any such deposit account shall be made subject to a springing deposit account control agreement (a "**DACA**") and such account shall, upon the occurrence and

continuance of an Event of Default, and subject to the Lender providing notice to the applicable account bank under the DACA, shall be under the sole dominion and control of the Lender.

4.2 Application of Payments

All amounts paid to or received by Lender in respect of the monetary Obligations, from whatever source (whether from any Borrower or any other Loan Party pursuant to such other Loan Party's guarantee of the Obligations, any realization upon any Collateral, or otherwise) shall, unless otherwise directed by Borrowing Agent with respect to any particular payment (unless an Event of Default shall then be continuing, in which event Lender may disregard Borrowing Agent's direction), be applied by Lender to the Obligations in such order as Lender may elect, and absent such election shall be applied as follows:

- (a) FIRST, to reimburse Lender for all documented out-of-pocket costs and expenses, and all indemnified losses, incurred by Lender which are reimbursable to Lender in accordance with this Agreement and/or any of the other Loan Documents,
- (b) SECOND, to any accrued but unpaid interest on any Protective Advances,
- (c) THIRD, to the outstanding principal of any Protective Advances,
- (d) FOURTH, to any accrued but unpaid fees owing to Lender under this Agreement and/or any other Loan Documents,
- (e) FIFTH, to any unpaid accrued interest on the Obligations,
- (f) SIXTH, to the outstanding principal of the Obligations, and, to the extent required by this Agreement, to cash collateralize the Letter of Credit Balance, and
- (g) SEVENTH, to the payment of any other outstanding Obligations; and after payment in full in cash of all of the outstanding monetary Obligations, any further amounts paid to or received by Lender in respect of the Obligations (so long as no monetary Obligations are outstanding) shall be paid over to Borrowers or such other Person(s) as may be legally entitled. For purposes of determining the Borrowing Base, such amounts will be credited to the Loan Account and the Collateral balances to which they relate upon Lender's receipt of an advice from Lender's Bank (set forth in Section 5 of Schedule A) that such items have been credited to Lender's account at Lender's Bank (or upon Lender's deposit thereof at Lender's Bank in the case of payments received by Lender in kind), in each case subject to final payment and collection. However, for purposes of computing interest on the Obligations, such items shall be deemed applied by Lender two (2) Business Day after Lender's receipt of advice of deposit thereof at Lender's Bank.

4.3 Notification; Verification

Lender or its designee may, from time to time: (a) whether or not a Default or an Event of Default has occurred, verify directly with the Account Debtors of the Loan Parties (or by any reasonable manner and through any reasonable medium Lender considers advisable in the exercise of its

Permitted Discretion) the validity, amount and other matters relating to the Accounts and Chattel Paper of the Loan Parties, by means of mail, telephone or otherwise, either in the name of the applicable Loan Party or Lender or such other name as Lender may choose, (b) following the occurrence and during the continuance of an Event of Default: (i) notify Account Debtors of the Loan Parties that Lender has a security interest in the Accounts of the Loan Parties, (ii) require any Loan Party to cause all invoices and statements which it sends to Account Debtors or other third parties to be marked, in a manner satisfactory to Lender, to reflect Lender's security interest therein and payment instructions acceptable to Lender (iii) direct such Account Debtors to make payment thereof directly to Lender; such notification to be sent on the letterhead of such Loan Party and substantially in the form of Exhibit E annexed hereto; and (iv) demand, collect or enforce payment of any Accounts and Chattel Paper (but without any duty to do so). If an Event of Default has occurred and is continuing, (x) each Loan Party hereby authorizes Account Debtors to make payments directly to Lender and to rely on notice from Lender without further inquiry and (y) Lender may on behalf of each Loan Party endorse all items of payment received by Lender that are payable to such Loan Party for the purposes described above.

4.4 Power of Attorney

Each Loan Party hereby grants to Lender an irrevocable power of attorney, coupled with an interest, authorizing and permitting Lender (acting through any of its officers, employees, attorneys or agents), at Lender's option (and solely with respect to any actions taken by Lender under Section 4.4(a) below, in the exercise of its Permitted Discretion), but without obligation, with or without notice to such Loan Party, and at such Loan Party's expense, to do any or all of the following, in such Loan Party's name or otherwise:

- (a) (i) execute on behalf of such Loan Party any documents that Lender may deem reasonably necessary in order to perfect, protect and maintain Lender's security interests, and priority thereof, in the Collateral (including such financing statements, financing change statements and continuation financing statements, and amendments or other modifications thereto, as Lender shall deem necessary or appropriate); (ii) endorse such Loan Party's name on all checks and other forms of remittances received by Lender; (iii) receive and otherwise take control in any manner of any cash or non-cash items of payment or Proceeds of Collateral; (iv) endorse or assign to Lender on such Loan Party's behalf any portion of Collateral evidenced by an agreement, Instrument or Document if an endorsement or assignment of any such items is not made by Borrowers pursuant to Section 3.2; and (v) receive, open and process all mail addressed to such Loan Party at any post office box/lockbox maintained by Lender for such Loan Party or at any other business premises of Lender with Collections to be promptly transferred to the Blocked Account and any mail unrelated to Collections to be promptly remitted to such Loan Party along with copies of all other mail addressed to such Loan Party and received by Lender;
- (b) after the occurrence and during the continuance of an Event of Default and subject to the terms and conditions of Article 7 of this Agreement: (i) execute on behalf of such Loan Party any document exercising, transferring or assigning any option to purchase, sell or otherwise dispose of or lease (as lessor or lessee) any real or

personal property which is part of the Collateral or in which Lender has an interest; (ii) execute on behalf of such Loan Party any invoices relating to any Accounts, any draft against any Account Debtor, any proof of claim in bankruptcy or other insolvency, liquidation or wind-up, reorganization or arrangement proceeding, any notice of Lien or claim, and any assignment or satisfaction of mechanic's, materialman's, landlord or other Lien; (iii) except as otherwise provided in Section 4.3 hereof, execute on behalf of such Loan Party any notice to any Account Debtor; (iv) pay, contest or settle any Lien, charge, encumbrance, security interest and adverse claim in or to any of the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; (v) grant extensions of time to pay, compromise claims relating to, and settle Accounts, Chattel Paper and General Intangibles for less than face value and execute all releases and other documents in connection therewith; (vi) settle and adjust, and give releases of, any insurance claim that relates to any of the Collateral and obtain payment therefor; (vii) instruct any third party having custody or control of any Collateral or books or records belonging to, or relating to, such Loan Party to give Lender the same rights of access and other rights with respect thereto as Lender has under this Agreement or any other Loan Document; (viii) change the address for delivery of such Loan Party's mail; (ix) vote any right or interest with respect to any Investment Property; (x) instruct any Account Debtor to make all payments due to such Loan Party directly to Lender; (xi) pay any sums required on account of such Loan Party's taxes or Priority Payables or to secure the release of any Liens therefor; and (xii) pay any amounts necessary to obtain, or maintain in effect, any of the insurance described in Section 5.14; and

Any and all sums paid, and any and all costs, expenses, liabilities, obligations and reasonable and documented attorneys' fees incurred, by Lender with respect to the foregoing shall be added to and become part of the Obligations, shall be payable on demand, and shall bear interest at a rate equal to the highest interest rate applicable to any of the Obligations at such time. Each Loan Party agrees that Lender's rights under the foregoing power of attorney and/or any of Lender's other rights under this Agreement or the other Loan Documents shall not be construed to indicate that Lender is in control of the business, management or properties of such Loan Party.

4.5 Disputes

Each Loan Party shall promptly notify Lender of all disputes or claims relating to its Accounts and Chattel Paper, the amount of which exceeds, individually or in the aggregate \$50,000. Each Loan Party agrees that it will not, without Lender's prior written consent, compromise or settle any of its Accounts or Chattel Paper for less than the full amount thereof, grant any extension of time for payment of any of its Accounts or Chattel Paper, release (in whole or in part) any Account Debtor or other person liable for the payment of any of its Accounts or Chattel Paper or grant any credits, discounts, allowances, deductions, return authorizations or the like with respect to any of its Accounts or Chattel Paper; except (unless otherwise directed by Lender during the existence of a Default or an Event of Default) such Loan Party may take any of such actions in the ordinary course of its business, provided, that Borrowers promptly report the same to Lender with respect to any Account or Chattel Paper that individually has a value in excess of \$50,000.

4.6 Inventory

- (a) **Returns.** No Loan Party will accept returns of any Inventory from any Account Debtor except in the ordinary course of its business. In the event the value of returned Inventory in any one calendar month exceeds \$100,000 (collectively for all Loan Parties), Borrowers will promptly (and in any event within three (3) Business Days) notify Lender (which notice shall specify the value of all such returned Inventory, the reasons for such returns, and the locations and the condition of such returned Inventory).
- (b) **Sale on Return, etc.** No Loan Party will, without Lender's prior written consent, at any time, sell or receive any Inventory on a sale-or-return, guaranteed sale, consignment, or other contingent basis.
- (c) **Fair Labor Standards Act.** Each Loan Party represents and warrants, and covenants that at all times, that all of the Inventory of each Loan Party has been, at all times will be, produced only in accordance with the Fair Labor Standards Act of 1938 and all rules, regulations and orders promulgated thereunder.

4.7 Access to Collateral, Books and Records

At reasonable times and, so long as no Event of Default has occurred and is continuing, with reasonable prior written notice, Lender and/or its representatives or agents shall have the right to inspect the Collateral, and the right to examine and copy each Loan Party's books and records. Each Loan Party agrees to give Lender access to any or all of such Loan Party's, and each of its Subsidiaries', premises to enable Lender to conduct such inspections and examinations. Such inspections and examinations shall be at Borrowers' expense and the charge therefor shall be \$1,500 per person per day (or such higher amount as shall represent Lender's then current standard charge), plus out-of-pocket expenses; provided, that Borrowers shall only be required to reimburse Lender for up to three (3) such inspections and examinations in any Fiscal Year plus any additional inspections and examinations that are conducted during the existence of an Event of Default. Upon the occurrence and during the continuance of an Event of Default, Lender may, at Borrowers' expense, use each Loan Party's personnel, computer and other equipment, programs, printed output and computer readable media, supplies and premises for the collection, sale or other disposition of Collateral to the extent Lender, in its sole discretion, deems appropriate. Each Loan Party hereby irrevocably authorizes all accountants and other financial professional third parties to disclose and deliver to Lender, at Borrowers' expense, all financial information, books and records, work papers, management reports and other information in their possession regarding the Loan Parties.

4.8 Appraisals

Each Loan Party will permit Lender and each of its representatives or agents to conduct appraisals and valuations of the Collateral at such times and intervals as Lender may designate. Such appraisals and valuations shall be at Borrowers' expense; provided, that the Borrowers shall only be required to reimburse Lender for: (i) up to two (2) full Inventory appraisals and valuations in any Fiscal Year and (ii) Equipment appraisals at Lenders' sole discretion from time to time , and

(iii) any additional appraisals and valuations that are conducted during the existence of an Event of Default.

ARTICLE 5 REPRESENTATIONS, WARRANTIES AND COVENANTS

To induce Lender to enter into this Agreement, each Loan Party represents, warrants and covenants as follows (it being understood and agreed that (a) each such representation and warranty (i) will be made as of the date hereof and be deemed remade as of each date on which any Loan is made or Letter of Credit is issued (except to the extent any such representation or warranty expressly relates only to any earlier and/or specified date, in which case such representation or warranty will be made as of such earlier and/or specified date), and (ii) shall not be affected by any knowledge of, or any investigation by, Lender, and (b) each such covenant shall continuously apply with respect to all times commencing on the date hereof and continuing until the Termination Date):

5.1 Existence and Authority

Each Loan Party is duly organized, incorporated, validly existing and in good standing under the laws of its jurisdiction of organization (which jurisdiction as of the Closing Date is identified in Section 3 of the Information Certificate(s)) and is qualified to do business in each jurisdiction in which the operation of its business requires that it be qualified (which each such jurisdiction as of the Closing Date is identified in Section 15 of the Information Certificate(s)), except where the failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect. Each Loan Party will, and will cause each of its Subsidiaries to, at all times preserve and keep in full force and effect such Person's valid existence and good standing in its jurisdiction of organization and, except as could not reasonably be expected to result in a Material Adverse Effect, good standing with respect to all other jurisdictions in which it is qualified to do business and any rights, franchises, permits, licenses, accreditations, authorizations, or other approvals material to their businesses. Each Loan Party has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby. The execution, delivery and performance by each Loan Party of this Agreement and all of the other Loan Documents to which such Loan Party is a party have been duly and validly authorized, do not violate such Loan Party's Organizational Documents, or any law or any agreement or instrument or any court order which is binding upon any Loan Party or its property, do not constitute grounds for acceleration of any Indebtedness or obligation under any agreement or instrument which is binding upon any Loan Party or its property, and do not require the consent of any Person, other than any such consents obtained on or prior to the date hereof. No Loan Party is required to obtain any government approval, consent, or authorization from, or to file any declaration or statement with, any Governmental Authority in connection with or as a condition to the execution, delivery or performance of any of the Loan Documents. This Agreement and each of the other Loan Documents have been duly executed and delivered by, and are enforceable against each of the Loan Parties who have signed them, in accordance with their respective terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Section 18 of the Information Certificate(s) sets

forth the ownership of each Borrower as of the Closing Date. Section 20 of the Information Certificate(s) sets forth the ownership of each of Borrowers' Subsidiaries as of the Closing Date.

5.2 Names; Trade Names and Styles

The name of each Loan Party set forth in Section 1 of each Information Certificate(s) is its correct and complete legal name as of the date hereof, and no Loan Party has used any other name at any time in the past five years, or at any time will use any other name, in any tax filing made in any jurisdiction. Listed in Section 8 of the Information Certificate(s) are all prior names used by each Loan Party at any time in the past five years prior to the date hereof. Listed in Section 7 of the Information Certificate(s) are all of the present and prior trade names used by any Loan Party at any time in the past five years prior to the date hereof. Borrowers shall give Lender at least thirty (30) days' prior written notice (and will deliver an updated Section 7 or Section 8 of the Information Certificate(s), as applicable, to reflect the same) before it or any other Loan Party changes its legal name or does business under any other name.

5.3 Title to Collateral; Third Party Locations; Permitted Liens

Each Loan Party has, and at all times will continue to have, good and marketable title to all of the Collateral. The Collateral now is, and at all times will remain, free and clear of any and all Liens, except for Permitted Liens. Lender now has, and will at all times continue to have, a first-priority (or second priority, as applicable, pursuant to the terms of the Intercreditor Agreement) perfected and enforceable security interest in all of the Collateral, subject to the Permitted Liens, and each Loan Party will at all times defend Lender and the Collateral against all claims of others. None of the Collateral which is Equipment is, or will at any time, be affixed to any real property that is not subject to a mortgage in favor of Lender in such a manner, or with such intent, as to become a fixture. The Loan Parties shall deliver to Lender a landlord's waiver in form and substance satisfactory to Lender for any leased or subleased locations where any of the Loan Parties: (i) maintain books and records and/or where Eligible Inventory valued in an amount in excess of \$100,000 are located. Prior to causing or permitting any books and records and/or Eligible Inventory to at any time be located upon premises other than the locations listed in Sections 27-32 of the Information Certificate(s), in which any third party (including any landlord, warehouseman, or otherwise) has an interest, Borrowers shall give Lender no less than 30 days prior written notice thereof and the applicable Loan Party shall use commercially reasonable efforts to cause each such third party to execute and deliver to Lender, in form and substance acceptable to Lender, such waivers, collateral access agreements, and subordinations as Lender shall specify, for any leased or subleased locations where any of the Loan Parties maintain books and records and/or where any Eligible Inventory valued in an amount in excess of \$100,000 of any of the Loan Parties are located. Each applicable Loan Party will keep at all times in full force and effect, and will comply in all material respects at all times with all the terms of, any lease of real property where any of the Eligible Inventory now or in the future may be located.

5.4 Accounts, Chattel Paper and Inventory

- (a) As of each date reported by Borrowers, all Accounts which Borrowers have then reported to Lender as then being Eligible Accounts comply in all respects with the criteria for eligibility set forth in the definition of Eligible Accounts. All such

Accounts and Chattel Paper are genuine and in all respects what they purport to be, arise out of a completed, bona fide and unconditional and non-contingent sale and delivery of goods or rendition of services by Borrowers in the ordinary course of its business and in accordance with the terms and conditions of all purchase orders, contracts or other documents relating thereto, each Account Debtor thereunder had the capacity to contract at the time any contract or other document giving rise to such Accounts and Chattel Paper were executed, and the transactions giving rise to such Accounts and Chattel Paper comply with all applicable laws and governmental rules and regulations in all material respects.

- (b) As of each date reported by Borrowers, all Inventory which Borrowers have then reported to Lender as then being Eligible Inventory complies in all respects with the criteria for eligibility set forth in the definition of Eligible Inventory.

5.5 Electronic Chattel Paper

To the extent that any Loan Party obtains or maintains any Electronic Chattel Paper with an individual or aggregate value in excess of \$50,000, such Loan Party shall at all times create, store and assign the record or records comprising the Electronic Chattel Paper in such a manner that (a) a single authoritative copy of the record or records exists which is unique, identifiable and except as otherwise provided below, unalterable, (b) the authoritative copy identifies Lender as the assignee of the record or records, (c) the authoritative copy is communicated to and maintained by Lender or its designated custodian, (d) copies or revisions that add or change an identified assignee of the authoritative copy can only be made with the participation of Lender, (e) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy and (f) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

5.6 Capitalization; Investment Property

- (a) No Loan Party, directly or indirectly, owns, or shall at any time own, any Equity Interests of any other Person except as set forth in Sections 20 and 41 of the Information Certificate(s), which such Sections of the Information Certificate(s) list all Investment Property owned by each Loan Party, except in each case for Permitted Investments.
- (b) The Pledged Equity pledged by each Loan Party hereunder constitutes all of the issued and outstanding Equity Interests of each Issuer owned by such Loan Party.
- (c) All of the Pledged Equity has been duly and validly issued and is fully paid and non-assessable, and the holders thereof are not entitled to any pre-emptive, first refusal, or other similar rights. There are no outstanding options, warrants or similar agreements, documents, or instruments with respect to any of the Pledged Equity.
- (d) Each Loan Party has caused each Issuer to amend or to otherwise modify its Organizational Documents, books, records, and related agreements, documents, and instruments, as applicable, to reflect the rights and interests of Lender hereunder, and to the extent required to enable and empower Lender to exercise

and enforce its rights and remedies hereunder in respect of the Pledged Equity and other Investment Property.

- (e) **[Reserved]**.
- (f) Each Loan Party will take any and all actions required or requested by Lender, from time to time, to (i) cause Lender to obtain exclusive control of any Investment Property in a manner reasonably acceptable to Lender and (ii) obtain from any Issuers and such other Persons as Lender shall specify, for the benefit of Lender, written confirmation of Lender's exclusive control over such Investment Property and take such other actions as Lender may request to perfect Lender's security interest in any Investment Property. For purposes of this Section 5.6, Lender shall have exclusive control of Investment Property if (A) pursuant to Section 3.2, such Investment Property consists of certificated securities and the applicable Loan Party delivers such certificated securities to Lender (with all appropriate endorsements); (B) such Investment Property consists of uncertificated securities and either (x) the applicable Loan Party delivers such uncertificated securities to Lender or (y) the Issuer thereof agrees, pursuant to documentation in form and substance satisfactory to Lender, that it will comply with instructions originated by Lender without further consent by the applicable Loan Party, and (C) such Investment Property consists of security entitlements and either (x) Lender becomes the entitlement holder thereof or (y) the appropriate securities intermediary agrees, pursuant to documentation in form and substance satisfactory to Lender, that it will comply with entitlement orders originated by Lender without further consent by the applicable Loan Party. Each Loan Party that is a limited liability company or a partnership hereby represents and warrants that it has not, and at no time will, elect pursuant to the provisions of Section 8-103 of the UCC to provide that its Equity Interests are securities governed by Article 8 of the UCC.
- (g) No Loan Party owns, or has any present intention of acquiring, any "margin security" or any "margin stock" within the meaning of Regulations T, U or X of the Board of Governors of the Federal Reserve System (herein called "margin security" and "margin stock"). None of the proceeds of the Loans will be used, directly or indirectly, for the purpose of purchasing or carrying, or for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry, any margin security or margin stock or for any other purpose which might constitute the transactions contemplated hereby a "purpose credit" within the meaning of said Regulations T, U or X, or cause this Agreement to violate any other regulation of the Board of Governors of the Federal Reserve System or the Exchange Act or any similar federal or provincial statute of Canada, or any rules or regulations promulgated under such statutes.
- (h) No Loan Party shall vote to enable, or take any other action to cause or to permit, any Issuer to issue any Equity Interests of any nature, or to issue any other securities or interests convertible into or granting the right to purchase or exchange for any Equity Interests of any nature of any Issuer.

- (i) No Loan Party shall take, or fail to take, any action that would in any manner impair the value or the enforceability of Lender's Lien on any of the Investment Property, or any of Lender's rights or remedies under this Agreement or any other Loan Document with respect to any of the Investment Property.
- (j) In the case of any Loan Party which is an Issuer, such Issuer agrees that the terms of Section 7.3(g)(iii) of this Agreement shall apply to such Loan Party with respect to all actions that may be required of it pursuant to such Section 7.3(g)(iii) regarding the Investment Property issued by it.

5.7 Commercial Tort Claims

No Loan Party has any Commercial Tort Claims with a claimed value in excess of \$50,000 pending other than those listed in Section 40 of the Information Certificate(s), and each Loan Party shall promptly (but in any case no later than five (5) Business Days thereafter) notify Lender in writing upon incurring or otherwise obtaining a Commercial Tort Claim after the date hereof against any third party. Such notice shall constitute such Loan Party's authorization to amend such Section 40 to add such Commercial Tort Claim and shall automatically be deemed to amend such Section 40 to include such Commercial Tort Claim.

5.8 Jurisdiction of Organization; Location of Collateral

Sections 14 and 27-32 of the Information Certificate(s) set forth (a) each place of business of each Loan Party (including its chief executive office, registered office and domicile (as determined under the Civil Code of Quebec)), (b) all locations where all Inventory, Equipment, and other Collateral owned by each Loan Party is kept, and (c) whether each such Collateral location and/or place of business (including each Loan Party's chief executive office, registered office and domicile (as determined under the Civil Code of Quebec)) is owned by a Loan Party or leased (and if leased, specifies the complete name and notice address of each lessor). No Collateral is located outside the United States, Canada, or in the possession of any lessor, bailee, warehouseman or consignee, in each case, except as expressly indicated in Sections 27-32 of the Information Certificate(s). Each Loan Party will give Lender at least thirty (30) days' prior written notice before changing its jurisdiction of organization, opening any additional place of business, changing its chief executive office, registered office, or domicile (as determined under the Civil Code of Quebec) or the location of its books and records, or moving any of the Collateral to a location other than one of the locations set forth in Section 14 and 27-32 of the Information Certificate(s) and will execute and deliver all financing statements, financing change statements, landlord waivers, collateral access agreements, deeds of hypothec, mortgages, and all other agreements, instruments and documents which Lender shall require in connection therewith prior to making such change.

5.9 Financial Statements and Reports; Solvency

- (a) All financial statements delivered to Lender by or on behalf of any Loan Party have been, and at all times will be, prepared in conformity with IFRS, in all material respects, and completely and fairly reflect the financial condition of each Loan Party and its Subsidiaries covered thereby, at the times and for the periods therein stated.

- (b) As of the date hereof (after giving effect to the Loans and Letters of Credit to be made or issued on the date hereof, and the consummation of the transactions contemplated hereby, and as of each other day that any Loan or Letter of Credit is made or issued (after giving effect thereof), (i) the fair saleable value of all of the assets and properties of each Loan Party, individually, exceeds the aggregate liabilities and Indebtedness of each such Loan Party (including contingent liabilities), (ii) each Loan Party, individually, is solvent and able to pay its debts as they come due, (iii) each Loan Party, individually, has sufficient capital to carry on its business as now conducted and as proposed to be conducted, (iv) no Loan Party is contemplating either the liquidation of all or any substantial portion of its assets or property, or the filing of any petition under any state, provincial, territorial, federal, or other bankruptcy or insolvency law or the equivalent in any relevant jurisdiction, and (v) no Loan Party has knowledge of any Person contemplating the filing of any such petition against any Loan Party.

5.10 Tax Returns and Payments; Pension Contributions

- (a) Each Loan Party has timely filed all federal and provincial tax returns, state, provincial and local income, sales and use and payroll tax returns and other material tax returns and reports required by applicable law, has timely paid all Priority Payables when due and all applicable Taxes, assessments, deposits and contributions owing by such Loan Party and will timely pay all such items in the future as they become due and payable. Each Loan Party may, however, defer payment of any contested Taxes; provided, that such Loan Party (a) in good faith contests its obligation to pay such Taxes by appropriate proceedings promptly and diligently instituted and conducted; (b) notifies Lender in writing of the commencement of, and any material development in, the proceedings; (c) posts bonds or takes any other commercially reasonable steps required to keep the contested taxes from becoming a Lien upon any of the Collateral and (d) maintains adequate reserves therefor in conformity with IFRS. No Loan Party is aware of any claims or adjustments proposed for any prior tax years that could result in additional taxes becoming due and payable by any Loan Party. Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code, the Income Tax Act (Canada) and other applicable laws. Each Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter or opinion letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the Internal Revenue Service. To the best knowledge of each Loan Party, nothing has occurred that would prevent or cause the loss of such tax-qualified status. There are no pending or, to the best knowledge of any Loan Party or any ERISA Affiliate, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to result in liabilities individually or in the aggregate in excess of \$50,000 on any Loan Party. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has

resulted or could reasonably be expected to result in liabilities individually or in the aggregate on any Loan Party in excess of \$50,000. No ERISA Event has occurred, and no Loan Party or any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan, in each case that could reasonably be expected to result in liabilities individually or in the aggregate in excess of \$50,000. Each Loan Party and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained, in each case except as could not reasonably be expected to result in liabilities individually or in the aggregate to any Loan Party or any ERISA Affiliate in excess of \$50,000. As of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or higher and no Loan Party or any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; no Loan Party or any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid, except as could not reasonably be expected to result in liabilities individually or in the aggregate to any Loan Party or ERISA Affiliate in excess of \$200,000. No Loan Party nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA except as could not reasonably be expected to result in liabilities individually or in the aggregate to the Loan Parties in excess of \$50,000. No Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan except as could not reasonably be expected to result in liabilities individually or in the aggregate to the Loan Parties in excess of \$50,000.

- (b) No Loan Party, nor any Subsidiary thereof, maintains, sponsors, administers, contributes to, participates in or has any liability in respect of any Canadian Defined Benefit Plan. No Loan Party, nor any Subsidiary thereof has any Canadian Pension Plan other than those listed in Section 54 of the Information Certificate. Except as could not reasonably be expected to result in liabilities individually or in the aggregate to any Loan Party in excess of \$50,000: (i) the Canadian Pension Plans are duly registered under the ITA and all other laws which require registration and no event has occurred which is reasonably likely to cause the loss of such registered status, (ii) the Canadian Pension Plans have been administered and invested in compliance with their terms and requirements of law and there have been no improper withdrawals or application of the assets of the Canadian Pension Plans, (iii) there are no outstanding disputes concerning the assets of the Canadian Pension Plans or Canadian Benefit Plans, (iv) no promises of benefit improvements under the Canadian Pension Plans have been made and there are no taxes, penalties or interest owing in respect of any Canadian Pension Plan, (v) there has been no partial termination of any Canadian Pension Plan and no facts or circumstances have

occurred or existed that could result, or be reasonably expected to result, in the declaration of a partial termination of any Canadian Pension Plan, (vi) all payments and contributions required to be made by any Loan Party, or any of its Subsidiaries, to or in respect of any Canadian Pension Plan have been made on a timely basis in accordance with the current terms of such plans and all requirements of law, (vii) no Loan Party or Subsidiary has a material liability with respect to any post-retirement benefit under a Canadian Benefit Plan they maintain; and (viii) as of the date hereof, no Canadian Pension Event has occurred.

5.11 Compliance with Laws; Intellectual Property; Licenses

- (a) Each Loan Party has complied, and will continue at all times to comply, in all material respects with all provisions of all applicable laws and regulations, including those relating to the ownership, use or operations of real or personal property, the conduct and licensing of each Loan Party's business, the payment and withholding of Taxes, ERISA, the equivalent laws in any relevant jurisdiction applicable to a Loan Party, Canadian Pension Plans and other employee matters, and safety and environmental matters applicable to any Loan Party.
- (b) No Loan Party has received written notice of default or violation, nor is any Loan Party in default or violation, with respect to any judgment, order, writ, injunction, decree, demand or assessment issued by any court or any federal, provincial, territorial, state, local, municipal or other Governmental Authority relating to any aspect of any Loan Party's business, affairs, properties or assets. No Loan Party has received written notice of or been charged with, or is, to the knowledge of any Loan Party, under investigation with respect to, any violation in any material respect of any provision of any applicable law. No Loan Party or any real property owned, leased or used in the operation of the business of any Loan Party is subject to any federal, provincial, territorial, state or local investigation to determine whether any remedial action is needed to address any hazardous materials or an environmental release (as that term is defined under environmental and health and safety laws) at, on, or under any real property currently leased, owned or used by a Loan Party nor is a Loan Party liable for any environmental release identified or under investigation at, on or under any real property previously owned, leased or used by a Loan Party. No Loan Party has any contingent liability with respect to any environmental release, environmental pollution or hazardous material on any real property now or previously owned, leased or operated by it.
- (c) No Loan Party owns any Intellectual Property, except as set forth in Sections 34-36 of the Information Certificate(s). Except as set forth in Section 37 of the Information Certificate(s), none of the Intellectual Property owned by any Loan Party is the subject of any licensing or franchise agreement pursuant to which such Loan Party is the licensor or franchisor. Each Loan Party shall promptly (but in any event within thirty (30) days thereafter) notify Lender in writing of any additional Intellectual Property acquired or arising after the Closing Date and shall submit to Lender a supplement to Sections 34-36 of the Information Certificate(s) to reflect such additional rights (provided, that such Loan Party's failure to do so shall not

impair Lender's security interest therein). Each Loan Party shall execute a security agreement granting Lender a security interest in such Intellectual Property (whether owned on the Closing Date or thereafter), in form and substance acceptable to Lender and suitable for registering such security interest in such Intellectual Property with the United States Patent and Trademark Office, United States Copyright Office and/ /or the Canadian Intellectual Property Office, as applicable (provided, that such Loan Party's failure to do so shall not impair Lender's security interest therein). Each Loan Party owns or has, and will at all times continue to own or have, the valid right to use all material patents, industrial designs, trademarks, copyrights, software, computer programs, equipment designs, network designs, equipment configurations, technology and other Intellectual Property used, marketed and sold in such Loan Party's business, and each Loan Party is in compliance, and will continue at all times to comply, in all material respects with all licenses, user agreements and other such agreements regarding the use of Intellectual Property. No Loan Party has any knowledge that, or has received any notice claiming that, any of such Intellectual Property infringes upon or violates the rights of any other Person.

- (d) Each Loan Party has and will continue at all times to have, all federal, provincial, territorial, state, governmental, local and other licenses and permits required to be maintained in connection with such Loan Party's business operations, and its ownership, use and operation of any real property, and all such licenses and permits, necessary for the operation of the business are valid and will remain and in full force and effect. Each Loan Party has, and will continue at all times to have, complied with the requirements of such licenses and permits in all material respects, and has received no written notice of any pending or threatened proceedings for the suspension, termination, revocation or limitation thereof. No Loan Party is aware of any facts or conditions that could reasonably be expected to cause or permit any of such licenses or permits to be voided, revoked or withdrawn.
- (e) In addition to and without limiting the generality of clause (a) above, each Loan Party shall (i) comply in all material respects with applicable provisions of ERISA and the IRC with respect to all Plans, (ii) without the prior written consent of Lender, not take any action or fail to take action the result of which could result in a Loan Party or ERISA Affiliate incurring a material liability to the PBGC or to a Multiemployer Plan (other than to pay contributions or premiums payable in the ordinary course), (iii) not allow any facts or circumstances to exist with respect to one or more Plans that, in the aggregate, reasonably could be expected to result in a Material Adverse Effect, (iv) not participate in any prohibited transaction that could result in other than a de minimis civil penalty excise tax, fiduciary liability or correction obligation under ERISA or the IRC, (v) operate each Plan in such a manner that will not incur any material tax liability under the IRC (including Section 4980B of the IRC), and (vi) furnish to Lender upon Lender's written request such additional information about any Plan for which any Loan Party or ERISA Affiliate could reasonably expect to incur any material liability. With respect to each Pension Plan (other than a Multiemployer Plan) except as could not reasonably be expected to result in liability to the Loan Parties, the Loan Parties

and the ERISA Affiliates shall (y) satisfy in full and in a timely manner, without incurring any late payment or underpayment charge or penalty and without giving rise to any Lien, all of the contribution and funding requirements of the IRC and of ERISA, and (z) pay, or cause to be paid, to the PBGC in a timely manner, without incurring any late payment or underpayment charge or penalty, all premiums required pursuant to ERISA.

- (f) Each Loan Party will comply with and perform in all material respects all of its obligations under and in respect of each Canadian Pension Plan, including under any funding agreements and all applicable laws (including any fiduciary, funding, investment and administration obligations) and pay or remit in a timely fashion in accordance with the terms of any funding agreements and all applicable laws all employee or employee contributions or premiums required to be remitted, paid to or in respect of each Canadian Pension Plan. Each of the Loan Parties will not, nor will it permit any of its Subsidiaries to, contribute to or assume or cause an obligation to contribute to or have any liability under any Canadian Defined Benefit Plan or acquire an interest in any Person that sponsors, maintains or contributes to or at any time in the five-year period preceding such acquisition has sponsored, maintained or contributed to a Canadian Defined Benefit Plan, without the prior written consent of the Lender.

5.12 Litigation

Section 50 of the Information Certificate(s) discloses all claims, proceedings, litigation or investigations pending or (to the best of each Loan Party's knowledge) threatened against any Loan Party as of the Closing Date. There is no claim, suit, litigation, proceeding or investigation pending or (to the best of each Loan Party's knowledge) threatened by or against or affecting any Loan Party in any court or before any Governmental Authority (or any basis therefor known to any Loan Party) which would reasonably be expected to result, either separately or in the aggregate, in liability in excess of \$50,000 for the Loan Parties, in any Material Adverse Effect, or in any material impairment in the ability of any Loan Party to carry on its business in substantially the same manner as it is now being conducted.

5.13 Use of Proceeds

All proceeds of all Loans and Letters of Credit shall be used by Borrowers solely (a) with respect to Loans made on the Closing Date, to repay in full the JPM Indebtedness (b) to pay the fees, costs, and expenses incurred in connection with this Agreement, the other Loan Documents, and the transactions contemplated hereby and thereby, (c) for Borrowers' working capital purposes and (d) for such other purposes as specifically permitted pursuant to the terms of this Agreement. All proceeds of all Loans and Letters of Credit will be used solely for lawful business purposes.

5.14 Insurance

- (a) Each Loan Party will at all times carry property, liability and other insurance, including Credit Insurance, with insurers acceptable to Lender, in such form and amounts, and with such deductibles and other provisions, as are customary for

similarly situated companies and reasonably acceptable to Lender, and upon Lender's request Borrowers will provide Lender with evidence satisfactory to Lender that such insurance is, at all times, in full force and effect. A true and complete listing of such insurance as of the Closing Date, including issuers, coverages and deductibles, is set forth in Section 49 of the Information Certificate(s). Each property insurance policy shall name Lender as lender loss payee and shall contain a lender's loss payable endorsement in form acceptable to Lender, each liability insurance policy shall name Lender as an additional insured, and each business interruption insurance policy shall be collaterally assigned to Lender, all in form and substance reasonably satisfactory to Lender. All policies of insurance shall provide that they may not be cancelled or changed without at least thirty (30) days' prior written notice to Lender (or ten (10) days in the case of cancellation for non-payment of premium), and shall otherwise be in form and substance reasonably satisfactory to Lender. Borrowers shall advise Lender promptly of any policy cancellation, non-renewal, reduction, or material amendment with respect to any insurance policies maintained by any Loan Party or any receipt by any Loan Party of any notice from any insurance carrier regarding any intended or threatened cancellation, non-renewal, reduction or material amendment of any of such policies, and Borrowers shall promptly deliver to Lender copies of all notices and related documentation received by any Loan Party in connection with the same.

- (b) Borrowers shall deliver to Lender no later than fifteen (15) days prior to the expiration of any then current insurance policies, insurance certificates evidencing renewal of all such insurance policies required by this Section 5.14. Borrowers shall deliver to Lender, upon Lender's request, certificates evidencing such insurance coverage in such form as Lender shall reasonably request. If any Loan Party fails to provide Lender with a certificate of insurance or other evidence of the continuing insurance coverage required by this Agreement within the time period set forth in the first sentence of this Section 5.14(b), Lender may purchase insurance required by this Agreement at Borrowers' expense. This insurance may, but need not, protect any Loan Party's interests.

5.15 Financial, Collateral and Other Reporting / Notices

Each Loan Party has kept and will at all times keep adequate records and books of account with respect to its business activities and the Collateral in which proper entries are made in accordance with IFRS reflecting all its financial transactions. Each Loan Party will cause to be prepared and furnished to Lender, in each case in a form and in such detail as is acceptable to Lender the following items (the items to be provided under this Section 5.15 shall be delivered to Lender by posting on ABLServe (or, if requested by Lender, by another form of Approved Electronic Communication or in writing)).

- (a) **Annual Financial Statements.** Not later than one hundred twenty (120) days after the close of each Fiscal Year, unqualified, audited financial statements of the Parent and unaudited financial statements of each Loan Party as of the end of such Fiscal Year, including balance sheet, income statement, and statement of cash flow for

such Fiscal Year, in each case on a consolidated and consolidating basis, audited and certified (without qualification) by a firm of independent certified public accountants of recognized standing selected by Borrowers but acceptable to Lender, together with a copy of any management letter issued in connection therewith. Concurrently with the delivery of such financial statements, Borrowing Agent shall deliver to Lender a Compliance Certificate, indicating whether (i) Borrowers are in compliance with each of the covenants specified in Section 5.26, and setting forth a detailed calculation of such covenants, and (ii) any Default or Event of Default is then in existence;

- (b) **Interim Financial Statements.** Not later than thirty (30) days after the end of each month hereafter, including the last month of each Fiscal Year, (i) the Monthly Financial Model and (ii) unaudited interim financial statements of each Loan Party as of the end of such month and of the portion of such Fiscal Year then elapsed, including balance sheet, income statement, statement of cash flow, and results of their respective operations during such month and the then-elapsed portion of the Fiscal Year, together with comparative figures for the same periods in the immediately preceding Fiscal Year and the corresponding figures from the budget for the Fiscal Year covered by such financial statements, in each case on a consolidated and consolidating basis, certified by an Authorized Officer of Borrowing Agent as prepared in accordance with IFRS and fairly presenting the consolidated financial position and results of operations (including management discussion and analysis of such results) of each Loan Party for such month and period subject only to changes from ordinary course year-end audit adjustments and except that such statements need not contain footnotes. Concurrently with the delivery of such financial statements, Borrowing Agent shall deliver to Lender a Compliance Certificate, indicating whether (i) Borrowers are in compliance with each of the covenants specified in Section 5.26, and setting forth a detailed calculation of such covenants, and (ii) any Default or Event of Default is then in existence;
- (c) **Borrowing Base / Collateral Reports / Insurance Certificates / Information Certificate(s) / Other Items.** The items described on Schedule D hereto by the respective dates set forth therein.
- (d) **Projections, Etc.** Not later than fifteen (15) days prior to the end of each Fiscal Year, monthly business projections for the following Fiscal Year for the Loan Parties on a consolidated and consolidating basis, which projections shall include for each such period Borrowing Base projections, profit and loss projections, balance sheet projections, income statement projections and cash flow projections, together with appropriate supporting details and a statement of underlying assumptions used in preparing such projections;
- (e) **[Reserved].**
- (f) **ERISA Reports, Canadian Pension Events.** Copies of any annual report to be filed pursuant to the requirements of ERISA in connection with each plan subject

thereto promptly upon written request by Lender and in addition, each Loan Party shall promptly notify Lender upon having knowledge of any ERISA Event or any Canadian Pension Event; and

- (g) **Tax Returns.** Upon request from Lender, each federal, provincial, territorial and state income tax return filed by any Loan Party promptly, together with such supporting documentation as is supplied to the applicable tax authority with such return and proof of payment of any amounts owing with respect to such return and Priority Payables.
- (h) **Notification of Certain Changes.** Borrowers will promptly (and in no case later than the earlier of (i) three (3) Business Days after the occurrence of any of the following and (ii) such other date that such information is required to be delivered pursuant to this Agreement or any other Loan Document) notify Lender in writing of: (i) the occurrence of any Default or Event of Default, (ii) the occurrence of any event that has had, or could reasonably be expected to have, a Material Adverse Effect, (iii) any change in any Loan Party's Senior Officers or directors, (iv) any investigation, action, suit, proceeding or claim (or any development with respect to any existing investigation, action, suit, proceeding or claim) relating to any Loan Party, any officer or director of a Loan Party, the Collateral or which could reasonably be expected to have a Material Adverse Effect, (v) any violation or asserted violation of any applicable law (including OSHA or any environmental laws), if an adverse resolution could reasonably be expected to have a Material Adverse Effect or otherwise result in material liability to any Loan Party, (vi) any other event or the existence of any circumstance that has resulted in, or could reasonably be expected to result in a Material Adverse Effect, (vii) any actual or alleged breaches of any Material Contract or termination or threat to terminate any Material Contract or any material amendment to or modification of a Material Contract, or the execution of any new Material Contract by any Loan Party, and (viii) any change in any Loan Party's certified accountant. In the event of each such notice under this Section 5.15(h), Borrowers shall give notice to Lender of the action or actions that each Loan Party has taken, is taking, or proposes to take with respect to the event or events giving rise to such notice obligation.
- (i) **Canadian Pension Plan.** Promptly after any Borrower or any Subsidiary or any Affiliate knows or has reason to know of the occurrence of (i) any violation or asserted violation of any applicable law (including any applicable provincial pension benefits legislation) in any material respect with respect to any Canadian Pension Plan or; (ii) any Canadian Pension Event, the applicable Borrower will deliver to the Lender a certificate of a Senior Officer of the applicable Borrower setting forth details as to such occurrence and the action, if any, that such Borrower, such Subsidiary or Affiliate is required or proposes to take, together with any notices (required, proposed or otherwise) given to or filed with or by such Borrower, such Subsidiary, such Affiliate, a Canadian Pension Plan participant (other than notices relating to an individual participant's benefits) or the Canadian Pension Plan administrator with respect thereto.

- (j) **Other Information.** Promptly upon request, such other data and information (financial and otherwise) as Lender, from time to time, may reasonably request, bearing upon or related to the Collateral or each Loan Party's business or financial condition or results of operations.

5.16 Litigation Cooperation

Should any third-party suit, regulatory action, or any other judicial, administrative, or similar proceeding be instituted by or against Lender with respect to any Collateral or in any manner relating to any Loan Party, this Agreement, any other Loan Document or the transactions contemplated hereby, each Loan Party shall, without expense to Lender, make available each Loan Party, such Loan Party's officers, employees and agents, and any Loan Party's books and records, without charge, to the extent that Lender may deem them reasonably necessary in order to prosecute or defend any such suit or proceeding.

5.17 Maintenance of Collateral, Etc.

Each Loan Party will maintain all of the Collateral in good working condition, ordinary wear and tear excepted, and no Loan Party will use the Collateral for any unlawful purpose.

5.18 Material Contracts

Except as expressly disclosed in Section 53 of the Information Certificate(s), no Loan Party is (a) a party to any contract or agreement, the breach, non-performance or cancellation of which could reasonably be expected to have a Material Adverse Effect or (b) in default in the performance, observance or fulfillment of any of the material obligations, covenants or conditions contained in any contract to which it is a party or by which any of its assets or properties is bound, which default, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or result in liabilities in excess of \$500,000 (a "Material Contract").

5.19 No Default

No Default or Event of Default has occurred and is continuing.

5.20 No Material Adverse Change

Since March 31, 2023, there has been no material adverse change in the financial condition, business, prospects, operations, or properties of any Loan Party.

5.21 Full Disclosure

No written report, notice, certificate, information or other statement delivered or made (including, in electronic form) by or on behalf of any Loan Party or any of their respective Affiliates to Lender in connection with this Agreement or any other Loan Document contains or will at any time contain any untrue statement of a material fact, or omits or will at any time omit to state any material fact necessary to make any statements contained herein or therein not misleading. Except for matters of a general economic or political nature which do not affect any Loan Party uniquely, there is no

fact presently known to any Loan Party which has not been disclosed to Lender, which has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5.22 Sensitive Payments

No Loan Party (a) has made or will at any time make any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the applicable laws of the United States, Canada or the jurisdiction in which made or any other applicable jurisdiction, (b) has established or maintained or will at any time establish or maintain any unrecorded fund or asset for any purpose or made any false or artificial entries on its books, (c) has made or will at any time make any payments to any Person with the intention that any part of such payment was to be used for any purpose other than that described in the documents supporting the payment, or (d) has engaged in or will at any time engage in any “trading with the enemy” or other transactions violating any rules or regulations of the Office of Foreign Assets Control or any similar applicable laws, rules or regulations, including any Canadian anti-terrorism, bribery or corruption laws. No Loan Party organized under the laws of Canada or any province or other political subdivision thereof is a charity registered with the Canada Revenue Agency and no such Loan Party solicits charitable financial donations from the public and none of the Loans under this Agreement and none of the other services and products, if any, to be provided by the Lender under or in connection with this Agreement will be used by, on behalf of or for the benefit, of any Person other than the Borrowers.

5.23 Parent

- (a) Parent does not and shall not at any time (a) engage in any business activities other than serving as a passive, publicly traded holding company for the Borrowers, the Guarantors and Big Sky, (b) have any material assets other than: (i) one hundred percent (100%) of the issued and outstanding Equity Interests of GFI and (ii) at least fifty-point one percent (50.1%) of the issued and outstanding Equity Interests of Big Sky, (c) have any Subsidiaries other than those set forth in Section 20 the Information Certificate(s), or (d) have any material liabilities.
- (b) The Parent is a “reporting issuer” and is not in default in any material respect of any requirement under applicable securities laws and shall maintain its status as a “reporting issuer” and not be in default in any material respect of any requirements under applicable securities laws. The public disclosure documents filed by the Parent pursuant to applicable securities laws or the requirements of the TSX Venture Exchange did not contain any misrepresentations (as defined in applicable Canadian securities legislation) as of the effective date of such documents and any such public disclosure documents filed hereafter shall not contain any misrepresentations as of the effective date of such documents.
- (c) Since March 31, 2023, there has not been any material change in respect of the Parent which has not been publicly disclosed and no event has occurred or circumstances have arisen which have or could have a material adverse effect on

the Parent and its subsidiaries financial position, business, assets or affairs, taken as a whole.

- (d) The consolidated historical financial statements of the Parent filed on SEDAR+ (the “**Historical Financial Statements**”) present fairly, in all material respects, the financial condition, results of operations and cash flows of the Parent and its consolidated subsidiaries as of the dates and for the periods indicated, comply as to form, in all material respects, with applicable accounting requirements and have been prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. There have been no changes in the consolidated assets or liabilities of the Parent from the position thereof as set forth in the latest statement of financial position included in the Historical Financial Statements, except changes arising from transactions in the ordinary course of business which, in the aggregate, have not been material to the Parent and its consolidated subsidiaries.

5.24 FCC Indebtedness, Subordinated Debt

- (a) Borrowers have furnished Lender a true, correct and complete copy of each of the FCC Debt Documents and the Subordinated Debt Documents. No statement or representation made in any of the FCC Debt Documents or the Subordinated Debt Documents by Borrowers or any other Loan Party or, to Borrowers’ knowledge, any other Person, contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading in any material respect as of the time that such statement or representation is made. Each of the representations and warranties of the Loan Parties set forth in each of the FCC Debt Documents and the Subordinated Debt Documents are true and correct in all material respects. No portion of the FCC Indebtedness or the Subordinated Debt is, or at any time shall be, (a) secured by any assets of any of the Loan Parties or any other Person or any Equity Interests issued by any of the Loan Parties or any other Person (except to the extent expressly permitted by the Intercreditor Agreement or the Subordinated Debt Subordination Agreement), or (b) guaranteed by any Person (except to the extent expressly permitted by the Intercreditor Agreement or the Subordinated Debt Subordination Agreement).
- (b) Each Borrower and each other Loan Party acknowledge that Lender is entering into this Agreement and extending credit and making the Loans in reliance upon the Intercreditor Agreement and this Section 5.24.
- (c) The provisions of the Subordinated Debt Subordination Agreement are enforceable against each holder of the Subordinated Debt. Each Borrower and each other Loan Party acknowledges that Lender is entering into this Agreement and extending credit and making the Loans in reliance upon the Subordinated Debt Subordination Agreement and this Section 5.24. All Obligations constitute senior Indebtedness

entitled to the benefits of the subordination provisions contained in the Subordinated Debt Documents.

5.25 Negative Covenants

No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, without Lender's prior written consent:

- (a) merge, amalgamate or consolidate with another Person, except that a Loan Party may merge, amalgamate or consolidate with another Loan Party so long as (i) such Loan Party shall provide Lender with ten (10) days' prior written notice of such merger, amalgamation or consolidation, (ii) in connection with any merger, amalgamation or consolidation to which a Borrower is a party, such Borrower must be the surviving entity of such merger, amalgamation or consolidation, (iii) in connection with any merger, amalgamation or consolidation between a Loan Party and any of its Subsidiaries which is not a Loan Party, such Loan Party must be the surviving entity of such merger, amalgamation or consolidation, and (iv) such Loan Party shall deliver to Lender all of the relevant agreements, documents and instruments evidencing such merger, amalgamation or consolidation;
- (b) acquire any assets except in the ordinary course of business and as otherwise expressly permitted by this Agreement;
- (c) enter into any transaction outside the ordinary course of business that is not expressly permitted by this Agreement;
- (d) sell, transfer, return, or dispose of any Collateral or other assets with an aggregate value in excess of \$50,000 in any calendar month, other than:
 - (i) the sale by Loan Parties of Inventory (including obsolete and slow moving Inventory) in the ordinary course of its business,
 - (ii) any sale, lease, transfer or other disposition by a Loan Party to any other Loan Party in the ordinary course of business and not otherwise prohibited by this Agreement,
 - (iii) any sale, disposition, or transfer of obsolete, worn-out or unneeded Equipment and other non-inventory assets and property, so long as the proceeds of such sale, disposition or transfer are applied to repay the Loans in accordance with Section 1.8(a) of this Agreement,
 - (iv) any sale, lease, transfer or other disposition constituting a Permitted Investment,
 - (v) dispositions and transfers of cash and cash equivalents in the ordinary course of business and not in violation of this Agreement,

- (e) make any loans to, or investments in, any Affiliate or other Person in the form of money or other assets;
- (f) incur any Indebtedness other than the Obligations and Permitted Indebtedness;
- (g) create, incur, assume or suffer to exist any Lien or other encumbrance of any nature whatsoever, other than in favor of Lender to secure the Obligations, on any of the Collateral whether now or hereafter owned, other than Permitted Liens;
- (h) guarantee or otherwise become liable with respect to the obligations of any Person other than (i) the Obligations and (ii) guarantees in respect of Permitted Indebtedness;
- (i) pay or declare any dividends or other distributions on any Loan Party's Equity Interests (except for dividends payable solely in capital stock or other Equity Interests of such Loan Party and dividends and distributions to Borrowers);
- (j) redeem, retire, purchase or otherwise acquire, directly or indirectly, any of Loan Party's Equity Interests;
- (k) dissolve or elect to dissolve;
- (l) engage, directly or indirectly, in a business other than the business which is being conducted on the date hereof or any business reasonably related, incidental or ancillary thereto, wind up its business operations or cease substantially all, or any material portion, of its normal business operations, or suffer any material disruption, interruption or discontinuance of a material portion of its normal business operations;
- (m) pay any principal or other amount on any Indebtedness that is contractually subordinated to Lender in violation of the applicable subordination or intercreditor agreement or optionally prepay, redeem, defease, purchase, or otherwise acquire any Indebtedness of any Loan Party or its Subsidiaries, other than the Obligations in accordance with this Agreement;
- (n) enter into any transaction with an Affiliate other than (i) transactions between or among Loan Parties expressly permitted by this Agreement and (ii) transactions on arms-length terms in the ordinary course of business in a manner consistent with past practices; provided that, at any time, the aggregate amount owing from Big Sky to the Borrowers and Guarantors, collectively, in connection with ordinary course sales shall not exceed \$1,000,000 and shall not be paid later than thirty (30) days after invoice issuance
- (o) change its jurisdiction of organization or incorporation or enter into any transaction which has the effect of changing its jurisdiction of organization or incorporation except as provided for in Section 5.8;

- (p) agree, consent, permit or otherwise undertake to amend or otherwise modify any of the terms or provisions of any Loan Party's Organizational Documents, except for such amendments or other modifications required by applicable law or that are not adverse to Lender, and then, only to the extent such amendments or other modifications are fully disclosed in writing to Lender no less than five (5) Business Days prior to being effectuated;
- (q) enter into or assume any agreement prohibiting the creation or assumption of any Lien on the Collateral to secure the Obligations upon its properties or assets, whether now owned or hereafter acquired;
- (r) create or otherwise cause or suffer to exist or become effective any encumbrance or restriction (other than any Loan Documents) of any kind on the ability of any such Person to pay or make any dividends or distributions to Borrowers, to pay any of the Obligations, to make loans or advances or to transfer any of its property or assets to Borrowers, except customary terms and conditions in respect of any Permitted Indebtedness or Permitted Liens;
- (s) agree, consent, permit or otherwise undertake to amend or otherwise modify any of the terms or provisions of any Subordinated Debt Document in violation of the Subordinated Debt Subordination Agreement;
- (t) agree, consent, permit or otherwise undertake to amend or otherwise modify any of the terms or provisions of the FCC Debt Documents in violation of the terms of the Intercreditor Agreement or this Agreement; or
- (u) (i) divide or enter into any plan of division pursuant to section 18-217 of the *Delaware Limited Liability Company Act* or any similar statute or provision under any applicable law or otherwise, (ii) dispose of any property through a plan of division under the *Delaware Limited Liability Company Act* or any comparable transaction under any similar law or (iii) make any payment or distribution pursuant to a plan of division under the *Delaware Limited Liability Company Act* or any comparable transaction under any similar law.

5.26 Optional Financial Covenants

If Borrowers maintain a Fixed Charge Coverage Ratio (as described and defined on Schedule E hereto) of 1.1x for a period of twelve (12) consecutive months and have reported on same to Lender in their Compliance Certificates, at Borrower's option, the Availability Block shall be removed by Lender. Once such Availability Block is removed at Borrower's option, Borrower shall be obligated to maintain a Fixed Charge Coverage Ratio of 1.1x at all times thereafter during the term hereof and failure to do so shall constitute an Event of Default.

5.27 Employee and Labor Matters

There is (a) no unfair labor practice complaint pending or, to the knowledge of any Borrower, threatened against any Loan Party or its Subsidiaries before any Governmental Authority and no grievance or arbitration proceeding pending or threatened against any Loan Party or its

Subsidiaries which arises out of or under any collective bargaining agreement and that could reasonably be expected to result in a Material Adverse Effect, (b) no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened in writing against any Loan Party or its Subsidiaries that could reasonably be expected to result in a Material Adverse Effect, or (c) to the knowledge of any Borrower, after due inquiry, no union representation question existing with respect to the employees of any Loan Party or its Subsidiaries and no union organizing activity taking place with respect to any of the employees of any Loan Party or its Subsidiaries. None of any Loan Party or its Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of each Loan Party and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements. All material payments due from any Loan Party or its Subsidiaries on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of Borrowers, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

5.28 Grain Payables

At any time, the total Canadian Dollar amount of Grain Payables of the Loan Parties, on a consolidated basis, shall not exceed the total Canadian Dollar amount of insurance coverage provided to the Loan Parties under the Grain Payables Insurance Policy.

5.29 Post Closing Matters

Loan Parties shall execute and deliver the documents and take such actions (or cause such actions to be taken by other Persons) as are set forth in the Closing Checklist and/or the section labeled “Post Closing Deliverables and Covenants” on Exhibit B, in each case, on or prior to the deadlines specified on Exhibit B (or such later dates as Lender may agree in its sole discretion).

5.30 35 Oak Big Sky Financing

No Borrower or Guarantor has or shall: (i) have any obligations, liabilities or indebtedness in connection with the 35 Oak Big Sky Financing or (ii) execute any documents, instruments or agreements in favour of 35 Oak in connection with the 35 Oak Big Sky Financing.

5.31 Big Sky Inventory

No inventory of Big Sky shall be stored on any premises of any Borrower or Guarantor.

5.32 US Intellectual Property

The trademarks registered in the name of GFI Brands and GFI in the United States Patent and Trademark Office related to “Harvest Craft”, “Bentilia”, “Pulsera”, and “Five Peas” are of negligible value, are not materially important to the current business of the Borrowers and Guarantors and are used only in connection with a limited amount of discontinued or soon to be discontinued products (the “**Discontinued Products**”) valued in the aggregate at less than \$500,000. The Borrowers shall give advance notice of at least five (5) Business Days to Lender of the creation, acquisition or manufacture of any additional Discontinued Products.

5.33 JPM Bank Accounts

The JPM bank accounts set out below shall be closed by the Borrowers on the dates specified below:

No.	Account	Date to be Closed
JPM Canada Accounts		
1.	4011771185 (GFI, CAD)	Within sixty (60) days of the date hereof.
2.	4011771184 (GFI, CAD)	Within sixty (60) days of the date hereof.
3.	4011771499 (GFI Brands, CAD)	On the date hereof.
4.	4011764270 (GFI, USD)	On the date hereof.
5.	4011764271 (GFI, USD)	Within sixty (60) days of the date hereof.
JPM U.S. Accounts		
6.	763682389 (North Lily, USD)	Within thirty (30) days of the date hereof.
7.	763682363 (North Lily, USD)	On the date hereof.
8.	793816569 (GFI Brands, USD)	On the date hereof.
9.	761603676 (GFI US, USD)	Within sixty (60) days of the date hereof.

5.34 Immediate Debtor Notifications

Immediately upon the closing of the transactions contemplated hereby, the Loan Parties shall notify (using an Account Debtor Notification) all Account Debtors to make all payments owing to the Loan Parties to the Lender Collection Account until further written notice from Lender to the Loan Parties.

5.35 Daily Manual Cash Sweeps

From and after the Closing Date, the Loan Parties shall on a daily basis manually transfer 100% of the balance of all Bank of Nova Scotia bank accounts set out in the Information Certificate (other than those held by Big Sky) to the Lender Collection Account.

ARTICLE 6 LIMITATION OF LIABILITY AND INDEMNITY

6.1 Limitation of Liability

In no circumstance will Lender, any Participant, any of their respective successors and assigns, any of their respective Affiliates, or any of their respective directors, officers, employees, attorneys or agents (the “Released Parties”) be liable for lost profits or other special, punitive, or consequential damages. Notwithstanding any provision in this Agreement to the contrary, this Section 6.1 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Loans.

6.2 Indemnity/Currency Indemnity

- (a) Each Loan Party hereby agrees to indemnify the Released Parties and hold them harmless from and against any and all claims, debts, liabilities, losses, demands, obligations, actions, causes of action, fines, penalties, costs and expenses (including attorneys’ fees and consultants’ fees), of every nature, character and description (including, without limitation, natural resources damages, property damage and claims for personal injury), which the Released Parties may sustain or incur based upon or arising out of any of the transactions contemplated by this Agreement or any other Loan Documents or any of the Obligations, including any transactions or occurrences relating to the issuance of any Letter of Credit, any Collateral relating thereto, any drafts thereunder and any errors or omissions relating thereto (including, without limitation, any loss or claim due to any action or inaction taken by the issuer of any Letter of Credit or Lender) (and for this purpose any charges to Lender by any issuer of Letters of Credit shall be conclusive as to their appropriateness and may be charged to the Loan Account), or any other matter, including any breach of any covenant or representation or warranty relating to any environmental and health and safety laws or an environmental release, cause or thing whatsoever occurred, done, omitted or suffered to be done by Lender relating to any Loan Party or the Obligations (except any such amounts sustained or incurred solely as the result of the gross negligence or willful misconduct of such Released Parties, as finally determined by a court of competent jurisdiction). Notwithstanding any provision in this Agreement to the contrary, this Section 6.2 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Obligations.

- (b) If, for the purposes of obtaining or enforcing a judgment in any court in any jurisdiction with respect to this Agreement or any Loan Document, it becomes necessary to convert into the currency of such jurisdiction (the “Judgment Currency”) any amount due under this Agreement or under any Loan Document in any currency other than the Judgment Currency (the “Currency Due”) (or for the purposes of Section 1.7(d)), then, to the extent permitted by law, conversion shall be made at the exchange rate reasonably selected by Lender on the Business Day before the day on which judgment is given (or for the purposes of Section 1.7(d), on the Business Day on which the payment was received by the Lender). In the

event that there is a change in such exchange rate between the Business Day before the day on which the judgment is given and the date of receipt by the Lender of the amount due, each Loan Party shall to the extent permitted by law, on the date of receipt by Lender, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any as may be necessary to ensure that the amount received by Lender on such date is the amount in the Judgment Currency which (when converted at such exchange rate on the date of receipt by Lender in accordance with normal banking procedures in the relevant jurisdiction) is the amount then due under this Agreement or such Loan Document in the Currency Due. If the amount of the Currency Due (including any Currency Due for purposes of Section 1.7(c)) which the Lender is so able to purchase is less than the amount of the Currency Due (including any Currency Due for purposes of Section 1.7(c)) originally due to it, each Loan Party shall to the extent permitted by law jointly and severally indemnify and save Lender harmless from and against loss or damage arising as a result of such deficiency.

ARTICLE 7 EVENTS OF DEFAULT AND REMEDIES

7.1 Events of Default.

The occurrence of any of the following events shall constitute an “**Event of Default**”:

- (a) if any warranty, representation, statement, report or certificate made or delivered to Lender by or on behalf of any Loan Party is untrue or misleading in any material respect when made or when deemed to be made;
- (b) if any Loan Party fails to pay to Lender, (i) when due, any principal or interest payment required under this Agreement or any other Loan Document, or (ii) within three (3) Business Days of when due, any other monetary Obligation;
- (c) (1) if any Loan Party defaults in the due observance or performance of any covenant, condition or agreement contained in Sections 3.2, 4.1, 4.6(b), 4.7, 4.8, 5.2, 5.3, 5.10(a), 5.13, 5.14, 5.15, 5.17, 5.24, 5.25, 5.26, 5.28 or 5.29 of this Agreement; or (2) if any Loan Party defaults in the due observance or performance of any covenant, condition or agreement contained in any provision of this Agreement or any other Loan Document and not addressed in clauses Sections 7.1(a), (b) or (c)(1), and the continuance of such default unremedied for a period of fifteen (15) Business Days; provided, that such fifteen (15) Business Day grace period shall not be available for any default that is not reasonably capable of being cured within such period or for any intentional default;
- (d) if one or more judgments aggregating in excess of \$500,000 is obtained against any Loan Party and remains unpaid or unstayed for more than thirty (30) days or is enforced;
- (e) any default with respect to any Indebtedness (other than the Obligations) of any Loan Party in an aggregate principal amount in excess of \$500,000 (except for the

35 Oak Subordinated Indebtedness for which the minimum threshold shall be any amounts in excess of \$0) if (i) such default shall consist of the failure to pay such Indebtedness when due, whether by acceleration or otherwise, or (ii) the effect of such default is to permit the holder, with or without notice or lapse of time or both, to accelerate the maturity of any such Indebtedness or to cause such Indebtedness to become due prior to the stated maturity thereof (without regard to the existence of any subordination or intercreditor agreements);

- (f) the dissolution, termination of existence, insolvency or business failure or suspension or cessation of business as usual of any Loan Party;
- (g) if any Loan Party shall apply for, consent to or suffer the appointment of, or the taking of possession by, a receiver, administrator, interim receiver, receiver and manager, administrator, sequestrator, trustee, custodian, monitor, liquidator or similar official of it or any of its properties, admits in writing its inability to pay its debts as they mature, make a general assignment for the benefit of creditors, be the subject of any stay of proceedings, be adjudicated a bankrupt or insolvent or be the subject of an order for relief under the Bankruptcy Code, any Canadian Insolvency Law or under any equivalent bankruptcy or insolvency law of a foreign jurisdiction, or file a voluntary petition, proceeding or application seeking relief in bankruptcy or a stay of proceedings, or a petition or a proceeding seeking reorganization or an arrangement with creditors, including, without limitation, any corporate law permitting a debtor to obtain an arrangement of any debts of the corporation or a stay or a compromise of the claims of creditors, or to take advantage of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, winding-up, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or take or permit to be taken any action in furtherance of or for the purpose of effecting any of the foregoing;
- (h) the commencement of an involuntary case or other proceeding against any Loan Party seeking liquidation, reorganization, arrangement or a stay of proceedings or other relief with respect to it or its debts under any bankruptcy, insolvency, administration or other similar applicable law including Canadian Insolvency Law or seeking the appointment of a receiver, interim receiver, receiver and manager, administrator, sequestrator, trustee, custodian, monitor, liquidator or similar official of it or any substantial part of its property and such case or other proceeding continues undischarged or unstayed for sixty (60) days, or if an order for relief is entered against any Loan Party under any bankruptcy insolvency or other similar applicable law as now or hereafter in effect;
- (i) the actual or attempted revocation or termination of, or limitation or denial of liability under, any guarantee of any of the Obligations, or any security document securing any of the Obligations, by any Loan Party;
- (j) if any Loan Party makes any payment on account of any Indebtedness or obligation which has been contractually subordinated to the Obligations other than payments

which are not prohibited by the applicable subordination provisions pertaining thereto, or if any Person who has subordinated such Indebtedness or obligations attempts to limit or terminate any applicable subordination provisions pertaining thereto;

- (k) if there is any actual indictment or conviction of any Borrower, any Guarantor or any of their respective Senior Officers under any criminal statute in each case related to a felony committed in the direct conduct of any Borrower's, or such Guarantor's business, as applicable
- (l) if any Change of Control occurs;
- (m) if (i) David Hanna ceases to be employed as, and actively perform the duties of, the chief executive officer of GFI, or (ii) Bill Murray ceases to be employed as, and actively perform the duties of, the chief financial officer of GFI, in each case unless a successor is appointed within ninety (90) days (or such later date as may be agreed by Lender and Borrowers) after the termination of such individual's employment, and such successor is reasonably satisfactory to Lender;
- (n) if any Lien purported to be created by any Loan Document shall cease to be a valid perfected first priority Lien (subject only to any priority accorded by law to Permitted Liens) on any material portion of the Collateral, or any Loan Party shall assert in writing that any Lien purported to be created by any Loan Document is not a valid perfected first priority lien (subject only to any priority accorded by law to Permitted Liens) on the assets or properties purported to be covered thereby;
- (o) if any of the Loan Documents shall cease to be in full force and effect (other than as a result of the discharge thereof in accordance with the terms thereof or by written agreement of all parties thereto);
- (p) if (A) the outstanding balance of all Revolving Loans and the Letter of Credit Balance exceeds, at any time, the lesser of (x) the Maximum Revolving Facility Amount and (y) the Borrowing Base, or (B) any of the Loan Limits for Revolving Loans are, at any time, exceeded and such excess amount is not repaid immediately by Borrowers after written notice thereof to the Borrowers from Lender;
- (q) (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party or any ERISA Affiliate under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of \$200,000, (ii) the existence of any Lien under Section 430(k) or Section 6321 of the Code or Section 303(k) or Section 4068 of ERISA on any assets of a Loan Party or any ERISA Affiliate, (iii) a Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of \$200,000, or (iv) a Canadian Pension Event occurs with respect to a Canadian Pension Plan which has

resulted or could reasonably be expected to result in liability of any Loan Party in the aggregate amount in excess of \$200,000;

- (r) A requirement from the Minister of National Revenue for payment pursuant to Section 224 or any successor section of the ITA or Section 317, or any successor section in respect of any Loan Party of the *Excise Tax Act* (Canada) or any comparable provision of similar legislation shall have been received by Lender or any other Person in respect of any Loan Party or otherwise issued in respect of any Loan Party involving an amount in excess of \$100,000; provided, however, such Loan Party is not contesting such amount in good faith;
- (s) If (i) any Loan Party is enjoined, restrained or in any way prevented by any Governmental Authority from conducting any material part of its business, (ii) any Loan Party suffers the loss, revocation or termination of any material license, permit, lease or agreement necessary to its business, or (iii) there is a cessation of any material part of any Loan Party's business for a material period of time;
- (t) an "Event of Default" (as defined in the Subordinated Debt Documents or the equivalent) has occurred under the Subordinated Debt Documents, which "Event of Default" shall not have been cured or waived within any applicable grace period;
- (u) an "Event of Default" (as defined in the FCC Debt Documents or the equivalent) has occurred under the FCC Debt Documents, which "Event of Default" shall not have been cured or waived within any applicable grace period; or
- (v) (1) the breach of the Intercreditor Agreement by any Borrower or Guarantor; (2) the attempt by any Borrower or Guarantor to terminate or challenge in writing the validity of its obligations under the Intercreditor Agreement or (3) the Intercreditor Agreement ceases to be enforceable.

7.2 Remedies with Respect to Lending Commitments/Acceleration/Etc.

Upon the occurrence and during the continuance of an Event of Default Lender may, in Lender's sole discretion (a) terminate all or any portion of its commitment to lend to or extend credit to Borrowers under this Agreement and/or any other Loan Document, without prior notice to any Loan Party, and/or (b) demand payment in full of all or any portion of the Obligations (whether or not payable on demand prior to such Event of Default), together the Early Payment/Termination Premium in the amount specified in Schedule C, and demand that the Letters of Credit be cash collateralized in the manner described in Section 1.7(c) and/or (c) take any and all other and further actions and avail itself of any and all rights and remedies available to Lender under this Agreement, any other Loan Document, under law and/or in equity. Notwithstanding the foregoing sentence, upon the occurrence of any Event of Default described in Section 7.1(g) or Section 7.1(h), without notice, demand or other action by Lender all of the Obligations (including without limitation the Early Payment/Termination Premium in the amount specified in Schedule C) shall immediately become due and payable whether or not payable on demand prior to such Event of Default.

7.3 Remedies with Respect to Collateral

Without limiting any rights or remedies Lender may have pursuant to this Agreement, the other Loan Documents, under applicable law or otherwise, upon the occurrence and during the continuance of an Event of Default:

- (a) **Any and All Remedies.** Lender may take any and all actions and avail itself of any and all rights and remedies available to Lender under this Agreement, any other Loan Document, under law or in equity, and the rights and remedies herein and therein provided shall be cumulative and not exclusive of any rights or remedies provided by applicable law or otherwise.
- (b) **Collections; Modifications of Terms.** Lender may but shall be under no obligation to (i) notify all appropriate parties that the Collateral, or any part thereof, has been assigned to Lender; (ii) demand, sue for, collect and give receipts for and take all necessary or desirable steps to collect any Collateral or Proceeds in its or any Loan Party's name, and apply any such collections against the Obligations as Lender may elect; (iii) take control of any Collateral and any cash and non-cash Proceeds of any Collateral; (iv) enforce, compromise, extend, renew settle or discharge any rights or benefits of each Loan Party with respect to or in and to any Collateral, or deal with the Collateral as Lender may deem advisable; and (v) make any compromises, exchanges, substitutions or surrenders of Collateral as Lender deems necessary or proper in its reasonable discretion, including extending the time of payment, permitting payment in installments, or otherwise modifying the terms or rights relating to any of the Collateral, all of which may be effected without notice to, consent of, or any other action of any Loan Party and without otherwise discharging or affecting the Obligations, the Collateral or the security interests granted to Lender under this Agreement or any other Loan Document.
- (c) **Insurance.** Lender may file proofs of loss and claim with respect to any of the Collateral with the appropriate insurer, and may endorse in its own and each Loan Party's name any checks or drafts constituting Proceeds of insurance. Any Proceeds of insurance received by Lender may be applied by Lender against payment of all or any portion of the Obligations as Lender may elect in its reasonable discretion.
- (d) **Possession and Assembly of Collateral.** Lender may take possession of the Collateral and/or without removal render each Loan Party's Equipment unusable. Upon Lender's request and subject to the Intercreditor Agreement, each Loan Party shall assemble the Collateral and make it available to Lender at a place or places to be designated by Lender.
- (e) **Set-off.** Lender may and without any notice to, consent of or any other action by any Loan Party (such notice, consent or other action being expressly waived), set-off or apply (i) any and all deposits (general or special, time or demand, provisional or final) at any time held by or for the account of Lender or any Affiliate of Lender, and/or (ii) any Indebtedness at any time owing by Lender or any Affiliate of Lender or any Participant in the Loans to or for the credit or the account of any Loan Party,

to the repayment of the Obligations irrespective of whether any demand for payment of the Obligations has been made.

(f) **Disposition of Collateral.**

- (i) Sale, Lease, etc. of Collateral. Lender may, without demand, advertising or notice, all of which each Loan Party hereby waives (except as the same may be required under the UCC, the PPSA or other applicable law and is not waivable under the UCC, the PPSA or such other applicable law), at any time or times in one or more public or private sales or other dispositions, for cash, on credit or otherwise, at such prices and upon such terms as determined by Lender (provided such price and terms are commercially reasonable within the meaning of the UCC or the PPSA to the extent such sale or other disposition is subject to the UCC or the PPSA requirements that such sale or other disposition must be commercially reasonable) (A) sell, lease, license or otherwise dispose of any and all Collateral, and/or (B) deliver and grant options to a third party to purchase, lease, license or otherwise dispose of any and all Collateral. Lender may sell, lease, license or otherwise dispose of any Collateral in its then-present condition or following any preparation or processing deemed necessary by Lender in its reasonable discretion. Lender may be the purchaser at any such public or private sale or other disposition of Collateral, and in such case Lender may make payment of all or any portion of the purchase price therefor by the application of all or any portion of the Obligations due to Lender to the purchase price payable in connection with such sale or disposition. Lender may, if it deems it reasonable, postpone or adjourn any sale or other disposition of any Collateral from time to time by an announcement at the time and place of the sale or disposition to be so postponed or adjourned without being required to give a new notice of sale or disposition; provided, however, that Lender shall provide the applicable Loan Party with written notice of the time and place of such postponed or adjourned sale or disposition. Each Loan Party hereby acknowledges and agrees that Lender's compliance with any requirements of applicable law in connection with a sale, lease, license or other disposition of Collateral will not be considered to adversely affect the commercial reasonableness of any sale, lease, license or other disposition of such Collateral.
- (ii) Deficiency. Each Loan Party shall remain liable for all amounts of the Obligations remaining unpaid as a result of any deficiency of the Proceeds of the sale, lease, license or other disposition of Collateral after such Proceeds are applied to the Obligations as provided in this Agreement.
- (iii) Warranties; Sales on Credit. Lender may sell, lease, license or otherwise dispose of the Collateral without giving any warranties and may specifically disclaim any and all warranties, including but not limited to warranties of title, possession, merchantability and fitness. Each Loan Party hereby acknowledges and agrees that Lender's disclaimer of any and all warranties

in connection with a sale, lease, license or other disposition of Collateral will not be considered to adversely affect the commercial reasonableness of any such disposition of the Collateral. If Lender sells, leases, licenses or otherwise disposes of any of the Collateral on credit, Borrowers will be credited only with payments actually made in cash by the recipient of such Collateral and received by Lender and applied to the Obligations. If any Person fails to pay for Collateral acquired pursuant to this Section 7.3(f) on credit, Lender may re-offer the Collateral for sale, lease, license or other disposition.

- (g) **Investment Property; Voting and Other Rights; Irrevocable Proxy.**
- (i) All rights of each Loan Party to exercise any of the voting and other consensual rights which it would otherwise be entitled to exercise in accordance with the terms hereof with respect to any Investment Property, and to receive any dividends, payments, and other distributions which it would otherwise be authorized to receive and retain in accordance with the terms hereof with respect to any Investment Property, shall immediately, at the election of Lender (without requiring any notice) cease, and all such rights shall thereupon become vested solely in Lender, and Lender (personally or through an agent) shall thereupon be solely authorized and empowered, without notice, to (A) transfer and register in its name, or in the name of its nominee, the whole or any part of the Investment Property, it being acknowledged by each Loan Party that any such transfer and registration may be effected by Lender through its irrevocable appointment as attorney-in-fact pursuant to Section 7.3(g)(ii) and Section 4.4 of this Agreement, (B) exchange certificates and/or instruments representing or evidencing Investment Property for certificates and/or instruments of smaller or larger denominations, (C) exercise the voting and all other rights as a holder with respect to all or any portion of the Investment Property (including, without limitation, all economic rights, all control rights, authority and powers, and all status rights of each Loan Party as a member or as a shareholder (as applicable) of the Issuer), (D) collect and receive all dividends and other payments and distributions made thereon, (E) notify the parties obligated on any Investment Property to make payment to Lender of any amounts due or to become due thereunder, (F) endorse instruments in the name of each Loan Party to allow collection of any Investment Property, (G) enforce collection of any of the Investment Property by suit or otherwise, and surrender, release, or exchange all or any part thereof, or compromise or renew for any period (whether or not longer than the original period) any liabilities of any nature of any Person with respect thereto, (H) consummate any sales of Investment Property or exercise any other rights as set forth in Section 7.3(f) hereof, (I) otherwise act with respect to the Investment Property as though Lender was the outright owner thereof, and (J) exercise any other rights or remedies Lender may have under the UCC, the PPSA, other applicable law, or otherwise.

- (ii) EACH LOAN PARTY HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS LENDER AS ITS PROXY AND ATTORNEY-IN-FACT FOR SUCH LOAN PARTY WITH RESPECT TO ALL OF EACH SUCH LOAN PARTY'S INVESTMENT PROPERTY WITH THE RIGHT, DURING THE CONTINUANCE OF AN EVENT OF DEFAULT, WITHOUT NOTICE, TO TAKE ANY OF THE FOLLOWING ACTIONS: (A) TRANSFER AND REGISTER IN LENDER'S NAME, OR IN THE NAME OF ITS NOMINEE, THE WHOLE OR ANY PART OF THE INVESTMENT PROPERTY, (B) VOTE THE PLEDGED EQUITY, WITH FULL POWER OF SUBSTITUTION TO DO SO, (C) RECEIVE AND COLLECT ANY DIVIDEND OR ANY OTHER PAYMENT OR DISTRIBUTION IN RESPECT OF, OR IN EXCHANGE FOR, THE INVESTMENT PROPERTY OR ANY PORTION THEREOF, TO GIVE FULL DISCHARGE FOR THE SAME AND TO INDORSE ANY INSTRUMENT MADE PAYABLE TO ANY LOAN PARTY FOR THE SAME, (D) EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES, AND REMEDIES (INCLUDING ALL ECONOMIC RIGHTS, ALL CONTROL RIGHTS, AUTHORITY AND POWERS, AND ALL STATUS RIGHTS OF EACH LOAN PARTY AS A MEMBER OR AS A SHAREHOLDER (AS APPLICABLE) OF THE ISSUER) TO WHICH A HOLDER OF THE PLEDGED COLLATERAL WOULD BE ENTITLED (INCLUDING, WITH RESPECT TO THE PLEDGED EQUITY, GIVING OR WITHHOLDING WRITTEN CONSENTS OF MEMBERS OR SHAREHOLDERS, CALLING SPECIAL MEETINGS OF MEMBERS OR SHAREHOLDERS, AND VOTING AT SUCH MEETINGS), AND (E) TAKE ANY ACTION AND TO EXECUTE ANY INSTRUMENT WHICH LENDER MAY DEEM NECESSARY OR ADVISABLE TO ACCOMPLISH THE PURPOSES OF THIS AGREEMENT. THE APPOINTMENT OF LENDER AS PROXY AND ATTORNEY-IN-FACT IS COUPLED WITH AN INTEREST AND SHALL BE VALID AND IRREVOCABLE UNTIL (X) ALL OF THE OBLIGATIONS HAVE BEEN INDEFEASIBLY PAID IN FULL IN CASH IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, (Y) LENDER HAS NO FURTHER OBLIGATIONS UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, AND (Z) THE COMMITMENTS UNDER THIS AGREEMENT HAVE EXPIRED OR HAVE BEEN TERMINATED (IT BEING UNDERSTOOD AND AGREED THAT SUCH OBLIGATIONS WILL BE AUTOMATICALLY REINSTATED IF AT ANY TIME PAYMENT, IN WHOLE OR IN PART, OF ANY OF THE OBLIGATIONS IS RESCINDED OR MUST OTHERWISE BE RESTORED OR RETURNED BY LENDER FOR ANY REASON WHATSOEVER, INCLUDING, WITHOUT LIMITATION, AS A PREFERENCE, FRAUDULENT CONVEYANCE, OR OTHERWISE UNDER ANY BANKRUPTCY, INSOLVENCY, OR SIMILAR LAW, ALL AS THOUGH SUCH PAYMENT HAD NOT BEEN MADE; IT

BEING FURTHER UNDERSTOOD THAT IN THE EVENT PAYMENT OF ALL OR ANY PART OF THE OBLIGATIONS IS RESCINDED OR MUST BE RESTORED OR RETURNED, ALL REASONABLE OUT-OF-POCKET COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ALL REASONABLE ATTORNEYS' FEES AND DISBURSEMENTS) INCURRED BY LENDER IN DEFENDING AND ENFORCING SUCH REINSTATEMENT SHALL HEREBY BE DEEMED TO BE INCLUDED AS A PART OF THE OBLIGATIONS). SUCH APPOINTMENT OF LENDER AS PROXY AND AS ATTORNEY-IN-FACT SHALL BE VALID AND IRREVOCABLE AS PROVIDED HEREIN NOTWITHSTANDING ANY LIMITATIONS TO THE CONTRARY SET FORTH IN ANY ORGANIZATIONAL DOCUMENTS OF ANY LOAN PARTY, ANY ISSUER, OR OTHERWISE.

- (iii) In order to further effect the foregoing transfer of rights in favor of Lender, during the continuance of an Event of Default, each Loan Party hereby authorizes and instructs each Issuer of Investment Property pledged by such Loan Party to comply with any instruction received by such Issuer from Lender without any other or further instruction from such Loan Party, and each Loan Party acknowledges and agrees that each Issuer shall be fully protected in so complying, and to pay any dividends, distributions, or other payments with respect to any of the Investment Property directly to Lender.
- (iv) Upon exercise of the proxy set forth herein, all prior proxies given by any Loan Party with respect to any of the Pledged Equity or other Investment Property, as applicable (other than to Lender), are hereby revoked, and no subsequent proxies (other than to Lender) will be given with respect to any of the Pledged Equity or other Investment Property, as applicable, unless Lender otherwise subsequently agrees in writing. Lender, as proxy, will be empowered and may exercise the irrevocable proxy to vote the of the Pledged Equity or other Investment Property at any and all times during the existence of an Event of Default, including, without limitation, at any meeting of shareholders or members, as the case may be, however called, and at any adjournment thereof, or in any action by written consent, and may waive any notice otherwise required in connection therewith. To the fullest extent permitted by applicable law, Lender shall have no agency, fiduciary, or other implied duties to any Loan Party, any Issuer, any Loan Party, or any other Person when acting in its capacity as such proxy or attorney-in-fact. Each Loan Party hereby waives and releases any claims that it may otherwise have against Lender with respect to any breach, or alleged breach, of any such agency, fiduciary, or other duty.
- (v) Any transfer to Lender or its nominee, or registration in the name of Lender or its nominee, of the whole or any part of the Investment Property shall be made solely for purposes of effectuating voting or other consensual rights with respect to the Investment Property in accordance with the terms of this

Agreement and is not intended to effectuate any transfer of ownership of any of the Investment Property. Notwithstanding the delivery by Lender of any instruction to any Issuer or any exercise by Lender of an irrevocable proxy or otherwise, Lender shall not be deemed the owner of, or assume any obligations or any liabilities whatsoever of the owner or holder of, any Investment Property unless and until Lender expressly accepts such obligations in a duly authorized and executed writing and agrees in writing to become bound by the applicable Organizational Documents or otherwise becomes the owner thereof under applicable law (including through a sale as described in Section 7.3(f) hereof). The execution and delivery of this Agreement shall not subject Lender to, or transfer or pass to Lender, or in any way affect or modify, the liability of any Loan Party under the Organizational Documents of any Issuer or any related agreements, documents, or instruments or otherwise. In no event shall the execution and delivery of this Agreement by Lender, or the exercise by Lender of any rights hereunder or assigned hereby, constitute an assumption of any liability or obligation whatsoever of any Loan Party to, under, or in connection with any of the Organizational Documents of any Issuer or any related agreements, documents, or instruments or otherwise.

- (h) **Election of Remedies.** Lender shall have the right in Lender's sole discretion to determine which rights, security, Liens and/or remedies Lender may at any time pursue, foreclose upon, relinquish, subordinate, modify or take any other action with respect to, without in any way impairing, modifying or affecting any of Lender's other rights, security, Liens or remedies with respect to such property, or any of Lender's rights or remedies under this Agreement or any other Loan Document.
- (i) **Lender's Obligations.** Each Loan Party agrees that Lender shall not have any obligation to preserve rights to any Collateral against prior parties or to marshal any Collateral of any kind for the benefit of any other creditor of any Loan Party or any other Person. Lender shall not be responsible to any Loan Party or any other Person for loss or damage resulting from Lender's failure to enforce its Liens or collect any Collateral or Proceeds or any monies due or to become due under the Obligations or any other liability or obligation of any Loan Party to Lender.
- (j) **Waiver of Rights by Loan Parties.** Except as otherwise expressly provided for in this Agreement or as may not be permitted by applicable law, each Loan Party waives: (i) presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Lender on which any Loan Party may in any way be liable, and hereby ratifies and confirms whatever Lender may do in this regard, (ii) all rights to notice and a hearing prior to Lender's taking possession or control of, or to Lender's replevy, attachment or levy upon, the Collateral or any bond or security which might be required by any court prior to allowing Lender to

exercise any of its remedies and (iii) the benefit of all valuation, appraisal, marshalling and exemption laws.

- (k) **Appointment of Receiver.** Lender may appoint or reappoint by instrument in writing, any Person or Persons, whether an officer or officers or an employee or employees of a Loan Party or not, to be an interim receiver, receiver or receivers (hereinafter called a “Receiver”, which term when used herein shall include a receiver and manager) of the Collateral of such Loan Party (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in its stead. Any such Receiver shall, to the extent permitted by applicable law, so far as concerns responsibility for its acts, be deemed the agent of such Loan Party and not of the Lender, and the Lender shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver or its servants, agents or employees. Subject to the provisions of the instrument appointing a Receiver, any such Receiver shall (i) have such powers as have been granted to the Lender under this Section 7.3, and (ii) shall be entitled to exercise such powers at any time that such powers would otherwise be exercisable by the Lender under this Section 7.3, which powers shall include the power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of such Loan Party and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including any Loan Party, enter upon, use and occupy all premises owned or occupied by such Loan Party wherein the Collateral may be situated, maintain the Collateral upon such premises, and use the Collateral directly in carrying on such Loan Party’s business. Except as may be otherwise directed by the Lender, all money received from time to time by such Receiver in carrying out its appointment shall be received in trust for and be paid over to the Lender, and any surplus shall be applied in accordance with applicable law. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.

ARTICLE 8 LOAN GUARANTEE

8.1 Guarantee

Each Guarantor hereby agrees that it is jointly and severally liable for, and absolutely, unconditionally and irrevocably guarantees to Lender, the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, and performance of all of the Obligations and all costs and expenses, including all reasonable court costs and documented attorneys’ and paralegals’ fees and expenses paid or incurred by Lender in endeavoring to collect all or any part of the Obligations from, or in prosecuting any action against, any Borrower, any Guarantor of all or any part of the Obligations (and such costs and expenses paid or incurred shall be deemed to be included in the Obligations). Each Guarantor further agrees that the Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal. All terms of

this Loan Guarantee apply to and may be enforced by or on behalf of any branch or Affiliate of Lender that extended any portion of the Obligations.

8.2 Guarantee of Payment

This Loan Guarantee is a guarantee of payment and performance and not of collection. Each Guarantor waives any right to require Lender to sue or otherwise take action against any Borrower, any other Guarantor, or any other Person obligated for all or any part of the Obligations, or otherwise to enforce its payment against any Collateral securing all or any part of the Obligations.

8.3 No Discharge or Diminishment of Loan Guarantee

- (a) Except as otherwise expressly provided for herein, the obligations of each Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of all of the Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration, or compromise of any of the Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of any Borrower or any other Guarantor; (iii) any insolvency, bankruptcy, reorganization, arrangement, wind up, receivership, liquidation or other similar proceeding affecting any Borrower or any other Guarantor, or their assets or any resulting release or discharge of any obligation of any Borrower or any other Guarantor; or (iv) the existence of any claim, setoff or other rights which any Guarantor may have at any time against any Borrower, any other Guarantor, Lender, or any other Person, whether in connection herewith or in any unrelated transactions.
- (b) The obligations of each Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, or unenforceability of any of the Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Borrower or any other Guarantor, of the Obligations or any part thereof.
- (c) Further, the obligations of any Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Obligations; (iii) any release, non-perfection, or invalidity of any indirect or direct security for all or any part of the Obligations or all or any part of any obligations of any Guarantor; (iv) any action or failure to act by Lender with respect to any Collateral; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Guarantor or that would otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of all of the Obligations).

8.4 Defenses Waived

To the fullest extent permitted by applicable law, each Guarantor hereby waives any defense based on or arising out of any defense of any Guarantor or the unenforceability of all or any part of the Obligations from any cause, or the cessation from any cause of the liability of any Guarantor, other than the indefeasible payment in full in cash of all of the Obligations. Without limiting the generality of the foregoing, each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Borrower, or any other Person. Each Guarantor confirms that it is not a surety under any federal, provincial, territorial or state law and shall not raise any such law as a defense to its obligations hereunder. Lender may, at its election, sell or foreclose on any Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such Collateral in lieu of sale or foreclosure or otherwise act or fail to act with respect to any Collateral, compromise or adjust any part of the Obligations, make any other accommodation with any Borrower or any other Guarantor or exercise any other right or remedy available to it against any Borrower or any other Guarantor, without affecting or impairing in any way the liability of any Guarantor under this Loan Guarantee except to the extent the Obligations have been fully and indefeasibly paid in cash. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against any Borrower or any other Guarantor or any security.

8.5 Rights of Subrogation

No Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification that it has against any Borrower or any other Guarantor, or any Collateral, until the Termination Date.

8.6 Reinstatement; Stay of Acceleration

If at any time any payment of any portion of the Obligations is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, arrangement, receivership, wind-up, liquidation or reorganization of any Borrower or any other Person, or otherwise, each Guarantor's obligations under this Loan Guarantee with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not Lender is in possession of this Loan Guarantee. If acceleration of the time for payment of any of the Obligations is stayed upon the insolvency, bankruptcy, arrangement, receivership, wind-up, liquidation or reorganization of any Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Obligations shall nonetheless be payable by the Loan Parties forthwith on demand by Lender. This Section 8.6 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Obligations.

8.7 Information

Each Guarantor assumes all responsibility for being and keeping itself informed of Borrowers' financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment

of the Obligations and the nature, scope and extent of the risks that each Guarantor assumes and incurs under this Loan Guarantee, and agrees that Lender shall not have any duty to advise any Guarantor of information known to it regarding those circumstances or risks.

8.8 Termination

To the maximum extent permitted by law, each Guarantor hereby waives any right to revoke this Loan Guarantee as to future Obligations. If such a revocation is effective notwithstanding the foregoing waiver, each Guarantor acknowledges and agrees that (a) no such revocation shall be effective until written notice thereof has been received by Lender, (b) no such revocation shall apply to any Obligations in existence on the date of receipt by Lender of such written notice (including any subsequent continuation, extension, or renewal thereof, or change in the interest rate, payment terms, or other terms and conditions thereof), (c) no such revocation shall apply to any Obligations made or created after such date to the extent made or created pursuant to a legally binding commitment of Lender, (d) no payment by any Borrower, any other Guarantor, or from any other source, prior to the date of Lender's receipt of written notice of such revocation shall reduce the maximum obligation of any Guarantor hereunder, and (e) any payment, by any Borrower or from any source other than a Guarantor which has made such a revocation, made subsequent to the date of such revocation, shall first be applied to that portion of the Obligations as to which the revocation is effective and which are not, therefore, guaranteed hereunder, and to the extent so applied shall not reduce the maximum obligation of any Guarantor hereunder.

8.9 Maximum Liability

The provisions of this Loan Guarantee are severable, and in any action or proceeding involving any federal, provincial, territorial or state corporate law or other law governing business entities, or any state, provincial, territorial, federal or foreign bankruptcy, insolvency, arrangement, liquidation, wind-up, receivership, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Loan Guarantee would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such Guarantor's liability under this Loan Guarantee, then, notwithstanding any other provision of this Loan Guarantee to the contrary, the amount of such liability shall, without any further action by the Loan Parties or Lender, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Guarantor's "Maximum Liability"). This Section with respect to the Maximum Liability of each Guarantor is intended solely to preserve the rights of Lender to the maximum extent not subject to avoidance under applicable law, and no Guarantor nor any other Person shall have any right or claim under this Section with respect to such Maximum Liability, except to the extent necessary so that the obligations of any Guarantor hereunder shall not be rendered voidable under applicable law. Each Guarantor agrees that the Obligations may at any time and from time to time exceed the Maximum Liability of each Guarantor without impairing this Loan Guarantee or affecting the rights and remedies of Lender hereunder, provided, that, nothing in this sentence shall be construed to increase any Guarantor's obligations hereunder beyond its Maximum Liability.

8.10 Contribution

In the event any Guarantor shall make any payment or payments under this Loan Guarantee or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations under this Loan Guarantee (such Guarantor a “Paying Guarantor”), each other Guarantor (each a “Non-Paying Guarantor”) shall contribute to such Paying Guarantor an amount equal to such Non-Paying Guarantor’s “Applicable Percentage” of such payment or payments made, or losses suffered, by such Paying Guarantor. For purposes of this Section 8.10, each Non-Paying Guarantor’s “Applicable Percentage” with respect to any such payment or loss by a Paying Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (a) such Non-Paying Guarantor’s Maximum Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying Guarantor’s Maximum Liability has not been determined, the aggregate amount of all monies received by such Non-Paying Guarantor from Borrowers after the date hereof (whether by loan, capital infusion or by other means) to (b) the aggregate Maximum Liability of all Loan Parties hereunder (including such Paying Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder), or to the extent that a Maximum Liability has not been determined for any Guarantor, the aggregate amount of all monies received by such Loan Parties from Borrowers after the date hereof (whether by loan, capital infusion or by other means). Nothing in this provision shall affect any Guarantor’s several liability for the entire amount of the Obligations (up to such Guarantor’s Maximum Liability). Each of the Loan Parties covenants and agrees that its right to receive any contribution under this Loan Guarantee from a Non-Paying Guarantor shall be subordinate and junior in right of payment to the payment in full in cash of all of the Obligations. This provision is for the benefit of Lender and the Loan Parties and may be enforced by any one, or more, or all of them in accordance with the terms hereof.

8.11 Liability Cumulative

The liability of each Guarantor under this Article 8 is in addition to and shall be cumulative with all liabilities of each Guarantor to Lender under this Agreement and the other Loan Documents to which such Guarantor is a party or in respect of any obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

ARTICLE 9 PAYMENTS FREE OF TAXES; OBLIGATION TO WITHHOLD; PAYMENTS ON ACCOUNT OF TAXES

9.1 Taxes

- (a) Any and all payments by or on account of any obligation of the Loan Parties hereunder or under any other Loan Document shall to the extent permitted by applicable laws be made free and clear of and without reduction or withholding for any Taxes, except as required by applicable law. If, however, applicable laws require the Loan Parties to withhold or deduct any Tax, such Tax shall be withheld

or deducted in accordance with such laws as the case may be, upon the basis of the information and documentation to be delivered pursuant to clause (e) below.

- (b) If any Loan Party shall be required by applicable law to withhold or deduct any Taxes from any payment, then (i) such Loan Party shall withhold or make such deductions as are required based upon the information and documentation it has received pursuant to clause (e) below, (ii) such Loan Party shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the applicable law, and (iii) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the Loan Parties shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section) the Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made. Upon request by Lender or other Recipient, Borrowers shall deliver to Lender or such other Recipient, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment of Indemnified Taxes, a copy of any return required by applicable law to report such payment or other evidence of such payment reasonably satisfactory to Lender or such other Recipient, as the case may be.
- (c) Without limiting the provisions of subsections (a) and (b) above, the Loan Parties shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.
- (d) Without limiting the provisions of subsections (a) through (c) above, each Loan Party shall, and does hereby, on a joint and several basis indemnify Lender and each other Recipient (and their respective directors, officers, employees, affiliates and agents) and shall make payment in respect thereof within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes and Other Taxes (including Indemnified Taxes and Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid or incurred by Lender or any other Recipient on account of, or in connection with any Loan Document or a breach by a Loan Party thereof, and any penalties, interest and related out of pocket expenses and losses arising therefrom or with respect thereto (including the fees, charges and disbursements of any counsel or other tax advisor for Lender or any other Recipient (or their respective directors, officers, employees, affiliates, and agents)), whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability delivered to Borrowers shall be conclusive absent manifest error. Notwithstanding any provision in this Agreement to the contrary, this Section 9.1 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Loans.
- (e) If Lender or any Participant is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, Lender shall deliver to Borrowers and each such Participant shall deliver to Lender granting

the participation, at the time or times prescribed by applicable laws or reasonably requested by the Borrowers or Lender granting the participation, such properly completed and executed documentation as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, Lender shall deliver to Borrowers and each Participant shall deliver to Lender granting the participation, at the time or times prescribed by applicable laws or reasonably requested by the Borrowers or the Lender granting the participation, such properly completed and executed documentation prescribed by applicable laws or by the taxing authorities of any jurisdiction or such other reasonably requested information as will enable Borrowers or Lender granting the participation, as the case may be, to determine (i) whether or not payments made hereunder or under any other Loan Document are subject to Taxes or information reporting requirements, (ii) if applicable, the required rate of withholding or deduction, and (iii) such Lender's or Participant's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to such Recipient by the Loan Parties pursuant to this Agreement or otherwise to establish such Recipient's status for withholding tax purposes in the applicable jurisdiction. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 9.1(e)(i), (ii) or (iii)) shall not be required if in the Lender's or Participant's reasonable judgment such completion, execution or submission would subject such Lender or Participant to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender or Participant.

Without limiting the generality of the foregoing, if a Borrower is resident for tax purposes in the United States:

- (i) Lender (or Participant) that is a “**United States person**” within the meaning of Section 7701(a)(30) of the Code shall deliver to Borrowers (or Lender granting a participation as applicable) on or about the date on which Lender becomes a lender (or such Participant is granted a participation) under this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or Lender granting such participation), executed copies of Internal Revenue Service Form W-9 (or any successor form), certifying that Lender (or such Participant) is exempt from U.S. federal backup withholding tax;
- (ii) Lender (or Participant) that is not a “United States person” within the meaning of Section 7701(a)(30) of the Code (a “**Non-U.S. Recipient**”) shall deliver to Borrowers (and Lender granting a participation in case the Non-U.S. Recipient is a Participant) on or prior to the date on which such Non-U.S. Recipient becomes a lender (or such Participant is granted a participation) under this Agreement (and from time to time thereafter upon the reasonable request of Borrowers or Lender granting such participation but only if such Non-U.S. Recipient is legally entitled to do so), whichever of the following is applicable: (A) executed copies of Internal Revenue

Service Form W-8BEN (or any successor form) or Form W-8BEN-E (or any successor form) claiming eligibility for benefits of an income tax treaty to which the United States is a party; (B) executed copies of Internal Revenue Service Form W-8ECI (or any successor form); (C) to the extent a Non-U.S. Recipient is not the beneficial owner, executed copies of Internal Revenue Service Form W-8IMY (or any successor form) and all required supporting documentation; (D) each Non-U.S. Recipient claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, shall provide (x) a certificate to the effect that such Non-U.S. Recipient is not (I) a “bank” within the meaning of section 881(c)(3)(A) of the Code, (II) a “10 percent shareholder” of the Borrowers within the meaning of section 881(c)(3)(B) of the Code, or (III) a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code and (y) executed copies of Internal Revenue Service Form W-8BEN (or any successor form) or Form W-8BEN-E (or any successor form); and/or (E) executed copies of any other form prescribed by applicable law (including FATCA) as a basis for claiming exemption from or a reduction in United States Federal withholding tax together with such supplementary documentation as may be prescribed by applicable law to permit Borrowers or any Lender granting a participation, to determine the withholding or deduction required to be made;

- (iii) If a payment made to Lender (or Participant) under any Loan Document would be subject to United States federal withholding Tax imposed by FATCA if Lender (or such Participant) were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), Lender (or such Participant) shall deliver to the Borrowers and Lender granting such participation at the time or times prescribed by law and at such time or times reasonably requested by the Borrowers or Lender granting such participation such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrowers or Lender granting such participation as may be necessary for the Borrowers and Lender granting such participation to comply with their obligations under FATCA and to determine that Lender or such Participant has complied with Lender’s or such Participant’s obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this (iii), “FATCA” shall include any amendments made to FATCA after the date of this Agreement; and
- (iv) If any form or certification previously delivered by Lender (or any Participant) expires or becomes obsolete or inaccurate in any respect, Lender (or any Participant) shall update such form or certification or promptly notify Borrowers (or Lender granting a participation) of its legal inability to do so.

- (f) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 9.1 (including by the payment of additional amounts pursuant to this Section 9.1), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section (f) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 9.1(f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 9.1(f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person. For purposes of this Section 9.1(f), all references to “refund” shall include the monetary benefit of a credit received in lieu of a refund of Taxes.
- (g) Each party’s obligations under this Section 9.1 shall survive any assignment of rights by Lender or any Participant and the repayment, satisfaction or discharge of all obligations under any Loan Document.

ARTICLE 10 GENERAL PROVISIONS

10.1 Notices

(a) **Notice by Approved Electronic Communications.**

Lender and each of its Affiliates is authorized to transmit, post or otherwise make or communicate, in its sole discretion (but shall not be required to do so), by Approved Electronic Communications in connection with this Agreement or any other Loan Document and the transactions contemplated therein. Lender is hereby authorized to establish procedures to provide access to and to make available or deliver, or to accept, notices, documents and similar items by posting to ABLServe. Each of the Loan Parties and Lender hereby acknowledges and agrees that the use of ABLServe and other Approved Electronic Communications is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse and each indicates it assumes and accepts such risks by hereby authorizing Lender and each of its Affiliates to transmit Approved

Electronic Communications. ABLServe and all Approved Electronic Communications shall be provided “as is” and “as available”. None of Lender or any of its Affiliates or related persons warrants the accuracy, adequacy or completeness of ABLServe or any other electronic platform or electronic transmission and disclaims all liability for errors or omissions therein. No warranty of any kind is made by Lender or any of its Affiliates or related persons in connection with ABLServe or any other electronic platform or electronic transmission, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects. Each Borrower and each other Loan Party executing this Agreement agrees that Lender has no responsibility for maintaining or providing any equipment, software, services or any testing required in connection with ABLServe, any Approved Electronic Communication or otherwise required for ABLServe or any Approved Electronic Communication.

Prior to the Closing Date, Borrowing Agent shall deliver to Lender a complete and executed Client User Form regarding Borrowing Agent’s use of ABLServe in the form of Exhibit C annexed hereto.

No Approved Electronic Communications shall be denied legal effect merely because it is made electronically. Approved Electronic Communications that are not readily capable of bearing either a signature or a reproduction of a signature may be signed, and shall be deemed signed, by attaching to, or logically associating with such Approved Electronic Communication, an E-Signature, upon which Lender and the Loan Parties may rely and assume the authenticity thereof. Each Approved Electronic Communication containing a signature, a reproduction of a signature or an E-Signature shall, for all intents and purposes, have the same effect and weight as a signed paper original. Each E-Signature shall be deemed sufficient to satisfy any requirement for a “signature” and each Approved Electronic Communication shall be deemed sufficient to satisfy any requirement for a “writing”, in each case including pursuant to this Agreement, any other Loan Document, the Uniform Commercial Code, the PPSA, the *Federal Uniform Electronic Transactions Act*, the *Electronic Signatures in Global and National Commerce Act*, the *Electronic Commerce Act* (Ontario), and any other substantive or procedural law governing such subject matter. Each party or beneficiary hereto agrees not to contest the validity or enforceability of an Approved Electronic Communication or E-Signature under the provisions of any applicable law requiring certain documents to be in writing or signed; provided, that nothing herein shall limit such party’s or beneficiary’s right to contest whether an Approved Electronic Communication or E-Signature has been altered after transmission.

(b) **All Other Notices.**

All notices, requests, demands and other communications under or in respect of this Agreement or any transactions hereunder, other than those approved for or required to be delivered by Approved Electronic Communications (including via ABLServe or otherwise pursuant to Section 10.1(a)), shall be in writing and shall be personally

delivered or mailed (by prepaid registered or certified mail, return receipt requested), sent by prepaid recognized overnight courier service, or by email to the applicable party at its address or email address indicated below,

If to Lender:

Siena Lending Group Canada LLC
9 W Broad Street, 5th floor, Suite 540
Stamford, Connecticut 06902
Attention: Steve Sanicola
Email: ssanicola@sienalending.com

with a copy to:

Goodmans LLP
3400-333 Bay St.
Toronto, Ontario M5H 2S7

Attention: David Wiseman
Email: dwiseman@goodmans.ca

If to Borrowers or any other Loan Party:

Global Food and Ingredients Inc.
43 Colborne Street, Suite 400
Toronto, Ontario, M5E 1E3, Canada

Attention: William Murray
Email: bill.murray@gfiglobalfood.com

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party delivered as aforesaid. All such notices, requests, demands and other communications shall be deemed given (i) when personally delivered, (ii) three (3) Business Days after being deposited in the mails with postage prepaid (by registered or certified mail, return receipt requested), (iii) one (1) Business Day after being delivered to the overnight courier service, if prepaid and sent overnight delivery, addressed as aforesaid and with all charges prepaid or billed to the account of the sender, or (iv) when sent by email transmission to an email address designated by such addressee and the sender receives a confirmation of transmission.

10.2 Severability

If any provision of this Agreement or any other Loan Document is held invalid or unenforceable, either in its entirety or by virtue of its scope or application to given circumstances, such provision

shall thereupon be deemed modified only to the extent necessary to render same valid, or not applicable to given circumstances, or excised from this Agreement or such other Loan Document, as the situation may require, and this Agreement and the other Loan Documents shall be construed and enforced as if such provision had been included herein as so modified in scope or application, or had not been included herein or therein, as the case may be.

10.3 Integration

This Agreement and the other Loan Documents represent the final, entire and complete agreement between each Loan Party party hereto and thereto and Lender and supersede all prior and contemporaneous negotiations, oral representations and agreements, all of which are merged and integrated into this Agreement. THERE ARE NO ORAL UNDERSTANDINGS, REPRESENTATIONS OR AGREEMENTS BETWEEN THE PARTIES THAT ARE NOT SET FORTH IN THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS.

10.4 Waivers

The failure of Lender at any time or times to require any Loan Party to strictly comply with any of the provisions of this Agreement or any other Loan Documents shall not waive or diminish any right of Lender later to demand and receive strict compliance therewith. Any waiver of any default shall not waive or affect any other default, whether prior or subsequent, and whether or not similar. None of the provisions of this Agreement or any other Loan Document shall be deemed to have been waived by any act or knowledge of Lender or its agents or employees, but only by a specific written waiver signed by an authorized officer of Lender and delivered to Borrowers. Once an Event of Default shall have occurred, it shall be deemed to continue to exist and not be cured or waived unless specifically cured pursuant to the terms of this Agreement or waived in writing by an authorized officer of Lender and delivered to Borrowers. Each Loan Party waives demand, protest, notice of protest and notice of default or dishonor, notice of payment and nonpayment, release, compromise, settlement, extension or renewal of any commercial paper, Instrument, Account, General Intangible, Document, Chattel Paper, Investment Property or guarantee at any time held by Lender on which such Loan Party is or may in any way be liable, and notice of any action taken by Lender, unless expressly required by this Agreement, and notice of acceptance hereof.

10.5 Amendment

This Agreement may not be amended or modified except in a writing executed by Borrowers, the other Loan Parties party hereto (to the extent such amendment is directly adverse to such Loan Party), and Lender.

10.6 Time of Essence

Time is of the essence in the performance by each Loan Party of each and every obligation under this Agreement and the other Loan Documents.

10.7 Expenses, Fee and Costs Reimbursement

Borrowers hereby agree to promptly and jointly and severally pay (a) all out of pocket fees, costs and expenses of Lender (including Lender's underwriting fees) and (b) all out of pocket fees, costs and expenses of legal counsel to, and appraisers, accountants, consultants and other professionals and advisors retained by or on behalf of, Lender, all of which shall be reasonable and documented, prior to the occurrence and continuance of an Event of Default, in connection with: (i) all loan proposals and commitments pertaining to the transactions contemplated hereby (whether or not such transactions are consummated), (ii) the examination, review, due diligence investigation, documentation, negotiation, and closing of the transactions contemplated by the Loan Documents (whether or not such transactions are consummated), (iii) the creation, perfection and maintenance of Liens pursuant to the Loan Documents, (iv) the performance by Lender of its rights and remedies under the Loan Documents, (v) the administration of the Loans (including usual and customary fees for wire transfers and other transfers or payments received by Lender on account of any of the Obligations) and Loan Documents, (vi) any amendments, modifications, consents and waivers to and/or under any and all Loan Documents (whether or not such amendments, modifications, consents or waivers are consummated), (vii) any periodic public record searches reasonably conducted by or at the request of Lender (including, title investigations and public records searches), pending litigation and tax lien searches and searches of applicable corporate, limited liability company, partnership and related records concerning the continued existence, organization and good standing of certain Persons), (viii) protecting, storing, insuring, handling, maintaining, auditing, examining, valuing or selling any Collateral, (ix) any litigation, dispute, suit or proceeding relating to any Loan Document, and (x) any workout, collection, bankruptcy, insolvency, receivership, liquidation, wind-up and other enforcement proceedings under any and all of the Loan Documents (it being agreed that such costs and expenses may include the costs and expenses of workout consultants, investment bankers, financial consultants, appraisers, valuation firms and other professionals and advisors retained by or on behalf of Lender) and (c) without limitation of the preceding clauses (a) and (b), all out of pocket costs and expenses of Lender in connection with Lender's reservation of funds in anticipation of the funding of the initial Loans to be made hereunder. Any fees, costs and expenses owing by Borrowers or any other Loan Party hereunder shall be due and payable within five (5) days after written demand therefor. Lender acknowledges having received funds from Borrowers prior to closing as a good faith deposit towards its expenses and acknowledges that the amount of such funds shall be credited towards or netted from expenses or fees payable to Lender hereunder.

10.8 Benefit of Agreement; Assignability

The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, heirs, beneficiaries and representatives of Borrowers, each other Loan Party party hereto and Lender; provided, that neither any Borrower nor any other Loan Party may assign or transfer any of its rights under this Agreement without the prior written consent of Lender, and any prohibited assignment shall be void. No consent by Lender to any assignment shall release any Loan Party from its liability for any of the Obligations. Lender shall have the right to assign all or any of its rights and obligations under the Loan Documents to one or more other Persons, and each Loan Party agrees, to the extent applicable, to execute any agreements, instruments and documents requested by Lender in connection with any such assignments. Notwithstanding any provision of this Agreement or any other Loan Document to the contrary, Lender may at any time

pledge or grant a security interest in all or any portion of its rights under this Agreement and the other Loan Documents to secure obligations of Lender, including any pledge or grant to secure obligations to a Federal Reserve Bank.

10.9 Recordation of Assignment

In respect of any assignment of all or any portion of any Lender's interest in this Agreement and/or any other Loan Documents at any time and from time to time, the following provisions shall be applicable:

- (a) Borrowers, or any agent appointed by Borrowers, shall maintain a register (the "Register") in which there shall be recorded the name and address of each Person holding any Loans or any commitment to lend hereunder, and the principal amount and stated interest payable to such Person hereunder or committed by such Person under such Person's lending commitment. Borrowers hereby irrevocably appoint Lender (and/or any subsequent Lender appointed by Lender then maintaining the Register) as Borrowers' non-fiduciary agent for the purpose of maintaining the Register.
- (b) In connection with any negotiation, transfer or assignment as aforesaid, the transferor/assignor shall deliver to Lender then maintaining the Register an assignment and assumption agreement executed by the transferor/assignor and the transferee/assignee, setting forth the specifics of the subject transaction, including but not limited to the amount and nature of Obligations and/or lending commitments being transferred or assigned (and being assumed, as applicable), and the proposed effective date of such transfer or assignment and the related assumption (if applicable).
- (c) Subject to receipt of any required tax forms reasonably required by Lender, such Person shall record the subject transfer, assignment and assumption in the Register. Anything contained in this Agreement or other Loan Document to the contrary notwithstanding, no negotiation, transfer or assignment shall be effective until it is recorded in the Register pursuant to this Section 10.9(c). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error; and each Borrower and each Lender shall treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement and the other Loan Documents. The Register shall be available for inspection by each Borrower and each Lender at any reasonable time and from time to time upon reasonable prior notice.

10.10 Participations

Anything in this Agreement or any other Loan Document to the contrary notwithstanding, Lender may, at any time and from time to time, without in any manner affecting or impairing the validity of any Obligations, sell to one or more Persons participating interests in its Loans, commitments and/or other interests hereunder and/or under any other Loan Document (any such Person, a "**Participant**"). In the event of a sale by Lender of a participating interest to a Participant, (a) such

Lender's obligations hereunder and under the other Loan Documents shall remain unchanged for all purposes, (b) Borrowers and Lender shall continue to deal solely and directly with each other in connection with Lender's rights and obligations hereunder and under the other Loan Documents and (c) all amounts payable by Borrowers shall be determined as if Lender had not sold such participation and shall be paid directly to Lender; provided, however, a Participant shall be entitled to the benefits of Section 9.1 as if it were a Lender if Borrowers are notified of the participation and the Participant complies with Section 9.1(e). Borrowers agree that if amounts outstanding under this Agreement or any other Loan Document are due and payable (as a result of acceleration or otherwise), each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement and the other Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; provided, that such right of set-off shall not be exercised without the prior written consent of Lender and shall be subject to the obligation of each Participant to share with Lender its share thereof. Borrowers also agree that each Participant shall be entitled to the benefits of Section 10.9 as if it were Lender. Notwithstanding the granting of any such participating interests: (x) Borrowers shall look solely to Lender for all purposes of this Agreement, the Loan Documents and the transactions contemplated hereby, (y) Borrowers shall at all times have the right to rely upon any amendments, waivers or consents signed by Lender as being binding upon all of the Participants, and (z) all communications in respect of this Agreement and such transactions shall remain solely between Borrowers and Lender (exclusive of Participants) hereunder. Lender granting a participation hereunder shall maintain, as a non-fiduciary agent of Borrowers, a register as to the participations granted and transferred under this Section containing the same information specified in Section 10.9 on the Register as if each Participant were a Lender to the extent required to cause the Loans to be in registered form for the purposes of Sections 163(f), 165(j), 871, 881, and 4701 of the Code.

10.11 Headings; Construction

Section and subsection headings are used in this Agreement only for convenience and do not affect the meanings of the provisions that they precede.

10.12 USA PATRIOT Act Notification

Lender hereby notifies the Loan Parties that pursuant to the requirements of the USA PATRIOT Act, it may be required to obtain, verify and record certain information and documentation that identifies such Person, which information may include the name and address of each such Person and such other information that will allow Lender to identify such Persons in accordance with the USA PATRIOT Act.

10.13 CAML

Each Loan Party acknowledges that, pursuant to CAML, the Lender may be required to obtain, verify and record information regarding directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Loan Parties, and the transactions contemplated hereby. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Lender, or any

prospective assignee or participant of a Lender, in order to comply with any applicable CAML, whether now or hereafter in existence.

10.14 Counterparts; Email Signatures

This Agreement may be executed in any number of counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or by email as a “.pdf” or “.tiff” attachment shall be effective as delivery of a manually executed counterpart of this Agreement. It is understood and agreed that, subject to Applicable Law, the words “execution”, “signed”, “signature”, “delivery” and words of like import in or relating to any Loan Document shall be deemed to include any E-Signature, delivery or the keeping of any record in electronic form, each of which shall have the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system to the extent and as provided for in Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act 2000* (Ontario), the *Electronic Transactions Act* (British Columbia), the *Electronic Transactions Act* (Alberta), or any similar state, federal or provincial laws based on the *Uniform Electronic Transactions Act* or the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada.

10.15 GOVERNING LAW

THIS AGREEMENT, ALONG WITH ALL OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED OTHERWISE IN SUCH OTHER LOAN DOCUMENT) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE PROVINCE OF ONTARIO AND THE LAWS OF CANADA APPLICABLE THEREIN AND SHALL BE TREATED, IN ALL RESPECTS, AS AN ONTARIO CONTRACT.

10.16 WAIVERS AND JURISDICTION

CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL; CONSENT TO SERVICE OF PROCESS. ANY LEGAL ACTION, SUIT OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL BE BROUGHT EXCLUSIVELY IN THE COURTS OF THE PROVINCE OF ONTARIO OR IN ANY OTHER COURT (IN ANY JURISDICTION) SELECTED BY LENDER IN ITS DISCRETION, AND EACH BORROWER AND EACH OTHER LOAN PARTY HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFOREMENTIONED COURTS. EACH BORROWER AND EACH OTHER LOAN PARTY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, OR BASED ON UPON 28 U.S.C. § 1404, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING AND ADJUDICATION OF ANY SUCH ACTION, SUIT OR PROCEEDING IN ANY OF THE AFOREMENTIONED

COURTS AND AMENDMENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. EACH BORROWER AND EACH OTHER LOAN PARTY HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM CONCERNING ANY RIGHTS UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR UNDER ANY AMENDMENT, WAIVER, AMENDMENT, INSTRUMENT, DOCUMENT OR OTHER AGREEMENT DELIVERED OR WHICH IN THE FUTURE MAY BE DELIVERED IN CONNECTION HERewith OR THEREWITH, OR ARISING FROM ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE OTHER TRANSACTION DOCUMENTS, AND AGREES THAT ANY SUCH ACTION, PROCEEDING OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH BORROWER AND EACH OTHER LOAN PARTY HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON ANY BORROWER OR ANY OTHER LOAN PARTY AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY CERTIFIED MAIL (RETURN RECEIPT REQUESTED) DIRECTED TO THE BORROWERS' NOTICE ADDRESS (ON BEHALF OF THE BORROWERS OR SUCH LOAN PARTY) SET FORTH IN SECTION 10.1 HEREOF AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE (5) DAYS AFTER THE SAME SHALL HAVE BEEN SO DEPOSITED IN THE MAIL, OR, AT THE LENDER'S OPTION, BY SERVICE UPON BORROWERS OR ANY OTHER LOAN PARTY IN ANY OTHER MANNER PROVIDED UNDER THE RULES OF ANY SUCH COURTS.

10.17 Publication

Each Borrower and each other Loan Party consents to the publication by Lender of a tombstone, press releases or similar advertising material relating to the financing transactions contemplated by this Agreement, and Lender reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

10.18 Confidentiality

Lender agrees to use commercially reasonable efforts not to disclose Confidential Information to any Person without the prior written consent of Borrowers; provided, however, that nothing herein contained shall limit any disclosure of the tax structure of the transactions contemplated hereby, or the disclosure of any information (a) to the extent required by applicable law, statute, rule, regulation or judicial process or in connection with the exercise of any right or remedy under any Loan Document, or as may be required in connection with the examination, audit or similar investigation of the Lender or any of its Affiliates, (b) to examiners, auditors, accountants or any regulatory authority, (c) to the officers, partners, managers, directors, employees, agents and advisors (including independent auditors, lawyers and counsel) of the Lender or any of its Affiliates, (d) in connection with any litigation or dispute which relates to this Agreement or any other Loan Document to which the Lender is a party or is otherwise subject, (e) to a subsidiary or Affiliate of the Lender, (f) to any assignee or participant (or prospective assignee or participant) which agrees to be bound by this Section 10.17 and (g) to any lender or other funding source of the Lender (each reference to Lender in the foregoing clauses shall be deemed to include the actual and prospective assignees and participants referred to in clause (f) and the lenders and other funding sources referred to in clause (g), as applicable for purposes of this Section 10.17), and

provided further, that in no event shall the Lender be obligated or required to return any materials furnished by or on behalf of Borrowers or any other Loan Party. The obligations of the Lender under this Section 10.17 shall supersede and replace the obligations of the Lender under any confidentiality letter or provision in respect of this financing or any other financing previously signed and delivered by the Lender to Borrowers or any of their respective Affiliates.

10.19 Borrowing Agency Provisions.

- (a) **Appointment of Borrowing Agent.** Each Borrower hereby irrevocably designates Borrowing Agent to be its attorney and agent and in such capacity to (i) borrow, (ii) request advances, (iii) request the issuance of Letters of Credit, (iv) sign and endorse notes, (v) execute and deliver all instruments, documents, applications, security agreements, reimbursement agreements and letter of credit agreements for Letters of Credit and all other certificates, notice, writings and further assurances now or hereafter required hereunder, (vi) make elections regarding interest rates, (vii) give instructions regarding Letters of Credit and agree with the issuer thereof upon any amendment, extension or renewal of any Letter of Credit and (viii) otherwise take action under and in connection with this Agreement and the other Loan Documents, all on behalf of and in the name of such Borrower, and hereby authorizes Lender to pay over or credit all Loan proceeds hereunder in accordance with the request of Borrowing Agent.
- (b) **Co-Borrowing.** The handling of this credit facility as a co-borrowing facility with a borrowing agent in the manner set forth in this Agreement is solely as an accommodation to the Borrowers and at their request. Lender shall not incur liability to any Borrower as a result thereof. To induce Lender to do so and in consideration thereof, each Borrower hereby indemnifies Lender and holds Lender harmless from and against any and all liabilities, expenses, losses, damages and claims of damage or injury asserted against Lender by any Person arising from or incurred by reason of the handling of the financing arrangements of Borrowers as provided herein, reliance by Lender on any request or instruction from Borrowing Agent or any other action taken by Lender with respect to this Section 10.18 except due to willful misconduct or gross (not mere) negligence by the indemnified party (as determined by a court of competent jurisdiction in a final and non-appealable judgment).
- (c) **Joint and Several Obligations.** All Obligations shall be joint and several, and each Borrower shall make payment upon the maturity of the Obligations by acceleration or otherwise, and such obligation and liability on the part of each Borrower shall in no way be affected by any extensions, renewals and forbearance granted by Lender to any Borrower, failure of Lender to give any Borrower notice of borrowing or any other notice, any failure of Lender to pursue or preserve its rights against any Borrower, the release by Lender of any Collateral now or thereafter acquired from any Borrower, and such agreement by each Borrower to pay upon any notice issued pursuant thereto is unconditional and unaffected by prior recourse by Lender to the other Borrowers or any Collateral for such Borrower's Obligations or the lack thereof. Each Borrower waives all suretyship defenses.

10.20 Big Sky Pledge Release Conditions

Lender agrees that it shall release and reconvey the Equity Interests of Big Sky pledged by Parent to Lender and terminate any lien filings in respect thereof if Big Sky refinances the 35 Oak Big Sky Indebtedness with a bank, the bank requests such release and the Borrowers, on the date of the closing of such refinancing and on the date thirty (30) days prior have Excess Availability of \$2,000,000.

10.21 No Deemed Subordination

Notwithstanding anything to the contrary contained herein (including any provision for, reference to, or acknowledgement of, any Lien or Permitted Lien), nothing herein and no approval by the Lender of any Lien or Permitted Lien (whether such approval is oral or in writing) shall be construed as or deemed to constitute a subordination by the Lender of any security interest or other right or interest in or to the Collateral or any part thereof in favor of any Lien or Permitted Lien or any holder of any Lien or Permitted Lien.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Borrowers, each other Loan Party signatory hereto, and Lender have signed this Agreement as of the date first set forth above.

Borrower:

GLOBAL FOOD AND INGREDIENTS INC.

Per: Bill Murray
Name: Bill Murray
Title: Authorized Signatory

Guarantor:

GLOBAL FOOD AND INGREDIENTS LTD.

Per: Bill Murray
Name: Bill Murray
Title: Authorized Signatory

Guarantor:

**GLOBAL FOOD AND INGREDIENTS (USA)
INC.**

Per: Bill Murray
Name: Bill Murray
Title: Authorized Signatory

Borrower:

GFI BRANDS INC.

Per: Bill Murray
Name: Bill Murray
Title: Authorized Signatory

Borrower:

NORTH LILY FOODS INC.

Per: Bill Murray
Name: Bill Murray
Title: Authorized Signatory

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Lender:

SIENA LENDING GROUP CANADA LLC

DocuSigned by:
Per: Steve Blumberg
Name: Steve Blumberg
Title: Authorized Signatory

Per: Jason Schick
Name: JASON SCHICK
Title: Authorized Signatory

Information Certificate

GLOBAL FOOD AND INGREDIENTS INC. (the “Company”)

Effective Date of Information Contained in this Information Certificate: February 1, 2024

Note: If the answer to any question is “none” or “N/A”, please answer with the word “None”

Note: Please answer all questions marked in **Red** on a priority basis and return an interim draft of this Information Certificate once those **Red** questions are completed.

Legal Name. The exact legal name of the Company, its parent and each of its subsidiaries is (please be precise with commas, periods and spacing):

Company	Type of Entity	State of Organization	Federal Tax ID	Fiscal Year
Global Food and Ingredients Inc.	Corporation	Canada (federal, CBCA)	75832 6912 RC0001.	March 31
Global Food and Ingredients Ltd.	Corporation	Ontario	79271 5740 RC0001	March 31
GFI Brands Inc.	Corporation	Canada (federal, CBCA)	83665 9367 RC0002	March 31
Global Food and Ingredients (USA) Inc.	Corporation	Delaware	85-3038105	March 31
North Lily Foods Inc.	Corporation	Delaware	85-3061569	March 31
Big Sky Milling Inc.	Corporation	Canada (federal, CBCA)	73364 1013 RC0002	March 31

Federal Tax ID Number. The Company’s Federal Tax Identification Number for the Company, its parent and each of its subsidiaries is **see above**

Type of Entity; State of Organization. The type of entity and jurisdiction of organization of the Company, its parent and each of its subsidiaries is: **see above**

Fiscal Year. The Company’s fiscal year , its parent’s fiscal year and the fiscal year for each of its subsidiaries ends on the following month and day each year: **see above**

Accountants; Date of Last Audit. The Company’s, its parent’s and its subsidiaries Accountants’ contact information, together with the date of the Company’s, its parent’s and its subsidiaries last audit, is set forth below:

Firm	Partner’s Name	Date of Last Audit	Accountant’s City and State
KPMG LLP (predecessor)	Jatinder Grover	July 31, 2023	Toronto, ON
BDO Canada LLP (FY24 auditor)	Donato Lisozzi	n/a	Toronto, ON

Legal Counsel. The Company’s legal counsel’s contact information is set forth below:

Firm	Attorney Name(s)	Email Address	Phone Number
In-House	Soumya Sanyal	soumya.sanyal@gfiglobalfood.com	416-286-0156

McMillan	Brett Stewart	brett.stewart@mcmillan.ca	416-865-7115
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Trade Names. The Company, its parent and each of its subsidiaries uses the following trade name(s), trade style(s) and assumed names in the operation of its business (e.g., billing, advertising, etc.):

[NOTE: Do not include names which are product names only]:

<u>Name</u>	<u>Type</u> (tradename, tradestyle or assumed name)	<u>Owner</u> (if not Company)
North Lily	tradename	North Lily Foods Inc. (owned 100% by Global Food and Ingredients (USA) Inc., owned 100% by the Company.
Bentilia	trademark	100%

Name Changes. In the past five years the Company name, its parent's name and the name of any of its subsidiaries has been changed as follows:

<u>Name</u>	<u>Date of Change</u>
Global Food and Ingredients Inc. (Federal Corp. #14117018) was formed by the amalgamation of Global Food and Ingredients Inc. (Federal Corp. #10742317) and 13476669 Canada Inc.	June 10, 2022
Global Food and Ingredients Ltd. (Ontario Corp. #2802223) was formerly Pivotal Financial Corp.	June 09, 2022
GFI Brands Inc. (Ontario Corp. #13760715) was formed by the amalgamation of GFI Brands Inc. (Ontario Corp. #13635619) and Your fitness dish Inc.	February 09, 2022

Type of Business. The Company, its parent and each of its subsidiaries is primarily involved in the following type of business (indicate whether manufacturer, wholesaler, retailer, etc.; include brief description of nature of product and nature and location of customers):

The Company is a Canadian plant-based food and ingredients company focused on pulses and specialty crops. The Company supplies premium plant-based high protein ingredients to customers around the world and distributes truckload and less-than truckload of bagged product directly to food processing companies, foodservice companies and institutional buyers (educational institutions, healthcare facilities, correctional facilities, etc.) in North America. The registered office of the Company is located at 43 Colborne Street, Suite 400, Toronto, Ontario, M5E 1E3.

Mergers, Acquisitions & Reorganizations. Since the date of formation the Company, its parent and its subsidiaries have made or entered into the following mergers, acquisitions, consolidations, reorganizations, changes in state of incorporation or formation, or other changes in organizational form affecting the Company:

<u>Date</u>	<u>Type of Transaction</u>	<u>Explain Details of the Transaction</u>
August 5, 2021	Acquisition	Acquired pet food facility out of receivership from WA Grain Holdings Inc.
February 9, 2022	Acquisition	Acquired the shares of Your fitness dish Inc., a manufacturer of consumer-packaged goods.
March 25, 2022	Acquisition	Acquired certain assets of Export-Associates Inc., a manufacturer of consumer-packaged goods.
June 10, 2022	RTO	Completed qualifying transaction with Pivotal Financial Corp.
May 18, 2023	Divestiture	Divested certain assets of GFI Brands Inc. (subsidiary of the Company) as they related to the Yofiit brand.

Directors/Managers/General Partners. The directors, managers or general partners of the Company, the parent and each of its subsidiaries are as follows:

<u>Company</u>	<u>Legal Name</u>	<u>Position</u>	<u>Independent? (Y/N)</u>	<u>Date Current Term Expires</u>
Global Food and Ingredients Ltd.	David Hanna	CEO & Director	N	2024
	Amber MacArthur	Director	Y	2024
	Erin Rooney	Director	Y	2024
	Frank van Biesen	Director	Y	2024
	Michael Wiener	Director	Y	2024
	Robert Wolf	Director	Y	2024
Global Food and Ingredients Inc.	David Hanna	Director	n/a	n/a
	Frank van Biesen	Director	n/a	n/a
GFI Brands Inc.	David Hanna	Director	n/a	n/a
	William Murray	Director	n/a	n/a
Global Food and Ingredients (USA) Inc.	David Hanna	Director	n/a	n/a
	William Murray	Director	n/a	n/a
North Lily Foods Inc.	William Murray	Director	n/a	n/a
Big Sky Milling Inc.	William Murray	Director	n/a	n/a

Officers. The executive officers of the Company its parent and each of its subsidiaries and their respective titles are as follows:

<u>Company</u>	<u>Legal Name</u>	<u>Position</u>	<u>Date Current Term Expires</u>	<u>Authorized to Sign Loan Documents? (Y/N)</u>
Global Food and Ingredients Ltd.	David Hanna	President & CEO	n/a	Y
	William Murray	CFO	n/a	Y
	Jeffrey Gebert	Corporate Secretary	n/a	N
	Jaime Rueda	Vice President	n/a	Y
	Robert Wolf	Chairperson	n/a	Y
Global Food and Ingredients Inc.	David Hanna	President & CEO	n/a	Y
	William Murray	CFO & Corporate Secretary	n/a	Y
GFI Brands Inc.	David Hanna	President & CEO	n/a	Y
	William Murray	CFO	n/a	Y
Global Food and Ingredients (USA) Inc.	David Hanna	President & CEO	n/a	Y
	William Murray	Treasurer & Secretary	n/a	Y
North Lily Foods Inc.	William Murray	Secretary	n/a	Y
Big Sky Milling Inc.	David Hanna	President & CEO	n/a	Y
	William Murray	CFO	n/a	Y

Principal Place of Business. The official principal office of the Company, its parent and each of its subsidiaries, as now specified in its certificate of incorporation, certificate of formation or other organizational document, is located at:

<u>Company</u>	<u>Street Address</u>	<u>City</u>	<u>County</u>	<u>State</u>
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Global Food and Ingredients Inc.	43 Colborne Street, Suite 400	Toronto	Canada	ON
Global Food and Ingredients Ltd.	43 Colborne Street, Suite 400	Toronto	Canada	ON
GFI Brands Inc.	43 Colborne Street, Suite 400	Toronto	Canada	ON
Global Food and Ingredients (USA) Inc.	61 Harvest Mill Ln, Unit B	Clayton	US	NC
North Lily Foods Inc.	61 Harvest Mill Ln, Unit B	Clayton	US	NC
Big Sky Milling Inc.	43 Colborne Street, Suite 400	Toronto	Canada	ON

Chief Executive Office. The Company's, its parent's and each of its subsidiaries' Chief Executive Office is set forth below:

<u>Street Address</u>	<u>City</u>	<u>County</u>	<u>State</u>
43 Colborne Street, Suite 400	Toronto	Canada	ON

Foreign Good Standings. The Company, its parent and each of its subsidiaries is qualified to conduct business in the following jurisdictions (other than its jurisdiction of organization):

<u>State</u>	<u>Is the Company in Good Standing (Y/N)</u>
North Carolina	Yes
Ontario	Yes
Alberta	Yes
Saskatchewan	Yes

Past-Due State Franchise Taxes. Is the Company, its parent or any of its subsidiaries delinquent on any state-level franchise taxes which they are obligated to pay? If so, please fill in the additional information:

- No.
 Yes. If yes, indicate percentage of total accounts receivable: _____ %.

<u>State</u>	<u>Amount Past Due</u>	<u>Days Past Due</u>	<u>% of Company's Total Receivables from Customers in State</u>
n/a			___ %

Authorized, Issued and Outstanding Equity. The Company, its parent and each of its subsidiaries has authorized the issuance of the following classes of Equity Interests, each of which classes has the voting and conversion rights specified below:

	<u>Classes</u>	<u>Number of Shares Authorized</u>	<u>Number of Shares Issued & Outstanding</u>	<u>Voting Rights (Y/N)</u>	<u>Conversion Rights</u>
Global Food and Ingredients Inc.	C-1	unlimited	62,938,506	Y	N
Global Food and Ingredients Ltd.	A	unlimited	65,080,169	Y	N
GFI Brands Inc.	C-1	unlimited	100,000	Y	N
Global Food and Ingredients (USA) Inc.	n/a	1,000,000 (with par value of \$0.0001 per share)	1,000	Y	N
North Lily Foods Inc.	n/a	1,000,000 (with par value of \$0.0001 per share)	1,000	Y	N
Big Sky Milling Inc.	A&B	unlimited	1,000 ¹	Y	N

¹ Following the asset purchase transaction and minority equity raise, the following will have occurred:

- i. outstanding 1,000 Class A common shares of Big Sky held by GFI Ltd. Will be cancelled and exchanged for 1,000 Class B common shares of Big Sky.
- ii. GFI Ltd. will own 50.1% of Big Sky, represented by 3,463,828 Class B common shares. GFI Inc. will be issued 3,462,828 Class B common shares as part of the sale of the pet food business and assets from GFI Inc. to Big Sky. Concurrent with the close. GFI Inc. will distribute the Class B common shares of Big Sky to GFI Ltd., resulting in the cancellation of 3,462,828 Class B common shares held by GFI Inc. and issuance of new 3,462,828 Class b common shares held by GFI Ltd.
- iii. Concurrent with the close of the transaction, Big Sky will raise \$3,450,000 through the issuance of 3,450,000 Class A common to 35 Oak Holding Ltd., representing 49.9% ownership in the company. The Class A common shares will include a 1x liquidation right.
- iv. Therefore, post transaction, Big Sky will have 6,913,828 common shares issued and outstanding

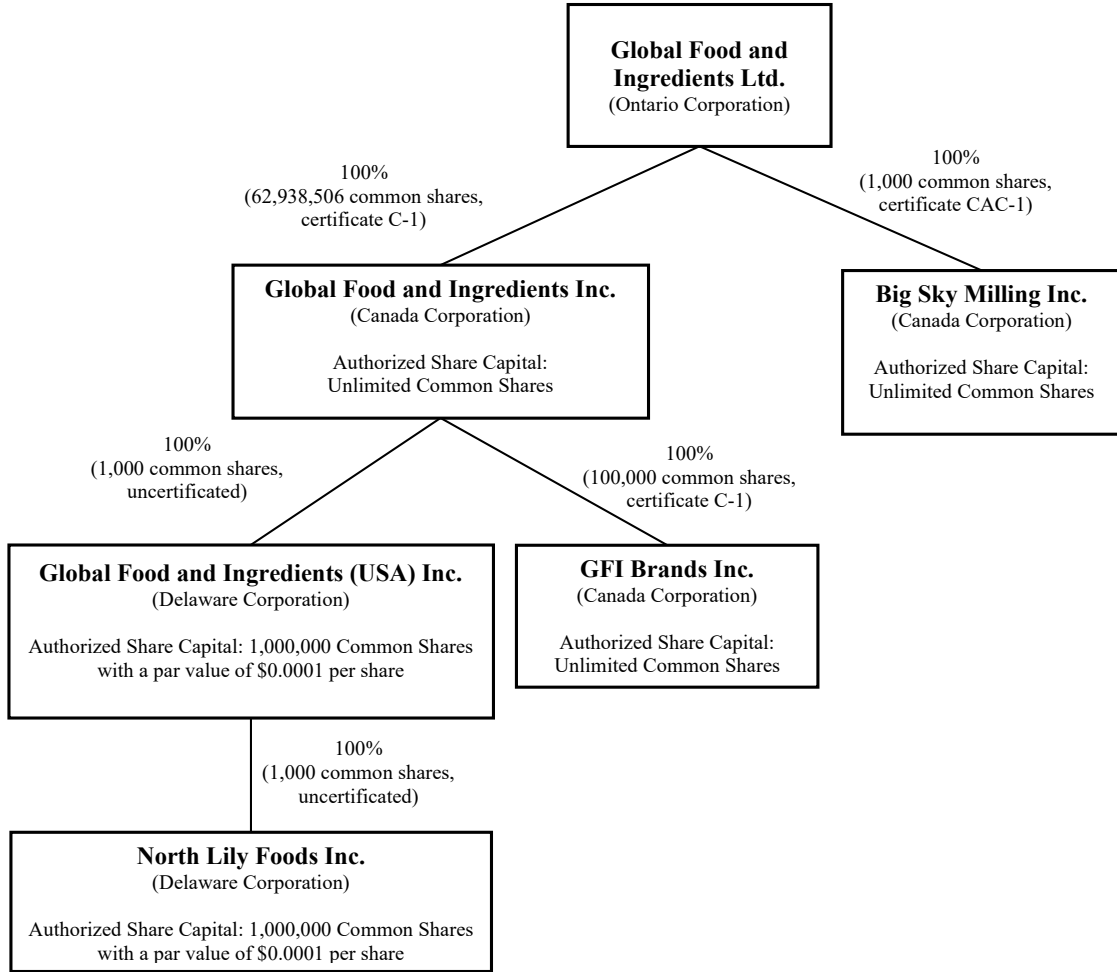
Equityholders. The names of the members/shareholders of the Company, each of its subsidiaries and its parent company and the respective ownership of each class of Equity Interests issued by the Company, each of its subsidiaries and its parent company are as follows:

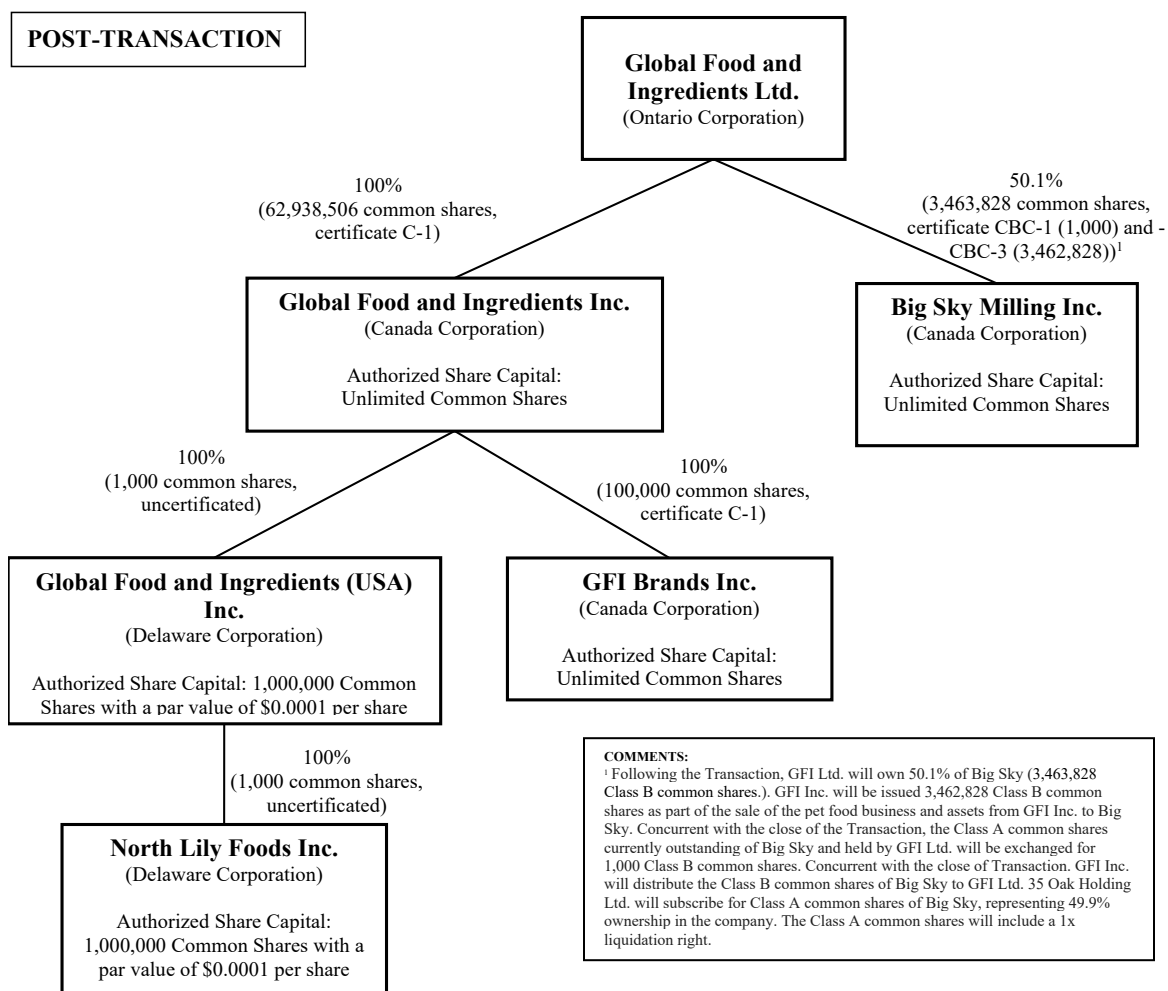
Name	No. of Interests	Class	% of Ownership
David Hanna	11,725,000 (of GFI Ltd.)	common	18.0%
Samira Sharezay	10,500,000 (of GFI Ltd.)	common	16.1%
35 Oak Holdings Ltd.	8,755,278 (of GFI Ltd.)	common	13.5%
Jaime Rueda	5,551,097 (of GFI Ltd.)	common	8.5%
William Murray	4,142,056 (of GFI Ltd.)	common	6.4%
Numerous individuals	24,406,738 (of GFI Ltd.)	common	37.5%

Warrants, etc. The Company, its parent and each of the Company's subsidiaries has issued the following options, warrants, and debt securities that are exercisable for or convertible into their respective common stock as follows:

Name	Type of Option	Details Regarding Rights Afforded
Global Food and Ingredients Ltd.	Warrants	~14.3 million warrants, WAEP of \$1.52 as of January 1, 2024
Global Food and Ingredients Ltd.	Options per ESOP	~4.2 million options, WAEP of \$0.47 as of January 1 2024.

Subsidiaries. The Company, its parent and each of its subsidiaries owns Equity Interests, directly or indirectly, in the following entities:





Affiliates. The Company is an Affiliate with the following entities:

Indicate in the “Nature of Relationship” column whether the operation of any Affiliate is in any manner dependent upon operation of any other Subsidiary, Affiliate or parent (explain buying, selling and any other operations between this Company and Subsidiaries or Affiliates and describe Subsidiary or Affiliate operations):

Name of Affiliate	State of Formation	Business Engaged In	Nature of Relationship
Big Sky Milling Inc.	Canada	Pet food business	Sister company
Global Food and Ingredients Ltd.	Ontario	Public company	Parent company
GFI Brands Inc.	Canada	Sales of consumer-packaged goods	Subsidiary
Global Food and Ingredients (USA) Inc.	Delaware	Holding company	Subsidiary
North Lily Foods Inc.	Delaware	US distribution arm of GFI Inc.	Subsidiary

No Limitation or Consent to Pledge. Except as set forth below, there is no provision in the Company’s or its subsidiaries’ certificate of formation or incorporation, as applicable, operating agreement or

bylaws, as applicable, or any other agreements of the Company or any of its subsidiaries, or in any note, loan agreement, trust, indenture, debenture or capital instrument, or in the laws of the jurisdiction of its incorporation or formation, requiring any vote or consent of any third party to authorize the mortgage or pledge of or creation of a security interest in any assets of the Company or any of its subsidiaries:

Name of Affiliate	Document or Source of Limitation	Provide Details
Global Food and Ingredients Inc.	Article 4 of the Articles of Incorporation (Federal)	There is no shareholder's agreement restricting any share transfer.
Big Sky Milling Inc.	Article 4 of the Articles of Incorporation (Federal)	There is no shareholder's agreement restricting any share transfer.
Global Food and Ingredients Ltd.	Article 8 of the Articles of Incorporation & Articles of Amendment (Ontario)	Resolution of Board of Directors and (majority) Shareholders
GFI Brands Inc.	Article 4 of the Articles of Incorporation (Federal)	Resolution of Board of Directors and (majority) Shareholders
Global Food and Ingredients (USA) Inc.	Article 6.5 of the By Laws of the Corporation (Delaware)	The Company shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Company to restrict the transfer of shares of stock of the Company of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.
North Lily Foods Inc.	Article 6.5 of the By Laws of the Corporation (Delaware)	The Company shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Company to restrict the transfer of shares of stock of the Company of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

The power to pledge the Company's Equity Interests is vested exclusively in its (check one):

- Members/Shareholders
 Manager

Membership Interests Treated as Securities UCC Article 8 or equivalent in Canada. Only if the Company or any of its subsidiaries is a limited liability company or a partnership, please indicate whether the Company or any subsidiary has in its currently effective certificate of formation or operating agreement provide that ("opted into") such membership interests shall be treated as "securities" as defined in Article 8 of the applicable Uniform Commercial Code or the Canadian equivalent and please indicate what provision of the document so provides:

Opted In? (Y/N)	Applicable Section Reference
n/a	

Government Receivables. Does the Company its parent or any of its subsidiaries have any accounts receivable due from or contracts with the United States Government, the Canadian government, any United States or Canadian agency or department, or any state, provincial, territorial, municipal or similar agency or department?

- No.
 Yes. If yes, indicate percentage of total accounts receivable: _____ %.

Books and Records. The books and records of the Company, its parent and its subsidiaries pertaining to accounts, contract rights, etc., are located at the following location(s):

<u>Street Address</u>	<u>City</u>	<u>County</u>	<u>State</u>
Electronic (locally and in the cloud, live back-up)	Toronto	Canada	ON

Owned Properties. Indicate (a) if the Company, its parent, or any of its subsidiaries owns any real property, (b) whether it is subject to a prior mortgage in favor of a third party and (c) whether collateral is located there:

<u>Full Property Address</u>	<u>Subject to Existing Mortgage (Y/N)</u>	<u>Existing Mortgagee</u>	<u>Mortgage Debt Secured</u>	<u>Type of Collateral and Aggregate Value</u>
100 Elevator Road, Zealandia, SK, S0L 3N0, Canada (“Zealandia”) Owner: Global Food and Ingredients Inc.	Y	FCC	\$25.0m mortgage / o/s term debt as at Jan 9 is \$15.2m	Real Property & Equipment
100 South Railway Avenue, Lajord, SK, S0G 2V0, Canada (“Lajord”) Owner: Global Food and Ingredients Inc.	Y	FCC	\$25.0m mortgage / o/s term debt as at Jan 9 is \$15.2m	Equipment Property (not Land - see below)
R.M. of Lajord No 128, SK, (Vigro) S0G 4K0, Canada (“Vigro”) Owner: Global Food and Ingredients Inc.	Y	FCC	\$25.0m mortgage / o/s term debt as at Jan 9 is \$15.2m	Real Property & Equipment

Leased Locations. Indicate where the Company, its parent or any of its subsidiaries leases office space or Company-controlled, parent controlled or subsidiary controlled non-public warehouse space and the Company, its parent or any of its subsidiaries maintains the following types of collateral there (if the only collateral on the premises is books and records, office furniture, computer equipment and computer software and similar assets, then indicate “Office Collateral”):

<u>Landlord</u>	<u>Address</u>	<u>Lease Ends On</u>	<u>Monthly Rent</u>	<u>Type of Collateral and Aggregate Value</u>
Next Step Capital Corp. (w/ Global Food and Ingredients Inc.)	43 Colborne Street Suite 400, Toronto ON M5E 1E3 (4th floor)	09/30/2024	\$15,000	Office Collateral ~\$145k
Next Step Capital Corp. (w/ Global Food and Ingredients Inc.)	43 Colborne Street Suite 300, Toronto ON M5E 1E3 (3rd floor) - <i>subleased</i>	01/31/2027	\$3,000	Office Collateral (net of sublet revenue) \$0
Sterling Wealth Management Inc. (w/ Global Food and Ingredients Inc.)	PO Box 908 Winkler, MB, R6W 4A9	01/31/2023 Month-to-month	\$800	Office Collateral \$0
Harvest Mills Associates, LLC (w/ North Lily Foods Inc.)	261 Harvest Mill Ln, Clayton, NC 27520, USA	06/30/2025	\$12,000	Office Collateral (US\$2k) Warehouse and Packaging Equipment (US\$450k)

				Inventory (US\$750k)
Stewart Southern Railways Inc. (w/ Global Food and Ingredients Inc.)	100 South Railway Avenue, Lajord, SK, S0G 2V0, Canada	09/30/2025	\$10,000 (per annum)	Land at the Lajord facility.

Warehouse Locations. Indicate (a) where the Company, its parent or any of its subsidiaries leases public warehouse space where the warehouseman controls the goods, (b) what type of collateral is located there and (c) the collateral's approximate value:

<u>Warehouser</u>	<u>Address</u>	<u>Lease Ends On</u>	<u>Monthly Payment</u>	<u>Type of Collateral and Aggregate Value</u>
n/a		__/__/20__	\$	

Processor Locations. Indicate (a) where there are unfinished goods inventory located on the premises of processors where the finishing/processing is done by the processor and not the Company, its parent or any of its subsidiaries (b) what type of collateral is located there and (c) the collateral's approximate value:

<u>Processor</u>	<u>Address</u>	<u>Agreement Ends On</u>	<u>Monthly Payment</u>	<u>Type of Collateral and Aggregate Value</u>
n/a		__/__/20__	\$	

Consigned Locations. Indicate (a) with whom and where the Company, its parent or any of its subsidiaries stores inventory on consignment, (b) what type of collateral is located there and (c) the collateral's approximate value:

<u>Consignee and Identify Nature of the Consignment</u>	<u>Address</u>	<u>Agreement Ends On</u>	<u>Type of Collateral and Aggregate Value</u>
n/a			

Bailee Locations. Indicate (a) with whom and where the Company, its parent or any of its subsidiaries otherwise stores its Collateral if not already noted above, (b) what type of collateral is located there and (c) the collateral's approximate value:

<u>Bailee and Identify Nature of the Bailment</u>	<u>Address</u>	<u>Agreement Ends On</u>	<u>Monthly Payment</u>	<u>Type of Collateral and Aggregate Value</u>
Fairview Mills Inc (GFI Inc., all pet food, will transfer to Big Sky on close)	711 S Highway 59 Anderson, MO 64831, US	n/a	3rd Party - Warehousing and Shipping	Inventory – n/a
Flash Freight Systems (GFI Inc., all pet food, will transfer to Big Sky on close)	5894 Eighth Line Ariss ON N0B 1B0 Canada	n/a	3rd Party - Warehousing and Shipping	Inventory – n/a
Global Agriculture Trans-Loading (GFI Inc.)	11678 130th Street Surrey BC V3R 2Y3	n/a	3rd Party – Transloader	Inventory - <\$100k
Ray-Mont Logistics (GFI Inc.)	1751 Richardson Suite 5-500 Montreal, Quebec H3K 1G8	n/a	3rd Party - Transloader	Inventory - ~\$250k

WTC Group Inc. (GFI Inc.)	1389 Lindsey Place, Annacis Island Delta, B.C. V3M 6V1	n/a	3rd Party - Transloader	Inventory - <\$100k
PDS Warehousing (GFI Brands)	1070 Swansea Dr. Batavia, IL 60510	n/a	3rd Party - Warehousing and Shipping	Consumer packaged goods products. ~\$500k
Westmark Warehousing Services	70 Bethridge Rd Unit #4, Etobicoke, ON M9W 1N1	n/a	3rd Party - Warehousing and Shipping	Consumer packaged goods products. < \$100k
Radicle Foods (GFI Brands)	2250 South Chicago St Joliet, IL US 60436	n/a	3rd Party - Warehousing and Shipping	Consumer packaged goods products. < \$100k
Yaya Foods (GFI Brands)	450 Kipling Ave., Toronto, M8Z 5E1	n/a	3rd Party - Warehousing and Shipping	Consumer packaged goods products. < \$100k
Federal Companies (GFI Brands)	200 National Rd East Peoria, IL 61611	n/a	3rd Party - Warehousing and Shipping	Consumer packaged goods products. < \$100k
Kanban Logistics (North Lilly Foods)	3006 Anaconda Road Tarboro NC 27886	n/a	3rd Party - Warehousing and Shipping	Inventory - <\$100k

Other Collateral Located at the Company's, its parent's or any subsidiaries Premises. The following is a description of all inventory owned by third parties located at the Company's premises, the parent's premises or any subsidiary's premises:

<u>Company's Location</u>	<u>Description of Assets</u>	<u>Owner of Assets</u>
n/a		

Trademarks. The following is a list of all trademarks, trademark applications owned by the Company its parent and any of its subsidiaries:

<u>Trademark Title</u>	<u>Application No.</u>	<u>Date of Application</u>	<u>Reg. No.</u>	<u>Date of Registration</u>
Pulsera & Design	2188051 (pending)		n/a	
PULSERA	2188052 (pending)		n/a	
Five Peas in Love Logo Design	2131699 (pending)		n/a	
FIVE PEAS IN LOVE	2131648 (pending)		n/a	
FIVE PEAS	2131647 (pending)		n/a	
NORTH LILY	2050178 (pending)		n/a	
GFI & Design	2048960 (pending)		n/a	
OSCAR	2048959 (pending)		n/a	
Harvest Craft & Design	2190197 (pending)		n/a	
HARVEST CRAFT	2186272 (pending)		n/a	
BENTILIA	2185836 (pending)		n/a	
BENTILIA10	2185835 (pending)		n/a	
Bentilia Logo & Design	1797763		TMA 995587	
Bentilia a Tastier Way to Wellness	2189115 (pending)		n/a	
Yofit	2229191 (pending)		n/a	

Patents. The following is a list of all patents, patent applications owned by the Company, its parent and its subsidiaries:

<u>Patent Title</u>	<u>Application No.</u>	<u>Date of Application</u>	<u>Reg. No.</u>	<u>Date of Registration</u>
n/a	App.	__/__/20__		__/__/20__

Copyrights. The following is a list of all copyrights, copyright applications owned by the Company, its parent and its subsidiaries:

<u>Copyright Title</u>	<u>Application No.</u>	<u>Date of Application</u>	<u>Reg. No.</u>	<u>Date of Registration</u>
n/a		__/__/20__		__/__/20__

License Agreements. The following is a list of all license agreements and franchise agreements for trademarks, patents or copyrights (together with the identity of the licensor and licensee under such agreements) to which the Company, its parent or any of its subsidiaries is a party (either as licensor or as licensee):

<u>Licensor</u>	<u>Agreement</u>	<u>Date of Agreement</u>	<u>Does the Agreement Restrict Siena's ability to use the license w/o Licensor's consent?</u>
n/a		/ /20__	

Domain Names. The following is a list of all internet domain name registrations used in connection with the business of the Company by the Company, its parent or any of its subsidiaries:

<u>Internet Domain Name</u>	<u>Expiration Date</u>
gfiglobalfeud.com	09-Aug-2024 (not to be renewed)
gfiglobalfoods.com	09-Aug-2025
Trebbs12.com	16-Aug-2024 (not to be renewed)
Bentilia.ca	12-Jun-2027
Bentilia.com	26-Oct-2027
<u>gfiglobalfood.com</u>	24-Apr-2024
<u>gfibrands.com</u>	30-Mar-2024
gfibrands.ca	30-Mar-2024
<u>northlily.com</u>	22-Apr-2024
<u>northlilyfoods.com</u>	14-Aug-2026
peasandlovefood.com	12-Apr-2024
peasandlovefoods.com	12-Apr-2024
<u>fivepea.com</u>	07-Sep-2025
<u>fivepeas.ca</u>	05-Aug-2024
<u>fivepeas.com</u>	26-Sep-2024
<u>fivepeasinlove.ca</u>	05-Aug-2024
<u>fivepeasinlove.com</u>	05-Aug-2024
<u>gfiglobalfood.ca</u>	14-Aug-2026
<u>harvestcraftfood.com</u>	07-Jun-2024
<u>harvestcraftfoods.ca</u>	14-Jun-2024
<u>harvestcraftfoods.com</u>	14-Jun-2024
<u>northlily.ca</u>	14-Aug-2024
<u>northlilyfood.com</u>	01-Dec-2024
<u>northlilyfoods.ca</u>	14-Aug-2026

Bank Accounts. The Company, its parent and its subsidiaries maintain the following bank accounts and lockbox and P.O. box arrangements relating to such account (Please indicate the account into which Lender shall fund the proceeds of Loans with an asterisk: "*"):

<u>Company</u>	<u>Bank</u>	<u>Acct No.</u>	<u>Purpose of Account</u>	<u>Is this Account a</u>
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			<u>(collections, disbursement, payroll, worker's comp., etc.)</u>	<u>Restricted Account? Mark "Yes" or "No"</u>
GFI Brands Inc.	BMO	1555486	Collections	N
GFI Brands Inc.	BMO	1555507	Disbursement	N
Global Food and Ingredients Inc.	BMO	1555515	Collections	N
Global Food and Ingredients Inc.	BMO	1555523	Disbursement	N
Global Food and Ingredients Inc.	BMO	4500658	Collections	N
Global Food and Ingredients Inc.	BMO	4500674	Disbursement	N
Global Food and Ingredients Inc.	BMO	2676294	Collections	N
Global Food and Ingredients Inc.	BMO	2676302	Disbursement	N
GFI Brands Inc.	JP Morgan Chase	4011771499	Collections/Disbursement	N
GFI Brands Inc.	JP Morgan Chase	793816569	Collections/Disbursement	N
Global Food and Ingredients Inc.	JP Morgan Chase	4011771184	Collections	N
Global Food and Ingredients Inc.	JP Morgan Chase	4011771185	Disbursement	N
Global Food and Ingredients Inc.	JP Morgan Chase	4011764271	Collections	N
Global Food and Ingredients Inc.	JP Morgan Chase	4011764270	Disbursement	N
Global Food and Ingredients Inc.	JP Morgan Chase	761603676	Collections/Disbursement	N
North Lily Foods Inc.	JP Morgan Chase	763682363	Collections	N
North Lily Foods Inc.	JP Morgan Chase	763682389	Disbursement	N
Big Sky Milling Inc.	The Bank of Nova Scotia	0776017	Collections/Disbursement	N
Global Food and Ingredients Inc.	The Bank of Nova Scotia	1335111	Collections/Disbursement	N
Global Food and Ingredients Inc.	The Bank of Nova Scotia	1601016	Collections/Disbursement	N

Commercial Tort Claims. The Company, its parent and each of its subsidiaries has an interest in the following commercial tort claims:

<u>Case Name</u>	<u>Case Index No.</u>	<u>Court</u>	<u>Description of Claim</u>	<u>\$ Value</u>
n/a				

Investment Property. Other than Equity Interest in Subsidiaries, the Company, its parent and each of its subsidiaries owns equity in the following entities and/or securities:

<u>Name of Entity</u>	<u>State of Formation</u>	<u>Number of Interests</u>	<u>% of Ownership</u>	<u>Certificate Numbers (if applicable)</u>
n/a				

Promissory Notes. The Company, its parent and each of its subsidiaries has been issued for its benefit and holds the following Promissory Notes:

<u>Maker</u>	<u>Amount</u>	<u>Date</u>	<u>Maturity Date</u>	<u>Secured or Unsecured</u>
Global Food and Ingredients Ltd. (owed to 35 Oak Holdings Ltd.)	\$3.0m + accrued interest (15% per annum)	_02/02/2023	02/02/2024	Unsecured (repaid through conversion to equity of Big Sky Milling Inc. as part of the pet food transaction)

Letter of Credit Rights. The Company, its parent and each of its subsidiaries has the right to draw upon the following letters of credit:

<u>Account Party</u>	<u>Issuer</u>	<u>Date</u>	<u>L/C No.</u>	<u>Expiry Date</u>
n/a		/ /20__		/ /20__

Life Insurance Policies. The Company, its parent and each of its subsidiaries presently owns or is named as beneficiary on the following life insurance policies:

<u>Insurance Carrier</u>	<u>Insured</u>	<u>Amount</u>	<u>Policy No.</u>
ManuLife	David Hanna	\$10.0m	3772270

Guarantees Given. The Company, its parent and its subsidiaries have guaranteed or endorsed the following obligations of others:

Indicate whether or not the Company, its parent or any of its subsidiaries will continue to remain obligated after the Closing Date.

<u>Primary Obligor</u>	<u>Amount</u>	<u>Date</u>	<u>Maturity Date</u>	<u>Secured or Unsecured</u>
Global Food and Ingredients (USA) Inc.	Unlimited	FCC Credit Facility	FCC Credit Facility	Secured – FCC agreement
North Lily Foods Inc.	Unlimited	FCC Credit Facility	FCC Credit Facility	Secured – FCC agreement
GFI Brands Inc.	Unlimited	FCC Credit Facility	FCC Credit Facility	Secured – FCC agreement
Global Food and Ingredients Ltd.	Unlimited	FCC Credit Facility	FCC Credit Facility	Secured – FCC agreement

Existing Indebtedness. Below is a list of existing indebtedness of the Company, its parent and any of its subsidiaries. Indicate whether (a) such indebtedness will be paid on the Closing Date, and if so, whether in full or (b) if not, whether such indebtedness will be subordinated to Siena on the Closing Date:

<u>Creditor</u>	<u>Amount Outstanding</u>	<u>Secured (Y/N)</u>	<u>Will be Subordinated (Y/N)</u>	<u>Maturity Date</u>	<u>To be Paid Off at Closing (Y/N)</u>	<u>Paid in Full? (Y/N) If not, amount?</u>
JP Morgan	~\$10.0m (exc. Pet food portion)	Y	n/a	27/08/20__	Yes	Y (portion paid through pet food transaction)
FCC-3	\$3.6m (as at Jan 9, 2024)	Y	Y on AR and Inv (via intercreditor)	01/10/2026	N	n/a

FCC-2	\$1.8m (as at Jan 9, 2024)	Y	Y on AR and Inv (via intercreditor)	02/07/2026	N	n/a
FCC-1	\$9.8m (as at Jan 9, 2024)	Y	Y on AR and Inv (via intercreditor)	02/06/2025	N	n/a

Existing Liens. The Company's, its parent and its subsidiaries assets are subject to the following liens, security interests, attachments and garnishments. Indicate whether (a) such liens will be released on the Closing Date, or (b) such liens will be subordinated to Siena on the Closing Date:

<u>Assets Subject to Lien</u>	<u>Secured Party</u>	<u>Amount Secured</u>	<u>To be Released at Closing (Y/N)</u>	<u>To be Subordinated at Closing (Y/N)</u>
3 Saskatchewan and 1 Alberta properties	FCC	\$25.0m	N	N
GSA	FCC	n/a	N	Y (AR and inventory)
3 Saskatchewan and 1 Alberta properties	JPM	n/a	Y	n/a
GSA	JPM	n/a	Y	n/a
Forklift (at Alberta property) – with Big Sky Milling Inc.	Meridian OneCap	~\$37k (on signing)	N	n/a
Forklift (at Clayton NC) – with North Lily Foods Inc.	Byline Financial Group	~US\$37k (on signing)	N	N
Forklift (at Zealandia) – with GFI Inc.	De Lage Landen Financial Services Canada Inc.	~\$44k (on signing)	N	N

Shareholder/Employee Indebtedness. None of the owners, officers or directors of the Company, its parent or any of its subsidiaries nor any other person or entity (each a “Creditor”) has any claim against the Company, the parent or any of its subsidiaries for amounts due such Creditor, other than ordinary salary and amounts owing to any such Creditor in the ordinary course of business except:

<u>Creditor</u>	<u>Amount</u>	<u>Secured (Y/N)</u>	<u>Will be Subordinated (Y/N)</u>	<u>Maturity Date</u>	<u>To be Paid Off at Closing (Y/N)</u>	<u>Paid in Full? (Y/N) If not, amount?</u>
n/a	\$			/ /20		

Insurance Coverage. The Company, its parent and its subsidiaries presently maintains property, fire, business interruption, liability, product liability and extended coverage insurance as follows:

<u>Carrier</u>	<u>Type of Coverage</u>	<u>Deductible</u>	<u>Policy No.</u>	<u>Term</u>	<u>Named Insurer</u>
AIG Insurance Company of Canada	D&O - Primary Liability \$5,000,000	\$75,000 retention (where applicable)	01-146-74-49	June 13, 2023 - June 13, 2024	Global Food and Ingredients Ltd.
Allied World Specialty Insurance Company	D&O – Excess Liability \$5,000,000	excess of primary	0313-4360	June 13, 2023 - June 13, 2024	Global Food and Ingredients Ltd.
Liberty Mutual Insurance Company	Employment Practices Liability \$5,000,000 each loss; \$5,000,000 aggregate	\$25,000	EPCGACKKX0001	July 11, 2022 - July 11, 2025	Global Food and Ingredients Ltd.

Liberty Mutual Insurance Company	Captive Property \$225,000	\$25,000	CPTOABZ740022	October 1, 2023- October 1, 2024	Global Food and Ingredients Ltd., Global Food and Ingredients Inc., GFI Brands Inc., Big Sky Milling Inc.
Allied World Specialty Insurance Company (90%) / XL Specialty Insurance Company (10%)	Property \$25,000,000 Business Interruption \$6,000,000	\$250,000	713422	October 1, 2023- October 1, 2024	Global Food and Ingredients Ltd., Global Food and Ingredients Inc., GFI Brands Inc., Big Sky Milling Inc.
Allianz Global Risks US Insurance Company -50%; Northbridge General Insurance Corporation (Burns & Wilcox Canada, ULC) - 50%	Marine cargo \$3,000,000 any one vessel or location and applying separately to anyone connecting conveyance or at any place at any time while in the normal course of transit; \$900,000 any one Domestic inland conveyance.	\$1,000 any one loss	CAM001606220	November 26, 2023 - November 26, 2024	Global Food and Ingredients Ltd., Global Food and Ingredients Inc., GFI Brands Inc.
Everest Insurance Company of Canada	Commercial General Liability \$2,000,000 (various limits and sublimits apply)	\$10,000 (various deductibles apply)	E4MF007937	November 26, 2023 - October 1, 2024	Global Food and Ingredients Ltd., Global Food and Ingredients Inc., GFI Brands Inc., Big Sky Milling Inc.
Everest Insurance Company of Canada	Excess Liability \$8,000,000 (various aggregate limits apply)	\$10,000 SIR applies; excess of underlying CGL and NOA	E4MF007938	November 26, 2023 - October 1, 2024	Global Food and Ingredients Ltd., Global Food and Ingredients Inc., GFI Brands Inc., Big Sky Milling Inc.
Chubb Insurance Company of Canada	Cyber \$2,000,000 (various limits and sublimits apply)	\$25,000	82616454	November 26, 2023 - November 26, 2024	Global Food and Ingredients Ltd., Global Food and Ingredients Inc., GFI Brands Inc., Big Sky Milling Inc.
The Hartford Underwriters Insurance Company – North Lily	As per Workers Compensation law for the various status; \$1,000,000 Bodily Injury by Accident; \$1,000,000 Bodily	As applicable	72 WBC AP3Z04	November 26, 2023 - November 26, 2024	North Lily Foods Inc.

	Injury by Disease; each employee and policy limit				
The Hartford Underwriters Insurance Company – North Lily	US Package \$2,000,000 each occurrence; \$4,000,000 General Aggregate; \$4,000,000 Products and Completed Ops Aggregate; \$3,000,000 Umbrella Liability; \$25,000 Employment Practices Liability; Various property limits apply for tenant improvements at US locations	Nil property damage and liability deductible; \$1,000 Property deductible	72 SBA AP3Z0P	November 26, 2023 - November 26, 2024	North Lily Foods Inc.
Export Development Canada	Export receivables policy	USD\$50,000	SE100975	February 1, 2024 – January 31, 2025	Global Food and Ingredients Inc.
Intact Insurance Company	Credit insurance policy	USD\$50,000	9MIC02139	February 1, 2024 – February 1, 2025	Global Food and Ingredients Inc., GFI Brands Inc., North Lily Foods Inc.
Intact Insurance Company	Insurance Policy for Licensee of the Canadian Grain Commission		9MIC09027	January 1, 2024 – July 1, 2024	Global Food and Ingredients Inc.

Defendant Litigation. The following is a list of litigations, administrative proceedings and governmental proceedings pending or threatened against the Company, its parent and any of its subsidiaries:

<u>Case Name</u>	<u>Case Index No.</u>	<u>Court</u>	<u>Description of Claim</u>	<u>Covered by Insurance (Y/N)</u>	<u>Amount of Claim</u>
n/a					\$

Plaintiff Litigation. The Company, its parent and its subsidiaries is presently a plaintiff in the following litigation:

<u>Case Name</u>	<u>Case Index No.</u>	<u>Court</u>	<u>Description of Claim</u>	<u>Amount of Claim</u>
n/a				\$

Bankruptcy/Proceedings. Have any of the following events occurred during the past five years?*

* For purposes of computing the five-year period referred to in this paragraph, the date of a reportable event shall be deemed the date on which the final order, judgment or decree was entered, or the date on which any rights of appeal from preliminary orders, judgments, or decrees have lapsed. With respect to bankruptcy petitions, the computation date shall be the date of filing for uncontested petitions or the date upon which approval of a

(a) Was a petition under the Bankruptcy Act or any state insolvency law filed by or against, or was a receiver, fiscal agent or similar office appointed by a court for the business or property of (i) any owner of the Company, its parent or its subsidiaries, (ii) any partnership in which any owner of the Company, its parent or its subsidiaries was a general partner at or within two years before the time of such filing, or (iii) any corporation or business association of which any owner of the Company its parent or any of its subsidiaries was an executive office at or within two years before the time of such filing?

- No
- Yes. If so, explain:

n/a

(b) Was any owner, officer or director of the Company, its parent or any of its subsidiaries convicted in a criminal proceeding, or is any owner or officer of the Company the named subject to a pending criminal proceeding? Omit traffic violations and other minor offenses.

n/a

Supply Agreements; Material Contracts. The following is a list of all material supply agreements and other material contracts to which the Company, its parent and any of its subsidiary is a party:

<u>Name of Agreement</u>	<u>Party to Agreement</u>	<u>Date of Agreement</u>	<u>Date of Expiry</u>	<u>Nature of Agreement</u>
n/a		/ /20	/ /20	

Collective Bargaining Agreements; Multi Employer Plans. The following is a list of collective bargaining agreements and multi-employer plans to which the Company, its parent or any of its subsidiaries is a party:

<u>Name of Agreement</u>	<u>Party to Agreement</u>	<u>Date of Agreement</u>	<u>Date of Expiry</u>	<u>Nature of Agreement</u>
n/a		/ /20	/ /20	

New Jersey; Business Activities Report. Does the Company have any customers located in New Jersey? (If the Company is organized under the laws of New Jersey, please indicate, N/A).

Yes No If yes, indicate percentage of total accounts receivable: ___%, and the approximate amount collected from all account debtors which maintain a place of business in New Jersey is \$_____ per year.

Minnesota; Business Activities Report. Does the Company have any customers located in Minnesota? (If the Company is organized under the laws of Minnesota, please indicate, N/A).

Yes No If yes, indicate percentage of total accounts receivable: ___%, and the approximate amount collected from all account debtors which maintain a place of business in Minnesota is \$_____ per year.

1379-0677-6073

**SCHEDULE A
DESCRIPTION OF CERTAIN TERMS**

Loan Limits for Revolving Loans and Letters of Credit:	
Maximum Revolving Facility Amount:	\$20,000,0000, subject to the Facility Increase option of up to \$5,000,000 subject to no Default or Event of Default and payment of a fee of 2% of the amount of the Facility Increase in accordance with the terms hereof.
Advance Rates:	
Accounts Advance Rate:	(a) 88% of Eligible Insured Accounts and Eligible Accounts of the Borrowers; <i>provided</i> , that if Dilution exceeds 1% in the case of Eligible Insured Accounts or 5% in the case of Eligible Accounts that are not insured, Lender may, at its option (A) reduce such advance rate by the number of full or partial percentage points comprising such excess(es) or (B) establish a Reserve on account of such excess (the “ Dilution Reserve ”).
Inventory Advance Rate(s):	The lesser of: (i) 70% of Eligible Inventory of Borrowers (as calculated on a total basis) at the lower of cost or market, provided that such amount shall not exceed 85% of the Net Orderly Liquidation Value of such Eligible Inventory, as adjusted for the High Season and the Low Season.
Packaging:	25%
Accounts Sublimit:	American Bean limited to \$500,000.
Inventory Sublimit(s):	100% of Availability from Accounts
Sublimit on In-Transit Inventory	In-Transit Inventory shall be capped at 25% of the total amount lent against Inventory.
Packaging Sublimit:	\$150,000 of eligible packaging
Letter of Credit Limit:	\$2,000,000

Availability Block:	\$1,000,000, which may be removed, at Borrowers' option, once the Borrowers have achieved a Fixed Charge Coverage Ratio of 1.1x which has been maintained on a trailing twelve (12) month basis. Once such Availability Block is removed, Borrowers must at all times maintain an Fixed Charge Coverage Ratio of 1.1x at all times, and failure to do so shall be an Event of Default.
[Reserved]	
Interest Rate:	
Revolving Loans and Letters of Credit denominated in Canadian Dollars:	4.00% per annum in excess of CDOR (1 month CDOR tenor), subject to any subsequent Benchmark Replacement Events and the applicable provisions hereof with respect thereto but at all times shall not be less than 8.38% per annum.
Maximum Days re Eligible Accounts:	
Maximum days after original invoice date for Eligible Accounts:	Ninety (90) days
Maximum days after original invoice due date for Eligible Accounts:	Sixty (60) days
Maximum Days re Eligible Insured Accounts:	
Maximum days after original invoice date for Eligible Insured Accounts:	One hundred and twenty (120) days
Maximum days after original invoice due date for Eligible Insured Accounts:	Ninety (90) days

Lender's Bank:	<p>BMO Bank of Montreal S.W.I.F.T. BIC CODE: BOFMCAM2 Routing Number: CC000100022 Bank Address: BANK OF MONTREAL, 100 KING ST. WEST, TORONTO ON, Canada, M5X1A3</p> <p>SIENA LENDING GROUP CANADA LLC Beneficiary Address: 9 W BROAD ST SUITE 540 STAMFORD CT 06902 UNITED STATES Beneficiary Account#:1628-235 Branch Code: 00022 Institution #: 001 Reference: Global Food and Ingredients Inc. (which bank may be changed from time to time by notice from Lender to Borrowers)</p>
Scheduled Maturity Date:	February 1, 2027 or such other date as determined in accordance with the terms of the Intercreditor Agreement

SCHEDULE B DEFINITIONS

Unless otherwise defined herein, the following terms are used herein as defined in the PPSA: Account, Certificated Security, Chattel Paper, Debtor, Document of Title, Electronic Chattel Paper, Equipment, Goods, Instruments, Intangibles, Inventory, Money, Proceeds, Secured Party, Securities Account, Security, Security Agreement, Security Interest, Tangible Chattel Paper and Uncertificated Security provided that when used to define a category or categories of the Collateral which is subject to the UCC, such terms shall include the equivalent category or categories of property set forth in the applicable UCC.

As used in this Agreement, the following terms have the following meanings:

“**35 Oak**” means 35 Oak Holdings Ltd.

“**35 Oak Big Sky Debt Documents**” means the loan and security documents entered into by Big Sky in connection with the 35 Oak Big Sky Indebtedness, each dated the date hereof: (i) a loan agreement between Big Sky and 35 Oak (ii) a general security agreement in favour of 35 Oak from Big Sky and (iii) a \$10M mortgage from Big Sky to 35 Oak, as amended, modified, supplemented, restated or replaced from time to time and all other documents, instruments, guarantees and any and all related pledges and mortgage security document in connection thereto.

“**35 Oak Big Sky Indebtedness**” means the indebtedness owing to 35 Oak pursuant to the 35 Oak Big Sky Debt Documents in the principal amount of \$10,000,000 (consisting of a \$5,000,000 term facility and \$5,000,000 revolver) , the proceeds of which are to be used to: (i) partially repay the JPM Indebtedness, (ii) to finance the acquisition of the Pet Foods Business by Big Sky and (iii) to recapitalize Big Sky.

“**35 Oak Subordinated Debt Documents**” means the following documents entered into in connection with the 35 Oak Subordinated Indebtedness, each dated the date hereof: (i) a promissory note executed in favour of 35 Oak by GFI (ii) a general security agreement in favour of 35 Oak from GFI; (iii) a unanimous shareholder agreement between Parent and 35 Oak as amended, modified, supplemented, restated or replaced from time to time and all other documents, instruments, guarantees and any and all related pledges and mortgage security document in connection thereto.

“**35 Oak Subordinated Indebtedness**” means the subordinated indebtedness owed to 35 Oak pursuant to the 35 Oak Subordinated Debt Documents in the principal amount of \$500,000.

“**ABLServe**” means the electronic and/or internet-based system approved by Lender for the purpose of making notices, requests, deliveries, communications, and for the other purposes contemplated in this Agreement or otherwise approved by Lender, whether such system is owned, operated or hosted by Lender, any of its Affiliates or any other Person.

“**Accounts Advance Rate**” means the applicable percentage set forth in Section 1(b)(i) of Schedule A.

“**Account Debtor**” means any Person obligated on an Account.

“**Advance Rates**” means, collectively, the Accounts Advance Rate and the Inventory Advance Rate.

“**Affiliate**” means, with respect to any Person, any other Person in control of, controlled by, or under common control with the first Person, and any other Person who has a substantial interest, direct or indirect, in the first Person or any of its Affiliates, including, any officer or director of the first Person or any of its Affiliates; provided, however, that neither Lender nor any of its Affiliates shall be deemed an “Affiliate” of any Borrower for any purposes of this Agreement. For the purpose of this definition, a “substantial interest” shall mean the direct or indirect legal or beneficial ownership of more than twenty-five percent (25%) of any class of equity or similar interest.

“**Agreement**” and “**this Agreement**” have the meanings set forth in the heading to this Agreement.

“**Approved Electronic Communication**” means each notice, demand, communication, information, document and other material transmitted, posted or otherwise made or communicated by e-mail, facsimile, ABLServe, or any other equivalent electronic service, whether owned, operated or hosted by Lender, any of its Affiliates or any other Person, that any party is obligated to, or otherwise chooses to, provide to Lender pursuant to this Agreement or any other Loan Document, including any financial statement, financial and other report, notice, request, certificate and other information or material; provided that Approved Electronic Communications shall not include any notice, demand, communication, information, document or other material that Lender specifically instructs a Person to deliver in physical form.

“**Authorized Officer**” means the chief executive officer, chief financial officer or treasurer of any Borrower and each other Person designated from time to time by any of the foregoing officers of any Borrower in a notice to Lender, which designation shall continue in force and effect until terminated in a notice to Lender from any of the foregoing officers of any Borrower.

“**Availability Block**” means the availability block described in Schedule A hereto.

“**Bankruptcy Code**” means the United States Bankruptcy Code (11 U.S.C. § 101 et seq.).

“**Big Sky**” means Big Sky Milling Inc., an Ontario corporation.

“**Blocked Account**” has the meaning set forth in Section 4.1.

“**Borrowers**” has the meaning set forth in the Preamble to this Agreement.

“**Borrowing Agent**” means Global Food and Ingredients Inc. acting for itself in its capacity as a Borrower or in its capacity as agent for all of the Borrowers (including itself).

“**Borrowing Base**” means, as of any date of determination, the Canadian Dollar Equivalent Amount as of such date of determination of (a) the aggregate amount of Eligible Accounts and Eligible Insured Accounts multiplied by the applicable Accounts Advance Rate; plus (b) the lower of cost or market value of Eligible Inventory multiplied by the applicable Inventory Advance Rate(s), but not to exceed the Inventory Sublimit(s); Rate; minus (c) all Reserves which Lender has established pursuant to Section 1.2 (including those to be established in connection with any

requested Revolving Loan or Letter of Credit); minus (d) the Availability Block, if any, set forth in Section 1(f) of Schedule A.

“**Business Day**” means a day other than a Saturday or Sunday or any other day on which Lender or banks in New York, New York or Toronto, Ontario are authorized to close.

“**CAML**” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), Part II.1 of the Criminal Code (Canada), the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), and other applicable anti-money laundering and/or anti-terrorism laws or government sanctions and “know your client” policies, regulations, laws or rules applicable in Canada, including any guidelines or orders thereunder.

“**Canada**” means the country of Canada, together with any province or territory thereof and any political subdivision of any of them.

“**Canadian Benefit Plans**” means any plan, fund, program, or policy, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, providing employee benefits, including medical, hospital care, dental, sickness, accident, disability, life insurance, pension, retirement or savings benefits, under which any of the Loan Parties or any of its Subsidiaries has any liability with respect to any employee or former employee related to employment in Canada, but excluding any Canadian Pension Plans (as defined below).

“**Canadian Defined Benefit Plan**” means any Canadian Pension Plan which contains a “defined benefit provision” as defined in subsection 147.1(1) of the ITA.

“**Canadian Dollars**” or “**\$**” means the lawful currency of Canada, as in effect from time to time.

“**Canadian Dollar Equivalent**” means, at any time, (a) as to any amount denominated in Canadian Dollars, the amount hereof at such time, and (b) as to any amount denominated in a currency other than Canadian Dollars, the equivalent amount in Canadian Dollars as determined by Lender at such time that such amount could be converted into Canadian Dollars by Lender according to prevailing exchange rates selected by Lender.

“**Canadian Insolvency Law**” means legislation in Canada (or any province thereof) relating to bankruptcy, insolvency, reorganization, arrangement, compromise or re-adjustment of debt, liquidation, dissolution or winding-up, or any similar legislation, and specifically includes, for greater certainty, the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), and the *Winding-up and Restructuring Act* (Canada), each as now and hereafter in effect, and any successors to such statutes and any proceeding under applicable corporate law seeking an arrangement or compromise of some or all of the debts of a Person or a stay of proceedings to enforce some or all claims of creditors against a Person.

“**Canadian Pension Event**” means (a) the voluntary whole or partial wind up of a Canadian Pension Plan by any Loan Party or any Subsidiary; (b) the filing of a notice of intent to terminate in whole or in part a Canadian Pension Plan or the treatment of a Canadian Pension Plan amendment as a termination or partial termination; (c) the institution of proceedings by any Governmental Authority to terminate in whole or in part or have a trustee appointed to administer a Canadian Pension Plan, or (d) any other event or condition which might constitute grounds for

the termination of, winding up or partial termination or winding up or the appointment of trustee to administer, any Canadian Pension Plan.

“**Canadian Pension Plans**” means any plan or arrangement that is required to be registered under Canadian federal or provincial law and is or was established, maintained or contributed to or required to be contributed to by a Loan Party or any Subsidiary of any Loan Party for its employees or former employees, but does not include the Canada Pension Plan or the Quebec Pension Plan as maintained by the Government of Canada or the Province of Quebec, respectively.

“**Canadian Security Agreement**” means the General Security Agreement dated as of the Closing Date made by Borrowers and the other grantors from time to time party thereto in favor of the Lender.

“**Capital Expenditures**” means all expenditures which, in accordance with IFRS, would be required to be capitalized and shown on the consolidated balance sheet of Borrowers, but excluding expenditures made in connection with the acquisition, replacement, substitution or restoration of assets (to the extent financed (a) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored or (b) with cash awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced.

“**Capitalized Lease**” means any lease which is or should be capitalized on the balance sheet of the lessee thereunder in accordance with IFRS.

“**CDOR**” means, on any day, the stated average rate of the annual rates expressed as a percentage that appears on the display referred to as the “CDOR Page” (or any substitute therefor) of RBSL (or any successor thereto or affiliate thereof) at 10:15am (Toronto time) on such day (or if such day is not a Business Day, on the immediately preceding Business Day) for Canadian Dollar bankers’ acceptances issued on that day having a term of thirty (30) days; provided that CDOR if CDOR on any given day is a negative value and less than zero percent (0%), it shall be deemed to be equal to zero percent (0%) for such day.

“**Change of Control**” means that:

- (a) A person or company in a combination of persons or companies who are not a “control person” (as defined under the *Securities Act* (Ontario)) with respect to the Parent as of the date hereof becomes a “control person” with respect to Parent hereafter;
- (b) Parent fails to directly own and control 100% of the Equity Interests of GFI;
- (c) Parent fails to own at least 50.1% of the Equity Interests of Big Sky;
- (d) GFI fails to own 100% of the Equity Interest of GFI USA and GFI Brands;
- (e) GFI USA fails to own 100% of the Equity Interests of North Lily;

- (f) David Hanna, Bill Murray and their spouses together fail to directly own 30% of the issued and outstanding stock of Parent, on a fully diluted basis

“**Closing Date**” means February 1, 2024.

“**Closing Fee**” has the meaning set forth in Section (a) of Schedule C hereto.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Collateral**” means all property and interests in property in or upon which a security interest, mortgage, pledge or other Lien is granted pursuant to this Agreement or the other Loan Documents, including all of the property of each Loan Party described in Section 3.1.

“**Collateral Documents**” means, collectively, any security agreement, any real estate mortgages, any hypothec, any pledge, any collateral access agreement, any deposit account control agreement or blocked account agreement, each additional security and pledge agreement of a Loan Party entered pursuant to the terms of this Agreement and any other agreements, instruments and documents executed in connection with this Agreement that are intended to create, perfect or evidence Liens to secure the Obligations, including, without limitation, all other security agreements, pledge agreements, mortgages, hypothecs, deeds of trust, loan agreements, notes, guarantees, subordination agreements, pledges, powers of attorney, consents, assignments, contracts, fee letters, notices, leases, financing statements and all other written matter whether theretofore, now or hereafter executed by any Loan Party and delivered to the Lender.

“**Collateral Monitoring Fee**” has the meaning set forth in Section (c) of Schedule C hereto.

“**Collections**” has the meaning set forth in Section 4.1.

“**Compliance Certificate**” means a compliance certificate substantially in the form of Exhibit F hereto to be signed by an Authorized Officer of Borrowing Agent.

“**Confidential Information**” means confidential information that any Loan Party furnishes to the Lender pursuant to any Loan Document concerning any Loan Party’s business, but does not include any such information once such information has become, or if such information is, generally available to the public or available to the Lender (or other applicable Person) from a source other than the Loan Parties which is not, to the Lender’s knowledge, bound by any confidentiality agreement in respect thereof.

“**Credit Insurance**” means the following credit insurance of the Loan Parties: (i) EDC credit insurance with respect to foreign Account Debtors, (ii) Intact credit insurance of domestic Canadian Account Debtors pursuant to Global Credit Risk Management credit insurance, or (iii) future credit insurance providers as may be added or replaced, subject to approval by the Lender.

“**Default**” means any event which with notice or passage of time, or both, would constitute an Event of Default.

“**Default Rate**” has the meaning set forth in Section 2.1.

“**Dilution**” means, as of any date of determination, a percentage, based upon the experience of the immediately prior twelve (12) months, that is the result of dividing the Canadian Dollar Equivalent Amount of (a) bad debt write-downs, discounts, advertising allowances, credits, or other dilutive items with respect to Borrowers’ Accounts during such period, by (b) Borrowers’ billings with respect to Accounts during such period.

“**Dilution Reserve**” has the meaning set forth in Section 1(b)(i) of Schedule A.

“**Dollars**” or “**USDS**” means United States Dollars, lawful currency for the payment of public and private debts.

“**E-Signature**” means the process of attaching to or logically associating with an Approved Electronic Communication an electronic symbol, encryption, digital signature or process (including the name or an abbreviation of the name of the party transmitting the Approved Electronic Communication) with the intent to sign, authenticate or accept such Approved Electronic Communication.

“**Early Payment/Termination Premium**” has the meaning set forth in Schedule C.

“**EBITDA**” means, for the applicable period, for the Loan Parties on a consolidated basis, the sum of (a) Net Income, plus (b) Interest Expense deducted in the calculation of such Net Income, plus (c) federal, provincial, territorial, state, and local income taxes, whether paid, payable or accrued, deducted in the calculation of such Net Income, plus (d) depreciation expense deducted in the calculation of such Net Income, plus (e) amortization expense deducted in the calculation of such Net Income, plus (f) all non-cash expenses reflected in Net Income (other than write-downs of assets), including non-cash stock compensation expense, plus (g) fees, costs and expenses incurred in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder, plus (h) unrealized (non cash) foreign exchange losses, minus (i) all income from the sale of real estate, equipment, discontinued operations, and extraordinary items (including, without limitation, income from debt forgiveness) reflected in Net Income, minus (j) unrealized (non cash) foreign exchange gains.

“**EDC**” means Export Development Canada, including its successors and assigns.

“**Eligible Account**” means at any time of determination, an Account owned by a Borrower which satisfies the general criteria set forth below and which is otherwise acceptable to Lender in its Permitted Discretion (provided, that Lender may, in its Permitted Discretion, change the general criteria for acceptability of Eligible Accounts and shall notify Borrowers of such change promptly thereafter). An Account shall be deemed to meet the general criteria if:

- (a) neither the Account Debtor nor any of its Affiliates is an Affiliate, creditor or supplier of the applicable Borrower or Guarantor (with Accounts to be ineligible to the extent of any amounts owed by or to such applicable Borrower to such Person as a creditor or supplier or as a buyer);
- (b) it does not remain unpaid more than the earlier to occur of (i) the number of days after the original invoice date set forth in Section 4(a) of Schedule A or (ii) the

number of days after the original invoice due date set forth in Section 4(b) of Schedule A;

- (c) the Account Debtor or its Affiliates are not past due (or past any of applicable dates referenced in clause (b) above) on other Accounts owing to the applicable Borrower comprising more than 25% of all of the insured Accounts or 50% of all of the uninsured Accounts, as applicable, owing to the applicable Borrower by such Account Debtor or its Affiliates;
- (d) Eligible Accounts owing by the Account Debtor or its Affiliates do not represent more than 20% of all otherwise Eligible Accounts (provided, that Accounts which are deemed to be ineligible solely by reason of this clause (ii) shall be considered Eligible Accounts to the extent of the amount thereof which does not exceed 20% of all otherwise Eligible Accounts);
- (e) the Account complies with each covenant, representation or warranty contained in this Agreement or any other Loan Document with respect to Eligible Accounts (including any of the representations set forth in Section 5.4);
- (f) the Account is not subject to any contra relationship, counterclaim, dispute or set-off; provided, that such Account shall be deemed to be ineligible only to the extent of such contra, counterclaim, dispute or set-off;
- (g) the Account Debtor's chief executive office or principal place of business is located in the United States or Canada, unless (i) the sale is fully backed by a letter of credit, guarantee or acceptance acceptable to Lender in its Permitted Discretion, and if backed by a letter of credit, such letter of credit has been issued or confirmed by a bank satisfactory to Lender in its Permitted Discretion, is sufficient to cover such Account, and if required by Lender, the original of such letter of credit has been delivered to Lender or Lender's agent and the issuer thereof notified of the assignment of the proceeds of such letter of credit to Lender or (ii) such Account is subject to credit insurance payable to Lender issued by an insurer and on terms, conditions and in an amount acceptable to Lender in its Permitted Discretion;
- (h) the Account is payable solely in Dollars or Canadian Dollars;
- (i) it is absolutely owing to such Borrower and does not arise from a sale on a bill-and-hold, guaranteed sale, sale-or-return, sale-on-approval, consignment, retainage or any other repurchase or return basis or consist of progress billings;
- (j) Lender shall have verified the Account in a manner satisfactory to Lender;
- (k) the Account Debtor is not the United States of America or the Government of Canada or any state, province, territory or political subdivision of any of them (or any department, agency or instrumentality thereof), unless the applicable Borrower has complied with the *Assignment of Claims Act* of 1940 (31 U.S.C. §203 et seq.), or the *Financial Administration Act* (Canada) or other applicable similar state or local law in a manner satisfactory to Lender;

- (l) it is at all times subject to Lender's duly perfected, first priority security interest and to no other Lien that is not a Permitted Lien, and the goods giving rise to such Account (i) were not, at the time of sale, subject to any Lien except Permitted Liens and (ii) have been sold by the applicable Borrower to the Account Debtor in the ordinary course of the applicable Borrower's business and delivered to and accepted by the Account Debtor, or the services giving rise to such Account have been performed by the applicable Borrower and accepted by the Account Debtor in the ordinary course of the applicable Borrower's business;
- (m) the Account is not evidenced by Chattel Paper or an Instrument of any kind (unless delivered to Lender in accordance with Section 3.2 of this Agreement) and has not been reduced to judgment;
- (n) the Account Debtor's total indebtedness to the applicable Borrower does not exceed the amount of any credit limit established by the applicable Borrower or Lender in its Permitted Discretion and the Account Debtor is otherwise deemed to be creditworthy by Lender (provided, that Accounts which are deemed to be ineligible solely by reason of this clause (n) shall be considered Eligible Accounts to the extent the amount of such Accounts does not exceed the lower of such credit limits);
- (o) there are no facts or circumstances existing, or which could reasonably be anticipated to occur, which might result in any adverse change in the Account Debtor's financial condition or impair or delay the collectability of all or any portion of such Account;
- (p) Lender has been furnished with all documents and other information pertaining to such Account which Lender has reasonably requested, or which the applicable Borrower is obligated to deliver to Lender, pursuant to this Agreement;
- (q) the applicable Borrower has not made an agreement with the Account Debtor to extend the time of payment thereof beyond the time periods set forth in clause (b) above;
- (r) the applicable Borrower has not posted a surety or other bond in respect of the contract under which such Account arose; and
- (s) the Account Debtor is not subject to any proceeding seeking liquidation, arrangement, receivership, dissolution, wind-up, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar applicable law.

“Eligible Insured Account” means Eligible Accounts which are insured by EDC (with respect to Account Debtors that are domiciled outside of Canada) pursuant to EDC credit insurance or by Intact (with respect to Account Debtors that are domiciled in Canada) pursuant to Global Credit Risk Management credit insurance, or future credit insurance providers as may be added or replaced, subject to approval by the Lender, in each case, naming the Lender as an additional insured and lender loss payee (calculated net of the amount of any deductibles relating to such credit insurance payable by any Loan Party) and subject to such assignment and loss payee

endorsement, direction to pay and other endorsements, acknowledgements or agreements as may be reasonably requested by the Lender, each in form and substance acceptable to the Lender.

“Eligible In-Transit Inventory” means, at any time of determination, In-Transit Inventory owned by a Borrower which is Eligible Inventory and insured by coverage provided to such Borrower by EDC or Intact, or such other insurers that are acceptable to Lender in its sole discretion.

“Eligible Inventory” means, at any time of determination, Inventory owned by a Borrower which satisfies the general criteria set forth below and which is otherwise acceptable to Lender in its Permitted Discretion (provided, that Lender may, in its Permitted Discretion, change the general criteria for acceptability of Eligible Inventory and shall notify Borrowers of such change promptly thereafter. Inventory shall be deemed to meet the current general criteria if:

- (a) it consists of raw materials, work in progress or finished goods;
- (b) it is in good, new and saleable (above cost) condition;
- (c) it is not slow-moving (defined as inventory that is (i) over one year old from date of receipt or (ii) in quantities exceeding the last 12 months’ sales by unit), obsolete, scrap, is being developed, an internally generated asset, a work in progress with subcontractors, damaged, contaminated, unmerchantable, returned, rejected, discontinued or repossessed, or supplies and packaging;
- (d) it is not in the possession of a processor, consignee or bailee, or located on premises leased or subleased to the applicable Borrower, unless (x) such processor, consignee, bailee or mortgagee or the lessor or sublessor of such premises, as the case may be, has executed and delivered all documentation which Lender shall require to evidence the subordination or other limitation or extinguishment of such Person’s rights with respect to such Inventory and Lender’s right to gain access thereto or (y) a rent Reserve has been established by Lender in accordance with this Agreement in the case of third party leased locations, or such other Reserve satisfactory to Lender in its Permitted Discretion has been established with respect to Inventory in possession of any processor, consignee or bailee, or located on the premises owned by any Loan Party subject to a mortgage in favor of a Person other than Lender;
- (e) it meets all standards imposed by any Governmental Authority;
- (f) it conforms in all respects to any covenants, warranties and representations set forth in this Agreement and each other Loan Document;
- (g) it is at all times subject to Lender’s duly perfected, first priority security interest and no other Lien except a Permitted Lien;
- (h) if it is In-Transit Inventory, it is insured under coverage provided to Borrowers by EDC or Intact;

- (i) it is not purchased or manufactured pursuant to a license agreement that is not assignable to each of Lender and its transferees, unless such license agreement is satisfactory to Lender or Lender is in receipt of a licensor consent agreement in form and substance satisfactory to Lender;
- (j) it is situated at a Collateral location listed on the Information Certificate or otherwise disclosed to Lender where the aggregate amount of Inventory at such location is more than \$100,000; and
- (k) it is situated at a Collateral location listed in Sections 27-32 of the Information Certificate(s) or other location of which Lender has been notified as required by Section 5.8 (and it is not in-transit), in each case which location must be in the continental United States or Canada.

“Equity Interests” means, with respect to a Person, all of the shares of stock, warrants, interests, participations, or other equivalents (regardless of how designated) of or in such Person, whether voting or nonvoting, including capital stock (or other ownership or profit interests or units), preferred stock, or any other “equity security” (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities Exchange Commission under the Securities Exchange Act of 1934, or any similar federal or provincial statute of Canada, as in effect from time to time).

“ERISA” means the Employee Retirement Income Security Act of 1974 and all rules, regulations and orders promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with a Loan Party within the meaning of section 414(b) or (c) of the Code (and sections 414(m) and (o) of the Code for purposes of provisions relating to section 412 of the Code and section 302 of ERISA).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of any Loan Party or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by a Loan Party or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon a Loan Party or any ERISA Affiliate.

“Event of Default” has the meaning set forth in Section 7.1.

“Excess Availability” means the amount, as determined by Lender, calculated at any date, equal to the difference of (a) the lesser of (x) the Maximum Revolving Facility Amount, minus the Availability Block and all Reserves and (y) the Borrowing Base, minus (b) the outstanding balance of all Revolving Loans and the Letter of Credit Balance; provided that if any of the Loan Limits for Revolving Loans is exceeded as of the date of calculation, then Excess Availability shall be zero.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of Lender, its lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof), or (ii) that are Other Connection Taxes; (b) United States federal withholding Taxes imposed on amounts payable to or for the account of such Recipient with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which such Recipient acquires such interest in the Loan or Commitment or acquires such participation, except in each case to the extent that, pursuant to Section 9.1 amounts with respect to such Taxes were payable either to such Recipient’s assignor (or Lender granting such participation) immediately before such assignment or grant of participation; (c) Taxes attributable to such Recipient’s failure to comply with Section 9.1(e); (d) any withholding Taxes imposed pursuant to FATCA; and (e) any withholding tax imposed under Part XIII of the *Income Tax Act* (Canada) arising as a result of such recipient either (i) not dealing at arm’s length with a Borrower (for purposes of the *Income Tax Act* (Canada)), or (ii) being, or not dealing at arm’s length with (for purposes of the *Income Tax Act* (Canada)), a “specified shareholder” of a Borrower (for purposes of the *Income Tax Act* (Canada)); provided that the Lender shall not be deemed to be a “specified shareholder” or not dealing at arms-length just by virtue of it being granted, holding, possessing and/or enforcing any security interest in any Collateral, including any Equity Interests.

“Extraordinary Receipts” means any cash or cash equivalents received by or paid to or for the account of any Loan Party not in the ordinary course of business, including amounts received in respect of foreign, United States, Canadian, state, provincial, territorial or local tax refunds, purchase price adjustments, indemnification payments, and pension plan reversions.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

“FCC” means Farm Credit Canada, its successors and assigns.

“FCC Debt Documents” means the “Term Loan Documents” as defined in the Intercreditor Agreement, as further amended, modified, supplemented, restated or replaced from time to time and all other documents and instruments in connection thereto.

“FCC Indebtedness” means the indebtedness owed to FCC pursuant to the FCC Debt Documents.

“Fiscal Year” means the fiscal year of Borrowers which ends on March 31 of each year.

“Fixed Charge Coverage Ratio” has the meaning set forth in Section (a) of Schedule E hereto.

“**Fixed Charges**” means, for the period in question, on a consolidated basis, without duplication, the sum of (a) all principal payments scheduled or required to be made during or with respect to such period in respect of Indebtedness of the Loan Parties, plus (b) all Interest Expense of the Loan Parties for such period paid or required to be paid in cash during such period, plus (c) all federal, provincial, territorial, state, and local income taxes of the Loan Parties paid or required to be paid for such period, plus (d) all cash distributions, dividends, redemptions and other cash payments made or required to be made during such period with respect to any Equity Interests issued by any Loan Party.

“**Floor**” means a rate of interest equal to 2.50%.

“**GFI**” means Global Food and Ingredients Inc., a Canadian corporation.

“**GFI Brands**” means GFI Brands Inc., a Canadian corporation.

“**GFI USA**” means Global Food and Ingredients (USA) Inc., a Delaware corporation.

“**Governmental Authority**” means the government of the United States of America, Canada or any other nation, or of any political subdivision thereof, whether state, provincial, territorial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“**Grain**” means cereal, grain, oilseed and specialty crops including, but not limited to, wheat, durum, barley, canola, soybeans, corn, oats, flax, edible beans, lentils, peas, chickpeas and canary seed and provided the foregoing is held in such condition that it is readily marketable in the ordinary course of business.

“**Grain Payables**” means as of any date of determination, the aggregate amount owed by the Loan Parties to a Canadian farmer or a United States farmer for the purchase of Grain which has not been settled and is subject to a priority right in favour of such Canadian Farmer under section 81.1 or 81.2 of the *Bankruptcy and Insolvency Act* (Canada) or such United States farmer under applicable law.

“**Grain Payables Insurance Policy**” means the insurance policy for licensee of the Canadian Grain Commission issued by Intact to Borrowers as such policy may be amended, renewed, replaced, supplemented and otherwise modified in accordance with the terms of this Agreement.

“**Guarantee**”, “**Guaranteed**” or to “**Guarantee**”, as applied to any Indebtedness, liability or other obligation, means (a) a guarantee, directly or indirectly, in any manner, including by way of endorsement (other than endorsements of negotiable instruments for collection in the ordinary course of business), of any part or all of such Indebtedness, liability or obligation, and (b) an agreement, contingent or otherwise, and whether or not constituting a guarantee, assuring, or intended to assure, the payment or performance (or payment of damages in the event of non-performance) of any part or all of such Indebtedness, liability or obligation by any means (including, the purchase of securities or obligations, the purchase or sale of property or services, or the supplying of funds).

“**Guarantors**” has the meaning set forth in the heading to this Agreement.

“**High Season**” means the period from September 1st to and including January 31st.

“**IFRS**” means International Financial Reporting Standards issued by the International Accounting Standards Board for the preparation of general purpose financial statements.

“**In-Transit Inventory**” means “goods-in-transit”, “pipeline” or “transportation” inventory owned by the Borrowers that is being shipped to the Borrowers and is en route to Borrowers but has not yet been received by Borrowers.

“**Indebtedness**” means (without duplication), with respect to any Person, (a) all obligations or liabilities, contingent or otherwise, for borrowed money, (b) all obligations represented by promissory notes, bonds, debentures or the like, or on which interest charges are customarily paid, (c) all liabilities secured by any Lien on property owned or acquired, whether or not such liability shall have been assumed, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (e) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding trade payables which are not ninety (90) days past the invoice date incurred in the ordinary course of business, but including the maximum potential amount payable under any earn-out or similar obligations), (f) all Capitalized Leases of such Person, (g) all obligations (contingent or otherwise) of such Person as an account party or applicant in respect of letters of credit and/or bankers’ acceptances, or in respect of financial or other hedging obligations, (h) all Equity Interests issued by such Person subject to repurchase or redemption at any time on or prior to the Scheduled Maturity Date, other than voluntary repurchases or redemptions that are at the sole option of such Person, (i) all principal outstanding under any synthetic lease, off-balance sheet loan or similar financing product, and (j) all Guarantees, endorsements (other than for collection in the ordinary course of business) and other contingent obligations in respect of the obligations of others.

“**Indemnified Taxes**” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

“**Information Certificate(s)**” means (a) as of the Closing Date, the information certificate(s) annexed hereto and (b) as of any date after the Closing Date, the information certificate(s) described in the immediately foregoing clause (a) as most recently updated and delivered to Lender.

“**Intact**” means Intact Insurance Company and its successors and assigns.

“**Intellectual Property**” means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, Canadian, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, industrial designs, industrial design licenses, trade secrets, trademarks and trademark licenses, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“**Intercreditor Agreement**” means the Intercreditor Agreement between FCC and Lender dated the date hereof.

“**Interest Expense**” means, for the applicable period, for the Loan Parties on a consolidated basis, total interest expense (including interest attributable to Capitalized Leases in accordance with IFRS) and fees with respect to outstanding Indebtedness.

“**Inventory Advance Rate**” means the percentage(s) set forth in Section 1(b)(ii) of Schedule A.

“**Inventory Sublimit**” means the amount(s) set forth in Section 1(d) of Schedule A.

“**Investment Property**” means the collective reference to (a) all “investment property” as such term is defined in Section 9-102 of the UCC or Section 1(1) the PPSA, as applicable, and (b) all “**financial assets**” as such term is defined in Section 8-102(a)(9) of the UCC or Section 1(1) of the PPSA, as applicable, that is owned by any of the Loan Parties.

“**Issuer**” means each issuer of Investment Property and “**Issuers**” is a collective reference to all Issuers.

“**ITA**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, each as amended.

“**JPM**” means JPMorgan Chase Bank, N.A., Toronto Branch.

“**JPM Debt Documents**” means the credit agreement dated as of August 27, 2001 among Borrowers and Guarantors, 11567403 Canada Inc., the Lenders party thereto, JPM as Administrative Agent, and all related Loan Documents (as defined therein), all as further amended, modified, supplemented, restated or replaced from time to time and all other documents and instruments executed in connection therewith.

“**JPM Indebtedness**” means the indebtedness and obligations owed to JPM pursuant to the JPM Debt Documents.

“**Judgment Currency**” has the meaning set forth in Section 6.2(b).

“**Lender**” has the meaning set forth in the heading to this Agreement.

“**Lender Collection Account**” means the following account:

Account Holder: Siena Lending Group Canada LLC
Bank: Bank of Montreal
100 King Street West
Toronto, Ontario M5X 1A3
Institution Code: 001
Bank Transit: 00022
Bank Account #: 00021628235
Currency: CAD
Canadian Routing Code: CC0001 00022

SWIFT BIC code: BOFMCAM2

“**Letter of Credit**” has the meaning set forth in Section 1.1.

“**Letter of Credit Balance**” means the sum of (a) the aggregate undrawn face amount of all outstanding Letters of Credit and (b) all interest, fees and costs due or, in Lender’s estimation, likely to become due in connection therewith.

“**Letter of Credit Limit**” means the amount set forth in Section 1(e) of Schedule A.

“**Lien**” means any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement and any other preference, priority, or preferential arrangement in the nature of a security interest of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement, the interest of a lessor under a capital lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

“**Loan Account**” has the meaning set forth in Section 2.4.

“**Loan Documents**” means, collectively, this Agreement and all notes, guaranties, security agreements, deeds of hypothec, mortgages, certificates, landlord’s agreements, Lock Box and Blocked Account agreements, the Subordinated Debt Subordination Agreements, the Canadian Security Agreement, and all other agreements, documents and instruments now or hereafter executed or delivered by any Borrower, any Loan Party in connection with, or to evidence the transactions contemplated by, this Agreement.

“**Loan Guarantee**” means Article 8 of this Agreement.

“**Loan Limits**” means, collectively, the Loan Limits for Revolving Loans and Letters of Credit set forth in Section 1 of Schedule A and all other limits on the amount of Loans and Letters of Credit set forth in this Agreement.

“**Loan Party**” means, individually, any Borrower, any Guarantor or any Subsidiary party to this Agreement; and “**Loan Parties**” means, collectively, Borrowers, Guarantors and all Subsidiaries party to this Agreement.

“**Loans**” means, collectively, the Revolving Loans.

“**Lock Box**” has the meaning set forth in Section 4.1.

“**Low Season**” means the period from February 1st to and including August 31st.

“**Material Adverse Effect**” means any event, act, omission, condition or circumstance which, which, has or could reasonably be expected to have a material adverse effect on (a) the business, operations, prospects, properties, assets or condition, financial or otherwise, of any Loan Party, (b) the ability of any Loan Party to perform any of its obligations under any of the Loan Documents, or (c) the validity or enforceability of, or Lender’s rights and remedies under, any of the Loan Documents.

“**Material Contract**” means has the meaning set forth in Section 5.18.

“**Maturity Date**” means the Scheduled Maturity Date (or if earlier the Termination Date), or such earlier date as the Obligations may be accelerated in accordance with the terms of this Agreement (including without limitation pursuant to Section 7.2).

“**Maximum Lawful Rate**” has the meaning set forth in Section 2.5.

“**Maximum Liability**” has the meaning set forth in Section 8.9.

“**Maximum Revolving Facility Amount**” means the amount set forth in Section 1(a) of Schedule A.

“**Monthly Financial Model**” means a report substantially in the form of Exhibit G hereto to be signed by an Authorized Officer of Borrowing Agent.

“**Multiemployer Plan**” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which a Loan Party or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“**Net Cash Proceeds**” means:

- (a) with respect to any sale or disposition by any Loan Party or any of its Subsidiaries of assets, the amount of cash proceeds received (directly or indirectly) from time to time (whether as initial consideration or through the payment of deferred consideration) by or on behalf of such Loan Party or such Subsidiary, in connection therewith after deducting therefrom only (i) the amount of any Indebtedness secured by any Permitted Lien on any asset (other than (A) Indebtedness owing to the Lender under this Agreement or the other Loan Documents and (B) Indebtedness assumed by the purchaser of such asset) which is required to be, and is, repaid in connection with such sale or disposition, (ii) reasonable fees, commissions, and expenses related thereto and required to be paid by such Loan Party or such Subsidiary in connection with such sale or disposition, (iii) taxes paid or payable to any taxing authorities by such Loan Party or such Subsidiary in connection with such sale or disposition, in each case to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of any Loan Party or any of its Subsidiaries, and are properly attributable to such transaction, and (iv) all amounts that are set aside as a reserve (A) for adjustments in respect of the purchase price of such assets, (B) for any liabilities associated with such sale or casualty, to the extent such reserve is required by IFRS, and (C) for the payment of unassumed liabilities relating to the assets sold or otherwise disposed of at the time of, or within thirty (30) days after, the date of such sale or other disposition, to the extent that in each case the funds described above in this clause (iv) are (A) deposited into escrow with a third party escrow agent or set aside in a separate deposit account that is subject to a control agreement in favor of the Lender, and (B) paid to the Lender as a prepayment of the applicable Obligations in accordance with this Agreement

at such time when such amounts are no longer required to be set aside as such a reserve; and

- (b) with respect to the issuance or incurrence of any Indebtedness by any Loan Party or any of its Subsidiaries, or the issuance by any Loan Party or any of its Subsidiaries of any Equity Interests, the aggregate amount of cash received (directly or indirectly) from time to time (whether as initial consideration or through the payment or disposition of deferred consideration) by or on behalf of such Loan Party or such Subsidiary in connection with such issuance or incurrence, after deducting therefrom only (i) reasonable fees, commissions, and expenses related thereto and required to be paid by such Loan Party or such Subsidiary in connection with such issuance or incurrence, and (ii) taxes paid or payable to any taxing authorities by such Loan Party or such Subsidiary in connection with such issuance or incurrence, in each case to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of any Loan Party or any of its Subsidiaries, and are properly attributable to such transaction;

provided, however, that with respect to the transactions described in clauses (a) and (b) above, if (x) the Borrowers shall deliver the certificate of an Authorized Officer on behalf of the applicable Loan Party to the Lender with in five (5) Business Days of receipt thereof setting forth the applicable Loan Party's intent to reinvest such proceeds in productive assets of a kind then used or usable in the business of any Loan Party within one hundred eighty (180) days of receipt of such proceeds and (y) no Default or Event of Default shall have occurred and be continuing at the time of such certificate or at the proposed time of the application of such proceeds, such proceeds shall not constitute Net Cash Proceeds except to the extent not so used or contractually committed to be used at the end of such one hundred eighty (180) day period, at which time such proceeds shall be deemed to be Net Cash Proceeds.

“**Net Income**” means, for the applicable period, for Borrowers or Loan Parties on a consolidated basis, as applicable, the net income (or loss) of Borrowers or Loan Parties on a consolidated basis, as applicable, for such period, in each case of Borrowers or Loan Parties on a consolidated basis, as applicable, for such period.

“**Net Orderly Liquidation Value**” with respect to Eligible Inventory means the net orderly liquidation value of such Eligible Inventory as determined by Lender from time to time based upon the most recent Inventory appraisal received by the Lender prepared by an appraiser, and in a manner acceptable to Lender.

“**Non-Paying Guarantor**” has the meaning set forth in Section 8.10.

“**Non-U.S. Recipient**” has the meaning set forth in Section 9.1(e)(ii).

“**Notice of Borrowing**” has the meaning set forth in Section 1.4.

“**North Lily**” means North Lily Foods Inc., a Delaware corporation.

“**Obligations**” means all present and future Loans, advances, debts, liabilities, fees, expenses, obligations, guaranties, covenants, duties and indebtedness at any time owing by any Borrower or any Loan Party to Lender, whether evidenced by this Agreement, any other Loan Document or otherwise whether arising from an extension of credit, opening of a Letter of Credit, guarantee, indemnification or otherwise, whether direct or indirect (including those acquired by assignment and any participation by Lender in Borrowers’ indebtedness owing to others), whether absolute or contingent, whether due or to become due, and whether arising before or after the commencement of a proceeding under the Bankruptcy Code, any Canadian Insolvency Law or any similar statute.

“**Organizational Documents**” means, with respect to any Person, the certificate of incorporation or amalgamation, articles of incorporation or amalgamation, certificate of formation, articles of association, notice of articles, certificate of limited partnership, by-laws, operating agreement, limited liability company agreement, limited partnership agreement or other similar governance document of such Person.

“**Other Connection Taxes**” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“**Other Taxes**” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“**Overadvance**” has the meaning set forth in Section 1.7(a).

“**Parent**” means Global Food and Ingredients Ltd., a publicly traded Ontario corporation.

“**Participant**” has the meaning set forth in Section 10.10.

“**Paying Guarantor**” has the meaning set forth in Section 8.10.

“**PBGC**” means the Pension Benefit Guaranty Corporation.

“**Pension Act**” means the *Pension Protection Act* of 2006.

“**Pension Funding Rules**” means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA, and any sections of the Code or ERISA related thereto that are enacted after the date of this Agreement.

“Pension Plan” means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by a Loan Party and or ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

“Permitted Discretion” means a good faith determination made by Lender in the exercise of reasonable (from the perspective of an asset-based secured lender) business judgment.

“Permitted Indebtedness” means: (a) the Obligations; (b) the FCC Indebtedness in an outstanding principal amount not to exceed \$18,000,000, so long as such Indebtedness is at all times subject to the Intercreditor Agreement, (c) the 35 Oak Subordinated Indebtedness in an aggregate outstanding principal amount not to exceed \$500,000 so long as such Indebtedness is at all times subject to the Subordinated Debt Subordination Agreement, (d) Indebtedness existing on the date hereof described in Section 46 of the Information Certificate; in each case along with extensions, refinancings, modifications, amendments and restatements thereof, provided, that (i) the principal amount thereof is not increased (or, in the case of the FCC Indebtedness, the maximum aggregate principal amount thereof does not exceed the amount set forth in clause (b)), (ii) if such Indebtedness is subordinated to any or all of the Obligations, the applicable subordination terms shall not be modified without the prior written consent of Lender, and (iii) the terms thereof are not modified to impose more burdensome terms upon any Loan Party; (e) capitalized leases and purchase money Indebtedness secured by Permitted Liens in an aggregate amount not exceeding \$1,000,000.00 at any time outstanding; (f) Subordinated Debt owing by Borrowers in an aggregate amount not exceeding \$1,000,000 (less the aggregate amount of any payments made thereon after the Closing Date) at any time outstanding and then solely to the extent the Subordinated Debt is subject to, and permitted by, the Subordinated Debt Subordination Agreement(s); and (g) other Indebtedness not greater than \$250,000 in the aggregate, throughout the term of this Agreement.

“Permitted Investments” means:

- (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;
- (b) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having a rating of at least AA from Standard & Poor’s Ratings Services, a Division of the McGraw-Hill Companies, Inc. (“S&P”) or Aa from Moody’s Investors Service, Inc. (“Moody’s”);
- (c) [Reserved];
- (d) investments in certificates of deposit, banker’s acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed

by or placed with and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof, or by any Lender which has a combined capital and surplus and undivided profits of not less than \$500,000,000;

- (e) [Reserved];
- (f) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated at least AA by S&P or Aa by Moody's and (iii) have portfolio assets of at least \$1,000,000.000; and
- (g) loans and investments permitted under Section 5.25(e).

“Permitted Liens” means (a) Liens in specific items of Equipment securing Permitted Indebtedness described under clause (e) of the definition of Permitted Indebtedness; (b) Liens disclosed in Section 47 of the Information Certificate; provided, however, that to qualify as a Permitted Lien, any such Lien described in Section 47 of the Information Certificate(s) shall only secure the Indebtedness that it secures on the Closing Date and any permitted refinancing in respect thereof; (c) liens for taxes, fees, assessments, or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings (which proceedings have the effect of preventing the enforcement of such lien) for which adequate reserves in accordance with IFRS are being maintained, provided, that the same have no priority over any of Lender's security interests; (d) liens of materialmen, mechanics, carriers, or other similar liens arising in the ordinary course of business and securing obligations which are not delinquent or are being contested in good faith by appropriate proceedings (which proceedings have the effect of preventing the enforcement of such lien) for which adequate reserves in accordance with IFRS are being maintained; (e) liens which constitute banker's liens, rights of set-off, or similar rights as to deposit accounts or other funds maintained with a bank or other financial institution (but only to the extent such banker's liens, rights of set-off or other rights are in respect of customary service charges relative to such deposit accounts and other funds, and not in respect of any loans or other extensions of credit by such bank or other financial institution to any Loan Party); (f) cash deposits or pledges of an aggregate amount not to exceed \$200,000.00 to secure the payment of worker's compensation, unemployment insurance, or other social security benefits or obligations, public or statutory obligations, surety or appeal bonds, bid or performance bonds, or other obligations of a like nature incurred in the ordinary course of business; (g) [Reserved]; (h) the Liens securing the FCC Indebtedness so long as such Liens are at all times subject to the Intercreditor Agreement; (i) Liens securing judgments, decrees or attachments not constituting an Event of Default so long as such Liens are released or satisfied within sixty (60) days after entry thereof (upon the issuance of an appeal bond or otherwise); (j) Liens arising out of a conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by any Borrower or any of their respective Subsidiaries in the ordinary course of business provided that such Liens only cover the property subject to such arrangements; (k) Liens arising by operation of law in favour of farmers in respect of Grain delivered by such farmers, provided and to the extent that in respect of Grain delivered by a farmer in Canada, the amount thereof is insured under the Grain Payables Insurance Policy.

“**Person**” means any individual, sole proprietorship, partnership, joint venture, limited liability company, unlimited liability company, trust, unincorporated organization, association, corporation, government or any agency or political division thereof, or any other entity.

“**Pet Food Business**” means the pet food business of GFI to be sold to Big Sky on or about the date hereof.

“**Plan**” means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained by any Loan Party or any such plan to which any Loan Party (or with respect to any plan subject to Section 412 or 430 of the Code or Section 302 or Title IV of ERISA, any ERISA Affiliate) is required to contribute.

“**Pledged Equity**” means the Equity Interests listed on Sections 20 and 41 of the Information Certificate(s), together with any other Equity Interests, certificates, options, or rights or instruments of any nature whatsoever in respect of the Equity Interests of any Person that may be issued or granted to, or held by, any Loan Party while this Agreement is in effect, and including, without limitation, to the extent attributable to, or otherwise related to, such pledged Equity Interests, all of such Loan Party’s (a) interests in the profits and losses of each Issuer, (b) rights and interests to receive distributions of each Issuer’s assets and properties, and (c) rights and interests, if any, to participate in the management or each Issuer related to such pledged Equity Interests.

“**PPSA**” means the *Personal Property Security Act* (Ontario), including the regulations thereto, provided that, if validity, perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security in effect in a jurisdiction other than Ontario, “PPSA” means the Personal Property Security Act or such other applicable legislation in effect from time to time in such other jurisdiction (including the Civil Code of Quebec and the regulations respecting the register of personal and movable real rights thereunder) for purposes of the provisions hereof relating to such validity, perfection, effect of perfection or non-perfection or priority.

“**Prepayment Event**” means: (a) any sale (other than sales of inventory in the ordinary course of business), transfer or other disposition (including pursuant to a sale and leaseback transaction) of any property or asset of any Loan Party other than assets with an aggregate fair value which do not exceed \$500,000 in any Fiscal Year; (b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any of any Loan Party with an aggregate fair value immediately prior to such event equal to or greater than \$500,000 in any Fiscal Year; (c) the issuance by any Loan Party to any Person (other than to another Loan Party) of any Equity Interests after the Closing Date, or the receipt by any Loan Party of any capital contribution from any Person (other than from another Loan Party) after the Closing Date, in each case excluding any Specified Equity Issuances; and (d) the incurrence by any Loan Party of any Indebtedness except for Permitted Indebtedness or other Indebtedness permitted by this Agreement; and (e) the receipt by any Loan Party of any Extraordinary Receipts in excess of \$200,000 the aggregate in any Fiscal Year.

“Priority Payables” means (a) the full amount of all obligations, liabilities or indebtedness of any Loan Party which (i) have a trust, deemed trust or statutory lien imposed to provide for payment or a Lien, choate or inchoate, ranking or capable of ranking senior to or pari passu with Liens securing the Obligations on any Collateral under any applicable law or (ii) have a right imposed to provide for payment ranking or capable of ranking senior or pari passu with the Obligations under any applicable law, including claims for unremitted and/or accelerated rents, utilities, taxes (including sales taxes and goods and services taxes and harmonized sales taxes and withholding taxes), amounts payable to an insolvency administrator, wages (including wages under the *Wage Earner Protection Program Act* (Canada)), employee withholdings and deductions (including amount payable with respect to statutory benefit plans) and vacation pay, severance and termination pay, government royalties and pension fund obligations (including, without duplication, normal cost contributions and any special payments required to be made) and any amounts, whether or not due, representing wind-up deficiency or position with respect to Canadian Pension Plans) and (b) the amount equal to the aggregate value of the Inventory which the Lender, in good faith, and on a reasonable basis, considers is or may be subject to retention of title by a supplier or a right of a supplier to recover possession thereof, where such supplier’s rights has priority over the Liens securing the Obligation, including, without limitation, Inventory subject to a right of a supplier to repossess goods pursuant to Section 81.1 of the *Bankruptcy and Insolvency Act* (Canada) or any other applicable laws granting revendication or similar rights to unpaid suppliers.

“Protective Advances” has the meaning set forth in Section 1.3.

“Recipient” means any Lender, Participant, or any other recipient of any payment to be made by or on account of any Obligation of any Loan Party under this Agreement or any other Loan Document, as applicable.

“Register” has the meaning set forth in Section 10.9(a).

“Released Parties” has the meaning set forth in Section 6.1.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

“Reserves” has the meaning set forth in Section 1.2.

“Restricted Accounts” means Deposit Accounts (a) established and used (and at all times will be used) solely for the purpose of paying current payroll obligations of Loan Parties (and which do not (and will not at any time) contain any deposits other than those necessary to fund current payroll), in each case in the ordinary course of business, or (b) maintained (and at all times will be maintained) solely in connection with an employee benefit plan, but solely to the extent that all funds on deposit therein are solely held for the benefit of, and owned by, employees (and will continue to be so held and owned) pursuant to such plan.

“Revolving Loans” has the meaning set forth in Section 1.1(a).

“**Roll-Forward Release Threshold**” means: (i) during the High Season, Excess Availability of at least \$1,200,000 (after the Availability Block) or (ii) during the Low Season, Excess Availability of at least \$750,000 (after the Availability Block).

“**Scheduled Maturity Date**” means the date set forth in Section 6 of Schedule A.

“**Securities Act**” means the *Securities of Act of 1933*, as amended.

“**Senior Officer**” means the current president, chief executive officer, global controller, chief financial officer, treasurer or assistant treasurer of any Loan Party.

“**Specified Equity Issuances**” means: (a) in the event that any Loan Party or any of its Subsidiaries forms any Subsidiary in accordance with the terms hereof, the issuance by such Subsidiary of Equity Interests to such Loan Party or such Subsidiary, as applicable, (b) the issuance of Equity Interests of Parent to directors, officers and employees of Borrowers and their Subsidiaries pursuant to employee stock option plans (or other employee incentive plans or other compensation arrangements) approved by the board of directors, (c) the issuance of Equity Interests of Borrowers in order to finance Capital Expenditures or other acquisitions, (d) the issuance of Equity Interests by a Subsidiary of a Loan Party to its parent or member in connection with the contribution by such parent or member to such Subsidiary of the proceeds of an issuance described in clauses (a) through (c) above.

“**Stated Rate**” has the meaning set forth in Section 2.5.

“**Subordinated Debt**” means (a) 35 Oak Subordinated Indebtedness, and (b) any other Indebtedness owing to a Person other than Lender that is subordinate in right of payment to the payment of the Obligations pursuant to a Subordinated Debt Subordination Agreement.

“**Subordinated Debt Documents**” means all documents made subject to the subordinations set out in the Subordinated Debt Subordination Agreement including, without limitation, the 35 Oak Subordinated Debt Documents and any other documents, instruments or agreements which evidence the Subordinated Debt or pursuant to which the Subordinated Debt was issued or is governed, in each case as amended, modified, supplemented or restated from the time to time, in accordance with the terms of this Agreement.

“**Subordinated Debt Subordination Agreement**” means (a) those certain Subordination and Postponement Agreements dated as of the date hereof between Lender and 35 Oak and (b) any other subordination agreement in form and substance satisfactory to Lender between Lender and any holder of Subordinated Debt.

“**Subsidiary**” means any corporation or other entity of which a Person owns, directly or indirectly, through one or more intermediaries, more than 50% of the Equity Interests at the time of determination. Unless the context indicates otherwise, references to a Subsidiary shall be deemed to refer to a Subsidiary of Borrowers.

“**Taxes**” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“**Termination Date**” means the date on which all of the Obligations have been paid in full in cash and all of Lender’s lending commitments under this Agreement and under each of the other Loan Documents have been terminated.

“**UCC**” means, at any given time, the Uniform Commercial Code as adopted and in effect at such time in the State of New York or such other applicable jurisdiction.

“**ULC**” shall have the meaning set forth in Section 3.6.

“**ULC Interests**” shall have the meaning set forth in Section 3.6.

Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder (including determinations made pursuant to the exhibits hereto) shall be made, and all financial statements required to be delivered hereunder shall be prepared on a consolidated basis in accordance with IFRS consistently applied. If at any time any change in IFRS would affect the computation of any financial ratio or financial requirement set forth in any Loan Document, and either Borrowers or Lender shall so request, Lender and Borrowers shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in IFRS; provided, that until so amended, (a) such ratio or requirement shall continue to be computed in accordance with IFRS prior to such change therein and (b) Borrowers shall provide to Lender financial statements and other documents required under this Agreement and the other Loan Documents which include a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in IFRS. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (Codification of Accounting Standards 825-10) to value any Indebtedness or other liabilities of any Loan Party at “fair value”, as defined therein.

Notwithstanding anything to the contrary contained in the paragraph above or the definitions of Capital Expenditures or Capitalized Leases, in the event of a change in IFRS after the Closing Date requiring all leases to be capitalized, only those leases (assuming for purposes of this paragraph that they were in existence on the Closing Date) that would constitute capitalized leases on the Closing Date shall be considered capital lease (and all other such leases shall constitute operating leases) and all calculations and deliverables under this Agreement or the other Loan Documents shall be made in accordance therewith (other than the financial statements delivered pursuant to this Agreement; provided, that all such financial statements delivered to Lender in accordance with the terms of this Agreement after the date of such change in IFRS shall contain a schedule showing the adjustments necessary to reconcile such financial statements with IFRS as in effect immediately prior to such change).

References in this Agreement to “Articles”, “Sections”, “Annexes”, “Exhibits” or “Schedules” shall be to Articles, Sections, Annexes, Exhibits or Schedules of or to this Agreement unless otherwise specifically provided. Any term defined herein may be used in the singular or plural. “Include”, “includes” and “including” shall be deemed to be followed by “without limitation”. “Or” shall be construed to mean “and/or”. Except as otherwise specified or limited herein, references to any Person include the successors and assigns of such Person. References “from” or

“through” any date mean, unless otherwise specified, “from and including” or “through and including”, respectively. Unless otherwise specified herein, the settlement of all payments and fundings hereunder between or among the parties hereto shall be made in lawful money of the United States and in immediately available funds. Time is of the essence for each performance obligation of the Loan Parties under this Agreement and each Loan Document. All amounts used for purposes of financial calculations required to be made herein shall be without duplication. References to any statute or act shall include all related current regulations and all amendments and any successor statutes, acts and regulations. References to any agreement, instrument or document (a) shall include all schedules, exhibits, annexes and other attachments thereto and (b) shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein or in any other Loan Document). The words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. Unless otherwise specified herein Canadian Dollar (\$) baskets set forth in the representations and warranty, covenants and event of default provisions of this Agreement (and other similar baskets) are calculated as of each date of measurement by the Canadian Dollar Equivalents thereof as of such date of measurement.

In this Agreement, where the context so requires, (i) any term defined in this Agreement by reference to the “UCC” shall also have any extended, alternative or analogous meaning given to such term in the applicable PPSA, in all cases for the extension, preservation or betterment of the security and rights of the Collateral (including, without limitation, “general intangibles” shall include “intangibles”, “documents” shall include “documents of title”), (ii) all references in this Agreement to “Article 8” also to applicable Canadian securities transfer laws (including, without limitation, the *Securities Transfer Act*, 2006 (Ontario)), (iii) all references in this Agreement to a financing statement, continuation statement, amendment or termination statement shall be deemed to refer also to the analogous documents used under applicable Canadian personal property security laws, including, without limitation, where applicable, financing change statements, and (iv) all references to federal, provincial, territorial or state securities law shall be deemed to refer also to analogous federal and provincial securities laws in Canada.

For purposes of any Collateral located in the Province of Quebec or charged by any deed of hypothec (or any other Loan Document) and for all other purposes pursuant to which the interpretation or construction of a Loan Document may be subject to the laws of the Province of Quebec or a court or tribunal exercising jurisdiction in the Province of Quebec, (a) “personal property” shall include “movable property”, (b) “real property” or “real estate” shall include “immovable property”, (c) “tangible property” shall include “corporeal property”, (d) “intangible property” shall include “incorporeal property”, (e) “security interest”, “mortgage” and “lien” shall include a “hypothec”, “right of retention”, “prior claim”, “reservation of ownership” and a resolatory clause, (f) all references to filing, perfection, priority, remedies, registering or recording under the UCC or the PPSA shall include publication under the Civil Code of Quebec, (g) all references to “perfection” of or “perfected” Liens or security interest shall include a reference to an “opposable” or “set up” hypothec as against third parties, (h) any “right of offset”, “right of setoff” or similar expression shall include a “right of compensation”, (i) “goods” shall include “corporeal movable property” other than chattel paper, documents of title, instruments, money and securities, (j) an “agent” shall include a “mandatary”, (k) “construction liens” or “mechanics,

materialmen, repairmen, construction contractors or other like Liens” shall include “legal hypothecs” and “legal hypothecs in favor of persons having taken part in the construction or renovation of an immovable”, (l) “joint and several” shall include “solidary”, (m) “gross negligence or wilful misconduct” shall be deemed to be “intentional or gross fault”, (n) “beneficial ownership” shall include “ownership on behalf of another as mandatary”, (o) “easement” shall include “servitude”, (p) “priority” shall include “rank” or “prior claim”, as applicable (q) “survey” shall include “certificate of location and plan”, (r) “state” shall include “province”, (s) “fee simple title” shall include “absolute ownership” and “ownership” (including ownership under a right of superficies), (t) “accounts” shall include “claims”, (u) “legal title” shall be including “holding title on behalf of an owner as mandatory or prete-nom”, (v) “ground lease” shall include “emphyteusis” or a “lease with a right of superficies, as applicable, (w) “leasehold interest” shall include a “valid lease”, (x) “lease” shall include a “leasing contract” and (y) “guarantee” and “guarantor” shall include “suretyship” and “surety”, respectively.

Any reference in any of the Loan Documents to a Permitted Lien is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Lien created by any of the Loan Documents to any Permitted Lien.

**SCHEDULE C
FEES**


- (a) **Closing Fee.** A fee equal to \$400,000 (the “**Closing Fee**”), which Closing Fee shall be deemed to be fully earned on the Closing Date with \$200,000 payable as of the Closing Date and the remaining \$200,000 payable on the first anniversary of the Closing Date.
- (b) **Annual Fee.** N/A
- (c) **Collateral Monitoring Fee.** A monthly fee equal to \$15,000 (the “**Collateral Monitoring Fee**”). The Collateral Monitoring Fee shall be payable in installments as follows: equal payments of \$15,000 shall be payable on the Closing Date and on the first day of each month thereafter until Lender has been irrevocably repaid in full in cash.
- (d) **Unused Line Fee.** An unused line fee (the “**Unused Line Fee**”) equal to 1.00% per annum of the amount by which (i) the Maximum Revolving Facility Amount, calculated without giving effect to any Reserves and/or the Availability Block, if any, applied to the Maximum Revolving Facility Amount, exceeds (ii) the average daily outstanding principal balance of the Revolving Loans and the Letter of Credit Balance during the immediately preceding month (or part thereof), which each such fee shall be deemed to be fully earned and payable, in arrears, on the first day of each month until the Termination Date.
- (e) **Minimum Borrowing Fee.** A fee shall be payable such that interest on the Revolving Loans would be calculated on a minimum average Revolving Loan balance of \$5,000,000 each month.
- (f) **Letter of Credit Fees.** A fee equal to 4.00% plus the CDOR rate per annum (based on a 1 month CDOR tenor) of the face amount of each Letter of Credit (the “**Letter of Credit Fees**”), which each such fee shall be deemed to be fully earned and payable, in arrears, on the first day of each month until the Termination Date, plus all costs and fees charged from time to time by the issuer, payable as and when such costs and fees are charged.
- (g) **Early Payment/Termination Premium.** In the event that for any reason (including without limitation as a result of any voluntary or mandatory prepayment of the Loans, any acceleration of the Loans resulting from an Event of Default, any foreclosure and sale of Collateral, or any sale of Collateral in any bankruptcy or insolvency proceeding) all or any portion of the Lender’s commitment to make Revolving Loans is terminated prior to the Scheduled Maturity Date, in each case pursuant to Section 1.8(e), Section 7.2 or otherwise, then in each such case, in addition to the payment of the subject principal amount and all unpaid accrued interest and other amounts due thereon, the Borrowers immediately shall be required to pay to the Lender an Early Payment/Termination Premium (as liquidated damages and compensation for the cost of the Lender being prepared to

make funds available under this Agreement with respect to such Loans during the scheduled term of this Agreement) in an amount equal to the Applicable Percentage (as defined below) of the amount of any such Revolving Loan commitment termination, as applicable. With respect to any such event, the “**Applicable Percentage**” shall be (i) 2.00%, if such event occurs on or before the first anniversary of the Closing Date, (ii) 1.50% if such event occurs after the first anniversary of the Closing Date, but on or before the six (6) months from the Scheduled Maturity Date and 0% thereafter. Borrowers acknowledge and agree that (x) the provisions of this paragraph shall remain in full force and effect notwithstanding any rescission by Lender of an acceleration with respect to all or any portion of the Obligations pursuant to Section 7.2 or otherwise, (y) payment of any Early Payment/Termination Premium under this paragraph constitutes liquidated damages and not a penalty and (z) the actual amount of damages to Lender or profits lost by Lender as a result of such early payment or termination would be impracticable and extremely difficult to ascertain, and the Early Payment/Termination Premium under this paragraph is provided by mutual agreement of the Borrowers and Lender as a reasonable estimation and calculation of such lost profits or damages of the Borrowers and Lender.

- (h) **Revolving Loan Facility Increase Fee.** A fee equal to two percent (2%) of the Facility Increase.
- (i) **ABLServe Fee.** A fee equal to \$250 per month for access to and use of ABLServe, which each such shall be deemed to be fully earned and payable as of the Closing Date and on the first day of each month thereafter until the Termination Date.

SCHEDULE D

Provide Lender with each of the documents set forth below at the following times in form satisfactory to Lender and without duplication of the reporting obligations of the Borrowers pursuant to Section 5.15:

<p>No later than the date that is 45 days after the Closing Date</p>	<ul style="list-style-type: none"> • a historical financial model for ABLServe, in a form to be determined by Lender <div style="text-align: center;">  </div> <p>A4. Financial Model 2016 - Historical Dat</p>
<p>Weekly, but in any event no later than the date of each Loan made or more frequently if Lender requests</p>	<ul style="list-style-type: none"> • a detailed aging, by total, of Borrowers' Accounts, together with an Account roll-forward with supporting details supplied from sales journals, collection journals, credit registers and any other records, with respect to Borrowers' Accounts (delivered electronically in an acceptable format); provided that if the Borrowers have Excess Availability for thirty (30) consecutive days above the applicable Roll-Forward Release Threshold, the obligation to provide weekly Account roll-forward reporting shall cease until: (i) the occurrence and continuance of an Event of Default or (ii) Excess Availability is less than the applicable Roll-Forward Release Threshold for thirty (30) consecutive days. • a summary aging, by vendor, of each Loan Party's accounts payable and any book overdraft and an aging, by vendor, of any held checks (delivered electronically in an acceptable form) • a roll forward of the trial balance of Inventory (delivered electronically in an acceptable format) • a detailed Inventory perpetual report with respect to Borrowers' Inventory together with a listing by category and location of Inventory (delivered electronically in an acceptable format) • with respect to any Eligible In-Transit Inventory, a detailed report including the name of the carrier, the name of the vessel, container numbers, the port and date of departure, the port and date of arrival, the date such Inventory was received at a location listed in Sections 27-32 of the Information Certificate(s) or other location of which Lender has been notified as required by Section 5.8, the type, quantity and Canadian Dollar amount of such Inventory, the date title passed to Borrowers, any unpaid fees due and owing to any customs broker, freight forwarder or carrier (including, without limitation,

	<p>any reimbursement obligations, demurrage or storage fees, customs fees or excise taxes) and any unpaid fees due and owing to any transporter of such Inventory</p> <ul style="list-style-type: none"> • notice of all claims, offsets, or disputes asserted by Account Debtors with respect to Borrowers' Accounts • at the request of Lender, acting reasonably, copies of invoices together with corresponding shipping and delivery documents, and credit memos together with corresponding supporting documentation, with respect to invoices and credit memos
<p>Monthly (no later than the 20th day of each calendar month)</p>	<ul style="list-style-type: none"> • a detailed calendar month end aging, by total, of Borrowers' Accounts, together with a monthly Account roll-forward with respect to Borrowers' Accounts, in a format acceptable to Lender in its discretion, tied to the beginning and ending Account balances of Borrowers' general ledger (delivered electronically in an acceptable format) • a summary calendar month end aging, by vendor, of each Loan Party's accounts payable and any book overdraft and an aging, by vendor, of any held checks (delivered electronically in an acceptable format) • a detailed calendar month end Inventory perpetual report with respect to Borrowers' Inventory together with a listing by category and location of Inventory (delivered electronically in an acceptable format) • a detailed calculation of Inventory of Borrowers that is not eligible for the Borrowing Base (delivered electronically in an acceptable format). • a reconciliation of Accounts, trade accounts payable, and Inventory of Borrowers' calendar month end general ledger accounts to its monthly financial statements including any book reserves related to each category • a detailed reconciliations of Borrower's perpetual against any contract manufacturers' and/or third-party logistic providers' book and records • a detailed listing of outstanding cheques issued by all of the Loan Parties • farmer liability report, in form and substance satisfactory to Lender

<p>Monthly (no later than the 30 days after the end of each calendar month), as set forth in Section 5.15(b)</p>	<ul style="list-style-type: none"> • a monthly sales backlog report • a detailed list of all accruals at calendar month end and all accrued and outstanding Priority Payables • the unaudited interim financial statements of each Loan Party as of the end of such month and of the portion of such Fiscal Year then elapsed (including management discussion and analysis) • a Monthly Financial Model and trial balance (referred to as the “FTA”) for ABLServe, in a form to be determined by Lender • a Compliance Certificate
<p>Quarterly</p>	<ul style="list-style-type: none"> • a report regarding each Loan Party’s accrued, but unpaid, ad valorem taxes
<p>Bi-Annually (in January and in July of each calendar year)</p>	<ul style="list-style-type: none"> • a detailed list of each Loan Party’s customers, with address and contact information • a detailed list of each Loan Party’s vendors, with address and contact information • an updated Information Certificate(s), true and correct in all material respects as of the date of delivery, accompanied by a certificate executed by an Authorized Officer of Borrowers and substantially in the form of Exhibit F hereto (it being understood and agreed that no such update shall serve to cure any existing Event of Default, including any Event of Default resulting from any failure to provide any such disclosure to Lender on an earlier date or any breach of any earlier made representation and/or warranty).
<p>Yearly (no later than 120 days after the end of each Fiscal Year of Borrowers), as set forth in Section 5.15(a)</p>	<ul style="list-style-type: none"> • unqualified, audited financial statements of the Parent and unaudited financial statements of each Loan Party as of the end of such Fiscal Year • a Compliance Certificate
<p>Yearly (no later than 15 days prior the end of each Fiscal Year of Borrowers), as set forth in Section 5.15(d)</p>	<ul style="list-style-type: none"> • monthly business projections for the following Fiscal Year for the Borrowers on a consolidated and consolidating basis

<p>Promptly upon (but in no event later than two Business Days after) delivery or receipt, as applicable, thereof</p>	<ul style="list-style-type: none">• copies of any and all written notices (including notices of default or acceleration), reports and other deliveries received by or on behalf of any Loan Party from or sent by or on behalf of any Loan Party to, any holder, agent or trustee with respect to any or all of the Subordinated Debt (in such holder's, agent's or trustee's capacity as such)]
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SCHEDULE E
FINANCIAL COVENANTS

- (a) **Fixed Charge Coverage Ratio.** The ratio of (i) EBITDA for any period minus unfinanced Capital Expenditures of the Loan Parties on a consolidated basis for such period, to (ii) Fixed Charges for such period.

EXHIBIT A
FORM OF NOTICE OF BORROWING AGENT



Siena Lending Group Canada LLC
9 W Broad Street, 5th floor, Suite 540
Stamford, Connecticut 06902
Attention: Steve Sanicola

Dear Mr. Sanicola:

Please refer to the Loan and Security Agreement dated as of February __, 2024 (as amended, restated or otherwise modified from time to time, the “Loan Agreement”) among the undersigned, as a Borrower and Borrowing Agent, each of the other Borrowers (as defined therein) the Loan Parties (as defined therein) party thereto, and Siena Lending Group Canada LLC, as Lender. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Loan Agreement. This notice is given pursuant to Article 10 of the Loan Agreement and constitutes a representation by Borrowing Agent, on behalf of Borrowers, that the conditions specified in Section 1.6 of the Loan Agreement have been satisfied. Without limiting the foregoing, (a) each of the representations and warranties set forth in the Loan Agreement and in the other Loan Documents is true and correct in all respects as of the date hereof (or to the extent any representations or warranties are expressly made solely as of an earlier date, such representations and warranties shall be true and correct as of such earlier date), both before and after giving effect to the Loans requested hereby, and (b) no Default or Event of Default is in existence, both before and after giving effect to the Loans requested hereby (if not true, in the “Comments Regarding Exceptions” section below, specify the Default of Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by Borrowers with respect to such Default of Event of Default).

Borrowing Agent, on behalf of Borrowers, hereby requests a borrowing under the Loan Agreement as follows:

The aggregate amount of the proposed borrowing is \$[_____]. The requested borrowing date for the proposed borrowing (which is a Business Day) is [_____, ____].

Borrowing Agent has caused this Notice of Borrowing to be executed and delivered by its Authorized Officer thereunto duly authorized on [_____].

Comments Regarding Exceptions: _____.

[BORROWING AGENT]

Per: _____

Name:

Title:

EXHIBIT B

A. CLOSING CHECKLIST

SIENA LENDING GROUP CANADA LLC

-TO-

GLOBAL FOOD AND INGREDIENTS INC.

SECURED REVOLVING CREDIT FACILITY

CLOSING DOCUMENT INDEX ¹

Closing Date: January [31], 2024

PARTIES

Credit Facility

Borrowers

“Borrowers”

Global Food and Ingredients Inc.
(a federal Canadian corporation)

“GFI”

¹ NTD: the deliverables provided for herein are subject to ongoing due diligence and ongoing review by Siena.

GFI Brands Inc. (an Ontario corporation) “GFI Brands”

North Lily Foods Inc. (a Delaware corporation) “North Lily”

Guarantors

Global Food and Ingredients Ltd. (an Ontario corporation) “Parent”

Global Food and Ingredients (USA) Inc.. (a Delaware corporation) “GFI USA”

Unrestricted Affiliates

Big Sky Milling Inc. (an Ontario corporation) “Big Sky”

ABL Lender

Siena Lending Group Canada LLC
9 W Broad Street, 5th Floor
Stamford, Connecticut 06902 “Lender”

Term Lender

Farm Credit Canada
Loan Administration Centre
1133 St. George Blvd, Suite 104
Moncton, New Brunswick E1E 4E1

“FCC”

Junior Lender

35 Oak Holdings Ltd.
35 Oak Street
North York, ON M9N 1A1

“35 Oak”

Other PartiesCanadian Counsel to Lender

Goodmans LLP
333 Bay Street, Bay Adelaide Centre, Suite 3400
Toronto, ON M5H 2S7 Canada

“Goodmans”

Local Real Estate Counsel to Lender

McDougall Gauley LLP
1500 - 1881 Scarth Street
Regina SK S4P 4K9

“McDougall”

US Counsel to Lender

Otterbourg P.C.
230 Park Avenue
New York, New York 10169

“Otterbourg”

Counsel to Borrowers and Guarantors

McMillan LLP
(Brett Stewart)

“McMillan”

Soumya Sanyal

“In-House Counsel”

●

“GFL US Counsel”

Local Real Estate Counsel to Borrowers

“McKercher”

McKercher LLP
374 Third Avenue South 4Saskatoon, SK S7K 1M5

[NTD: re signature pages:

- Siena to provide completed signature pages
- - GFI to chase and obtain all third party signature pages (FCC, BNS, JPM, 35 Oak etc., landlords, bailees)

LOAN AND SECURITY AGREEMENT DELIVERABLES & DOCUMENTATION

No.	Document	Signatories	Responsible/ Status/Notes
A.	Due Diligence		
1.	Searches (Corporate, PPSA, Bankruptcy, Bank Act, Executions, Litigation) (a) Borrowers (b) Guarantors	NA	Goodmans. Initial searches completed and summaries circulated.
2.	Searches against GFI in Quebec	n/a	Goodmans. Completed.
3.	US searches	N/A	Otterbourg. Completed.
4.	Intellectual Property Searches	N/A	Goodmans. Initial searches completed and summary circulated. Otterbourg USPTO searches completed.

No.	Document	Signatories	Responsible/ Status/Notes
5.	Information Certificate	NA	<p>Revised draft circulated by Borrower 1/25. Goodmans provided comments on IP 1/25. Those comments were accepted. GFI to update information certificate to indicate which entities own assets in the various company locations set out in information certificate. Company to add back specifics of EDC insurance policies, Intact insurance policies and Grains policy. Borrower Agent to provide signed final copy for purposes of LSA.</p>
6.	Due Diligence Checklist & Requested items therein	NA	<p>Annotated DD checklist and related materials received and under review. Goodmans to circle up with Siena for instructions. Per 1/24 internal call, Siena has signed off on scope of diligence conducted by Goodmans.</p>

No.	Document	Signatories	Responsible/ Status/Notes
7.	Bank Accounts	NA	Details provided in information certificate and updated per di Pasquale email to Goodmans 1/15. Siena provided Goodmans with updated instructions re bank account structuring. See comments below re DACAs and BAAs.

No.	Document	Signatories	Responsible/ Status/Notes
8.	<p>Existing Debt & Liabilities</p> <p>(a) FCC Debt</p> <p>(b) 35 Oak Debt</p>	NA	<p>Goodmans New \$500k coming in on closing of Pet Food business sale. Existing 35 Oak converted to equity on Feb 1 as part of Pet Foods sale. If closing of Siena deal is prior to conversion, then both existing and new \$500k debt to be subordinated fully to Siena. Goodmans review to be limited to necessary details for ICA and subordination drafting. Sub-debt documents received and reviewed by Siena.</p> <p>Under \$5MM term debt and \$5MM revolver between Big Sky and 35 Oak, \$15k per month management services contract fees payable to GFI to be permitted payment. Siena to be satisfied with 35 Oak Debt documents for \$10MM (no guarantees etc). 35 Oak Big Sky documents received and under review by Siena. Siena satisfied that no Siena obligor has any contingent liabilities in relation to \$10MM 35 Oak financing of Big</p>

No.	Document	Signatories	Responsible/ Status/Notes
			Sky.
9.	F/X Contracts	NA	<p>[NTD: Siena to confirm scope of review.] Intent is to eventually only have BMO as F/X provider but onboarding has been very slow. Currently company uses RBC and JPM Company intends to be moved to BMO by closing. Siena has asked that JPM and RBC sign directions in case BMO not in place. Company to provide copies of FX agreements with providers and upon receipt Goodmans to draft one page direction referred to below. Please provide. Generic form of direction to be provided to GFI by Goodmans/Siena 1/26. GFI responsible to take to F/X providers and complete with them and return to Goodmans/Siena for review. Siena to be satisfied with any suggested substantive changes from F/X providers.</p>

No.	Document	Signatories	Responsible/ Status/Notes
10.	Material Contracts	NA	<p>Goodmans No supply agreements. Commodity supply contracts are one page. Dollar amounts could be up to \$1M. Company considers this day to day. Siena confirms commodity supply contracts are not to be treated as material and are to be carved out in LSA. Company to update Material contract list in LSA disclosure to include leases and other contracts that exceed \$500k annual threshold or could cause MAE (per language in LSA). Nothing to be updated.</p>
11.	Real Property	NA	<p>Goodmans/McDougall . Goodmans to reach out to McKercher, FCC counsel and/or McDougall, as needed to coordinate select diligence and forms of existing real estate security.</p>
12.	Material Licenses	NA	<p>Goodmans – NB Information certificate says there are none.</p>

No.	Document	Signatories	Responsible/ Status/Notes
13.	Litigation	NA	<p>Goodmans [NTD: searches disclose one litigation against parentco. Company to provide particulars for Siena review.] Two executive claims, both are settled. Phillips. Minutes of settlement provided. Siena satisfied.</p>
14.	Insurance	NA	<p>Goodmans [NTD: Siena to confirm if any diligence required other than review of standard insurance certificate.] Credit Insurance to be reviewed. EDC and Intact policy copies received. Grain payables policy – copied received and under review.</p>

No.	Document	Signatories	Responsible/ Status/Notes
15.	Pet Food business sale	NA	Siena has asked Goodmans to review. Big Sky 51% interest to be pledged to Siena. FCC getting a guarantee from Big Sky, Siena is not. Updated draft APA received and updated Purchased Assets concepts are satisfactory to Siena. Company to advise of status of TSX approval of 35 Oak loan and related matters.
B.	Financing Agreements		
16.	Loan and Security Agreement	Borrowers Guarantors Lender	Goodmans. Draft no 3 circulated 1/25. Comments received 1/29. Revised draft to be circulated 1/30.
	Disclosure Schedule		Borrowers and Guarantors
	Schedule A - Description of Certain Terms		
	Schedule B - Definitions		
	Schedule C - Fees		
	Schedule D - Reporting		

No.	Document	Signatories	Responsible/ Status/Notes
	Schedule E - Financial Covenants		
	Exhibit A - Form of Notice of Borrowing		
	Exhibit B - Closing Checklist		
	Exhibit C - Client User Form		Make into separate item. To be signed separately. Needed two days before closing.
	Exhibit D - Authorized Accounts Form		Make into separate item. To be signed separately. Needed two days before closing.
	Exhibit E - Form of Account Debtor Notification		
	Exhibit F - Form of Compliance Certificate		
	Exhibit G – Form of Monthly Financial Model		Financial model satisfactory to Siena to be delivered.
17.	Revolving Loan Note	Borrowers	√

No.	Document	Signatories	Responsible/ Status/Notes
18.	Canadian General Security Agreement	GFI GFI Brands Parent	Goodmans. Settled.
19.	Pledge and Security Agreement	GFI	Goodmans. Settled. 1407-0313-7289
20.	Pledge and Security Agreement	Parent	Goodmans. Settled.
21.	US General Security Agreement	US Obligors	Otterbourg. Settled.
22.	US Collateral Pledge Agreement (pledging equity interests in GFI USA and North Lily Foods)	Borrowers Guarantors	Otterbourg. Settled.
	Exhibit A – Pledged Interests		Borrowers and Guarantors
23.	Pledge Acknowledgements from US Issuers (GFI US, North Lily)	GFI US, North Lily	Otterbourg. Draft circulated 1/12. Settled.
24.	US Intellectual Property Security Agreement	GFI, GFI US, North Lily	Otterbourg. Draft circulated 1/9. Settled.

No.	Document	Signatories	Responsible/ Status/Notes
25.	<p>Original stock certificates with stock power endorsed in blank, pledged pursuant to LSA or separate pledge</p> <p>(a) Stock certificate(s) issued by GFI</p> <p>(b) Stock certificate(s) issued by Big Sky</p> <p>(c) Stock certificate(s) issued by GFI USA</p> <p>(d) Stock certificate(s) issued by GFI Brands</p> <p>(e) Stock certificate(s) issued by North Lily</p>		<p>Borrowers and Guarantors. Borrower to confirm location of original stock certificates. Held by JPM?</p> <p>**Equity of GFI USA and North Lily not certificated per disclosure schedules to US pledge agreement provided by GFI. **</p> <p>(a) 1390-9947-1113 (location of GFI stock certificates to be confirmed by JPM and company)</p> <p>(b) 1398-3858-6377 and 1396-1733-9145 (share certs will be in Canada)</p> <p>(c) N/A uncertificated</p> <p>(d) 1380-4348-9801 (share cert in Canada)</p> <p>(e) N/A uncertificated</p> <p>Stock Transfer Powers (updated stock power for Big Sky CBC-3 to be</p>

No.	Document	Signatories	Responsible/ Status/Notes
			signed by Company due to updated stock certificate)
26.	<p>PPSA Registrations (or equivalent made pursuant to grant of security in LSA)</p> <p>(a) Parent (Ontario)</p> <p>(b) GFI Brands (Ontario, BC, AB)</p> <p>(c) GFI (Ontario, AB, BC, Sask, MB, QC)</p>	NA	<p>Goodmans Nassiry</p> <p>Regns: ON, AB, BC, SK and MB – filed</p> <p>Post-regn Searches – SK o/s</p> <p>QC to be filed on closing.</p>
27.	<p>UCC Filings (pursuant to US Pledge and Security Agreement)</p> <p>(a) GFI USA</p> <p>(b) North Lily</p> <p>(c) GFI and GFI Brands (DC)</p>	NA	<p>Otterbourg.</p> <p>(a) Draft circulated 1/16</p> <p>(b) Draft circulated 1/16</p> <p>(c) Draft circulated 1/25</p>
28.	Post-Registration Lien Searches	NA	<p>Goodmans</p> <p>Otterbourg</p>

No.	Document	Signatories	Responsible/ Status/Notes
29.	Notice of Security in IP	Borrowers/ Guarantor applicable) (as	√
30.	Notice of Security Interest IP	GFI Brands	√
C.	Third Party Documents		
31.	Intercreditor Agreement with Farm Credit	Lender Farm Credit Borrowers and Guarantors	Goodmans. Goodmans draft circulated 1/27 (FCC signed off). Fully settled.
32.	Subordination Agreement with 35 Oak	Lender 35 Oak Borrowers & Guarantors	Goodmans. Settled.

No.	Document	Signatories	Responsible/ Status/Notes
33.	Blocked Account Agreement with Bank of Nova Scotia	Bank of Nova Scotia Lender Borrowers and Guarantors	. <ul style="list-style-type: none"> - Prior to closing, both BNS accounts to be converted to collection only accounts and evidence of same to be provided to Siena. What is status of conversion? - Cdn\$ BNS Account: to be fully blocked, swept daily to paydown Siena loan - USD\$ BNS Account: fully blocked, except for transfers to specified, permitted FX providers (providers to executed irrevocable directions and confirmations providing that USD received can be converted to Cdn\$ and sent back to Cdn\$ BNS account and then swept to Siena) - Siena comments to BNS draft 2

No.	Document	Signatories	Responsible/ Status/Notes
			circulated 1/24 - Updated draft rec'd 1/30, under review by Siena.

No.	Document	Signatories	Responsible/ Status/Notes
34.	Blocked Account Agreement with JPM Canada		1) GFI <ul style="list-style-type: none"> a) CDN\$ collection account fully blocked and swept daily to Siena b) USD collection account, fully blocked, except for transfers to specified, permitted FX providers (providers to executed irrevocable directions and confirmations providing that USD received can be converted to Cdn\$ and sent back to Cdn\$ BNS account and then swept to Siena) c) Disbursement accounts, USD and CAD, both to be subject to springing BAA 2) GFI Brands <ul style="list-style-type: none"> a) Siena assumes to be closed by funding/closing b) If not closed by funding, to be converted to collection account only, fully blocked

No.	Document	Signatories	Responsible/ Status/Notes
			<p>except for transfers out to FX providers to allow for conversion to CAD\$ and transfer by FX provider to fully blocked CDN collection account</p> <p>** overall – all JPM accounts to be closed within 60 days of closing **</p> <p>Siena comments to draft BACA circulated 1/25.</p> <p>Settled.</p>

No.	Document	Signatories	Responsible/ Status/Notes
35.	Blocked Account Agreement with JPM USA		3) North Lily a) Both USD accounts to be subject to springing DACA b) Amounts in accounts subject to springing DACA to be capped at \$500K, any excess amounts above that amount are to be converted to CDN and sent either to a JPM Canada Cdn\$ account or to the BNS Cdn\$ collection account to be swept to Siena 4) GFI a) Springing DACA in place by closing b) Account to be terminated within 30 days of closing 5) GFI Brands a) Siena assumes to be closed by funding/closing b) If not closed by funding, to be converted to collection account only, fully blocked

No.	Document	Signatories	Responsible/ Status/Notes
			<p>except for transfers out to FX providers to allow for conversion to CAD\$ and transfer by FX provider to fully blocked CDN collection account</p> <p>** overall – all JPM accounts to be closed within 60 days of closing **</p> <p>Siena comments to draft BACA circulated 1/25.</p> <p>Settled.</p>
36.	<p>Irrevocable Direction to be signed by each F/X company used by Borrowers and Guarantors providing that immediately upon currency conversion, F/X provider will transfer converted funds to a blocked account designated by Lender and that F/X provider will not take instructions from Borrowers or Guarantors with respect to funds held by provider</p>	<p>Applicable providers F/X</p>	<p>Goodmans. Company to provide copies of agreements with FX providers. Goodmans to draft upon receipt of FX agreements with FX providers. Siena to approve any changes to settlement instructions. Post closing.</p>

No.	Document	Signatories	Responsible/ Status/Notes
37.	Account Debtor Notification Letters (in blank)	Borrowers and Guarantors, as applicable	√
38.	Collateral Access Agreements (see Exhibit A attached hereto)	Third Parties	Borrowers and Guarantors
39.	PPSA Estoppels/Discharges: (a) Meridian (b) DeLage	Third Parties	(a) √ (b) √
D.	Authorization and Organization Documents		
40.	Officer's Certificate for GFI	In-House Counsel or McMillan	GFI. Settled.
	Exhibit A –Resolutions		GFI
	Exhibit B – Certificate of Incorporation		GFI
	Exhibit C – By-Laws		GFI
41.	Officer's Certificate for Parent	In-House Counsel or McMillan	Parent. Settled.
	Exhibit A –Resolutions		Parent

No.	Document	Signatories	Responsible/ Status/Notes
	Exhibit B – Certificate of Incorporation		Parent
	Exhibit C – By-Laws		Parent
42.	Officer’s Certificate for Big Sky ²	In-House Counsel or McMillan	Big Sky. Settled.
	Exhibit A –Resolutions		Big Sky
	Exhibit B – Certificate of Incorporation		Big Sky
	Exhibit C – By-Laws		Big Sky
43.	Secretary’s Certificate for GFI USA	GFI USA	GFI USA. Settled.
	Exhibit A –Resolutions		GFI USA
	Exhibit B – Certificate of Incorporation		GFI USA
	Exhibit C – By-Laws		GFI USA
44.	Officer’s Certificate for GFI Brands	GFI Brands	GFI Brands. Settled.

² NTD: necessary if Parent pledging 51% interest in Big Sky. Need to confirm existence, constating documents and that appropriate share transfer consents have been approved at the board level.

No.	Document	Signatories	Responsible/ Status/Notes
	Exhibit A –Resolutions		GFI Brands
	Exhibit B – Certificate of Incorporation		GFI Brands
	Exhibit C – By-Laws		GFI Brands
45.	Secretary’s Certificate for North Lily	North Lily	North Lily. Settled.
	Exhibit A – Resolutions		North Lily
	Exhibit B – Certificate of Incorporation		North Lily
	Exhibit C – By-Laws		North Lily

No.	Document	Signatories	Responsible/ Status/Notes
46.	<p>Certificates of Authority to do Business and/or Good Standing Certificates</p> <p>(a) GFI</p> <p>(b) Parent</p> <p>(c) Big Sky</p> <p>(d) GFI USA</p> <p>(e) GFI Brands</p> <p>(f) North Lily</p>	NA	<p>Borrowers and Guarantors</p> <p>(a) Jan 26 provided. To be updated day of closing for McMillan opinion.</p> <p>(b) Jan 26 provided. To be updated day of closing for McMillan opinion.</p> <p>(c) Jan 26 provided. To be updated day of closing for McMillan opinion.</p> <p>(d) Clear.</p> <p>(e) Jan 26 provided. To be updated day of closing for McMillan opinion.</p> <p>(f) Clear.</p>
E.	Real and Personal Property Security and Related Documentation		

No.	Document	Signatories	Responsible/ Status/Notes
47.	Mortgage granted by GFI on 100 Elevator Road, Zealandia, SK, S0L 3N0, Canada	GFI	√
48.	Mortgage granted by GFI on R.M. of Lajord No 128, SK, S0G 4K0, Canada	GFI	McDougall/Goodmans. Form settled
49.	Mortgage granted by GFI on 100 South Railway Avenue, Lajord, SK, S0G 2V0, Canada	GFI	McDougall/Goodmans. Form settled.
50.	Registration of Mortgages listed above	NA	McDougall.
51.	Title Commitment/Title Policy	NA	McKercher ordered the policy directly from First Canadian Title. Goodmans has reviewed and provided comments; awaiting response from the company. Settled. Title search to be updated day of closing.
52.	Survey/Survey Affidavit of No Changes for each property to be subject to a mortgage	NA	NA
F.	General		

No.	Document	Signatories	Responsible/ Status/Notes
53.	Certificate of Insurance, Evidence of Property Insurance and Lender's Loss Payable and Mortgagee Endorsement (Property and Liability Insurance) for Canadian Operations		Signed copy o/s. Goodmans and Siena have signed off.
54.	Insurance Certificates and Endorsements for US Operations	North Lily, GFI US	Otterbourg comments on certificates 1/11. Endorsements are still open.
55.	Direction to pay FCT (title insurance policy)	Borrowers Lender	Invoiced amount to be paid as part of flow of funds.
56.	Endorsement/Direction to pay (EDC Policy)	Borrowers Guarantors EDC Lender	Borrowers and Guarantors. EDC changes done on portal. Post-closing within 3 business days. Evidence of same satisfactory to Siena to be provided.
57.	Termination of JPM Endorsement/Direction to Pay (EDC Insurance)	Borrowers Guarantors	Company to complete and provide evidence of same to Siena post closing within 3 business days.

No.	Document	Signatories	Responsible/ Status/Notes
58.	Nominating a Payee Form (Intact Policy)	Borrowers Guarantors Intact Lender	Company to complete and provide evidence of same to Siena prior to closing.
59.	Termination of JPM Nominating a Payee Form (Intact Insurance)	Borrowers Guarantors	Company to complete and provide evidence of same to Siena. Siena has confirmed it does not need the Intact tripartite agreement.
60.	Assignment of Insurance Proceeds	Borrowers and Guarantors	Goodmans. Settled. 1389-1629-8249
61.	Certified Copies of Insurance Policies summarized in Information Certificate (EDC, Intact, Grain Payables)	Borrowing Agent	Borrowers and Guarantors. Copies of Intact and EDC insurance received 1/5/24. Grain payables? Copy of other insurance policies listed in the information certificate are yet to be received. GFI to update certificate and provide fully compiled document with all policy copies attached.

No.	Document	Signatories	Responsible/ Status/Notes
62.	Satisfaction with all insurance matters (EDC, Intact, Grains Payable Insurance Policy) by Siena	NA	Siena to confirm satisfaction.
63.	Satisfaction with 35 Oak subordinated indebtedness and related documents and structuring by Siena	NA	Siena to confirm satisfaction.
64.	Borrowers' Closing Certificate re no default, solvency, reps & warranties, true copies of FCC loan documents, 35 Oak loan documents and other matters required by Siena	Borrowers	<p>Goodmans.</p> <p>Form is settled. GFI to provide fully compiled copy with all attachments.</p> <p>1386-6155-9561</p>

No.	Document	Signatories	Responsible/ Status/Notes
65.	Closing Borrowing Base Certificate	Borrowers	<p>Siena/Borrowers</p> <p>Siena working directly with Borrowers on borrowing base and related certificate. Draft flow of funds excel prepared by Siena, but availability cannot be fully calculated until missing items (eg transaction costs) finalized.</p> <p>GFI to use regular reporting BBC form for this item. Please produce and send draft for Siena to signoff when ready.</p>
66.	Opinion of Borrowers' and Guarantors' Counsel addressed to Lender: In-House counsel re corporate matters, McMillan re enforceability and perfection, re all standard matters.	In-House Counsel, McMillan, GFL	Updated draft to be provided.
67.	Payoff Letter from JPMorgan	JPMorgan	Settled, subject to filling in amounts and dating.

No.	Document	Signatories	Responsible/ Status/Notes
68.	<p>JPMorgan discharges of all existing security:</p> <p>(a) PPSA & UCC</p> <p>(b) Mortgages</p> <p>(c) IP (CIPO& USPTO)</p> <p>(d) Bank Act</p>	JPMorgan	<p>Norton Rose</p> <p>Goodmans</p> <p>(a) Drafts received.</p> <p>(b)</p> <p>(c) Draft received</p> <p>(d) Drafts received</p> <p>Goodmans has signed off on draft JPM discharges.</p>
69.	BNS Termination Notice re Blocked Account Agreements	GFI	<p>Company to prepare termination form attached to JPM BNS blocked account agreement and have signed by BNS. Company to show to Siena and Goodmans.</p>
70.	Satisfactory completion of Lender's business due diligence	NA	Lender
71.	Satisfactory Opening Revolving Line Excess Availability	NA	Lender
72.	No MAC since August 31, 2023	NA	Lender

No.	Document	Signatories	Responsible/ Status/Notes
73.	Minimum investment of \$500,000 on terms satisfactory to Lender	NA	Lender. Subdebt documents received and reviewed. Siena satisfied. GFI to provide copy of flow of funds and irrevocable funding direction from 35 Oak evidencing subdebt funding.
74.	Payment of first \$200,000 of Closing Fee & \$15,000 Monthly Collateral Monitoring Fee	NA	Borrowers. To be included in disbursement authorization.
75.	Payment of Lender's Costs and Expenses associated with closing of the ABL credit facilities	NA	Borrowers. To be included in disbursement authorization.
76.	Disbursement Authorization Letter	Borrowers Lender	Goodmans. Updated draft circulated 1/27. 1381-5830-8617
77.	Irrevocable Payment Direction re \$4.7M to partially payout JPM	Siena Blakes 35 Oak	Company to provide 35 Oak disbursement authorization and irrevocable direction to 35 Oak re partial payment to JPM
G.	Post-Closing		

No.	Document	Signatories	Responsible/ Status/Notes
78.	Registration of Notices of Security Interest in IP with the Canadian Intellectual Property Office	N/A	Goodmans. Siena has advised no USPTO filings necessary if Borrowers rep in LSA that US IP is immaterial and relates to inventory that is being sold off and will not be produced for sale going forward.
79.	<p>The following BNS bank accounts to be converted to collection only accounts and any debit transaction functionality to be removed:</p> <p>(a) 47696 1335 11</p> <p>(b) 47696 16010 16</p>	N/A	To be completed within 10 days of closing.
80.	Irrevocable directions with FX providers		To be completed within 2 weeks of closing.
81.	Bailee Agreement re 1751 Richardson Suite 5-500 Montreal, QC	Ray-Mont Logistics GFI Brands	
82.	Delivery of evidence of Termination of EDC direction to pay to JPM to Siena, in form and substance satisfactory to Siena	JPM Borrowers	JPM will release on closing. Company to use best efforts to complete same day in EDC portal and to be completed no later than three (3) business days following closing.

No.	Document	Signatories	Responsible/ Status/Notes
83.	Delivery of evidence of completion of EDC direction to pay Siena, in form and substance satisfactory to Siena	Borrowers	To be completed within three (3) business days of closing.
84.	DACAs with JPM (or replacement bank) to perfect USD held by US Subsidiaries in deposit accounts	JPM or other bank North Lily GFI USA	Otterbourg provided comments 1/25. Post-Closing.

EXHIBIT A
to
CLOSING DOCUMENT INDEX

[NTD: company to provide updated post-pet foods locations list showing all locations with \$100k+ in assets/inventory]. Was this provided to Siena?

Landlord Agreements

Tenant	Property Location	Landlord	Status
GFI	43 Colborne St, Suite 400, Toronto ON	Next Step Capital Corp.	Form settled
GFI (subtenant)	41-43 Colborne St, Suite 300, Toronto, ON, M5E 1E3	Next Step Capital Corp. (head landlord)	Form settled
GFI (subtenant)	41-43 Colborne St, Suite 300, Toronto, ON, M5E 1E3	Jellinek Law Professional Corporation (sublandlord)	Form settled
North Lily	261 Harvest Mill Ln, Clayton, NC 27520, USA	Harvest Mills Associates, LLC	Settled as of 1/16.
GFI	100 South Railway Avenue, Lajord, SK, S0G 2V0	Stewart Southern Railway Inc.	Form settled

Bailee Agreements

Bailor	Property Location	Bailee	Status
Borrowers	1070 Swanson Drive Batavia, IL 60510 (and such other locations of the Bailee from time to time)	PDS Warehousing & Distribution LLC	Draft circulated directly by Borrowers; awaiting comments and/or executed copy. GFI's signature received

1379-0677-6073

B. POST CLOSING DELIVERABLES AND COVENANTS

- On or before the applicable dates specified therein, the closure of all JPMorgan Chase bank accounts in accordance with Section 5.33 hereof.
- On or before the date that is sixty (60) days from the date hereof, the closure of any and all remaining JPMorgan Chase bank accounts of the Loan Parties.
- On or before the date that is ninety (90) days from the date hereof, but in any no later than one hundred and twenty (120) days from the date hereof, the closure of all Bank of Nova Scotia bank accounts of the Loan Parties.
- Within three (3) Business Days of the date hereof, the establishment of view access to all Bank of Nova Scotia bank accounts of the Loan Parties
- The Borrowers shall, within 60 days of the Closing Date apply for a certificate of approval under The Planning and Development Act, 1997 (Saskatchewan) (a “**Certificate**”) from the relevant approving authority respecting the Lease between the Borrower, as tenant and Stewart Southern Railway Inc., as landlord dated October 1, 2015 as amended and assigned to the Borrower (the “**Lease**”), and shall, at its sole expense, do all things necessary to obtain a Certificate in accordance with subsection 21.12 of the Lease. The Borrower shall ensure that that the Certificate is obtained prior to December 31, 2024 and shall provide

the Lender with a copy of its completed application upon submission and a copy of the Certificate upon receipt by the Borrowers.

- Borrowers shall use reasonable commercial efforts to obtain a bailee letter, in form and substance satisfactory to Lender, with respect to the Ray-Mont Logistics location at 1751 Richardson Suite 5-500, Montreal Quebec within 30 days of the Closing Date. .
- Borrowers shall, within 10 business days of the Closing Date, establish in favour of Lender, in each case, in form and substance satisfactory to Lender:
 - (i) full cash dominion over all bank accounts of the Loan Parties held at Bank of Montreal, including, without limitation, entering into blocked account agreements with Bank of Montreal and Lender;
 - (ii) springing cash dominion over all bank accounts held at JPMorgan Chase Bank of the Loan Parties including satisfactory blocked account agreements with respect to such Canadian bank accounts and satisfactory deposit account control agreements with respect to such US bank accounts; and
 - (iii) springing cash dominion over all bank accounts of the Loan Parties held at The Bank of Nova Scotia including satisfactory blocked account agreements;
- Borrower shall, to the extent not specifically provided for herein or in the closing checklist, take such actions and enter into such documents as are requested by Lender in relation to the establishment of cash dominion arrangements satisfactory to Lender in relation to any bank accounts of the Loan Parties. The Loan Parties shall comply with any such requests promptly and diligently and within the timeframes indicated by Lender when such requests are made. These obligations of the Loan Parties are in addition to any further assurances obligations set out here in or in any other Loan Document.
- All post-closing matters described on the closing checklist not specified on this Exhibit B.

**EXHIBIT C
CLIENT USER FORM**

**Siena Lending Group Canada LLC
ABLServe – Client User Form**

Borrowing Agent: Global Food and Ingredients Inc.

Borrower Number: _____

Loan and Security Agreement Date: February __, 2024

We, being two Authorized Officers of the above Borrower (the “**Borrowing Agent**”), refer to the above Loan and Security Agreement (as amended, restated or otherwise modified from time to time, the “**Loan Agreement**”) between the Borrowing Agent, each of the other Borrowers (as defined therein) and Siena Lending Group Canada LLC. This is the Client User Form, used to determined client access to ABLServe.

Being duly authorized by the Borrowing Agent, we each confirm that the following people have been authorized by the Borrowing Agent to have access (Full Access or Read Only, as indicated below) to ABLServe:

First Name	Last Name	Full Access or Read Only Access⁶¹	Email Address	Phone Number

[BORROWING AGENT]

Per: _____

Name:

Title:

Per: _____

Name:

Title:

**EXHIBIT D
AUTHORIZED ACCOUNTS FORM**

**Siena Lending Group Canada LLC
Authorized Accounts Form**

Borrowing Agent: Global Food and Ingredients Inc.

Borrower Number: _____

Loan and Security Agreement Date: February __, 2024

I, being an Authorized Officer of the above Borrower (the “**Borrowing Agent**”), refer to the above Loan and Security Agreement (as amended, restated or otherwise modified from time to time, the “**Loan Agreement**”) between the Borrowing Agent, each of the other Borrowers (as defined therein) and Siena Lending Group Canada LLC (“**Lender**”). This is the Authorized Accounts Form, referring to authorized operating bank accounts of the Borrowers. Terms defined in the Loan Agreement have the same meaning when used in this Authorized Accounts Form.

Being duly authorized by the Borrowing Agent, I confirm that the following operating bank accounts of the Borrowing Agent are the accounts into which the proceeds of any Loan may be paid:

Bank	Routing Number	Account Number	Account Name

[BORROWING AGENT]

Per: _____

Name:

Title:

Per: _____

Name:

Title:

**EXHIBIT E
FORM OF ACCOUNT DEBTOR NOTIFICATION**



VIA OVERNIGHT COURIER

Re: Loan Transaction with Siena Lending Group Canada LLC

Ladies and Gentlemen:

Please be advised that we and certain of our subsidiaries or affiliates have entered into certain financing arrangements (the “**Financing Arrangements**”) with Siena Lending Group Canada LLC (“**Lender**”), pursuant to which we have granted to Lender a security interest in, among other things, any and all Accounts and Chattel Paper (as those terms are defined in the Uniform Commercial Code and/or PPSA, as applicable) owing by you to us, whether now existing or hereafter arising.

You are authorized and directed to respond to any inquiries that Lender may direct to you from time to time pertaining to the validity, amount, and other matters relating to such Accounts and Chattel Paper. In addition, you are hereby authorized and directed to pay all invoices and amounts now and hereafter due to us pursuant to the following directions:

If remitting payment via wire transfer, please wire transfer the monies to the following account:

Transit Number (RTN/ABA): _____
Bank Name: _____
Account Name: _____
Beneficiary Account Number: _____
Reference: _____

If payment by check:

Made payable to: ●

Mailed to: _____

Please notify your accounting department of this change. If you make payment to us in any manner other than as set forth above, such payment will not constitute settlement of the

account. These instructions may not be modified or supplemented without written notice from Siena Lending Group Canada LLC.

This authorization and directive shall be continuing and irrevocable until all of the Loan Documents have been terminated and all obligations owing thereunder by us and our subsidiaries or affiliates have been paid in full in cash (other than unasserted contingent indemnification obligations).

[SIGNATURES TO FOLLOW ON NEXT PAGE]

Very truly yours,



Per:

Name:

Title:

cc: Siena Lending Group Canada LLC
9 W Broad Street, 5th floor, Suite 540
Stamford, CT 06902
Attention: Steve Sanicola

**EXHIBIT F
FORM OF COMPLIANCE CERTIFICATE**

[letterhead of Borrowing Agent]

To: Siena Lending Group Canada LLC
9 W Broad Street, 5th floor, Suite 540
Stamford, Connecticut 06902
Attention: Steve Sanicola

Re: Compliance Certificate dated _____

Ladies and Gentlemen:

Reference is made to that certain Loan and Security Agreement dated as of February __, 2024 (as amended, restated or otherwise modified from time to time, the “Loan Agreement”) by and among Siena Lending Group Canada LLC (together with its successors and assigns, “Lender”), Global Food and Ingredients Inc., a federal Canadian corporation (“Borrower”) and any other Person who from time to time becomes a Borrower hereunder, individually and collectively as the context may require, “Borrowers”) and each of the Loan Parties (as defined therein) party thereto. Capitalized terms used in this Compliance Certificate have the meanings set forth in the Loan Agreement unless specifically defined herein.

Pursuant to Section 5.15 of the Loan Agreement, the undersigned Authorized Officer of Borrowing Agent, on behalf of the Borrowers, hereby certifies (solely in his capacity as an officer of Borrowing Agent and not in his individual capacity) that:

1. The financial statements of Borrowers for the ___ -month period ending _____ attached hereto have been prepared in accordance with IFRS, and fairly present the financial condition of Borrowers for the periods and as of the dates specified therein.
2. As of the date hereof, there does not exist any Default or Event of Default.
3. **[Borrowers are in compliance with the applicable financial covenants contained in Section 5.26 of the Loan Agreement for the periods covered by this Compliance Certificate. Attached hereto are statements of all relevant facts and computations in reasonable detail sufficient to evidence Borrowers’ compliance with such financial covenants, which computations were made in accordance with IFRS.]³**

³ NTD: to be included if necessary/applicable.

IN WITNESS WHEREOF, this Compliance Certificate is executed by the undersigned Authorized Officer this ____ day of _____, _____.

[BORROWING AGENT]

Per: _____

Name:

Title:

EXHIBIT G
FORM OF MONTHLY FINANCIAL MODEL

Delivered directly to Lender by Borrowing Agent.

1379-0677-6073

NOTICE OF BORROWING AGENT

Siena Lending Group Canada LLC
9 W Broad Street, 5th floor, Suite 540
Stamford, Connecticut 06902
Attention: Steve Sanicola

Dear Mr. Sanicola:

Please refer to the Loan and Security Agreement dated as of February 1, 2024 (as amended, restated or otherwise modified from time to time, the “Loan Agreement”) among the undersigned, as a Borrower and Borrowing Agent, each of the other Borrowers (as defined therein) the Loan Parties (as defined therein) party thereto, and Siena Lending Group Canada LLC, as Lender. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Loan Agreement. This notice is given pursuant to Article 10 of the Loan Agreement and constitutes a representation by Borrowing Agent, on behalf of Borrowers, that the conditions specified in Section 1.6 of the Loan Agreement have been satisfied. Without limiting the foregoing, (a) each of the representations and warranties set forth in the Loan Agreement and in the other Loan Documents is true and correct in all respects as of the date hereof (or to the extent any representations or warranties are expressly made solely as of an earlier date, such representations and warranties shall be true and correct as of such earlier date), both before and after giving effect to the Loans requested hereby, and (b) no Default or Event of Default is in existence, both before and after giving effect to the Loans requested hereby (if not true, in the “Comments Regarding Exceptions” section below, specify the Default or Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by Borrowers with respect to such Default or Event of Default).

Borrowing Agent, on behalf of Borrowers, hereby requests a borrowing under the Loan Agreement as follows:

The aggregate amount of the proposed borrowing is \$10,094,919.71. The requested borrowing date for the proposed borrowing (which is a Business Day) is February 1, 2024.

Borrowing Agent has caused this Notice of Borrowing to be executed and delivered by its Authorized Officer thereunto duly authorized on February 1, 2024.

Comments Regarding Exceptions: n/a.

GLOBAL FOOD AND INGREDIENTS INC.

Per: Bill Murray
Name: Bill Murray
Title: Chief Financial Officer

CLIENT USER FORM**Siena Lending Group Canada LLC
ABLServe – Client User Form****Borrowing Agent:** Global Food and Ingredients Inc.**Borrower Number:** _____**Loan and Security Agreement Date:** February 1, 2024

We, being two Authorized Officers of the above Borrower (the “**Borrowing Agent**”), refer to the above Loan and Security Agreement (as amended, restated or otherwise modified from time to time, the “**Loan Agreement**”) between the Borrowing Agent, each of the other Borrowers (as defined therein) and Siena Lending Group Canada LLC. This is the Client User Form, used to determine client access to ABLServe.

Being duly authorized by the Borrowing Agent, we each confirm that the following people have been authorized by the Borrowing Agent to have access (Full Access or Read Only, as indicated below) to ABLServe:

First Name	Last Name	Full Access or Read Only Access ⁶¹	Email Address	Phone Number
William	Murray	Full Access	bill.murray@gfiglobalfood.com	647-339-8162
Scott	Morrison	Full Access	scott.morrison@gfiglobalfood.com	416-840-5193
Ahmed	Khan	Full Access	ahmed.khan@gfiglobalfood.com	647-932-1575
David	Di Pasquale	Read Only	david.dipasquale@gfiglobalfood.com	647-969-3348
David	Hanna	Read Only	david.hanna@gfiglobalfood.com	647-968-2601

GLOBAL FOOD AND INGREDIENTS INC.

Per: _____

Name: William Murray

Title: Chief Financial Officer

Per: _____

Name: David Hanna

Title: President & CEO

AUTHORIZED ACCOUNTS FORM**Siena Lending Group Canada LLC
Authorized Accounts Form****Borrowing Agent:** Global Food and Ingredients Inc.**Borrower Number:** _____**Loan and Security Agreement Date:** February 1, 2024

I, being an Authorized Officer of the above Borrower (the “**Borrowing Agent**”), refer to the above Loan and Security Agreement (as amended, restated or otherwise modified from time to time, the “**Loan Agreement**”) between the Borrowing Agent, each of the other Borrowers (as defined therein) and Siena Lending Group Canada LLC (“**Lender**”). This is the Authorized Accounts Form, referring to authorized operating bank accounts of the Borrowers. Terms defined in the Loan Agreement have the same meaning when used in this Authorized Accounts Form.

Being duly authorized by the Borrowing Agent, I confirm that the following operating bank accounts of the Borrowing Agent are the accounts into which the proceeds of any Loan may be paid:

Bank	Routing Number	Account Number	Account Name
Bank of Montreal	001-00022	1555523	Global Food and Ingredients Inc.
JPMorgan Chase Bank, NA	270-00012	4011771185	Global Food and Ingredients Inc.

GLOBAL FOOD AND INGREDIENTS INC.

Per: _____

Name: William Murray

Title: Chief Financial Officer

Per: _____

Name: David Hanna

Title: President & CEO

COMPLIANCE CERTIFICATE

To: Siena Lending Group Canada LLC
9 W Broad Street, 5th floor, Suite 540
Stamford, Connecticut 06902
Attention: Steve Sanicola

Re: Compliance Certificate dated February 1, 2024

Ladies and Gentlemen:

Reference is made to that certain Loan and Security Agreement dated as of February 1, 2024 (as amended, restated or otherwise modified from time to time, the “Loan Agreement”) by and among Siena Lending Group Canada LLC (together with its successors and assigns, “Lender”), Global Food and Ingredients Inc., a federal Canadian corporation (“Borrower”) and any other Person who from time to time becomes a Borrower hereunder, individually and collectively as the context may require, “Borrowers”) and each of the Loan Parties (as defined therein) party thereto. Capitalized terms used in this Compliance Certificate have the meanings set forth in the Loan Agreement unless specifically defined herein.

Pursuant to Section 5.15 of the Loan Agreement, the undersigned Authorized Officer of Borrowing Agent, on behalf of the Borrowers, hereby certifies (solely in his capacity as an officer of Borrowing Agent and not in his individual capacity) that:

1. The financial statements of Borrowers for the 9-month period ending December 31, 2023 have already been provided to the Lender and have been prepared in accordance with IFRS, and fairly present the financial condition of Borrowers for the periods and as of the dates specified therein.
2. As of the date hereof, there does not exist any Default or Event of Default.

IN WITNESS WHEREOF, this Compliance Certificate is executed by the undersigned Authorized Officer this 1st day of February, 2024.

GLOBAL FOOD AND INGREDIENTS INC:

Per: Bill Murray
Name: Bill Murray
Title: CFO



This is Exhibit "I" referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.

GENERAL SECURITY AGREEMENT

This GENERAL SECURITY AGREEMENT (this “Agreement”) is dated as of February 1, 2024, by and among GLOBAL FOOD AND INGREDIENTS INC., a Canada corporation (“GFI”), GLOBAL FOOD AND INGREDIENTS LTD, an Ontario Corporation (“GFIL”) and GFI BRANDS INC., a Canada corporation (“GFIB”; and together with GFI and GFIL, each a “Grantor” and collectively, the “Grantors”, in each case, together with their respective successors and assigns), and SIENA LENDING GROUP CANADA LLC, a Delaware limited liability company (together with its successors and assigns, “Secured Party”).

W I T N E S S E T H:

WHEREAS, Grantors (together any other Person or entity that becomes a co-borrower under the Loan Agreement (as defined below), collectively, the “Borrowers”) and Secured Party have entered into financing arrangements as more fully set forth in the Loan Agreement (as defined below) and the other Loan Documents (as defined below);

WHEREAS, Each Grantor is jointly and severally liable for, and has guaranteed the prompt payment and performance of, all indebtedness and other obligations of the Borrowers and other Loan Parties evidenced by or arising under the Loan Documents as more fully set forth in the Loan Agreement; and

WHEREAS, as collateral security for the prompt payment and performance of all indebtedness, liabilities and obligations of each Grantor, the Borrowers and the other Loan Parties under, pursuant to or evidenced by the Loan Agreement and other Loan Documents, each Grantor has agreed to grant Secured Party a security interest in and lien upon all assets and properties of Grantor in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the terms and conditions contained herein, and of any extension of credit heretofore, now or hereafter made by the Secured Party to or for the benefit of the Borrowers, any Grantor or any other Loan Party, the parties hereto hereby agree as follows:

1. DEFINITIONS.

(a) “Collateral” shall mean, collectively, all personal property of a Grantor, including, without limitation, (a) all accounts, chattel paper, documents of title, equipment, intangibles, goods, instruments, inventory, investment property, records, vehicles and fixtures of such Grantor or in which such Grantor has rights, (b) all other personal and real property of such Grantor or in which such Grantor has rights, (c) all substitutions and replacements for and products of any of the foregoing, and (d) all proceeds of any and all of the foregoing, in each instance, whether real or personal, tangible or intangible, now owned or existing or hereafter acquired or arising and wherever located, but shall not include Excluded Collateral (as defined in the Loan Agreement).

(b) “Contractual Rights” shall have the meaning set forth in Section 2(c).

(c) “Currency Due” shall have the meaning set forth in Section 5(c).

(d) “Judgment Currency” shall have the meaning set forth in Section 5(c).

(e) “Loan Agreement” shall mean the Loan and Security Agreement, dated the date hereof, by and among, Borrowers, the other Loan Parties thereto, and Secured Party, as amended.

(f) “Loan Documents” shall have the meaning set forth in the Loan Agreement and shall include, without limitation, this Agreement.

(g) “Obligations” shall mean the Obligations (as such term is defined in the Loan Agreement).

(h) “PPSA” shall mean the *Personal Property Security Act* (Ontario), including the regulations thereto, provided that, if validity, perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security in effect in a jurisdiction other than Ontario, “PPSA” means the Personal Property Security Act or such other applicable legislation in effect from time to time in such other jurisdiction (including the Civil Code of Quebec and the regulations respecting the register of personal and movable real rights thereunder) for purposes of the provisions hereof relating to such validity, perfection, effect of perfection or non-perfection or priority.

(i) “Receiver” shall have the meaning set forth in Section 3(c).

(j) “STA” shall mean, collectively, the *Securities Transfer Act, 2006* (Ontario) and comparable securities transfer legislation in effect in any other jurisdiction, as such legislation may be amended, consolidated or replaced from time to time.

(k) “Subagent” shall have the meaning set forth in Section 5(b).

(l) “ULC” shall have the meaning set forth in Section 2(e).

(m) “ULC Interests” shall have the meaning set forth in Section 2(e).

(n) The terms “PACA,” “PACA Waiver,” “Food Security Act,” “Farm Products,” and “Farm Products Seller” shall have the meanings assigned in Schedule 2 attached hereto.

(o) Interpretation. All terms defined in the PPSA and not otherwise defined herein shall, including for purposes of Section 2 below, have the meanings assigned to them in the PPSA. All other capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such term in the Loan Agreement.

2. GRANT OF SECURITY INTEREST.

(a) Grant of Security Interest. To secure the prompt payment, performance and observance in full of all Obligations, each Grantor hereby grants to Secured Party, for the benefit of itself, and its affiliates, (subject to paragraph (e) below) a continuing security interest in, a lien upon and a right of setoff against all Collateral.

(b) Province of Quebec. To further secure the full payment and performance of all of the Obligations, each Grantor hereby hypothecates to and in favor of Secured Party the “*l’universalité de ses biens meubles, corporels et incorporels, présents et à venir, de quelque nature qu’ils soient et où qu’ils puissent être situés.*” The parties agree that the English version of the

foregoing description is as follows: “the universality of its movable property, corporeal and incorporeal, present and future, of any nature whatsoever and wherever situate”. The aforesaid hypothec is created for a sum of CAD\$30,000,000 with interest thereon at the rate of 25% per annum. Each Grantor hereby confirms that this Agreement has been freely negotiated by the parties hereto. The parties hereto confirm that they have expressly requested that this Agreement (except for any French language set out therein), and all related documents be drafted in the English language. *Chaque Partie du Prêt confirme que la présente convention a été librement négociée par les parties aux présentes. Les parties aux présentes confirment qu’elles ont expressément exigé que la présente convention (à l’exception de quelconque texte en français prévu aux présentes) et tous les documents connexes soient rédigés en langue anglaise.* This paragraph entitled “Province of Quebec” shall be governed by and enforced in accordance with the laws of the Province of Quebec without regard to principles of conflicts of laws that would require the application of any other law, the whole so to create a valid and enforceable hypothec pursuant to the laws of the Province of Quebec.

(c) Contractual Rights. The security interest created hereby does not and shall not extend to, and Collateral shall not include, any contract, right or licence (the “Contractual Rights”) of any Grantor, including any right of any Grantor as security holder, shareholder or holder of a partnership interest, if pursuant to the terms of such Contractual Right, or pursuant to the terms of any agreement affecting such Contractual Right, the Contractual Right would automatically terminate if it was part of the Collateral charged hereby, or would be terminable at the option of the other party or of any Grantor, or would be subject to disposition, alteration or amendment at the option of another party including another security holder, shareholder or holder of a partnership interest. Each Grantor shall hold its interest in the Contractual Rights in trust for the Secured Party and the security interest granted hereby shall automatically extend to such Contractual Rights once the appropriate consents of the other parties to such Contractual Rights are obtained. On or after the occurrence of any Event of Default which is continuing, in order that the full value of the beneficial interest in the Contractual Rights not assigned to the Secured Party pursuant to this Agreement but held in trust for the Secured Party may be realized for the benefit of the Secured Party, each Grantor shall, at the request and expense and under the direction of the Secured Party, in the name of such Grantor, take all such action and do or cause to be done all such things as are desirable in order that the obligations of such Grantor under such Contractual Rights may be performed in such manner that the beneficial interest in such Contractual Rights shall be preserved and shall enure to the benefit of the Secured Party or as the Secured Party may direct in writing and the collection of any monies due and payable and to become due and payable shall be facilitated and the Grantors will promptly pay over to the Secured Party or as the Secured Party may direct in writing all monies collected by or paid to any Grantor in respect of the beneficial interest in every such Contractual Right.

(d) Leases. This assignment and mortgage and charge will not (a) extend or apply to the last day of the term of any lease or any agreement to lease now held or hereafter acquired by any Grantor, but should the Secured Party enforce this assignment and mortgage and charge, the Grantors will thereafter stand possessed of such last day and must hold it in trust to assign it to the Secured Party or to any Person acquiring such term in the course of the enforcement of this assignment and mortgage and charge, or (b) render the Secured Party liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which any Grantor is a party or by which it is bound.

(e) ULC Interests. Notwithstanding the grant of security interest made by each Grantor in favor of the Secured Party of all of its Collateral, or any provision to the contrary contained in this Agreement, the Loan Agreement or any other Loan Document, any Grantor that controls any interest (for the purposes of this Section 2(e), “ULC Interests”) in any unlimited liability company (for

the purposes of this Section 2(e), a “ULC”) pledged hereunder shall remain registered as the sole registered and beneficial owner of such ULC Interests and will remain as registered and beneficial owner until such time as such ULC Interests are effectively transferred into the name of the Secured Party or any other Person on the books and records of such ULC. Nothing in this Agreement is intended to or shall constitute the Secured Party or any Person as a shareholder or member of any ULC until such time as notice is given to such ULC and further steps are taken thereunder so as to register the Secured Party or any other Person as the holder of the ULC Interests of such ULC. To the extent any provision hereof would have the effect of constituting the Secured Party or any other Person as a shareholder or member of a ULC prior to such time, such provision shall be severed therefrom and ineffective with respect to the ULC Interests of such ULC without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Collateral which are not ULC Interests. Except upon the exercise of rights to sell or otherwise dispose of ULC Interests following the occurrence and during the continuance of an Event of Default hereunder, no Grantor shall cause or permit, or enable any ULC in which it holds ULC Interests to cause or permit, the Secured Party to: (a) be registered as shareholders or members of such ULC; (b) have any notation entered in its favor in the share register of such ULC; (c) be held out as a shareholder or member of such ULC; (d) receive, directly or indirectly, any dividends, property or other distributions from such ULC by reason of the Secured Party holding a security interest in such ULC; or (e) act as a shareholder or member of such ULC, or exercise any rights of a shareholder or member of such ULC including the right to attend a meeting of, or to vote the shares of, such ULC. The foregoing limitations shall not restrict the Secured Party from exercising the rights, powers and remedies which it is entitled to exercise hereunder in respect of any of the Collateral constituting unlimited liability shares at any time that the Secured Party shall be entitled to realize on all or any portion of the Collateral pursuant to this Agreement (it being agreed that no such exercise shall occur, or be deemed to have occurred, prior to the provision to the Grantor by the Secured Party of prior written notice of the Secured Party’s intention to exercise such rights, powers and remedies).

(f) Attachment. Each Grantor acknowledges and agrees that: (i) value has been given by the Secured Party, (ii) such Grantor has rights in the Collateral or the power to transfer rights in the Collateral, (iii) the security interest will attach when such Grantor signs this Agreement, and (iv) the Secured Party and such Grantor have not otherwise agreed to postpone the time of attachment.

3. EVENTS OF DEFAULT: RIGHTS AND REMEDIES ON DEFAULT.

(a) Event of Default. The occurrence of any one or more of the following events shall constitute an “Event of Default” under this Agreement: (i) a default or event of default shall occur under the Loan Agreement or any other Loan Document, (ii) any representation or warranty of a Grantor under or in connection with this Agreement shall be untrue, incorrect or misleading when made or during the period covered thereby, (iii) a Grantor commits any breach or default in the performance of any covenant or other agreement in this Agreement, (iv) a Grantor ceases to conduct its business as now conducted without the Secured Party’s consent or is enjoined, restrained or in any way prevented by court order from conducting all or any material part of its business affairs, (v) this Agreement shall, for any reason, fail or cease to create a valid and perfected first priority Lien and security interest on the Collateral, or (vi) a Grantor becomes insolvent, has suspended the transaction of its usual business or is generally not paying its debts as they become due as evidenced by such Grantor’s admission in writing or otherwise.

(b) Remedies. Upon and after an Event of Default, Secured Party shall have all of the rights and remedies of a secured party under the PPSA or other applicable law, all of which rights

and remedies shall be cumulative, and non-exclusive, to the extent permitted by law, in addition to any other rights and remedies contained in this Agreement and the other Loan Documents. The proceeds realized from the sale of any Collateral shall be applied in accordance with the Loan Agreement. If any deficiency shall arise after application of such proceeds, each Grantor shall remain liable to Secured Party for such deficiency.

(c) Right to Appoint a Receiver. The Secured Party may by appointment in writing appoint a receiver, interim receiver, receiver and manager or agent (each referred to as the “Receiver”) over all or any part of the Collateral, and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term “Secured Party” when used in the remedial sections of this Agreement will include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Secured Party will not be in any way responsible for any misconduct or negligence of any such Receiver. Subject to the provisions of the instrument of its appointment, any such Receiver shall have all of the powers of the Secured Party set forth in this Agreement.

(d) Notice of Collateral Disposition. Any notice required to be given by Secured Party of a sale, lease, other disposition of the Collateral or any other intended action by Secured Party, deposited in the mail, certified mail, return receipt requested, postage prepaid and duly addressed to a Grantor, at the address set forth in Section 4(b)(ii), ten (10) days prior to such proposed action, shall constitute commercially reasonable and fair notice thereof to such Grantor.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS.

(a) Title. Each Grantor represents and warrants to Secured Party, and agrees with Secured Party, that such Grantor (i) has absolute title to each item of Collateral in existence on the date hereof, free and clear of all liens, claims and encumbrances other than Permitted Liens, (ii) will keep all Collateral free and clear of all liens, claims and encumbrances other than liens, claims and encumbrances expressly permitted under the Loan Agreement, and (iii) will defend the Collateral against all claims or demands of all Persons. The Grantors will not sell or otherwise dispose of the Collateral without the prior written consent of Secured Party.

(b) Chief Executive Office; Identification Number. Each Grantor represents and warrants to Secured Party that (i) such Grantor is a corporation of the type described in the recitals hereto, (ii) the chief executive office and mailing address of such Grantor is 43 Colborne Street, Ste. 400, Toronto, Ontario Canada M5E 1E3, and (iii) the books and records of such Grantor pertaining to the Collateral are located at 43 Colborne Street, Ste. 400, Toronto, Ontario Canada M5E 1E3.

(c) Changes in Name, Constituent Documents, Location. Each Grantor will not change its (i) name, organizational documents or jurisdiction of organization, without the prior written consent of Secured Party or (ii) business address, without prior written notice to Secured Party.

(d) Good Repair. The Grantors shall keep all tangible Collateral in good repair, working order and condition, normal depreciation excepted, and will, from time to time, replace any worn, broken or defective parts thereof.

(e) Taxes. The Grantors shall promptly pay all taxes and other governmental charges levied or assessed upon or against any Collateral.

(f) Access and Inspection. Each Grantors shall permit Secured Party or its representatives to examine or inspect any Collateral, wherever located, and to examine, inspect and copy such Grantor's books and records pertaining to the Collateral and its business and financial condition and to send and discuss with account debtors and other obligors requests for verifications of amounts owed to such Grantor.

(g) Material Damage to Collateral. Each Grantor shall promptly notify Secured Party of any loss of or material damage to any Collateral or of any adverse change, known to such Grantor, in the prospect of payment of any sums due on or under any instrument, chattel paper, or account constituting Collateral.

(h) Insurance. Each Grantor shall, at all times, keep all tangible Collateral insured against risks of fire (including so-called extended coverage), theft, collision (in the case of Collateral consisting of motor vehicles) and such other risks and in such amounts as Secured Party may reasonably request, with any such policies containing a lender loss payable endorsement acceptable to Secured Party.

(i) Financing Statements. Each Grantor hereby authorizes the filing of such financing statements, including "all asset" financing statements, as Secured Party may reasonably require in order to perfect the security interest and lien granted to Secured Party hereunder.

(j) Certificates of Title. Each Grantor shall, at the request of Secured Party, execute such documents and take such action may as be required to have the security interest of Secured Party properly noted on any and all certificate(s) of title evidencing Collateral. If requested by Secured Party, Grantor shall deliver to Secured Party the originals of all such certificate(s) of title.

(k) Perfection. Each Grantor shall authorize, execute, deliver or endorse any and all instruments, documents, assignments and other Loan Documents and writings which Secured Party may request in order to secure, protect, perfect or enforce the security interest and rights of Secured Party under this Agreement.

(l) Investment Property. Each Grantor shall take all other action that the Secured Party deems advisable to cause the Secured Party to have control of any investment property included in the Collateral including (i) entering into control agreements with the Secured Party and any applicable securities intermediary (as defined in the STA) or issuer, in form and substance satisfactory to the Secured Party, (ii) causing the investment property to be transferred to or registered in the name of the Secured Party or any Person appointed on its behalf or otherwise as the Secured Party may direct (and causing such transfer and registration to be recorded on the books and records of the issuer) and (iii) delivering to the Secured Party any and all consents or other documents or agreements which may be necessary to effect the transfer of any investment property to the Secured Party or any Person appointed on its behalf.

(m) Treasury and Intellectual Property. Except as described on **Schedule 1**, Grantor has no (1) investment accounts, securities accounts or similar accounts or investment property with any bank, savings and/or other financial institution, and (2) Intellectual Property. After the date hereof, Grantor agrees not to open any deposit accounts, investment accounts and/or securities accounts unless Secured Party provides its prior consent to such accounts.

(n) Motor Vehicles. A list of all motor vehicles owned by each Grantor is described by model, model year, location and vehicle identification number in Schedule 1.

(o) Accuracy; Completeness of Information. All information furnished by or on behalf of a Grantor in writing to Secured Party in connection with this Agreement or any of the other Loan Document, including all information on any certificate executed by a Grantor to Secured Party in connection herewith, is true and correct in all material respects on the date as of which such information is dated or certified and does not omit any material fact necessary in order to make such information not misleading. No event or circumstance has occurred which has had or could reasonably be expected to have a Material Adverse Effect on the business, assets or prospect of a Grantor, which has not been fully and accurately disclosed to Secured Party in writing.

(p) After-Acquired Collateral. The Grantors shall (1) promptly notify Secured Party if Grantors obtain an interest in any real property, chattel paper, document of title, instrument, Intellectual Property, or investment property, and (2) upon request, take such actions as Secured Party deems appropriate to effect its perfected, first priority Lien on such Collateral.

5. MISCELLANEOUS.

(a) Extensions. The Secured Party shall not be required to make any demand upon, or pursue or exhaust any of their rights or remedies against, the Grantors, or any other obligor, guarantor, pledgor or any other Person with respect to the payment of the Obligations. The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Grantors or any other Person and others and with Collateral and other security as the Secured Party may see fit without prejudice to the liability of the Grantors or the Secured Party's right to hold and realize the lien granted hereunder. Furthermore, without limiting any other provision hereof, after and during the continuance of an Event of Default, the Secured Party may demand, collect and sue on Collateral in either the Grantors or the Secured Party's name, at the Secured Party's option, and may endorse the any Grantor's name on any and all cheques, commercial paper and any other instruments pertaining to or constituting Collateral. Nothing herein contained shall in any way obligate the Secured Party to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Obligations.

(b) Delegation of Duties. Secured Party may execute any of its rights and remedies under this Agreement by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such rights and remedies. Secured Party shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by Secured Party with reasonable care. Secured Party may also from time to time, when the Secured Party deems it to be necessary or desirable, appoint one or more trustees, co-trustees, collateral co-agents, collateral subagents or attorneys-in-fact (each, a "Subagent") with respect to all or any part of the Collateral; provided that no such Subagent shall be authorized to take any action with respect to any Collateral unless and except to the extent expressly authorized in writing by Secured Party. Should any instrument in writing from Secured Party be required by any Subagent so appointed by Secured Party to more fully or certainly vest in and confirm to such Subagent such rights, powers, privileges and duties, a Grantor shall execute, acknowledge and deliver any and all such instruments promptly upon request by Secured Party. If any Subagent, or successor thereto, shall die, become incapable of acting, resign or be removed, all rights, powers, privileges and duties of such Subagent, to the extent permitted by law, shall automatically vest in and be exercised by Secured Party

until the appointment of a new Subagent. Secured Party shall not be responsible for the negligence or misconduct of any agent, attorney-in-fact or Subagent that it selects in accordance with the foregoing provisions of this Section in the absence of Secured Party's gross negligence or misconduct.

(c) Currency Indemnity. If, for the purposes of obtaining or enforcing a judgment in any court in any jurisdiction with respect to this Agreement or any Loan Document, it becomes necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due under this Agreement or under any Loan Document in any currency other than the Judgment Currency (the "Currency Due"), then, to the extent permitted by law, conversion shall be made at the exchange rate reasonably selected by Secured Party on the Business Day before the day on which judgment is given. In the event that there is a change in such exchange rate between the Business Day before the day on which the judgment is given and the date of receipt by the Secured Party of the amount due, each Grantor shall to the extent permitted by law, on the date of receipt by Secured Party, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any as may be necessary to ensure that the amount received by Secured Party on such date is the amount in the Judgment Currency which (when converted at such exchange rate on the date of receipt by Secured Party in accordance with normal banking procedures in the relevant jurisdiction) is the amount then due under this Agreement or such Loan Document in the Currency Due. If the amount of the Currency Due which the Secured Party is so able to purchase is less than the amount of the Currency Due originally due to it, each Grantor shall to the extent permitted by law jointly and severally indemnify and save Secured Party harmless from and against loss or damage arising as a result of such deficiency.

(d) Modification of Agreement; Sale of Interest. This Agreement may not be modified, altered or amended, except by an agreement in writing signed by each Grantor and Secured Party. Grantors may not sell, assign or transfer this Agreement or any portion hereof. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Grantors and Secured Party.

(e) Costs and Expenses. Each Grantor shall pay to Secured Party, on demand, all costs, expenses, filing fees and taxes paid or payable in connection with the preparation, negotiation, execution, delivery, recording, administration, collection, liquidation, enforcement and defense of the Obligations, Secured Party's rights in the Collateral, this Agreement and the other Loan Documents, including any amendments, supplements or consents which may hereafter be contemplated (whether or not executed) or entered into in respect of this Agreement and/or the other Loan Documents, including: (i) all costs and expenses of filing or recording (including PPSA financing statement filings, Intellectual Property filings, taxes and fees, documentary taxes, intangibles taxes and mortgage recording taxes and fees, if applicable), (ii) insurance premiums, appraisal fees, field examination charges and search fees, (iii) costs and expenses of preserving, protecting, inspecting or examining the Collateral; (iv) costs and expenses paid or incurred in connection with obtaining payment of the Obligations, enforcing the security interests and liens of Secured Party, selling or otherwise realizing upon the Collateral, enforcing the provisions of this Agreement and the other Loan Documents, and/or defending any claims made or threatened against Secured Party arising out of the transactions contemplated by this Agreement and the other Loan Documents (including preparations for and consultations concerning any such matters), and (v) the fees and disbursements of counsel (including legal assistants) to Secured Party in connection with any of the foregoing. All fees, costs, expenses and other amounts payable by a Grantor under this Section 5(e) shall constitute Obligations secured by the Collateral.

(f) Waivers by Grantor. Except as otherwise provided for in this Agreement, each Grantor waives (i) presentment, demand and protest and notice of presentment, protest, default, non-payment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents of title, instruments, chattel paper and guaranties at any time held by Secured Party on which such Grantor may in any way be liable and hereby ratifies and confirms whatever Secured Party may do in this regard; (ii) all rights to notice of a hearing prior to Secured Party taking possession or control of, or to Secured Party's replevy, attachment or levy upon, the Collateral or any bond or security which might be required by any court prior to allowing Secured Party to exercise any of Secured Party's remedies; and (iii) the benefit of all valuation, appraisal and exemption laws. Each Grantor acknowledges that it has been advised by counsel with respect to this Agreement and the transactions evidenced by this Agreement.

(g) Language. The parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules, exhibits and authorizations, have been and shall be drawn up in the English language only. *Les Parties aux présentes confirment leur volonté que cette convention, de même que tous les documents, y compris tous avis, annexes et autorisations s'y rattachant, soient rédigés en anglais seulement.*

(h) Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions to this Agreement.

6. GOVERNING LAW; JURISDICTION; VENUE; WAIVER OF JURY TRIAL AND SERVICE OF PROCESS.

(a) THIS AGREEMENT SHALL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ONTARIO, AND EACH GRANTOR HEREBY AGREES TO THE JURISDICTION OF THE COURTS OF ONTARIO, AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY CERTIFIED MAIL DIRECTED TO A GRANTOR AT ITS ADDRESS IN ACCORDANCE WITH SECTION 7 BELOW AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE (5) BUSINESS DAYS AFTER THE SAME SHALL HAVE BEEN DEPOSITED IN THE MAIL, CERTIFIED MAIL, RETURN RECEIPT REQUESTED, POSTAGE PREPAID. EACH GRANTOR WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. NOTHING IN THIS SECTION SHALL AFFECT SECURED PARTY'S RIGHT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT SECURED PARTY'S RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST A GRANTOR OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

(b) TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (1) ARISING UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, AND (2) IN ANY WAY CONNECTED

WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

7. NOTICES.

All notices and other communications hereunder to Secured Party shall be in writing and shall be mailed, sent, or delivered in accordance the notice provision set forth in the Loan Agreement. All notices and other communications hereunder to Grantor shall be in writing and shall be mailed, sent, or delivered in care of Borrowers in accordance with the notice provisions set forth in the Loan Agreement.

8. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other method of electronic transmission shall have the same force and effect as the delivery of an original executed counterpart of this Agreement.

9. TERM.

This Agreement shall terminate upon the satisfactory collateralization of all Letters of Credit, the payment in full in cash of all Obligations and the irrevocable termination of the Loan Agreement; provided, that, this Agreement shall be reinstated and remain in full force and effect and continue to be effective should any petition be filed by or against a Grantor for liquidation or reorganization, should a Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of a Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year specified at the beginning hereof.

GRANTORS:

GLOBAL FOOD AND INGREDIENTS INC.

By: Bill Murray
Name: Bill Murray
Title: Authorized Signatory

GLOBAL FOOD AND INGREDIENTS LTD.

By: Bill Murray
Name: Bill Murray
Title: Authorized Signatory

GFI BRANDS INC.

By: Bill Murray
Name: Bill Murray
Title: Authorized Signatory

SECURED PARTY:

SIENA LENDING GROUP CANADA LLC

By: Steve Blumberg
Name: Steve Blumberg
Title: Director

By: Jason Schick
Name: JASON SCHICK
Title: MANAGING DIRECTOR


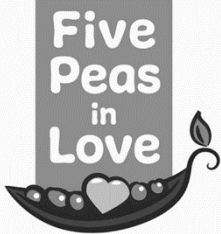


Schedule 1


A. Deposit Accounts, Investment Accounts and Securities Accounts and locations of any Investment Property:

Entity	Country	Bank	Currency	Account No.	Type
GFIB	Canada	BMO	CAD	1555486	Collections
GFIB	Canada	BMO	CAD	1555507	Disbursement
GFI	Canada	BMO	CAD	1555515	Collections
GFI	Canada	BMO	CAD	1555523	Disbursement
GFI	Canada	BMO	USD	4500658	Collections
GFI	Canada	BMO	USD	4500674	Disbursement
GFI	USA	BMO Bank	USD	2676294	Collections
GFI	USA	BMO Bank	USD	2676302	Disbursement
GFIB	Canada	JP Morgan Chase	CAD	4011771499	Collections/Disbursement
GFIB	USA	JP Morgan Chase	USD	793816569	Collections/Disbursement
GFI	Canada	JP Morgan Chase	CAD	4011771184	Collections
GFI	Canada	JP Morgan Chase	CAD	4011771185	Disbursement
GFI	Canada	JP Morgan Chase	USD	4011764271	Collections
GFI	Canada	JP Morgan Chase	USD	4011764270	Disbursement
GFI	USA	JP Morgan Chase	USD	761603676	Collections/Disbursement
GFI	Canada	The Bank of Nova Scotia	CAD	1335111	Collections/Disbursement
GFI	Canada	The Bank of Nova Scotia	USD	1601016	Collections/Disbursement

B. Intellectual Property

1. Trademarks

Grantor	Trademark	Application No.
GFI	Pulsera & Design 	2188051 (pending)
GFI	PULSERA	2188052 (pending)
GFI	Five Peas in Love Logo Design 	2131699 (pending)
GFI	FIVE PEAS IN LOVE	2131648 (pending)
GFI	FIVE PEAS	2131647 (pending)
GFI	NORTH LILY	2050178 (pending)
GFI	GFI & Design 	2048960 (pending)
GFI	OSCAR	2048959 (pending)
GFIB	Harvest Craft & Design 	2190197 (pending)
GFIB	HARVEST CRAFT	2186272 (pending)
GFIB	BENTILIA	2185836 (pending)
GFIB	BENTILIA10	2185835 (pending)
GFIB	Bentilia Logo & Design	1797763 (TMA 995587)

Grantor	Trademark	Application No.
		
GFIB	Bentilia a Tastier Way to Wellness	2189115 (pending)
GFIB	Yofit	2229191 (pending)

2. Patents - NONE
3. Copyrights - NONE
4. Licenses - NONE

C. Motor Vehicles

Make	Model Year	Location	VIN #
Ford	2012	100 Elevator Road, Zealandia, SK, S0L 3N0, Canada ("Zealandia")	1FTFW1EF4CFA31698

This is Exhibit “J” referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.

GENERAL SECURITY AGREEMENT

This GENERAL SECURITY AGREEMENT (this “Agreement”) is dated as of February 1, 2024, by and among GLOBAL FOOD AND INGREDIENTS (USA) INC., a Delaware corporation (“GFI USA”) and NORTH LILY FOODS INC., a Delaware corporation (“North Lily”; and together with GFI USA, each a “Grantor” and collectively, the “Grantors”, in each case, together with their respective successors and assigns), and SIENA LENDING GROUP CANADA LLC, a Delaware limited liability company (together with its successors and assigns, “Secured Party”).

WITNESSETH:

WHEREAS, Grantors, GLOBAL FOOD AND INGREDIENTS INC., a federal Canadian corporation (“Canadian Borrower”; and together with Grantors and any other person or entity that becomes a borrower or a guarantor under the Loan Agreement (as defined below), each a “Loan Party” and collectively, the “Loan Parties”) and Secured Party have entered into financing arrangements as more fully set forth in the Loan Agreement (as defined below) and the other Loan Documents (as defined below);

WHEREAS, Each Grantor is jointly and severally liable for, and has guaranteed the prompt payment and performance of, all indebtedness and other obligations of the Borrowers and other Loan Parties evidenced by or arising under the Loan Documents as more fully set forth in the Loan Agreement; and

WHEREAS, as collateral security for the prompt payment and performance of all indebtedness, liabilities and obligations of each Grantor, the Borrowers and the other Loan Parties under, pursuant to or evidenced by the Loan Agreement and other Loan Documents, each Grantor has agreed to grant Secured Party a security interest in and lien upon all assets and properties of Grantor in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the terms and conditions contained herein, and of any extension of credit heretofore, now or hereafter made by the Secured Party to or for the benefit of the Borrowers, any Grantor or any other Loan Party, the parties hereto hereby agree as follows:

1. DEFINITIONS.

(a) “Collateral” shall mean, collectively, all assets of a Grantor, including, without limitation, (a) all accounts, chattel paper, commercial tort claims, deposit accounts, documents, equipment, general intangibles, goods, instruments, inventory, investment property, records, vehicles, fixtures, letter-of-credit rights and letters of credit of such Grantor or in which such Grantor has rights, (b) all other personal and real property of such Grantor or in which such Grantor has rights, (c) all substitutions and replacements for and products of any of the foregoing, and (d) all proceeds of any and all of the foregoing, in each instance, whether real or personal, tangible or intangible, now owned or existing or hereafter acquired or arising and wherever located.

(b) “Loan Agreement” shall mean the Loan and Security Agreement, dated the date hereof, by and among, the Grantors, the other Loan Parties thereto, and Secured Party, as amended.

(c) “Obligations” shall mean the Obligations (as such term is defined in the Loan Agreement).

(d) “Loan Documents” shall have the meaning set forth in the Loan Agreement and shall include, without limitation, this Agreement.

(e) “UCC” shall mean the Uniform Commercial Code as in effect from time to time in the State of New York.

(f) The terms “PACA,” “PACA Waiver,” “Food Security Act,” “Farm Products,” and “Farm Products Seller” shall have the meanings assigned in Schedule 2 attached hereto.

(g) Interpretation. All terms defined in the UCC and not otherwise defined herein shall, including for purposes of Section 2 below, have the meanings assigned to them in the UCC; provided, that to the extent the UCC is used to define any term herein and such term is defined differently in different Articles of the UCC, the definition of such term contained in Article 9 shall govern. All other capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such term in the Loan Agreement.

2. GRANT OF SECURITY INTEREST.

To secure the prompt payment, performance and observance in full of all Obligations, each Grantor hereby grants to Secured Party, for the benefit of itself, and its affiliates, a continuing security interest in, a lien upon and a right of setoff against all Collateral.

3. EVENTS OF DEFAULT: RIGHTS AND REMEDIES ON DEFAULT.

(a) Event of Default. The occurrence of any one or more of the following events shall constitute an “Event of Default” under this Agreement: (i) a default or event of default shall occur under the Loan Agreement or any other Loan Document, (ii) any representation or warranty of a Grantor under or in connection with this Agreement shall be untrue, incorrect or misleading when made or during the period covered thereby, (iii) a Grantor commits any breach or default in the performance of any covenant or other agreement in this Agreement, (iv) a Grantor ceases to conduct its business as now conducted without the Secured Party’s consent or is enjoined, restrained or in any way prevented by court order from conducting all or any material part of its business affairs, (v) this Agreement shall, for any reason, fail or cease to create a valid and perfected first priority Lien and security interest on the Collateral, or (vi) a Grantor becomes insolvent, has suspended the transaction of its usual business or is generally not paying its debts as they become due as evidenced by such Grantor’s admission in writing or otherwise.

(b) Remedies. Upon and after an Event of Default, Secured Party shall have all of the rights and remedies of a secured party under the UCC or other applicable law, all of which rights and remedies shall be cumulative, and non-exclusive, to the extent permitted by law, in addition to any other rights and remedies contained in this Agreement and the other Loan Documents. The proceeds realized from the sale of any Collateral shall be applied in accordance with the Loan Agreement. If any deficiency shall arise after application of such proceeds, each Grantor shall remain liable to Secured Party for such deficiency.

(c) Notice of Collateral Disposition. Any notice required to be given by Secured Party of a sale, lease, other disposition of the Collateral or any other intended action by Secured Party, deposited in the United States Mail, certified mail, return receipt requested, postage prepaid and duly addressed to a Grantor, at the address set forth in Section 4(b)(ii), ten (10) days prior to such proposed action, shall constitute commercially reasonable and fair notice thereof to such Grantor.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS.

(a) Title. Each Grantor represents and warrants to Secured Party, and agrees with Secured Party, that such Grantor (i) has absolute title to each item of Collateral in existence on the date hereof, free and clear of all liens, claims and encumbrances other than Permitted Liens, (ii) will keep all Collateral free and clear of all liens, claims and encumbrances other than liens, claims and encumbrances expressly permitted under the Loan Agreement, and (iii) will defend the Collateral against all claims or demands of all persons. The Grantors will not sell or otherwise dispose of the Collateral without the prior written consent of Secured Party.

(b) Chief Executive Office; Identification Number. Each Grantor represents and warrants to Secured Party that (i) such Grantor is a Delaware corporation, (ii) the chief executive office and mailing address of such Grantor is 43 Colborne Street, Ste. 400, Toronto, Ontario Canada M5E 1E3, and (iii) the books and records of such Grantor pertaining to the Collateral are located at 43 Colborne Street, Ste. 400, Toronto, Ontario Canada M5E 1E3.

(c) Changes in Name, Constituent Documents, Location. Each Grantor will not change its (i) name, organizational documents or jurisdiction of organization, without the prior written consent of Secured Party or (ii) business address, without prior written notice to Secured Party.

(d) Commercial Tort Claims. To the extent the Borrowers would be required to provide notice under the Loan Agreement, promptly upon knowledge thereof, the Grantors will deliver to Secured Party notice of any commercial tort claims it may bring against any Person.

(e) Good Repair. The Grantors shall keep all tangible Collateral in good repair, working order and condition, normal depreciation excepted, and will, from time to time, replace any worn, broken or defective parts thereof.

(f) Taxes. The Grantors shall promptly pay all taxes and other governmental charges levied or assessed upon or against any Collateral.

(g) Access and Inspection. Each Grantors shall permit Secured Party or its representatives to examine or inspect any Collateral, wherever located, and to examine, inspect and copy such Grantor's books and records pertaining to the Collateral and its business and financial condition and to send and discuss with account debtors and other obligors requests for verifications of amounts owed to such Grantor.

(h) Material Damage to Collateral. Each Grantor shall promptly notify Secured Party of any loss of or material damage to any Collateral or of any adverse change, known to the such Grantor, in the prospect of payment of any sums due on or under any instrument, chattel paper, or account constituting Collateral.

(i) Insurance. Each Grantor shall, at all times, keep all tangible Collateral insured against risks of fire (including so-called extended coverage), theft, collision (in the case of Collateral consisting of motor vehicles) and such other risks and in such amounts as Secured Party may reasonably request, with any such policies containing a lender loss payable endorsement acceptable to Secured Party.

(j) Financing Statements. Each Grantor hereby authorizes the filing of such financing statements, including "all asset" financing statements, as Secured Party may reasonably require in order to perfect the security interest and lien granted to Secured Party hereunder.

(k) Certificates of Title. The Grantor shall, at the request of Secured Party, execute such documents and take such action may as be required to have the security interest of Secured Party properly noted on any and all certificate(s) of title evidencing Collateral. If requested by Secured Party, Grantor shall deliver to Secured Party the originals of all such certificate(s) of title.

(l) Perfection. Each Grantor shall authorize, execute, deliver or endorse any and all instruments, documents, assignments and other Loan Documents and writings which Secured Party may request in order to secure, protect, perfect or enforce the security interest and rights of Secured Party under this Agreement.

(m) Treasury and Intellectual Property. Except as described on **Schedule 1**, Grantor has no (1) deposit accounts, investment accounts, securities accounts or similar accounts or Investment Property with any bank, savings and/or other financial institution, and (2) Intellectual Property. After the date hereof, Grantor agrees not to open any deposit accounts, investment accounts and/or securities accounts unless Secured Party provides its prior consent to such accounts.

(n) Accuracy; Completeness of Information. All information furnished by or on behalf of a Grantor in writing to Secured Party in connection with this Agreement or any of the other Loan Document, including all information on any certificate executed by a Grantor to Secured Party in connection herewith, is true and correct in all material respects on the date as of which such information is dated or certified and does not omit any material fact necessary in order to make such information not misleading. No event or circumstance has occurred which has had or could reasonably be expected to have a Material Adverse Effect on the business, assets or prospect of a Grantor, which has not been fully and accurately disclosed to Secured Party in writing.

(o) After-Acquired Collateral. The Grantors shall (1) promptly notify Secured Party if Grantors obtain an interest in any real property, Deposit Account, Chattel Paper, Document, Instrument, Intellectual Property, Investment Property or Letter-of-Credit Right, and (2) upon request, take such actions as Secured Party deems appropriate to effect its perfected, first priority Lien on such Collateral.

(p) PACA/FSA Representations and Warranties. The Grantors and other Loan Parties have not, within a five (5) year period prior to the Closing Date, received any written notice in respect of any claim pursuant to the applicable provisions of PACA, the Food Security Act, the UCC or any other applicable law, whereby a Person is notifying Grantor or such Loan Party of the interests of such Person to (a) preserve the benefits of a statutory lien or trust under the provisions of PACA, the Food Security Act, the UCC or any other applicable law, or (b) claim a security interest in or Lien upon any goods, inventory, perishable agricultural commodities or any other Farm Products (including any assets or proceeds derived therefrom) which may have been purchased by a Grantor or

other Loan Party (all of the foregoing, together with any such notices as Grantors and the other Loan Parties may at any time hereafter receive, collectively, “PACA/Food Security Act Notices”). As used in this Agreement, “PACA/Food Security Act Notices” shall also include any invoices issued to a Grantor or other Loan Party that bear a legend or disclaimer indicating that the invoiced products are being sold subject to a statutory trust authorized by PACA.

(q) PACA/FSA Covenants.

i. Grantors and the other Loan Parties shall at all times comply with all existing and future PACA/Food Security Act Notices during their periods of effectiveness, including, without limitation, directions to make payments to a Farm Products Seller by issuing payment instruments directly to the secured party with respect to any assets of the Farm Products Seller or jointly payable to the Farm Products Seller and any secured party with respect to the assets of such Farm Products Seller, as specified in any applicable PACA/Food Security Act Notice, so as to promptly terminate or release the security interest in any Farm Products maintained by such Farm Products Seller or any secured party with respect to the assets of such Farm Products Seller under the Food Security Act.

ii. Grantors and the other Loan Parties shall take all other actions as may be reasonably required, if any, to ensure that all purchased goods, inventory, perishable agricultural commodities (in whatever form) and other Farm Products are purchased by the Grantors and other Loan Parties free and clear of any security interest, Lien or other claim in favor of any Person (other than Secured Party), arising under PACA, the Food Security Act or similar laws, which actions shall include, without limitation, obtaining a PACA Waiver from the sellers of covered perishable agricultural commodities under PACA.

iii. Grantors and the other Loan Parties shall promptly notify Secured Party in writing after receipt of any PACA/Food Security Act Notice and, if required by Secured Party, shall pay or cause to be paid the related invoice within the payment terms specified therein and notify the Secured Party of such satisfaction.

5. MISCELLANEOUS.

(a) Modification of Agreement; Sale of Interest. This Agreement may not be modified, altered or amended, except by an agreement in writing signed by each Grantor and Secured Party. Grantors may not sell, assign or transfer this Agreement or any portion hereof. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Grantors and Secured Party.

(b) Costs and Expenses. Each Grantor shall pay to Secured Party, on demand, all costs, expenses, filing fees and taxes paid or payable in connection with the preparation, negotiation, execution, delivery, recording, administration, collection, liquidation, enforcement and defense of the Obligations, Secured Party’s rights in the Collateral, this Agreement and the other Loan Documents, including any amendments, supplements or consents which may hereafter be contemplated (whether or not executed) or entered into in respect of this Agreement and/or the other Loan Documents, including: (i) all costs and expenses of filing or recording (including UCC financing statement filings, Intellectual Property filings, taxes and fees, documentary taxes, intangibles taxes and mortgage recording taxes and fees, if applicable), (ii) insurance premiums, appraisal fees, field examination charges and search fees, (iii) costs and expenses of preserving, protecting, inspecting or

examining the Collateral; (iv) costs and expenses paid or incurred in connection with obtaining payment of the Obligations, enforcing the security interests and liens of Secured Party, selling or otherwise realizing upon the Collateral, enforcing the provisions of this Agreement and the other Loan Documents, and/or defending any claims made or threatened against Secured Party arising out of the transactions contemplated by this Agreement and the other Loan Documents (including preparations for and consultations concerning any such matters), and (v) the fees and disbursements of counsel (including legal assistants) to Secured Party in connection with any of the foregoing. All fees, costs, expenses and other amounts payable by a Grantor under this Section 5(b) shall constitute Obligations secured by the Collateral.

(c) Waivers by Grantor. Except as otherwise provided for in this Agreement, each Grantor waives (i) presentment, demand and protest and notice of presentment, protest, default, non-payment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Secured Party on which such Grantor may in any way be liable and hereby ratifies and confirms whatever Secured Party may do in this regard; (ii) all rights to notice of a hearing prior to Secured Party taking possession or control of, or to Secured Party's replevy, attachment or levy upon, the Collateral or any bond or security which might be required by any court prior to allowing Secured Party to exercise any of Secured Party's remedies; and (iii) the benefit of all valuation, appraisal and exemption laws. Each Grantor acknowledges that it has been advised by counsel with respect to this Agreement and the transactions evidence by this Agreement.

(d) Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions to this Agreement.

6. GOVERNING LAW; JURISDICTION; VENUE; WAIVER OF JURY TRIAL AND SERVICE OF PROCESS.

(a) THIS AGREEMENT SHALL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AND EACH GRANTOR HEREBY AGREES TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN NEW YORK COUNTY OF THE STATE OF NEW YORK, AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY CERTIFIED MAIL DIRECTED TO A GRANTOR AT ITS ADDRESS IN ACCORDANCE WITH SECTION 7 BELOW AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE (5) BUSINESS DAYS AFTER THE SAME SHALL HAVE BEEN DEPOSITED IN THE U.S. MAIL, CERTIFIED MAIL, RETURN RECEIPT REQUESTED, POSTAGE PREPAID. EACH GRANTOR WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. NOTHING IN THIS SECTION SHALL AFFECT SECURED PARTY'S RIGHT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT SECURED PARTY'S RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST A GRANTOR OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

(b) TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (1) ARISING UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, AND (2) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

7. NOTICES.

All notices and other communications hereunder to Secured Party shall be in writing and shall be mailed, sent, or delivered in accordance the notice provision set forth in the Loan Agreement. All notices and other communications hereunder to Grantor shall be in writing and shall be mailed, sent, or delivered in care of Borrowers in accordance with the notice provisions set forth in the Loan Agreement.

8. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other method of electronic transmission shall have the same force and effect as the delivery of an original executed counterpart of this Agreement.

9. TERM.

This Agreement shall terminate upon the satisfactory collateralization of all Letters of Credit, the payment in full in cash of all Obligations and the irrevocable termination of the Loan Agreement; provided, that, this Agreement shall be reinstated and remain in full force and effect and continue to be effective should any petition be filed by or against a Grantor for liquidation or reorganization, should a Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of a Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

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IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year specified at the beginning hereof.

GRANTORS:

GLOBAL FOOD AND INGREDIENTS (USA) INC.

By: Bill Murray
Name: Bill Murray
Title: Secretary

NORTH LILY FOODS INC.

By: Bill Murray
Name: Bill Murray
Title: Secretary

SECURED PARTY:

SIENA LENDING GROUP CANADA LLC

By: Steven Blumberg
Name: Steven Blumberg
Title: Director

By: _____
Name: _____
Title: _____

SECURED PARTY:

SIENA LENDING GROUP CANADA LLC

By: _____

Name: _____

Title: _____

By: Jason Schick

Name: JASON SCHICK

Title: MANAGING DIRECTOR


Schedule 1

A. Deposit Accounts, Investment Accounts and Securities Accounts and locations of any Investment Property:

Account Name	Bank	SWIFT Code	Account Number	Note
GLOBAL FOOD AND INGREDIENTS (USA) INC.	JPMorgan Chase New York 10017	CHASUS33	761603676	Operated as Global Food and Ingredients Inc. account
NORTH LILY FOODS INC.	JPMorgan Chase New York 10017	CHASUS33	763682363	Collections

B. Intellectual Property

1. Trademarks

No.	Trade-mark	Status
1.	North Lily 	Registered Reg. No. 6,915,142

2. Patents - NONE

3. Copyrights - NONE

4. Licenses - NONE

Schedule 2**PACA / FSA Definitions Rider**

As used in this Agreement, the following terms shall have the following meanings:

“Farm Products” any agricultural commodity such as fruits and vegetables used or produced in farming operations, or a by-products thereof that is in possession of a Person engaged in farming operations, and as may be further defined in the Food Security Act from time to time.

“Farm Products Seller” sellers or suppliers to a Loan Party of any Farm Product.

“Food Security Act” the Food Security Act of 1985, 7 U.S.C. Section 1631 et. seq. (as amended or modified from time to time).

“PACA” the Perishable Agricultural Commodities Act of 1930, 7 U.S.C. Section 499a et. seq. (as amended from time to time).

“PACA Waiver” an agreement, in form and substance satisfactory to Secured Party, by which the beneficiary of the statutory trust created under PACA against the buyer of perishable agricultural commodities (and such buyer’s assets), irrevocably waives the benefits of such PACA trust with respect to past, present and future sales to such buyer.

This is Exhibit “K” referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.

PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT (this “Pledge Agreement”), dated as of February 1, 2024, is made by Global Food and Ingredients Ltd., an Ontario corporation (“Pledgor”), having its principal place of business at 43 Colborne Street, Suite 400, Toronto, ON M5E 1E3, Canada, to and in favor of SIENA LENDING GROUP CANADA LLC, a Delaware limited liability company (with its participants, successor and assigns, “Pledgee”), having an office at 9 W Broad Street, 5th Floor, Stamford, Connecticut 06902.

W I T N E S S E T H:

WHEREAS, Pledgor is now the direct and beneficial owner of the issued and outstanding shares of capital stock and/or membership interests of each of the entities as set forth on Exhibit A annexed hereto (together with each other entity identified from time to time on Exhibit A annexed hereto, each individually an “Issuer” and collectively “Issuers”) and made a part hereof (collectively, the “Pledged Interests”);

WHEREAS, Pledgee has entered into financing arrangements pursuant to which Pledgee may make loans and advances and provide other financial accommodations to Global Food and Ingredients Inc., GFI Brands Inc. and North Lily Foods Inc. (collectively, the “Borrowers” and each individually, a “Borrower”) pursuant to the Loan and Security Agreement, dated as of February 1, 2024 by and between Pledgee, Borrowers, Pledgor and the other Loan Parties set forth on the signature pages thereto (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the “Loan Agreement”) and the other Loan Documents; and

WHEREAS, in order to induce Pledgee to to make loans and advances and provide other financial accommodations to Borrowers pursuant to the Loan Agreement, pursuant to Article 8 of the Loan Agreement, Pledgor has Guaranteed the Obligations and has agreed to pledge the Pledged Interests to secure the Secured Obligations (as each such term is defined below) and to accomplish same by (a) executing and delivering to Pledgee this Pledge Agreement, (b) delivering to Pledgee certificates (if any) representing the Pledged Interests which are registered in the name of Pledgor, together with appropriate stock powers duly executed in blank by Pledgor, and (c) delivering to Pledgee any and all other related documents which Pledgee deems necessary to protect Pledgee’s interests hereunder.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor hereby agrees as follows:

1. GRANT OF SECURITY INTEREST.

(a) To secure the prompt payment and performance in full of all of the Obligations and all of the obligations of Pledgor pursuant to the Loan Agreement (collectively, the “Secured Obligations”), Pledgor hereby assigns, pledges, hypothecates, transfers and sets over to Pledgee and grants to Pledgee a security interest in and lien upon the following (subject to

paragraph (c) below): (i) the Pledged Interests and all other ownership interests of Pledgor in each Issuer, all certificates (if any) at any time representing or evidencing such ownership interests, and (A) all right, title and interest in, to and under the articles, by-laws, shareholders' agreement, partnership agreement, corporation, limited liability company and/or operating agreement, or any other similar agreement or instrument governing the organization or operation of each Issuer (as each of the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated, or replaced, the "Agreements"), including, without limitation, all of its right, title and interest (if any) as a shareholder, partner or member to participate in the operation or management of each Issuer and all of its ownership interests under the Agreements, and (B) all present and future rights of Pledgor to receive payment of money or other distribution of payments arising out of or in connection with the Pledged Interests and all other ownership interests and its rights under the Agreements, now or hereafter owned by Pledgor, (ii) all proceeds of and to any of the property of Pledgor described above, including, without limitation, all causes of action, claims and warranties now or hereafter held by Pledgor in respect of any of the items listed above, and to the extent related to any property described above or such proceeds, and (iii) Pledgor's books and records with respect to the foregoing (all of the foregoing described in clauses (i), (ii) and (iii) above being collectively referred to herein as the "Pledged Property").

(b) This Pledge Agreement is executed only as security for the Secured Obligations and therefore, the execution and delivery of this Pledge Agreement shall not subject to, or transfer or pass to Pledgee, or in any way affect or modify, the liability of Pledgor under the Agreements or any related agreements, documents or instruments or otherwise. In no event shall the acceptance of this Pledge Agreement by Pledgee or the exercise by Pledgee of any rights hereunder or assigned hereby, constitute an assumption of any liability or obligation of Pledgor to, under or in connection with the Agreements or any related agreements, documents or instruments or otherwise

(c) Notwithstanding any provisions to the contrary contained in this Pledge Agreement, the Loan Agreement or any other Loan Document, Pledgor is and will remain the sole registered and beneficial owner of all shares or other interests in any unlimited company, unlimited liability company or unlimited liability corporation or any similar entity existing under the laws of any province or territory of Canada and any successor to any such entity (each a "ULC"), if any, which form part of the Pledged Property (the "Pledged ULC Shares"), until such time as such Pledged ULC Shares are fully and effectively transferred into the name of Pledgee or any other Person appointed on its behalf on the books and records of such ULC. Nothing in this Pledge Agreement, the Loan Agreement or any other Loan Document is intended or shall constitute the Pledgee to be a member or shareholder of any ULC until such time as written notice is given to the Pledgor and all further steps are taken so as to register the Pledgee or any other Person appointed on its behalf as holder of all Pledged ULC Shares. The grant of the security interest pursuant to this section 1 does not make the Pledgee a successor to the Pledgor as a member or shareholder of any ULC, and neither the Pledgee or any Person appointed on its behalf nor their respective successors and assigns hereunder shall be deemed to become a member or shareholder of any ULC by accepting this Pledge Agreement or exercising any right granted herein unless and until such time, if any, when the Pledgee or any Person appointed on its behalf or any of their respective successor or assigns expressly becomes a registered member or shareholder of any ULC. The Pledgor shall be entitled to receive and retain for its own account any dividends or other distributions, if any, in respect of the Pledged ULC Shares, and shall have the right to vote such

Pledged ULC Shares and to control the direction, management and policies of the ULC issuing such Pledged ULC Shares to the same extent as the Pledgee would if such Pledged ULC Shares were not pledged to the Pledgee pursuant hereto. To the extent any provision hereof would have the effect of constituting the Pledgee or any Person appointed on its behalf to be a member or shareholder of the ULC prior to such time, such provision shall be severed herefrom and be ineffective with respect to the relevant Pledged ULC Shares without otherwise invalidating or rendering unenforceable this Pledge Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Pledged Property other than Pledged ULC Shares. Notwithstanding anything herein to the contrary (except to the extent, if any, that the Pledgee or any Person appointed on its behalf or any of their respective successors or assigns hereafter expressly becomes a registered member or shareholder of any ULC), neither the Pledgee or any Person appointed on its behalf nor any of their respective successors or assigns shall be deemed to have assumed or otherwise become liable for any debts or obligations of any ULC. Except upon the exercise by the Pledgee or any Person appointed on its behalf of rights to sell or otherwise dispose of Pledged ULC Shares or other remedies following the occurrence and during the continuance of an Event of Default, the Pledgor shall not cause or permit, or enable any ULC in which it holds Pledged ULC Shares to cause or permit, the Pledgee or any Person appointed on its behalf to: (a) be registered as a member or shareholder of such ULC, (b) have any notation entered in its favour in the share register of such ULC, (c) be held out as a member or shareholder of such ULC, (d) receive, directly or indirectly, any dividends, property or other distributions from such ULC by reason of the Pledgee or such Person appointed on its behalf holding a security interest in the Pledged ULC Shares, or (e) act as a member or shareholder of such ULC, or exercise any rights of a member or shareholder of such ULC, including the right to attend a meeting of such ULC or vote the shares of such ULC.

(d) The Pledgor acknowledges and agrees that: (i) value has been given by the Pledgee, (ii) the Pledgor has rights in the Pledged Property or the power to transfer rights in the Pledged Property, (iii) the security interest will attach when the Pledgor signs this Pledge Agreement, and (iv) the Pledgor and the Pledgee have not otherwise agreed to postpone the time of attachment.

2. OBLIGATIONS SECURED

The security interest, lien and other interests granted to Pledgee pursuant to this Pledge Agreement shall secure the prompt performance, observance and payment in full of any and all of the Secured Obligations.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

Pledgor hereby represents, warrants and covenants with and to Pledgee the following (all of such representations, warranties and covenants being continuing so long as any of the Secured Obligations are outstanding):

(a) The Pledged Interests are duly authorized, validly existing, fully paid and non-assessable and constitute Pledgor's entire interest in each Issuer, and Pledgor is the registered owner of such ownership interests.

(b) The Pledged Property is directly, legally and beneficially owned by Pledgor, free and clear of all claims, liens, pledges and encumbrances of any kind, nature or description, except for the pledge and security interest in favor of Pledgee, and the pledges, claims, liens, encumbrances and security interests permitted under the Loan Agreement.

(c) There are no outstanding options, warrants, convertible securities or other rights, contingent or absolute, to acquire the Pledged Property and no Pledged Property is subject to any shareholder, voting trust or similar agreement. No consent of any Person is necessary or desirable in connection with the creation, perfection or first priority status of the security interest in any Pledged Property or the exercise by Pledgee of the voting or other rights and remedies in respect thereof provided for in this Pledge Agreement.

(d) The Pledged Property is not subject to any restrictions relative to the transfer thereof and Pledgor has the right to transfer and hypothecate the Pledged Property free and clear of any liens, encumbrances or restrictions.

(e) The Pledged Property is duly and validly pledged to Pledgee and no consent or approval of any governmental or regulatory authority or of any securities exchange or the like, nor any consent or approval of any other third party, is necessary to the validity and enforceability of this Pledge Agreement.

(f) If at any time after the date hereof Pledgor shall become entitled to receive or acquire, or shall receive or acquire any stock certificate, membership interest, membership interest certificate, or option or right with respect to the stock or membership interests of any Issuer (including without limitation, any certificate representing a distribution or exchange of or in connection with reclassification of the Pledged Interests) whether as an addition to, in substitution of, or in exchange for any of the Pledged Property or otherwise, Pledgor agrees to accept same as Pledgee's agent, to hold same in trust for Pledgee and to deliver same forthwith to Pledgee or Pledgee's agent or bailee in the form received, with the endorsement(s) of Pledgor where necessary and/or appropriate stock or membership interest powers and/or assignments duly executed to be held by Pledgee or Pledgee's agent or bailee subject to the terms hereof, as further security for the Secured Obligations.

(g) The Pledged Property is at the date hereof and the Pledgor shall ensure that the Pledged Property is at all times hereafter (i) investment property under the PPSA and (ii) a "security" for the purposes of the *Securities Transfer Act* (Ontario) or any applicable, similar legislation in effect in any other province (the "STA"), in each case except as Pledgee may otherwise expressly agree.

(h) The Agreements and the certificate of formation or incorporation of each Issuer, each as in effect on the date hereof, permit and will permit (i) such Issuer to grant the pledge and security interest in the Pledged Interests to Pledgee as provided in Section 1 hereof and (ii) Pledgee to be admitted to such Issuer as a shareholder or member thereof as provided in Section 6 hereof (subject to Section 1(c) hereof) without conferring upon any Issuer or any other shareholder or member thereof any option to acquire the stock or membership interests so transferred to Pledgee or its designees.

(i) Pledgor shall keep full and accurate books and records relating to the Pledged Property and stamp or otherwise mark such books and records in such manner as Pledgee may require in order to reflect the security interests granted by this Pledge Agreement.

(j) Pledgor shall not, without the prior consent of Pledgee, directly or indirectly, sell, assign, transfer, or otherwise dispose of, or grant any option with respect to the Pledged Property, nor shall Pledgor create, incur, permit or suffer to exist any further pledge, hypothecation, encumbrance, lien, mortgage or security interest with respect to the Pledged Property, except as permitted by the Loan Agreement.

(k) So long as no Event of Default (as hereinafter defined) has occurred and is continuing Pledgor shall have the right to exercise all rights with respect to the Pledged Property, except as expressly prohibited herein or in the Loan Documents, and to receive any distributions payable in respect of the Pledged Property.

(l) Prior to or concurrently with the execution and delivery of this Pledge Agreement, Pledgor shall deliver to Pledgee any certificates representing the Pledged Property, accompanied by undated stock or membership interest powers duly executed in blank.

(m) Pledgor shall take all other action that the Pledgee deems advisable to cause the Pledgee to have control (as defined in the PPSA) of any investment property (as defined in the PPSA) included in the Pledged Property including (i) entering into control agreements with the Pledgee and any applicable securities intermediary (as defined in the STA) or Issuer, in form and substance satisfactory to the Pledgee, (ii) causing the Pledged Property to be transferred to or registered in the name of the Pledgee or any Person appointed on its behalf or otherwise as the Pledgee may direct (and causing such transfer and registration to be recorded on the books and records of the Issuer) and (iii) delivering to the Pledgee any and all consents or other documents or agreements which may be necessary to effect the transfer of any Pledged Property to the Pledgee or any Person appointed on its behalf.

(n) Pledgor shall not modify, terminate or attempt or agree to otherwise incur any obligation to modify or terminate any control agreement or any contract with a securities intermediary (as defined in the STA) or give control (as defined in the PPSA) of any investment property (as defined in the PPSA) included in the Pledged Property to any Person other than the Pledgee, whether by entering into any agreement, instrument or document with a securities intermediary (as defined in the STA) for the purpose of giving a Person other than the Pledgee control (as defined in the PPSA) of any Investment Property (as defined in the PPSA).

(o) Pledgor has delivered to Pledgee a true, correct and complete copy of the Agreements and the certificate of formation or incorporation (as applicable) of each Issuer, each as in effect on the date hereof. There are and shall be no other agreements governing the formation, organization or terms of the stock or membership interests with respect to any Issuer.

(p) Except as permitted under the Loan Agreement, Pledgor shall not permit any Issuer, directly or indirectly, to (i) issue, sell, grant, assign, transfer or otherwise dispose of, any additional stock or membership interests of any Issuer or any option or warrant with respect to, or other right or security convertible into, any additional stock or membership interests of any

Issuer, now or hereafter authorized, unless all such additional stock or membership interests, options, warrants, rights or other such securities are made and shall remain part of the Pledged Property subject to the pledge and security interest granted herein, (ii) take any action to withdraw the authority of or to limit or restrict the authority of any Issuer's managers (if any) or officers to deal and contract with Pledgee and to bind and obligate any Issuer, or (iii) pay any interim distribution in cash or other assets to any shareholder or member of any Issuer, except as permitted in the Loan Agreement. Any distribution by any Issuer other than as permitted in the Loan Agreement shall constitute a "wrongful distribution" for purposes of applicable law.

(q) Pledgor shall promptly notify Pledgee in writing of the occurrence of any event specified in Issuer's certificate of formation or incorporation (as applicable), the Agreements or otherwise that would reasonably be expected to result in such Issuer's dissolution or liquidation.

(r) Pledgor shall not, and shall not permit any Issuer, directly or indirectly, to amend, modify or supplement any of the provisions of its respective Agreements or the certificate of formation or incorporation (as applicable) of Issuer without the prior written consent of the Pledgee if any such amendment, modification or supplement could reasonably be expected to adversely affect any rights of Pledgee hereunder or under any of the other Loan Documents, or to limit or restrict the permissible activities in which Issuer may engage, without the prior written consent of Pledgee.

(s) In accordance with each Agreement, Pledgor hereby acknowledges and agrees that Pledgee or any of its successors and assigns (or any designee of Pledgee), shall, at Pledgee's option and subject to Section 1(c), upon written notice to Pledgor of Pledgee's intent to be admitted as a member of any Issuer (in the place of Pledgor at any time an Event of Default has occurred and is continuing, be admitted as a member of such Issuer without any further approval of Pledgor and without compliance by Pledgee or any other person with any of the conditions or other requirements of the applicable Agreement and without conferring upon any Person any option (whether under the applicable Agreement or otherwise) to acquire the stock or membership interests so transferred to Pledgee, its successors or assigns, or its designees. Pledgor agrees to take such other action and execute such further documents as Pledgee may request from time to time in order to give effect to the provisions of this Pledge Agreement.

(t) Pledgor shall pay all charges and assessments of any nature against the Pledged Property or with respect thereto prior to said charges and/or assessments being delinquent.

(u) Pledgor shall promptly reimburse Pledgee on demand, together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement, for any charges, assessments or expenses paid or incurred by Pledgee for the protection, preservation and maintenance of the Pledged Property and the enforcement of Pledgee's rights hereunder, including, without limitation, reasonable legal fees and expenses incurred by Pledgee in seeking to protect, collect or enforce its rights in the Pledged Property or otherwise hereunder.

(v) Pledgor shall furnish, or cause to be furnished, to Pledgee such information concerning Issuers and the Pledged Property as Pledgee may from time to time reasonably request in good faith, including, without limitation, current financial statements.

(w) Pledgee may notify any Issuer or the appropriate transfer agent of the Pledged Interests to register the security interest and pledge granted herein and honor the rights of Pledgee with respect thereto.

(x) Pledgor authorizes Pledgee to: (i) store, deposit and safeguard the Pledged Property, (ii) perform any and all other acts which Pledgee deems reasonable and/or necessary for the protection and preservation of the Pledged Property or its value or Pledgee's security interest therein, including, without limitation, transferring, registering or arranging for the transfer or registration of the Pledged Property to or in Pledgee's own name and receiving the income therefrom as additional security for the Secured Obligations and (iii) pay any reasonable charges or expenses which Pledgee deems necessary for the foregoing purpose, but without any obligation to do so (and any amounts so paid shall constitute Obligations under the Loan Agreement). Any obligation of Pledgee for reasonable care for the Pledged Property in Pledgee's possession shall be limited to the same degree of care which Pledgee uses for similar property pledged to Pledgee by other persons.

(y) Pledgor waives: (i) all rights to require Pledgee to proceed against any other Person or collateral or to exercise any remedy, (ii) the defense of the statute of limitations in any action upon any of the Obligations, (iii) any right of subrogation or interest in the Obligations or Pledged Property until all Obligations have been paid in full in immediately available funds and the Loan Agreement has been terminated, (iv) any rights to notice of any kind or nature whatsoever, unless specifically required in this Pledge Agreement or any of the other Loan Documents or non-waivable under any applicable law, and (v) to the extent permissible, its rights under the PPSA. Pledgor agrees that the Pledged Property, other collateral, or any other guarantor or endorser may be released, substituted or added with respect to the Obligations, in whole or in part, without releasing or otherwise affecting the liability of Pledgor, the pledge and security interests granted hereunder, or this Pledge Agreement. Pledgee is entitled to all of the benefits of a secured party set forth in the PPSA.

(z) Pledgor shall not, without the prior consent of Pledgee, directly or indirectly, sell, assign, transfer, or otherwise dispose of, or grant any option with respect to any of the Pledged Property, nor shall Pledgor create, incur, permit or suffer to exist any further pledge, hypothecation, encumbrance, lien, mortgage or security interest with respect to any of the Pledged Property, except as may be permitted by the Loan Agreement. The inclusion of products and proceeds in the Collateral shall not be deemed to constitute Pledgee's consent to any sale or other disposition of any of the Pledged Property, except as may be permitted by the Loan Agreement.

(aa) Pledgor agrees to take such other action and execute such further documents as Pledgee may reasonably request from time to time in order to give effect to the foregoing provisions of this Section 3.

4. NO ASSUMPTION OF LIABILITIES

In addition to and without limiting the provisions of Section 1(c):

(a) Nothing herein shall be construed to make Pledgee liable as a member or shareholder of any Issuer, and Pledgee and by virtue of this Pledge Agreement or otherwise, shall

not have any of the duties, obligations or liabilities of a member of any Issuer. The parties hereto expressly agree that this Pledge Agreement shall not be construed as creating a partnership or joint venture among Pledgee and Pledgor and/or any Issuer.

(b) By accepting this Pledge Agreement, Pledgee does not intend to become a member of any Issuer or otherwise be deemed to be a co-venturer with respect to Pledgor or any Issuer either before or after an Event of Default shall have occurred. Pledgee shall have only those powers set forth herein and shall assume none of the duties, obligations or liabilities of Pledgor or of a member of any Issuer. Pledgee shall not be obligated to perform or discharge any obligation of Pledgor as a result of the pledge hereby effected.

(c) The acceptance by Pledgee of this Pledge Agreement, with all of the rights, powers, privileges and authority so created, shall not at any time or in any event obligate Pledgee to appear in or defend any action or proceeding relating to the Pledged Property to which it is not a party, or to take any action hereunder or thereunder, or to expend any money or incur any expense or perform or discharge any obligation, duty or liability hereunder or otherwise with respect to the Pledged Property.

5. EVENTS OF DEFAULT

The occurrence or existence of any Event of Default under the Loan Agreement is referred to herein individually as an “Event of Default”, and collectively as “Events of Default”.

6. RIGHTS AND REMEDIES

At any time an Event of Default has occurred and is continuing, in addition to all other rights and remedies of Pledgee, whether provided under this Pledge Agreement, the Loan Agreement, any of the other Loan Documents, applicable law or otherwise, Pledgee shall have the following rights and remedies which may be exercised without notice to, or consent by, Pledgor except as such notice or consent is expressly provided for hereunder or under the Loan Agreement (to the extent applicable to this Pledge Agreement):

(a) Pledgee, at its option, shall be empowered to exercise its right to instruct any Issuer (or the appropriate transfer agent of the Pledged Interests) to register any or all of the Pledged Interests in the name of Pledgee or in the name of Pledgee’s nominee and Pledgee may complete, in any manner Pledgee may deem expedient, any and all membership interest powers, assignments or other documents heretofore or hereafter executed in blank by Pledgor and delivered to Pledgee. After said instruction, and without further notice, Pledgee shall have the exclusive right to exercise all rights with respect to the Pledged Interests and the other Pledged Property, and exercise any and all rights of conversion, redemption, exchange, subscription or any other rights, privileges, or options pertaining to the Pledged Interests and the other Pledged Property as if Pledgee were the owner thereof, including, without limitation, the right to exchange, in its discretion, any and all of the Pledged Interests and the other Pledged Property upon any merger, consolidation, reorganization, recapitalization or other readjustment with respect thereto. Upon the exercise of any such rights, privileges or options by Pledgee, Pledgee shall have the right to deposit and deliver any and all of the Pledged Interests and other Pledged Property to any committee, depository, transfer agent, registrar or other designated agency upon such terms and

conditions as Pledgee may determine, all without liability, except to account for property actually received by Pledgee. However, Pledgee shall have no duty to exercise any of the aforesaid rights, privileges or options (all of which are exercisable in the sole discretion of Pledgee) and shall not be responsible for any failure to do so or delay in doing so.

(b) Upon prior written notice thereof by Pledgee to any Issuer and Pledgor, (i) Pledgee may transfer the Pledged Property with respect to such Issuer into the name of Pledgee (or its successors or assignees, or designee), and (ii) Pledgee (or its successors or assignees, or designee) shall be admitted as a member of such Issuer in the place of Pledgor.

(c) In addition to all the rights and remedies of a secured party under the PPSA or other applicable law, Pledgee shall have the right, at any time and without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Pledgor or any other person (all and each of which demands, advertisements and/or notices are hereby expressly waived to the extent permitted by applicable law), to proceed forthwith to collect, redeem, recover, receive, appropriate, realize, sell, or otherwise dispose of and deliver any or all of the Pledged Property or any part thereof in one or more lots at public or private sale or sales at any exchange, broker's board or at any of Pledgee's offices or elsewhere at such prices and on such terms as Pledgee may deem commercially reasonable. The foregoing disposition(s) may be for cash or on credit or for future delivery without assumption of any credit risk, with Pledgee having the right to purchase all or any part of the Pledged Property so sold at any such sale or sales, public or private, free of any right or equity of redemption in Pledgor, which right or equity is hereby expressly waived or released by Pledgor. The proceeds of any such collection, redemption, recovery, receipt, appropriation, realization, sale or other disposition, after deducting all costs and expenses of every kind incurred relative thereto or incidental to the care, safekeeping or otherwise of any and all Pledged Property or in any way relating to the rights of Pledgee hereunder, including reasonable legal fees and expenses, shall be applied first to the satisfaction of the Secured Obligations (in such order as Pledgee may elect and whether or not due) and then to the payment of any other amounts required by applicable law, including the PPSA, with Pledgor to be and remain liable for any deficiency. Pledgor shall be liable to Pledgee for the payment on demand of all such costs and expenses, together with interest at the then applicable rate set forth in the Loan Agreement, and any reasonable legal fees and expenses. Any such amounts shall constitute Secured Obligations. Pledgor agrees that ten (10) days prior written notice by Pledgee designating the place and time of any public sale or of the time after which any private sale or other intended disposition of any or all of the Pledged Property is to be made, is reasonable notification of such matters. Pledgee shall not be obligated to sell any of the Pledged Property regardless of notice of sale having been given. Pledgee may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(d) Pledgor recognizes that Pledgee may be unable to effect a public sale of all or part of the Pledged Property by reason of certain prohibitions contained in the STA, the Securities Act of 1933, as amended, as now or hereafter in effect or in applicable Blue Sky or other state, provincial or federal securities law, as now or hereafter in effect, but may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such Pledged Property for their own account for investment and

not with a view to the distribution or resale thereof. If at the time of any sale of the Pledged Property or any part thereof, the same shall not, for any reason whatsoever, be effectively registered (if required) under the STA, the Securities Act of 1933 (or other applicable state, provincial or federal securities law), as then in effect, Pledgee in its sole and absolute discretion is authorized to sell such Pledged Property or such part thereof by private sale in such manner and under such circumstances as Pledgee or its counsel may deem necessary or advisable in order that such sale may legally be effected without registration. Pledgor agrees that private sales so made may be at prices and other terms less favorable to the seller than if such Pledged Property were sold at public sale, and that Pledgee has no obligation to delay the sale of any such Pledged Property for the period of time necessary to permit any Issuer, even if such Issuer would agree, to register such Pledged Property for public sale under such applicable securities laws. Pledgor agrees that any private sales made under the foregoing circumstances shall be deemed to have been in a commercially reasonable manner.

(e) All of the rights and remedies of Pledgee, whether provided under this Pledge Agreement, the other Loan Documents, the instruments comprising the Pledged Property, applicable law, or otherwise, shall be cumulative and not exclusive. Such rights and remedies shall be cumulative and not exclusive and shall be enforceable alternatively, successively or concurrently as Pledgee may deem expedient. No failure or delay on the part of Pledgee in exercising any of its options, powers or rights or partial or single exercise thereof shall constitute a waiver of such option, power or right.

7. JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW.

(a) This Pledge Agreement shall be treated in all respects as an Ontario contract and the validity, interpretation and enforcement of this Guarantee and any dispute arising out of the relationship between Pledgor and Pledgee, whether in contract, tort, equity or otherwise, shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the Province of Ontario and the federal laws of Canada applicable therein.

(b) Each of Pledgor and Pledgee irrevocably attorns to the non exclusive jurisdiction of the courts of Ontario, and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Pledge Agreement or any of the other Loan Documents or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Pledge Agreement or any of the other Loan Documents or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agrees that any dispute with respect to any such matters shall be heard only in the courts described above (except that Pledgee shall have the right to bring any action or proceeding against Pledgor or its property in the courts of any other jurisdiction which Pledgee deems necessary or appropriate in order to realize on the Pledged Property or to otherwise enforce its rights against Pledgor or its property).

(c) Pledgor and Pledgee hereby waive personal service of any and all process upon them and consent that all such service of process may be made by certified mail (return

receipt requested) directed to their address set forth herein and service so made shall be deemed to be completed ten (10) days after the same shall have been so deposited in the mail, or, at Pledgee's option, by service upon Pledgor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Pledgor shall appear in answer to such process, failing which Pledgor shall be deemed in default and judgment may be entered by Pledgee against Pledgor for the amount of the claim and other relief requested.

(d) EACH OF PLEDGOR AND PLEDGEE HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (I) ARISING UNDER THIS PLEDGE AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR (II) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF PLEDGOR AND PLEDGEE IN RESPECT OF THIS PLEDGE AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. EACH OF PLEDGOR AND PLEDGEE HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT PLEDGOR OR PLEDGEE MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS PLEDGE AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Notwithstanding any other provision contained herein, Pledgee shall not have any liability to Pledgor (whether in tort, contract, equity or otherwise) for losses suffered by Pledgor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Pledge Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Pledgee, that the losses were the result of acts or omissions constituting gross negligence or willful misconduct by Pledgee. In any such litigation, Pledgee shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Pledge Agreement and the other Loan Documents.

8. MISCELLANEOUS.

(a) Pledgor agrees that at any time and from time to time upon the written request of Pledgee, Pledgor shall execute and deliver such further documents, including, but not limited to, irrevocable proxies or membership interest powers, in form reasonably satisfactory to counsel for Pledgee, and will take or cause to be taken such further acts as Pledgee may reasonably request in order to effect the purposes of this Pledge Agreement and perfect or continue the perfection of the security interest in the Pledged Property granted to Pledgee hereunder.

(b) Beyond the exercise of reasonable care to assure the safe custody of the Pledged Property (whether such custody is exercised by Pledgee, or Pledgee's nominee, agent or bailee) Pledgee or Pledgee's nominee agent or bailee shall have no duty or liability to protect or preserve any rights pertaining thereto and shall be relieved of all responsibility for the Pledged Property upon surrendering it to Pledgor or foreclosure with respect thereto.

(c) All notices, requests, demands and other communications under or in respect hereunder or any transactions hereunder, other than those approved for or required to be delivered by Approved Electronic Communications (including via Passport 6.0 or otherwise pursuant to Section 10.1(a) of the Loan Agreement), shall be in writing and shall be personally delivered or mailed (by prepaid registered or certified mail, return receipt requested), sent by prepaid recognized overnight courier service, or by email to the applicable party at its address or email address indicated below,

If to Pledgee:	Siena Lending Group Canada LLC 9 W Broad Street, 5 th Floor Stamford, Connecticut 06902 Attention: Steve Sanicola Email: ssanicola@sienalending.com
If to Pledgor:	Global Food and Ingredients Inc. 43 Colborne Street, Suite 400 Toronto, Ontario, M5E 1E3, Canada Attention: William Murray Email: bill.murray@gfiglobalfood.com

Any party hereto may from time to time change its address for notices by giving written notice of such changed address to the other party hereto.

(d) Unless otherwise defined herein, capitalized terms used herein and not defined herein shall have the meaning given to such term in the Loan Agreement. All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Pledgor, Pledgee, Borrowers and any Issuer pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words “hereof,” “herein,” “hereunder,” “this Pledge Agreement” and words of similar import when used in this Pledge Agreement shall refer to this Pledge Agreement as a whole and not any particular provision of this Pledge Agreement and as this Pledge Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with the Loan Agreement or is cured in a manner satisfactory to Pledgee.

(e) This Pledge Agreement, the Loan Agreement, the other Loan Documents and any other document referred to herein or therein shall be binding upon Pledgor and its successors and assigns and inure to the benefit of and be enforceable by Pledgee and its successors and assigns.

(f) If any provision of this Pledge Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Pledge Agreement as a whole, but this Pledge Agreement shall be construed as though it did not contain the particular

provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

(g) In the event of any conflict between a provision of this Pledge Agreement and a provision of the Loan Agreement with respect to the identical subject matter, the provision of the Loan Agreement with respect thereto shall be controlling.

(h) Neither this Pledge Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Pledgee and Pledgor. Pledgee shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of their respective rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Pledgee. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Pledgee of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Pledgee would otherwise have on any future occasion, whether similar in kind or otherwise.

(i) This Pledge Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Pledge Agreement by telefacsimile shall have the same force and effect as the delivery of an original executed counterpart of this Pledge Agreement. Any party delivering an executed counterpart of this Pledge Agreement by telefacsimile shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Pledge Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Pledgor has executed this Pledge Agreement as of the day and year first above written.

GLOBAL FOOD AND INGREDIENTS LTD., as
Pledgor

By: Bill Murray
Name: Bill Murray
Title: CFO

ACCEPTED:

SIENA LENDING GROUP CANADA LLC, as Pledgee

DocuSigned by:
By: Steve Blumberg
Name: Steve Blumberg
Title: Authorized Signatory

By: Jason Schick
Name: JASON SCHICK
Title: Authorized Signatory

**EXHIBIT A
TO
PLEDGE AND SECURITY AGREEMENT**

Issuer	Certificate No(s).	No. of Shares/ Membership Interests	% Interest Pledged
Global Food and Ingredients Inc.	C-1	62,938,506 common shares	100%
Big Sky Milling Inc.	CBC-2	1,000 Class B common shares	50.1%
	CBC-3	3,462,828 Class B common shares	

This is Exhibit "L" referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.

PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT (this “Pledge Agreement”), dated as of February 1, 2024, is made by Global Food and Ingredients Inc., a Canada corporation (“Pledgor”), having its principal place of business at 43 Colborne Street, Suite 400, Toronto, ON M5E 1E3, Canada, to and in favor of SIENA LENDING GROUP CANADA LLC, a Delaware limited liability company (with its participants, successor and assigns, “Pledgee”), having an office at 9 W Broad Street, 5th Floor, Stamford, Connecticut 06902.

WITNESSETH:

WHEREAS, Pledgor is now the direct and beneficial owner of the issued and outstanding shares of capital stock and/or membership interests of each of the entities as set forth on Exhibit A annexed hereto (together with each other entity identified from time to time on Exhibit A annexed hereto, each individually an “Issuer” and collectively “Issuers”) and made a part hereof (collectively, the “Pledged Interests”);

WHEREAS, Pledgee has entered into financing arrangements pursuant to which Pledgee may make loans and advances and provide other financial accommodations to Global Food and Ingredients Inc., GFI Brands Inc. and North Lily Foods Inc. (collectively, the “Borrowers” and each individually, a “Borrower”) pursuant to the Loan and Security Agreement, dated as of February 1, 2024 by and between Pledgee, Borrowers, Pledgor and the other Loan Parties set forth on the signature pages thereto (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the “Loan Agreement”) and the other Loan Documents; and

WHEREAS, in order to induce Pledgee to continue to make loans and advances and provide other financial accommodations to it and the other Borrowers pursuant to the Loan Agreement, Pledgor has agreed to pledge the Pledged Interests to secure the Secured Obligations (as each such term is defined below) and to accomplish same by (a) executing and delivering to Pledgee this Pledge Agreement, (b) delivering to Pledgee certificates (if any) representing the Pledged Interests which are registered in the name of Pledgor, together with appropriate stock powers duly executed in blank by Pledgor, and (c) delivering to Pledgee any and all other related documents which Pledgee deems necessary to protect Pledgee’s interests hereunder.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor hereby agrees as follows:

1. GRANT OF SECURITY INTEREST.

(a) To secure the prompt payment and performance in full of all of the Obligations and all of the obligations of Pledgor pursuant to the Loan Agreement (collectively, the “Secured Obligations”), Pledgor hereby assigns, pledges, hypothecates, transfers and sets over to Pledgee and grants to Pledgee a security interest in and lien upon the following (subject to paragraph (c) below): (i) the Pledged Interests and all other ownership interests of Pledgor in each

Issuer, all certificates (if any) at any time representing or evidencing such ownership interests, and (A) all right, title and interest in, to and under the articles, by-laws, shareholders' agreement, partnership agreement, corporation, limited liability company and/or operating agreement, or any other similar agreement or instrument governing the organization or operation of each Issuer (as each of the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated, or replaced, the "Agreements"), including, without limitation, all of its right, title and interest (if any) as a shareholder, partner or member to participate in the operation or management of each Issuer and all of its ownership interests under the Agreements, and (B) all present and future rights of Pledgor to receive payment of money or other distribution of payments arising out of or in connection with the Pledged Interests and all other ownership interests and its rights under the Agreements, now or hereafter owned by Pledgor, (ii) all proceeds of and to any of the property of Pledgor described above, including, without limitation, all causes of action, claims and warranties now or hereafter held by Pledgor in respect of any of the items listed above, and to the extent related to any property described above or such proceeds, and (iii) Pledgor's books and records with respect to the foregoing (all of the foregoing described in clauses (i), (ii) and (iii) above being collectively referred to herein as the "Pledged Property").

(b) This Pledge Agreement is executed only as security for the Secured Obligations and therefore, the execution and delivery of this Pledge Agreement shall not subject to, or transfer or pass to Pledgee, or in any way affect or modify, the liability of Pledgor under the Agreements or any related agreements, documents or instruments or otherwise. In no event shall the acceptance of this Pledge Agreement by Pledgee or the exercise by Pledgee of any rights hereunder or assigned hereby, constitute an assumption of any liability or obligation of Pledgor to, under or in connection with the Agreements or any related agreements, documents or instruments or otherwise

(c) Notwithstanding any provisions to the contrary contained in this Pledge Agreement, the Loan Agreement or any other Loan Document, Pledgor is and will remain the sole registered and beneficial owner of all shares or other interests in any unlimited company, unlimited liability company or unlimited liability corporation or any similar entity existing under the laws of any province or territory of Canada and any successor to any such entity (each a "ULC"), if any, which form part of the Pledged Property (the "Pledged ULC Shares"), until such time as such Pledged ULC Shares are fully and effectively transferred into the name of Pledgee or any other Person appointed on its behalf on the books and records of such ULC. Nothing in this Pledge Agreement, the Loan Agreement or any other Loan Document is intended or shall constitute the Pledgee to be a member or shareholder of any ULC until such time as written notice is given to the Pledgor and all further steps are taken so as to register the Pledgee or any other Person appointed on its behalf as holder of all Pledged ULC Shares. The grant of the security interest pursuant to this section 1 does not make the Pledgee a successor to the Pledgor as a member or shareholder of any ULC, and neither the Pledgee or any Person appointed on its behalf nor their respective successors and assigns hereunder shall be deemed to become a member or shareholder of any ULC by accepting this Pledge Agreement or exercising any right granted herein unless and until such time, if any, when the Pledgee or any Person appointed on its behalf or any of their respective successor or assigns expressly becomes a registered member or shareholder of any ULC. The Pledgor shall be entitled to receive and retain for its own account any dividends or other distributions, if any, in respect of the Pledged ULC Shares, and shall have the right to vote such Pledged ULC Shares and to control the direction, management and policies of the ULC issuing

such Pledged ULC Shares to the same extent as the Pledgee would if such Pledged ULC Shares were not pledged to the Pledgee pursuant hereto. To the extent any provision hereof would have the effect of constituting the Pledgee or any Person appointed on its behalf to be a member or shareholder of the ULC prior to such time, such provision shall be severed herefrom and be ineffective with respect to the relevant Pledged ULC Shares without otherwise invalidating or rendering unenforceable this Pledge Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Pledged Property other than Pledged ULC Shares. Notwithstanding anything herein to the contrary (except to the extent, if any, that the Pledgee or any Person appointed on its behalf or any of their respective successors or assigns hereafter expressly becomes a registered member or shareholder of any ULC), neither the Pledgee or any Person appointed on its behalf nor any of their respective successors or assigns shall be deemed to have assumed or otherwise become liable for any debts or obligations of any ULC. Except upon the exercise by the Pledgee or any Person appointed on its behalf of rights to sell or otherwise dispose of Pledged ULC Shares or other remedies following the occurrence and during the continuance of an Event of Default, the Pledgor shall not cause or permit, or enable any ULC in which it holds Pledged ULC Shares to cause or permit, the Pledgee or any Person appointed on its behalf to: (a) be registered as a member or shareholder of such ULC, (b) have any notation entered in its favour in the share register of such ULC, (c) be held out as a member or shareholder of such ULC, (d) receive, directly or indirectly, any dividends, property or other distributions from such ULC by reason of the Pledgee or such Person appointed on its behalf holding a security interest in the Pledged ULC Shares, or (e) act as a member or shareholder of such ULC, or exercise any rights of a member or shareholder of such ULC, including the right to attend a meeting of such ULC or vote the shares of such ULC.

(d) The Pledgor acknowledges and agrees that: (i) value has been given by the Pledgee, (ii) the Pledgor has rights in the Pledged Property or the power to transfer rights in the Pledged Property, (iii) the security interest will attach when the Pledgor signs this Pledge Agreement, and (iv) the Pledgor and the Pledgee have not otherwise agreed to postpone the time of attachment.

2. OBLIGATIONS SECURED

The security interest, lien and other interests granted to Pledgee pursuant to this Pledge Agreement shall secure the prompt performance, observance and payment in full of any and all of the Secured Obligations.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

Pledgor hereby represents, warrants and covenants with and to Pledgee the following (all of such representations, warranties and covenants being continuing so long as any of the Secured Obligations are outstanding):

(a) The Pledged Interests are duly authorized, validly existing, fully paid and non-assessable and constitute Pledgor's entire interest in each Issuer, and Pledgor is the registered owner of such ownership interests.

(b) The Pledged Property is directly, legally and beneficially owned by Pledgor, free and clear of all claims, liens, pledges and encumbrances of any kind, nature or description, except for the pledge and security interest in favor of Pledgee, and the pledges, claims, liens, encumbrances and security interests permitted under the Loan Agreement.

(c) There are no outstanding options, warrants, convertible securities or other rights, contingent or absolute, to acquire the Pledged Property and no Pledged Property is subject to any shareholder, voting trust or similar agreement. No consent of any Person is necessary or desirable in connection with the creation, perfection or first priority status of the security interest in any Pledged Property or the exercise by Pledgee of the voting or other rights and remedies in respect thereof provided for in this Pledge Agreement.

(d) The Pledged Property is not subject to any restrictions relative to the transfer thereof and Pledgor has the right to transfer and hypothecate the Pledged Property free and clear of any liens, encumbrances or restrictions.

(e) The Pledged Property is duly and validly pledged to Pledgee and no consent or approval of any governmental or regulatory authority or of any securities exchange or the like, nor any consent or approval of any other third party, is necessary to the validity and enforceability of this Pledge Agreement.

(f) If at any time after the date hereof Pledgor shall become entitled to receive or acquire, or shall receive or acquire any stock certificate, membership interest, membership interest certificate, or option or right with respect to the stock or membership interests of any Issuer (including without limitation, any certificate representing a distribution or exchange of or in connection with reclassification of the Pledged Interests) whether as an addition to, in substitution of, or in exchange for any of the Pledged Property or otherwise, Pledgor agrees to accept same as Pledgee's agent, to hold same in trust for Pledgee and to deliver same forthwith to Pledgee or Pledgee's agent or bailee in the form received, with the endorsement(s) of Pledgor where necessary and/or appropriate stock or membership interest powers and/or assignments duly executed to be held by Pledgee or Pledgee's agent or bailee subject to the terms hereof, as further security for the Secured Obligations.

(g) The Pledged Property is at the date hereof and the Pledgor shall ensure that the Pledged Property is at all times hereafter (i) investment property under the PPSA and (ii) a "security" for the purposes of the *Securities Transfer Act* (Ontario) or any applicable, similar legislation in effect in any other province (the "STA"), in each case except as Pledgee may otherwise expressly agree.

(h) The Agreements and the certificate of formation or incorporation of each Issuer, each as in effect on the date hereof, permit and will permit (i) such Issuer to grant the pledge and security interest in the Pledged Interests to Pledgee as provided in Section 1 hereof and (ii) Pledgee to be admitted to such Issuer as a shareholder or member thereof as provided in Section 6 hereof (subject to Section 1(c) hereof) without conferring upon any Issuer or any other shareholder or member thereof any option to acquire the stock or membership interests so transferred to Pledgee or its designees.

(i) Pledgor shall keep full and accurate books and records relating to the Pledged Property and stamp or otherwise mark such books and records in such manner as Pledgee may require in order to reflect the security interests granted by this Pledge Agreement.

(j) Pledgor shall not, without the prior consent of Pledgee, directly or indirectly, sell, assign, transfer, or otherwise dispose of, or grant any option with respect to the Pledged Property, nor shall Pledgor create, incur, permit or suffer to exist any further pledge, hypothecation, encumbrance, lien, mortgage or security interest with respect to the Pledged Property, except as permitted by the Loan Agreement.

(k) So long as no Event of Default (as hereinafter defined) has occurred and is continuing Pledgor shall have the right to exercise all rights with respect to the Pledged Property, except as expressly prohibited herein or in the Loan Documents, and to receive any distributions payable in respect of the Pledged Property.

(l) Prior to or concurrently with the execution and delivery of this Pledge Agreement, Pledgor shall deliver to Pledgee any certificates representing the Pledged Property, accompanied by undated stock or membership interest powers duly executed in blank.

(m) Pledgor shall take all other action that the Pledgee deems advisable to cause the Pledgee to have control (as defined in the PPSA) of any investment property (as defined in the PPSA) included in the Pledged Property including (i) entering into control agreements with the Pledgee and any applicable securities intermediary (as defined in the STA) or Issuer, in form and substance satisfactory to the Pledgee, (ii) causing the Pledged Property to be transferred to or registered in the name of the Pledgee or any Person appointed on its behalf or otherwise as the Pledgee may direct (and causing such transfer and registration to be recorded on the books and records of the Issuer) and (iii) delivering to the Pledgee any and all consents or other documents or agreements which may be necessary to effect the transfer of any Pledged Property to the Pledgee or any Person appointed on its behalf.

(n) Pledgor shall not modify, terminate or attempt or agree to otherwise incur any obligation to modify or terminate any control agreement or any contract with a securities intermediary (as defined in the STA) or give control (as defined in the PPSA) of any investment property (as defined in the PPSA) included in the Pledged Property to any Person other than the Pledgee, whether by entering into any agreement, instrument or document with a securities intermediary (as defined in the STA) for the purpose of giving a Person other than the Pledgee control (as defined in the PPSA) of any Investment Property (as defined in the PPSA).

(o) Pledgor has delivered to Pledgee a true, correct and complete copy of the Agreements and the certificate of formation or incorporation (as applicable) of each Issuer, each as in effect on the date hereof. There are and shall be no other agreements governing the formation, organization or terms of the stock or membership interests with respect to any Issuer.

(p) Except as permitted under the Loan Agreement, Pledgor shall not permit any Issuer, directly or indirectly, to (i) issue, sell, grant, assign, transfer or otherwise dispose of, any additional stock or membership interests of any Issuer or any option or warrant with respect to, or other right or security convertible into, any additional stock or membership interests of any

Issuer, now or hereafter authorized, unless all such additional stock or membership interests, options, warrants, rights or other such securities are made and shall remain part of the Pledged Property subject to the pledge and security interest granted herein, (ii) take any action to withdraw the authority of or to limit or restrict the authority of any Issuer's managers (if any) or officers to deal and contract with Pledgee and to bind and obligate any Issuer, or (iii) pay any interim distribution in cash or other assets to any shareholder or member of any Issuer, except as permitted in the Loan Agreement. Any distribution by any Issuer other than as permitted in the Loan Agreement shall constitute a "wrongful distribution" for purposes of applicable law.

(q) Pledgor shall promptly notify Pledgee in writing of the occurrence of any event specified in Issuer's certificate of formation or incorporation (as applicable), the Agreements or otherwise that would reasonably be expected to result in such Issuer's dissolution or liquidation.

(r) Pledgor shall not, and shall not permit any Issuer, directly or indirectly, to amend, modify or supplement any of the provisions of its respective Agreements or the certificate of formation or incorporation (as applicable) of Issuer without the prior written consent of the Pledgee if any such amendment, modification or supplement could reasonably be expected to adversely affect any rights of Pledgee hereunder or under any of the other Loan Documents, or to limit or restrict the permissible activities in which Issuer may engage, without the prior written consent of Pledgee.

(s) In accordance with each Agreement, Pledgor hereby acknowledges and agrees that Pledgee or any of its successors and assigns (or any designee of Pledgee), shall, at Pledgee's option and subject to Section 1(c), upon written notice to Pledgor of Pledgee's intent to be admitted as a member of any Issuer (in the place of Pledgor at any time an Event of Default has occurred and is continuing, be admitted as a member of such Issuer without any further approval of Pledgor and without compliance by Pledgee or any other person with any of the conditions or other requirements of the applicable Agreement and without conferring upon any Person any option (whether under the applicable Agreement or otherwise) to acquire the stock or membership interests so transferred to Pledgee, its successors or assigns, or its designees. Pledgor agrees to take such other action and execute such further documents as Pledgee may request from time to time in order to give effect to the provisions of this Pledge Agreement.

(t) Pledgor shall pay all charges and assessments of any nature against the Pledged Property or with respect thereto prior to said charges and/or assessments being delinquent.

(u) Pledgor shall promptly reimburse Pledgee on demand, together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement, for any charges, assessments or expenses paid or incurred by Pledgee for the protection, preservation and maintenance of the Pledged Property and the enforcement of Pledgee's rights hereunder, including, without limitation, reasonable legal fees and expenses incurred by Pledgee in seeking to protect, collect or enforce its rights in the Pledged Property or otherwise hereunder.

(v) Pledgor shall furnish, or cause to be furnished, to Pledgee such information concerning Issuers and the Pledged Property as Pledgee may from time to time reasonably request in good faith, including, without limitation, current financial statements.

(w) Pledgee may notify any Issuer or the appropriate transfer agent of the Pledged Interests to register the security interest and pledge granted herein and honor the rights of Pledgee with respect thereto.

(x) Pledgor authorizes Pledgee to: (i) store, deposit and safeguard the Pledged Property, (ii) perform any and all other acts which Pledgee deems reasonable and/or necessary for the protection and preservation of the Pledged Property or its value or Pledgee's security interest therein, including, without limitation, transferring, registering or arranging for the transfer or registration of the Pledged Property to or in Pledgee's own name and receiving the income therefrom as additional security for the Secured Obligations and (iii) pay any reasonable charges or expenses which Pledgee deems necessary for the foregoing purpose, but without any obligation to do so (and any amounts so paid shall constitute Obligations under the Loan Agreement). Any obligation of Pledgee for reasonable care for the Pledged Property in Pledgee's possession shall be limited to the same degree of care which Pledgee uses for similar property pledged to Pledgee by other persons.

(y) Pledgor waives: (i) all rights to require Pledgee to proceed against any other Person or collateral or to exercise any remedy, (ii) the defense of the statute of limitations in any action upon any of the Obligations, (iii) any right of subrogation or interest in the Obligations or Pledged Property until all Obligations have been paid in full in immediately available funds and the Loan Agreement has been terminated, (iv) any rights to notice of any kind or nature whatsoever, unless specifically required in this Pledge Agreement or any of the other Loan Documents or non-waivable under any applicable law, and (v) to the extent permissible, its rights under the PPSA. Pledgor agrees that the Pledged Property, other collateral, or any other guarantor or endorser may be released, substituted or added with respect to the Obligations, in whole or in part, without releasing or otherwise affecting the liability of Pledgor, the pledge and security interests granted hereunder, or this Pledge Agreement. Pledgee is entitled to all of the benefits of a secured party set forth in the PPSA.

(z) Pledgor shall not, without the prior consent of Pledgee, directly or indirectly, sell, assign, transfer, or otherwise dispose of, or grant any option with respect to any of the Pledged Property, nor shall Pledgor create, incur, permit or suffer to exist any further pledge, hypothecation, encumbrance, lien, mortgage or security interest with respect to any of the Pledged Property, except as may be permitted by the Loan Agreement. The inclusion of products and proceeds in the Collateral shall not be deemed to constitute Pledgee's consent to any sale or other disposition of any of the Pledged Property, except as may be permitted by the Loan Agreement.

(aa) Pledgor agrees to take such other action and execute such further documents as Pledgee may reasonably request from time to time in order to give effect to the foregoing provisions of this Section 3.

4. NO ASSUMPTION OF LIABILITIES

In addition to and without limiting the provisions of Section 1(c):

(a) Nothing herein shall be construed to make Pledgee liable as a member or shareholder of any Issuer, and Pledgee and by virtue of this Pledge Agreement or otherwise, shall

not have any of the duties, obligations or liabilities of a member of any Issuer. The parties hereto expressly agree that this Pledge Agreement shall not be construed as creating a partnership or joint venture among Pledgee and Pledgor and/or any Issuer.

(b) By accepting this Pledge Agreement, Pledgee does not intend to become a member of any Issuer or otherwise be deemed to be a co-venturer with respect to Pledgor or any Issuer either before or after an Event of Default shall have occurred. Pledgee shall have only those powers set forth herein and shall assume none of the duties, obligations or liabilities of Pledgor or of a member of any Issuer. Pledgee shall not be obligated to perform or discharge any obligation of Pledgor as a result of the pledge hereby effected.

(c) The acceptance by Pledgee of this Pledge Agreement, with all of the rights, powers, privileges and authority so created, shall not at any time or in any event obligate Pledgee to appear in or defend any action or proceeding relating to the Pledged Property to which it is not a party, or to take any action hereunder or thereunder, or to expend any money or incur any expense or perform or discharge any obligation, duty or liability hereunder or otherwise with respect to the Pledged Property.

5. EVENTS OF DEFAULT

The occurrence or existence of any Event of Default under the Loan Agreement is referred to herein individually as an “Event of Default”, and collectively as “Events of Default”.

6. RIGHTS AND REMEDIES

At any time an Event of Default has occurred and is continuing, in addition to all other rights and remedies of Pledgee, whether provided under this Pledge Agreement, the Loan Agreement, any of the other Loan Documents, applicable law or otherwise, Pledgee shall have the following rights and remedies which may be exercised without notice to, or consent by, Pledgor except as such notice or consent is expressly provided for hereunder or under the Loan Agreement (to the extent applicable to this Pledge Agreement):

(a) Pledgee, at its option, shall be empowered to exercise its right to instruct any Issuer (or the appropriate transfer agent of the Pledged Interests) to register any or all of the Pledged Interests in the name of Pledgee or in the name of Pledgee’s nominee and Pledgee may complete, in any manner Pledgee may deem expedient, any and all membership interest powers, assignments or other documents heretofore or hereafter executed in blank by Pledgor and delivered to Pledgee. After said instruction, and without further notice, Pledgee shall have the exclusive right to exercise all rights with respect to the Pledged Interests and the other Pledged Property, and exercise any and all rights of conversion, redemption, exchange, subscription or any other rights, privileges, or options pertaining to the Pledged Interests and the other Pledged Property as if Pledgee were the owner thereof, including, without limitation, the right to exchange, in its discretion, any and all of the Pledged Interests and the other Pledged Property upon any merger, consolidation, reorganization, recapitalization or other readjustment with respect thereto. Upon the exercise of any such rights, privileges or options by Pledgee, Pledgee shall have the right to deposit and deliver any and all of the Pledged Interests and other Pledged Property to any committee, depository, transfer agent, registrar or other designated agency upon such terms and

conditions as Pledgee may determine, all without liability, except to account for property actually received by Pledgee. However, Pledgee shall have no duty to exercise any of the aforesaid rights, privileges or options (all of which are exercisable in the sole discretion of Pledgee) and shall not be responsible for any failure to do so or delay in doing so.

(b) Upon prior written notice thereof by Pledgee to any Issuer and Pledgor, (i) Pledgee may transfer the Pledged Property with respect to such Issuer into the name of Pledgee (or its successors or assignees, or designee), and (ii) Pledgee (or its successors or assignees, or designee) shall be admitted as a member of such Issuer in the place of Pledgor.

(c) In addition to all the rights and remedies of a secured party under the PPSA or other applicable law, Pledgee shall have the right, at any time and without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Pledgor or any other person (all and each of which demands, advertisements and/or notices are hereby expressly waived to the extent permitted by applicable law), to proceed forthwith to collect, redeem, recover, receive, appropriate, realize, sell, or otherwise dispose of and deliver any or all of the Pledged Property or any part thereof in one or more lots at public or private sale or sales at any exchange, broker's board or at any of Pledgee's offices or elsewhere at such prices and on such terms as Pledgee may deem commercially reasonable. The foregoing disposition(s) may be for cash or on credit or for future delivery without assumption of any credit risk, with Pledgee having the right to purchase all or any part of the Pledged Property so sold at any such sale or sales, public or private, free of any right or equity of redemption in Pledgor, which right or equity is hereby expressly waived or released by Pledgor. The proceeds of any such collection, redemption, recovery, receipt, appropriation, realization, sale or other disposition, after deducting all costs and expenses of every kind incurred relative thereto or incidental to the care, safekeeping or otherwise of any and all Pledged Property or in any way relating to the rights of Pledgee hereunder, including reasonable legal fees and expenses, shall be applied first to the satisfaction of the Secured Obligations (in such order as Pledgee may elect and whether or not due) and then to the payment of any other amounts required by applicable law, including the PPSA, with Pledgor to be and remain liable for any deficiency. Pledgor shall be liable to Pledgee for the payment on demand of all such costs and expenses, together with interest at the then applicable rate set forth in the Loan Agreement, and any reasonable legal fees and expenses. Any such amounts shall constitute Secured Obligations. Pledgor agrees that ten (10) days prior written notice by Pledgee designating the place and time of any public sale or of the time after which any private sale or other intended disposition of any or all of the Pledged Property is to be made, is reasonable notification of such matters. Pledgee shall not be obligated to sell any of the Pledged Property regardless of notice of sale having been given. Pledgee may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(d) Pledgor recognizes that Pledgee may be unable to effect a public sale of all or part of the Pledged Property by reason of certain prohibitions contained in the STA, the Securities Act of 1933, as amended, as now or hereafter in effect or in applicable Blue Sky or other state, provincial or federal securities law, as now or hereafter in effect, but may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such Pledged Property for their own account for investment and

not with a view to the distribution or resale thereof. If at the time of any sale of the Pledged Property or any part thereof, the same shall not, for any reason whatsoever, be effectively registered (if required) under the STA, the Securities Act of 1933 (or other applicable state, provincial or federal securities law), as then in effect, Pledgee in its sole and absolute discretion is authorized to sell such Pledged Property or such part thereof by private sale in such manner and under such circumstances as Pledgee or its counsel may deem necessary or advisable in order that such sale may legally be effected without registration. Pledgor agrees that private sales so made may be at prices and other terms less favorable to the seller than if such Pledged Property were sold at public sale, and that Pledgee has no obligation to delay the sale of any such Pledged Property for the period of time necessary to permit any Issuer, even if such Issuer would agree, to register such Pledged Property for public sale under such applicable securities laws. Pledgor agrees that any private sales made under the foregoing circumstances shall be deemed to have been in a commercially reasonable manner.

(e) All of the rights and remedies of Pledgee, whether provided under this Pledge Agreement, the other Loan Documents, the instruments comprising the Pledged Property, applicable law, or otherwise, shall be cumulative and not exclusive. Such rights and remedies shall be cumulative and not exclusive and shall be enforceable alternatively, successively or concurrently as Pledgee may deem expedient. No failure or delay on the part of Pledgee in exercising any of its options, powers or rights or partial or single exercise thereof shall constitute a waiver of such option, power or right.

7. JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW.

(a) This Pledge Agreement shall be treated in all respects as an Ontario contract and the validity, interpretation and enforcement of this Guarantee and any dispute arising out of the relationship between Pledgor and Pledgee, whether in contract, tort, equity or otherwise, shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the Province of Ontario and the federal laws of Canada applicable therein.

(b) Each of Pledgor and Pledgee irrevocably attorns to the non exclusive jurisdiction of the courts of Ontario, and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Pledge Agreement or any of the other Loan Documents or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Pledge Agreement or any of the other Loan Documents or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agrees that any dispute with respect to any such matters shall be heard only in the courts described above (except that Pledgee shall have the right to bring any action or proceeding against Pledgor or its property in the courts of any other jurisdiction which Pledgee deems necessary or appropriate in order to realize on the Pledged Property or to otherwise enforce its rights against Pledgor or its property).

(c) Pledgor and Pledgee hereby waive personal service of any and all process upon them and consent that all such service of process may be made by certified mail (return

receipt requested) directed to their address set forth herein and service so made shall be deemed to be completed ten (10) days after the same shall have been so deposited in the mail, or, at Pledgee's option, by service upon Pledgor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Pledgor shall appear in answer to such process, failing which Pledgor shall be deemed in default and judgment may be entered by Pledgee against Pledgor for the amount of the claim and other relief requested.

(d) EACH OF PLEDGOR AND PLEDGEE HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (I) ARISING UNDER THIS PLEDGE AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR (II) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF PLEDGOR AND PLEDGEE IN RESPECT OF THIS PLEDGE AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. EACH OF PLEDGOR AND PLEDGEE HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT PLEDGOR OR PLEDGEE MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS PLEDGE AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Notwithstanding any other provision contained herein, Pledgee shall not have any liability to Pledgor (whether in tort, contract, equity or otherwise) for losses suffered by Pledgor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Pledge Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Pledgee, that the losses were the result of acts or omissions constituting gross negligence or willful misconduct by Pledgee. In any such litigation, Pledgee shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Pledge Agreement and the other Loan Documents.

8. MISCELLANEOUS.

(a) Pledgor agrees that at any time and from time to time upon the written request of Pledgee, Pledgor shall execute and deliver such further documents, including, but not limited to, irrevocable proxies or membership interest powers, in form reasonably satisfactory to counsel for Pledgee, and will take or cause to be taken such further acts as Pledgee may reasonably request in order to effect the purposes of this Pledge Agreement and perfect or continue the perfection of the security interest in the Pledged Property granted to Pledgee hereunder.

(b) Beyond the exercise of reasonable care to assure the safe custody of the Pledged Property (whether such custody is exercised by Pledgee, or Pledgee's nominee, agent or bailee) Pledgee or Pledgee's nominee agent or bailee shall have no duty or liability to protect or preserve any rights pertaining thereto and shall be relieved of all responsibility for the Pledged Property upon surrendering it to Pledgor or foreclosure with respect thereto.

(c) All notices, requests, demands and other communications under or in respect hereunder or any transactions hereunder, other than those approved for or required to be delivered by Approved Electronic Communications (including via Passport 6.0 or otherwise pursuant to Section 10.1(a) of the Loan Agreement), shall be in writing and shall be personally delivered or mailed (by prepaid registered or certified mail, return receipt requested), sent by prepaid recognized overnight courier service, or by email to the applicable party at its address or email address indicated below,

If to Pledgee:	Siena Lending Group Canada LLC 9 W Broad Street, 5 th Floor Stamford, Connecticut 06902 Attention: Steve Sanicola Email: ssanicola@sienalending.com
If to Pledgor:	Global Food and Ingredients Inc. 43 Colborne Street, Suite 400 Toronto, Ontario, M5E 1E3, Canada Attention: William Murray Email: bill.murray@gfiglobalfood.com

Any party hereto may from time to time change its address for notices by giving written notice of such changed address to the other party hereto.

(d) Unless otherwise defined herein, capitalized terms used herein and not defined herein shall have the meaning given to such term in the Loan Agreement. All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Pledgor, Pledgee, Borrowers and any Issuer pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words “hereof,” “herein,” “hereunder,” “this Pledge Agreement” and words of similar import when used in this Pledge Agreement shall refer to this Pledge Agreement as a whole and not any particular provision of this Pledge Agreement and as this Pledge Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with the Loan Agreement or is cured in a manner satisfactory to Pledgee.

(e) This Pledge Agreement, the Loan Agreement, the other Loan Documents and any other document referred to herein or therein shall be binding upon Pledgor and its successors and assigns and inure to the benefit of and be enforceable by Pledgee and its successors and assigns.

(f) If any provision of this Pledge Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Pledge Agreement as a whole, but this Pledge Agreement shall be construed as though it did not contain the particular

provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

(g) In the event of any conflict between a provision of this Pledge Agreement and a provision of the Loan Agreement with respect to the identical subject matter, the provision of the Loan Agreement with respect thereto shall be controlling.

(h) Neither this Pledge Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Pledgee and Pledgor. Pledgee shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of their respective rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Pledgee. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Pledgee of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Pledgee would otherwise have on any future occasion, whether similar in kind or otherwise.

(i) This Pledge Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Pledge Agreement by telefacsimile shall have the same force and effect as the delivery of an original executed counterpart of this Pledge Agreement. Any party delivering an executed counterpart of this Pledge Agreement by telefacsimile shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Pledge Agreement.

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IN WITNESS WHEREOF, Pledgor has executed this Pledge Agreement as of the day and year first above written.

GLOBAL FOOD AND INGREDIENTS INC., as
Pledgor

By: Bill Murray
Name: Bill Murray
Title: CFO

ACCEPTED:

SIENA LENDING GROUP CANADA LLC, as Pledgee

By: Steve Blumberg
Name: Steve Blumberg
Title: Authorized Signatory

By: Jason Schick
Name: JASON SCHICK
Title: Authorized Signatory

**EXHIBIT A
TO
PLEDGE AND SECURITY AGREEMENT**

Issuer	Certificate No(s).	No. of Shares/ Membership Interests	% Interest Pledged
Global Food and Ingredients (USA) Inc.	uncertificated	1,000 common shares	100%
GFI Brands Inc.	C-1	100,000 common shares	100%

This is Exhibit “M” referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.

COLLATERAL PLEDGE AGREEMENT

This Collateral Pledge Agreement (this “*Agreement*”), dated as of February 1, 2024, is made by **GLOBAL FOOD AND INGREDIENTS INC.**, a federal Canadian corporation (“*Canadian Borrower*”), **GLOBAL FOOD AND INGREDIENTS LTD.**, an Ontario corporation (“*Parent*”), **GLOBAL FOOD AND INGREDIENTS (USA) INC.**, a Delaware corporation (“*GFI USA*”) and **NORTH LILY FOODS INC.**, a Delaware corporation (“*North Lily*”; and together with Canadian Borrower, Parent and GFI USA, each a “*Pledgor*” and collectively, the “*Pledgors*”), in favor of **SIENA LENDING GROUP CANADA LLC** (together with its successors and assigns, “*Lender*” or “*Secured Party*”) pursuant to that certain Loan and Security Agreement of even date herewith (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “*Loan Agreement*”), by and among the Loan Parties and Secured Party, as well as the other Loan Documents to which such Pledgors are parties. All capitalized terms used herein and not otherwise defined herein shall have the same meanings assigned to such terms in the Loan Agreement.

Background

This Agreement is executed in connection with the Loan Agreement and the other Loan Documents, delivered by each Pledgor in favor of Secured Party. Each Pledgor has agreed to execute and deliver this Agreement to Secured Party to provide additional security for the Obligations as defined and described in the Loan Agreement and owing from time to time to Secured Party and any other persons holding any of the Obligations from time to time.

NOW THEREFORE, for other good and sufficient consideration, the receipt and sufficiency of which are hereby acknowledged, each Pledgor, intending to be legally bound hereby, covenants and agrees as follows:

1. Each Pledgor, for the purpose of granting a continuing lien and security interest, does hereby collaterally assign, pledge, deliver and set over to Secured Party, for the ratable benefit of Secured Party and all other holders of the Obligations, all of the following property, together with any additions, exchanges, replacements and substitutions therefor, dividends and distributions with respect therefor, and the proceeds thereof (collectively, the “*Pledged Collateral*”):

(a) all of the shares of capital stock and other equity interests in those corporations listed on *Schedule I* attached hereto, whether now owned or hereafter acquired by each such Pledgor or in which each such Pledgor now or hereafter has any rights, options or warrants, together with all certificates representing such shares and interests and all rights (but none of the obligations) under or arising out of the applicable Organizational Documents of such corporations;

(b) all of the partnership interests and other equity interests in those limited partnerships and general partnerships listed on *Schedule I* attached hereto, whether now owned or hereafter acquired by each such Pledgor or in which each such Pledgor now or hereafter has any rights, options or warrants, together with all certificates, if any, representing such interests and all rights (but none of the obligations) under or arising out of the applicable Organizational Documents of such partnerships; including without limitation all rights and remedies of each such Pledgor as a general partner or limited partner with respect to the respective partnership interests and other equity interests of each such Pledgor in each such partnership under the respective Organizational Documents of such partnership and under the partnership laws of the state in which each such partnership is organized; and

(c) all of the membership/limited liability company interests and other equity interests in those limited liability companies listed on **Schedule I** attached hereto, whether now owned or hereafter acquired by each such Pledgor or in which each such Pledgor now or hereafter has any rights, options or warrants, together with all certificates, if any, representing such interests and all rights (but none of the obligations) under or arising out of the applicable Organizational Documents of such companies; including without limitation all rights and remedies of each such Pledgor as a member or manager or managing member with respect to the respective membership interests and other equity interests of each such Pledgor in each such limited liability company under the respective Organizational Documents of such limited liability company and under the limited liability company laws of the state in which each such limited liability company is organized;

provided, that, in each case under the foregoing clauses (a) through (c), the rights relating to the applicable equity interests included in the “**Pledged Collateral**” shall include, without limitation, all of the following rights relating to such equity interests, whether arising under the Organizational Documents of the applicable Issuer (as defined below) or under the applicable laws of such Issuer’s jurisdiction of organization relating to the formation, existence and governance of corporations, limited liability companies or partnerships, as applicable: (i) all economic rights (including all rights to receive dividends and distributions), (ii) all voting rights and rights to consent to any particular action(s) by the applicable Issuer, (iii) all management rights with respect to such Issuer, (iv) in the case of any Pledged Collateral consisting of a general partner interest in a partnership, all powers and rights as a general partner with respect to the management, operations and control of the business and affairs of the applicable Issuer, (v) in the case of any Pledged Collateral consisting of the membership/limited liability company interests of a managing member in a limited liability company, all powers and rights as a managing member with respect to the management, operations and control of the business and affairs of the applicable Issuer, (vi) all rights to designate or appoint or vote for or remove any officers, directors, manager(s), general partner(s), managing member(s) and/or any members of any board of members/managers/partners/directors that may now or hereafter have any rights to manage and direct the business and affairs of the applicable Issuer under its Organizational Documents as in effect from time to time, (vii) all rights to amend the Organizational Documents of such Issuer, (viii) in the case of any Pledged Collateral consisting of equity interests in partnership or limited liability company, any such Pledgor’s status as a “**partner**,” general or limited, or “**member**” (as applicable) under the applicable Organizational Documents and/or applicable state law and (ix) all certificates evidencing any of the foregoing described Pledged Collateral (all of the foregoing, the “**Related Rights**”).

Notwithstanding the foregoing, in each case under the foregoing clauses (a) through (c), the rights relating to the applicable equity interests included in the “**Pledged Collateral**” shall not include more than 66 2/3% of the common voting equity interests of any Person that is not organized or incorporated in the United States, any State or territory thereof or the District of Columbia.

2. The pledge and security interest described herein shall continue in effect to secure all Obligations under the Loan Agreement and other Loan Documents from time to time incurred or arising unless and until such Obligations have been indefeasibly paid and satisfied in full and all commitments of Lender thereunder have been terminated.

3. Each Pledgor hereby represents and warrants, as of the date hereof, that:

(a) except as pledged herein or otherwise permitted under the Loan Agreement, each such Pledgor has not sold, assigned, transferred, pledged or granted any option or security interest in or otherwise hypothecated the Pledged Collateral in any manner

whatsoever, and the Pledged Collateral is pledged herewith free and clear of any and all liens, security interests, encumbrances, claims, pledges, restrictions, legends, and options other than Permitted Liens;

(b)

(i) With respect to any Pledgor that is not an individual, each such Pledgor has the full power and authority to execute, deliver, and perform under this Agreement and to pledge the Pledged Collateral hereunder. Each such Pledgor is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and the execution, delivery and performance by each such Pledgor of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action (including, as applicable, all necessary board and/or equityholder(s) approvals), as the case may be.

(ii) With respect to any Pledgor that is an individual, each such Pledgor has the legal capacity to execute, deliver and perform under this Agreement and to pledge the Pledged Collateral hereunder. The execution, delivery and performance by Pledgor of this Agreement and the consummation of the transactions contemplated hereby does not violate any law or any agreement or instrument or court order which is binding upon Pledgor or his property, does not constitute grounds for acceleration of any Indebtedness or obligation under any agreement or instrument which is binding upon Pledgor or his property, and does not require the consent of any Person.

(c) this Agreement constitutes the valid and binding obligation of each such Pledgor, enforceable in accordance with its terms, subject to bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditor's rights generally, and the pledge of the Pledged Collateral referred to herein is not in violation of and shall not create any default under any material contract contractual obligation of each such Pledgor;

(d) the pledge of the Pledged Collateral referred to herein is not in violation of, and shall not create any default under, any Organizational Documents of any corporation, limited partnership, general partnership or limited liability company listed on **Schedule I** attached hereto (as such Schedule may be amended and/or updated from time to time in accordance herewith) (each such corporation, limited partnership, general partnership or limited liability company an "**Issuer**"). "**Organizational Documents**" means, with respect to any Issuer, any charter, articles or certificate of incorporation, certificate of organization, registration or formation, certificate of partnership or limited partnership, bylaws, operating agreement, limited liability company agreement, or partnership agreement and any and all other applicable documents relating to such Issuer's formation, organization or entity governance matters (including any shareholders' or equity holders' agreement or voting trust agreement) and specifically includes, without limitation, any certificates of designation for preferred stock or other forms of preferred equity;

(e) the Pledged Collateral owned by each such Pledgor has been duly and validly authorized and issued by the Issuer thereof and, if applicable, such Pledged Collateral is fully paid for and non-assessable;

(f) except for any stock subject to the limitation in the last sentence of **Section 1** of this Agreement, each such Pledgor is pledging hereunder all (100%) of each such Pledgor's interest and ownership in each of the Issuers listed on **Schedule I** attached hereto;

(g) contemporaneously with the execution hereof, each such Pledgor is delivering to Secured Party all certificates representing or evidencing the Pledged Collateral consisting of an equity interest of each such Pledgor in Issuer, if any, accompanied by duly executed instruments of transfer or assignments in blank, to be held by Secured Party; and

(h) contemporaneously with (or prior to) the execution hereof, each such Pledgor is delivering to Secured Party a copy of Organizational Documents (existing as of the date hereof) of each Issuer.

4. Provided an Event of Default has occurred and is continuing, each Pledgor hereby irrevocably instructs each Issuer to comply with any instructions originated by Secured Party with respect to the interests of each such Pledgor in such Issuer without further consent of each such Pledgor, and each Pledgor agrees that each such Issuer shall be fully protected in so complying, other than as a result of the gross negligence or willful misconduct of Secured Party. Each Pledgor acknowledges and agrees that Secured Party shall be authorized at any time to provide a copy of this Agreement to any Issuer as evidence that Secured Party has given the foregoing instructions. Each Pledgor hereby covenants and agrees that such Pledgor shall deliver a pledge instruction to each Issuer listed on **Schedule I** from time to time that (x) is not a corporation and (y) has not issued certificates to evidence the equity interests issued by such Issuer and pledged pursuant to this Agreement (each such Issuer an "**Applicable Issuer**") to register the security interest granted hereunder on its books and records and to comply with any instructions originated by Secured Party with respect to the interests of such Pledgor in such entity without further consent of such Pledgor.

5. Each Pledgor hereby represents and warrants that, with respect to any Issuer that is not a corporation or company, as of the date hereof, such non-corporate Issuer has:

(a) not, and at no time will, elect pursuant to the provisions of Section 8-103 of the UCC to provide that its Equity Interests are securities governed by Article 8 of the UCC, and

(b) included in its Organizational Documents provisions that have the effect of permitting the pledge of any equity interests issued by such non-corporate Issuer by each such Pledgor to Secured Party.

6. Each Pledgor hereby authorizes Secured Party to file UCC initial financing statements listing each such Pledgor as the "**debtor**" and Secured Party as the "**secured party**" and giving a description of the Pledged Collateral as the "**collateral**" covered by such financing statement in such jurisdictions, and to file any and all amendments thereto and continuations thereof, as Secured Party may from time to time determine to be necessary, prudent or desirable in order to perfect any security interest granted hereunder under the Uniform Commercial Code as enacted in any jurisdiction applicable to the perfection and/or enforcement of Secured Party's lien in the Pledged Collateral (the "**Code**"), all whether or not any Pledgor has signed or authenticated any such financing statement, amendment or continuation. Each Pledgor hereby represents and warrants that, as of the date hereof: (i) it is an entity of the type indicated with respect to it in the preamble to this Agreement, (ii) it is organized under the laws of the jurisdiction indicated with respect to it in the preamble to this Agreement and not under the laws of any other or additional jurisdiction, (iii) the full legal name of such Pledgor as reflected in its Organizational

Documents as filed with the Secretary of State of its jurisdiction of organization is as set forth in the preamble to this Agreement, and (iv) the notice address specified in **Section 25** hereof is a valid mailing address of such Pledgor. Without limiting any further restrictions on any of the following activities that may be applicable to any Pledgor under the Loan Documents, each Pledgor hereby covenants and agrees that each such Pledgor shall not make any of the following changes or take any of the following actions unless such Pledgor shall first have given at least thirty (30) days prior written notice thereof to Secured Party: (i) any change by such Pledgor to such Pledgor's legal name or (ii) any action by such Pledgor to change such Pledgor's type of entity, to change such Pledgor's organization or to enter into any merger or consolidation. Promptly (and in any event within five (5) Business Days) upon making any such change or taking any such action following proper notice to Secured Party, such Pledgor shall deliver to Secured Party certified copies of the documents filed with the respective governmental filing or recording offices effecting any such change.

7. If an Event of Default occurs and is continuing under the Loan Agreement, then Secured Party may, at its sole option, exercise from time to time with respect to the Pledged Collateral any and/or all rights and remedies available to it hereunder, under the Code, or otherwise available to it, at law or in equity, including, without limitation, the right to dispose of the Pledged Collateral at public or private sale(s) or other proceedings, and each Pledgor agrees that, if permitted by law, Secured Party or its nominee may become the purchaser at any such sale(s).

8. (a) In addition to all other rights granted to Secured Party herein, under the Code or otherwise available at law or in equity, Secured Party shall have the following rights, each of which may be exercised at Secured Party's sole discretion (but without any obligation to do so), at any time following the occurrence and during the continuance of an Event of Default under the Loan Agreement, without further consent of any Pledgor: (i) transfer the whole or any part of the Pledged Collateral into the name of itself or its nominee or to conduct a sale of the Pledged Collateral pursuant to the Code or pursuant to any other applicable law; (ii) vote the Pledged Collateral; (iii) notify the persons obligated on any of the Pledged Collateral to make payment to Secured Party of any amounts due or to become due thereon; and (iv) release, surrender or exchange any of the Pledged Collateral at any time, or to compromise any dispute with respect to the same. Secured Party may proceed against the Pledged Collateral, or any other collateral securing the Obligations, in any order, and against any Pledgor and any other Loan Party (including without limitation, a Borrower), jointly and/or severally, in any order to satisfy the Obligations. Each Pledgor waives and release any right to require Secured Party to first collect any of the Obligations secured hereby from any other collateral of any Pledgor or any other party (including, without limitation, a Borrower) securing the Obligations under any theory of marshalling of assets, or otherwise. Any and all dividends, distributions, interest declared, distributed or paid and any proceeds of the Pledged Collateral which are received by any Pledgor following the occurrence and continuance of an Event of Default under the Loan Agreement shall be (i) received in trust for the benefit of Lender; (ii) segregated from the other property and funds of any such Pledgor; and (iii) forthwith delivered to Secured Party as Pledged Collateral in the same form as received (with any necessary documents, endorsements or assignments in blank with guaranteed signatures). All rights and remedies of Secured Party are cumulative, not alternative.

(b) Each Pledgor hereby irrevocably appoints Secured Party its attorney-in-fact, subject to the terms hereof, following the occurrence and during the continuance of an Event of Default under the Loan Agreement, at Secured Party's option, (i) to effectuate the transfer of the Pledged Collateral on the books of the Issuer thereof to the name of Secured Party or to the name of Secured Party's nominee, designee or transferee; (ii) to endorse and collect checks payable to each such Pledgor representing distributions or other payments on the Pledged Collateral; and (iii) to carry out the terms and provisions hereof. Each Pledgor acknowledges and agrees that Secured Party shall be authorized at

any time to provide a copy of this Agreement to any Issuer as evidence that Secured Party has been given the foregoing power of attorney.

9. The proceeds of any Pledged Collateral received by Secured Party at any time, whether from the sale of Pledged Collateral, collections in respect thereof or otherwise, shall be allocated and applied to the Obligations as provided for in the Loan Agreement.

10. Each Pledgor recognizes that Secured Party may be unable to effect, or may effect only after such delay which would adversely affect the value that might be realized from the Pledged Collateral, a public sale of all or part of the Pledged Collateral by reason of certain prohibitions contained in the Securities Act of 1933, as amended ("**Securities Act**"), or other applicable securities legislation in any other applicable jurisdiction and may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such securities for their own account, for investment and not with a view to the distribution or resale thereof. Each Pledgor agrees that any such private sale may be at prices and on terms less favorable to Secured Party or the seller than if sold at public sales, and therefore recognizes and confirms that such private sales shall not be deemed to have been made in a commercially unreasonable manner solely because they were made privately. Each Pledgor agrees that Secured Party has no obligation to delay the sale of any such securities for the period of time necessary to permit the Issuer of such securities to register such securities for public sale under the Securities Act or other applicable securities legislation in any other applicable jurisdiction.

11. In the event that any stock dividend, reclassification, readjustment or other change is made or declared in the capital structure of any Issuer on **Schedule I** attached hereto, or any Pledgor acquires or in any other manner receives additional shares of stock, membership/limited liability company interests, partnership interests or other equity interests in any such Issuer, or any option included within the Pledged Collateral with respect to the stock, membership/limited liability company interests, partnership interests or other equity interests of such Issuer is exercised, any and all such new, substituted or additional equity interests (together with all Related Rights associated therewith) issued by reason of any such change or exercise to any Pledgor shall immediately and automatically become subject to this Agreement and the pledge and grant of a security interest created by each Pledgor hereunder and each Pledgor hereby grants a security interest in any such future equity interests (together with all Related Rights associated therewith) to Lender to secure the Obligations. Any and all certificates issued to any Pledgor with respect to any such new, substituted or additional equity interests shall be delivered to and held by Secured Party in the same manner as the Pledged Collateral originally pledged hereunder. Immediately upon the issuance of any such equity interests, any such Pledgor shall deliver written notice of such issuance to Secured Party, which such written notice shall include an updated and amended **Schedule I** to this Agreement, which shall upon delivery be deemed to have amended and restated the previously effective version of such **Schedule I**.

12. Until the earlier of (i) the time Secured Party notifies each Pledgor in writing after the occurrence and during the continuance of any Event of Default under the Loan Agreement of the exercise of Secured Party's rights under this **Section 12** or (ii) the occurrence of any Event of Default under Section 7.1(g) or 7.1(h) of the Loan Agreement, in which case no notice or other affirmative action shall be required by Secured Party (a "**Triggering Event**"), each Pledgor shall retain the sole right to vote the Pledged Collateral and exercise all rights of ownership and/or management with respect to all corporate/limited liability company/partnership questions for all purposes not in violation of the terms hereof, including without limitation the receipt and retention of any dividend or distribution permitted herein and under the Loan Agreement. Upon any such Triggering Event, any such Pledgor shall have no further rights to and shall not exercise any such voting or other ownership and/or management rights with

respect to the Pledged Collateral, and all such rights shall be thereafter exercisable only by Secured Party (regardless of whether Secured Party shall have taken title to such Pledged Collateral and/or otherwise exercised any of its rights and remedies with respect to the Pledged Collateral and even prior to any such exercise). Without limiting the generality of the foregoing, with respect to any Issuer that is a limited liability company or partnership, the voting and other ownership and/or management rights which Secured Party may exercise upon exercise of its rights under this **Section 12** shall include (i) the right to replace any “*managing member*” or “*manager*” and/or any “*general partner*” (including in any such case such Pledgor in any such capacity), as applicable, of any such limited liability company or partnership Issuer (and, if necessary in connection with the foregoing, the power to amend the limited liability company operating agreement or partnership agreement, as applicable, of any such limited liability company or partnership Issuer to effectuate such replacement) and (ii) if any such Pledgor is a general partner or managing member of any such limited liability company or partnership Issuer, to act as such general partner or managing member of any such Issuer with respect to any and all business matters relating to the applicable Issuer and/or its property and businesses for all purposes under the Organizational Documents of such Issuer and/or under the applicable limited liability company or partnership laws of the jurisdiction of organization of such Issuer.

In furtherance of the foregoing, each Pledgor hereby irrevocably appoints Secured Party its attorney-in-fact with full power of substitution and in the name of each such Pledgor, and hereby gives and grants to Secured Party an irrevocable and exclusive proxy for and in each such Pledgor’s name, place and stead, to exercise under such power of attorney and/or under such proxy any and all such voting or other ownership and/or management rights with respect to the Pledged Collateral of any Issuer with respect to any and all business matters relating to the applicable Issuer and/or its property and businesses, in each case exercisable only following (but at all times after) the occurrence of any Triggering Event. The power of attorney and proxy granted and appointed in this **Section 12** shall include the right to sign each Pledgor’s name (as a holder of any equity interest and/or as a member or partner in any applicable Issuer) to any consent, certificate or other document relating to the exercise of any and all such voting or other ownership and/or management rights with respect to the Pledged Collateral that applicable law or the Organizational Documents of the applicable Issuer(s) may permit or require, to cause the Pledged Collateral to be voted and/or such other ownership and/or management right to be exercised in accordance with the preceding sentence. Each Pledgor hereby represents and warrants that there are no other proxies and powers of attorney with respect to Pledged Collateral of any Issuer that each such Pledgor may have granted or appointed (except as set forth in **Section 13** below); and each such Pledgor will not give a subsequent proxy or power of attorney or enter into any other voting agreement with respect to the Pledged Collateral of any Issuer (except as set forth in **Section 13** below) and any attempt to do so shall be void and of no effect. Each Pledgor agrees that each Issuer shall be fully protected in complying with any instructions given by Secured Party under such power of attorney and/or recognizing and honoring any exercise by Secured Party of such proxy. Each Pledgor acknowledges and agrees that Secured Party shall be authorized at any time to provide a copy of this Agreement to any Issuer as evidence that Secured Party has been given the foregoing power of attorney and proxy. The proxies and powers of attorney granted by each Pledgor pursuant to this **Section 12** are coupled with an interest and are given to secure the performance of the Obligations.

13. In addition to and without limiting the generality of the foregoing, solely with respect to Article 8 Matters (as defined below), each Pledgor hereby irrevocably appoints Secured Party its attorney-in-fact with full power of substitution and in the name of each such Pledgor, and hereby gives and grants to Secured Party an irrevocable and exclusive proxy for and in each such Pledgor’s name, place and stead, to exercise under such power of attorney and/or under such proxy any and all such voting or other ownership and/or management rights with respect to the Pledged Collateral of any Issuer with respect to any and all Article 8 Matters, which power of attorney and proxy are exercisable and effective

at any and all times from and after the date of this Agreement. The power of attorney and proxy granted and appointed in this **Section 13** shall include the right to sign each Pledgor's name (as a Secured Party of any equity interest and/or as a member or partner in any applicable Issuer) to any consent, certificate or other document relating to the exercise of any and all such voting or other ownership and/or management rights with respect to Article 8 Matters pertaining to any Issuer that applicable law or the Organizational Documents of the applicable Issuer(s) may permit or require, to cause the Pledged Collateral to be voted and/or such other ownership and/or management right to be exercised in accordance with the preceding sentence. Each Pledgor hereby represents and warrants that there are no other proxies and powers of attorney with respect to Article 8 Matters pertaining to any Issuer; and each such Pledgor will not give a subsequent proxy or power of attorney or enter into any other voting agreement with respect to Article 8 Matters pertaining to any Issuer and any attempt to do so shall be void and of no effect. Each Pledgor agrees that each Issuer shall be fully protected in complying with any instructions given by Secured Party under such power of attorney and/or recognizing and honoring any exercise by Secured Party of such proxy. Each Pledgor acknowledges and agrees that Secured Party shall be authorized at any time to provide a copy of this Agreement to any Issuer as evidence that Secured Party has been given the foregoing power of attorney and proxy. The proxies and powers of attorney granted by each Pledgor pursuant to this **Section 13** are coupled with an interest and are given to secure the performance of the Obligations. As used herein, "**Article 8 Matter**" means any action, decision, determination or election by any applicable non-corporate Issuer or the member(s) or partner(s) or other equity holders of such non-corporate Issuer that its membership interests, partnership interests or other equity interests, or any of them, either (i) be, or cease to be, a "**security**" as defined in and governed by Article 8 of the Uniform Commercial Code or (ii) be, or cease to be, certificated, and all other matters related to any such action, decision, determination or election. The proxies and powers granted by each Pledgor pursuant to this **Section 13** are coupled with an interest and are given to secure the performance of the Obligations.

14. Secured Party shall have no obligation to take any steps to preserve, protect or defend the rights of any Pledgor or Secured Party in the Pledged Collateral against other parties. Secured Party shall have no obligation to sell or otherwise deal with the Pledged Collateral at any time for any reason, whether or not upon request of any Pledgor, and whether or not the value of the Pledged Collateral, in the opinion of Secured Party or any Pledgor, is more or less than the aggregate amount of the Obligations secured hereby, and any such refusal or inaction by Secured Party shall not be deemed a breach of any duty which Secured Party may have under law to preserve the Pledged Collateral. Except as provided by applicable law, no duty, obligation or responsibility of any kind is intended to be delegated to or assumed by Secured Party at any time with respect to the Pledged Collateral.

15. To the extent Secured Party is required by law to give any Pledgor prior notice of any public or private sale, or other disposition of the Pledged Collateral, each Pledgor agrees that ten (10) days prior written notice to any such Pledgor shall be a commercially reasonable and sufficient notice of such sale or other intended disposition. Each Pledgor further recognizes and agrees that if the Pledged Collateral, or a portion thereof, threatens to decline speedily in value or is of a type customarily sold on a recognized market, no Pledgor shall be entitled to any prior notice of sale or other intended disposition with respect to such Pledged Collateral (or applicable portion thereof).

16. Each Pledgor shall indemnify, defend and hold harmless Secured Party from and against any and all claims, losses and liabilities resulting from any breach by any Pledgor of such Pledgor's representations and covenants under this Agreement, other than as a result of the gross negligence or willful misconduct of Secured Party.

17. Except as and if expressly provided otherwise under the Loan Agreement or any of the other Loan Documents relating to the Loan Agreement, each Pledgor hereby waives to the extent

permitted by law: (a) all errors, defects and imperfections in connection with any proceedings hereunder or in connection with any of the Obligations, including without limitation, any action by Lender in replevin, foreclosure or other court process or in connection with any other action related to the Obligations or the transactions contemplated hereunder; (b) presentment for payment and protest; (c) notice of acceptance of this Agreement; (d) notice of the existence and incurrence from time to time of any Obligations under the Loan Agreement and other Loan Documents; (e) notice of the existence of any Event of Default or Default, the making of demand, or the taking of any action by Secured Party under the Loan Agreement and other Loan Documents; (f) any requirement for bonds, security or sureties required by statute, court rule or otherwise; (g) any demand for possession of the Pledged Collateral prior to the commencement of any suit; and (h) demand and default hereunder.

18. Each Pledgor hereby consents and agrees that Secured Party may at any time or from time to time pursuant to the Loan Agreement and other Loan Documents (a) extend or change the time of payment and/or the manner, place or terms of payment of any and all Obligations, (b) supplement, amend, restate, supersede, or replace, or grant consents or waivers with respect to, the Loan Agreement or any other Loan Documents relating to the Loan Agreement and/or any provisions thereof (specifically including any provisions thereunder concerning any covenants thereunder, and particularly including any negative covenants or financial covenants, and any provisions regarding Events of Default), (c) renew, extend, modify, increase or decrease loans and extensions of credit under the Loan Agreement, and/or make any new or additional or increased loans or extensions of credit available to a Borrower (whether such new, additional or increased loans or extensions of credit are of the same or new or different types as the loans and extensions of credit available to a Borrower under the Loan Agreement (or either of them) as of the date hereof), (d) modify the terms and conditions under which loans and extensions of credit may be made under the Loan Agreement, (e) settle, compromise or grant releases for any Obligations under the Loan Documents and/or any person or persons liable for payment of any Obligations under the Loan Documents, (f) exchange, release, surrender, sell, subordinate or compromise any collateral of any party now or hereafter securing any of the Obligations under the Loan Documents and (g) apply any and all payments received from any source by Secured Party at any time against the Obligations under the Loan Documents in any order as Secured Party may determine; all of the foregoing in such manner and upon such terms as Secured Party may determine and without notice to or further consent from any Pledgor and without impairing or modifying the terms and conditions of this Agreement which shall remain in full force and effect.

19. This Agreement shall remain in full force and effect and shall not be limited, impaired or otherwise affected in any way by reason of (a) any delay in making demand on any Pledgor for or delay in enforcing or failure to enforce, performance or payment of any Pledgor's Obligations or a Borrower's Obligations, (b) any failure, neglect or omission on Secured Party's part to perfect any lien upon, protect, exercise rights against, or realize on, any property of any Pledgor or any other party securing the Obligations, (c) any failure to obtain, retain or preserve, or the lack of prior enforcement of, any rights against any person or persons or in any property, (d) the invalidity or unenforceability of any Obligations or rights in any Collateral under the Loan Agreement or the other Loan Documents relating to the Loan Agreement, (e) the existence or nonexistence of any defenses which may be available to any Pledgor with respect to the Obligations under the Loan Documents or (f) the commencement of any bankruptcy, reorganization, liquidation, dissolution or receivership proceeding or case filed by or against any Pledgor.

20. Each Pledgor covenants and agrees that each such Pledgor shall not sell, dispose of or otherwise transfer any of the Pledged Collateral, nor grant or permit to exist any Lien, security interest, judgment lien, levy, garnishment or other charge or encumbrance of any kind or nature on or with respect to any of the Pledged Collateral unless and to the extent expressly permitted under the Loan Agreement.

21. No failure or delay by Secured Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein and therein provided shall be cumulative and not exclusive of any rights or remedies provided by law. Any reference in this Agreement to the “*continuing*” nature of any Event of Default shall not be construed as establishing or otherwise indicating that a Borrower or any other party has the independent right to cure any such Event of Default, but is rather presented merely for convenience should such Event of Default be waived in accordance with the terms of the Loan Agreement.

22. This Agreement constitutes the entire agreement between the parties hereto regarding the subject matter hereof and may be modified only by a written instrument signed by each Pledgor and Secured Party.

23. **THIS AGREEMENT AND ALL MATTERS RELATING HERETO AND/OR ARISING HEREFROM (WHETHER ARISING UNDER CONTRACT LAW, TORT LAW OR OTHERWISE) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.** Any judicial proceeding brought by or against any Pledgor with respect to this Agreement shall be brought in any federal or state court of competent jurisdiction in the City of New York, Borough of Manhattan, State of New York, United States of America, and, by execution and delivery of this Agreement, each Pledgor accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Each Pledgor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by registered or certified mail (return receipt requested) directed to each such Pledgor at its notice address under this Agreement as provided for in **Section 25** below and service so made shall be deemed completed five (5) days after the same shall have been so deposited in the mails of the United States of America. Nothing herein shall affect the right to serve process in any manner permitted by law or shall limit the right of Secured Party to bring proceedings against any Pledgor in the courts of any other jurisdiction. Each Pledgor waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. Each Pledgor waives the right to remove any judicial proceeding brought against each such Pledgor in any state court to any federal court. Any judicial proceeding by any Pledgor against Secured Party involving, directly or indirectly, any matter or claim in any way arising out of, related to or connected with this Agreement or any related agreement, shall be brought only in a federal or state court located in the City of New York, Borough of Manhattan, county of New York, State of New York, United States of America.

24. If any part of this Agreement is contrary to, prohibited by, or deemed invalid under applicable laws or regulations, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given effect so far as possible.

25. Any notices which any party may give to another hereunder shall be given to such party in the manner provided for in the Loan Agreement.

26. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns, except that no Pledgor may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Lender.

27. **EACH PLEDGOR AND SECURED PARTY (BY ITS ACCEPTANCE HEREOF) HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF ANY PLEDGOR AND SECURED PARTY WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE AND EACH PLEDGOR AND SECURED PARTY (BY ITS ACCEPTANCE HEREOF) HEREBY CONSENT THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PLEDGOR OR SECURED PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF ANY SUCH PLEDGOR AND SECURED PARTY TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.**

28. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

29. Time is of the essence in each Pledgor's performance under this Agreement.

30. **EACH PLEDGOR WAIVES THE BENEFIT OF ANY AND EVERY STATUTE, ORDINANCE, OR RULE OF COURT WHICH MAY BE LAWFULLY WAIVED CONFERRING UPON ANY PLEDGOR ANY RIGHT OR PRIVILEGE OF EXEMPTION, HOMESTEAD RIGHTS, STAY OF EXECUTION, OR SUPPLEMENTARY PROCEEDINGS, OR OTHER RELIEF FROM THE ENFORCEMENT OR IMMEDIATE ENFORCEMENT OF A JUDGMENT OR RELATED PROCEEDINGS ON A JUDGMENT.**

31. All exhibits and schedules attached hereto are hereby made a part of this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date first set forth above.

PLEDGORS:

GLOBAL FOOD AND INGREDIENTS INC.

By: Bill Murray
Name: Bill Murray
Title: CFO

GLOBAL FOOD AND INGREDIENTS (USA) INC.

By: Bill Murray
Name: Bill Murray
Title: Secretary

NORTH LILY FOODS INC.

By: Bill Murray
Name: Bill Murray
Title: Secretary

GLOBAL FOOD AND INGREDIENTS LTD.

By: Bill Murray
Name: Bill Murray
Title: CFO

**SCHEDULE I
PLEDGED COLLATERAL**

The following Collateral is hereby pledged by Pledgors to Secured Party pursuant to the Collateral Pledge Agreement to which this Schedule is attached:

Capital Stock

Pledgor	Name of Corporation (“Issuer”)	Class of Shares	State of Incorporation of Issuer	Certificate No. of Shares to be Pledged	Number of Shares Pledged	Number of Shares Issued and Outstanding
Global Food and Ingredients Ltd.	Global Food and Ingredients Inc.	Common Shares	Canada	C-1	62,938,506	62,938,506
Global Food and Ingredients Ltd.	Big Sky Milling Inc.	Class B - Common Shares	Canada	CBC-1 CBC-3	50.1% 1,000 Class B Common Shares 3,462,828 Class B Common Shares	6,913,828
Global Food and Ingredients Inc.	GFI Brands Inc.	Common Shares	Canada	C-1	100,000	100,000
Global Food and Ingredients Inc.	Global Food and Ingredients (USA) Inc.	Common Stock	Delaware	Uncertificated	1,000	1,000
Global Food and Ingredients (USA) Inc.	North Lily Foods Inc.	Common Stock	Delaware	Uncertificated	1,000	1,000

Pledged Partnership Interests and Membership Interests

NONE

This is Exhibit “N” referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.

THE LAND TITLES ACT, 2000 (SASKATCHEWAN)

COLLATERAL MORTGAGE

WHEREAS **GLOBAL FOOD AND INGREDIENTS INC.** (the “**Mortgagor**”) is registered or is entitled to become registered as owner of an estate in fee simple in all of the lands described in Part 1 of Schedule “A” attached hereto and has a leasehold interest in the Leasehold Lands (as hereinafter defined) (collectively the “**Lands**”);

AND WHEREAS the Mortgagor has become or may become indebted, obligated or liable, whether directly or indirectly, absolutely or contingently, to **SIENA LENDING GROUP CANADA LLC** (the “**Mortgagee**”), whose address is 9 W Broad St. Suite 540, Stamford CT 06902, including without limitation under and pursuant to the Credit Agreement (as hereinafter defined) as amended, restated, supplemented and otherwise modified from time to time .

NOW THEREFORE IN CONSIDERATION of the Mortgagee agreeing to lend certain amounts and extend credits to the Mortgagor, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and as security for the payment and performance of the Obligations (as hereinafter defined), the Mortgagor has agreed to grant this mortgage in favour of the Mortgagee and the Mortgagor does hereby covenant and agree with the Mortgagee as follows:

1. DEFINITIONS

Capitalized used herein and not otherwise defined, shall have the following meanings:

“**Credit Agreement**” means the loan and security agreement dated on or about the date hereof among, *inter alios*, the Mortgagor, as borrower and the Mortgagee, as lender as amended, restated, supplemented and otherwise modified from time to time.

“**Lease**” means the lease of the Leasehold Lands granted by Stewart Southern Railway Inc., as landlord to Canpulse Foods Vigro Division Inc., as tenant by a lease agreement made effective the 1st day of October, 2015, as assigned to 11567403 Canada Inc., in its capacity as general partner of GFI LP, as assignee, pursuant to an assignment of lease made as of November 26, 2019 and as further assigned to the Mortgagor, as assignee, pursuant to an assignment of lease made as of March 31, 2022, as such lease may be amended, modified, renewed, replaced, extended, supplemented and/or restated from time to time;

“**Leasehold Lands**” means the real property described in Part 2 of Schedule “A” attached hereto which is leased by the Mortgagor pursuant to the Lease and includes, to the extent permitted by the Lease: (i) all estate or interest therein, rights of way, easements, agreements, licenses, rights, options, benefits, powers, covenants, advantages and privileges appurtenant or appertaining thereto; and (ii) all buildings, erections, structures, improvements, fixed plant, fixed machinery, fixed equipment and other fixtures now or hereafter constructed or placed thereon or used in connection therewith;

“**Obligations**” means, all present and future debts, liabilities and obligations, direct or indirect, absolute or contingent, of the Mortgagor and any other Loan Party (as defined in the Credit Agreement) to the Mortgagee or any one of them arising pursuant to, or in respect of, the Credit Agreement and the other Loan Documents (as defined in the Credit Agreement), including the Obligations (as defined in the Credit Agreement).

2. PAYMENT

The Mortgagor hereby acknowledges that the Mortgagor is or may become obligated to pay to the Mortgagee, the Obligations on demand or from time to time in accordance with and in the manner agreed to between the Mortgagee and the Mortgagor.

3. COLLATERAL SECURITY

The Mortgagor hereby encumbers, mortgages and charges all of its right, title and interest in the Lands and the Lease with payment of the Obligations, up to: (a) the principal amount of Cdn.\$30,000,000.00 (the “**Principal Sum**”), plus (b) interest thereon, before and after maturity, default and judgment, until paid, computed at a rate equal to 25% per annum (the “**Interest Rate**”) calculated half-yearly not in advance, and (c) all further monies which may become payable pursuant to the terms of this mortgage.

The foregoing mortgage and charge shall not extend to the last day of the term of the Lease but should such mortgage and charge become enforceable, the Mortgagor shall thereafter stand possessed of such last day and shall hold it in trust for the Mortgagee and will assign and dispose thereof as the Mortgagee shall direct. Upon any sale, transfer or assignment of the Lease, the Mortgagee, for the purpose of vesting the aforesaid one day residue of such term or renewal thereof in any purchaser or purchasers thereof, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other person or persons as new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place of the Mortgagor and to vest the same accordingly in the new trustee or trustees so appointed free and discharged from any obligation respecting the same.

To the extent that the Leasehold Lands cannot be mortgaged and charged without the consent of the landlord under the Lease, the mortgage and charge given pursuant to this Section 3 shall not attach or extend to such Leasehold Lands until the earlier of (i) the consent of such landlord being granted, (ii) the Mortgagee electing by delivering notice to the Mortgagee that the mortgage and charge attach and extend to the Leasehold Lands, which election it shall not be entitled to make until the occurrence and during the continuance of an event of default as described in Section 12 hereof, and (iii) the bankruptcy and/or insolvency of the Mortgagor.

This mortgage is given and taken as general and continuing collateral security to secure payment and performance of the Obligations and this mortgage shall obtain priority for all Obligations notwithstanding that at any time or from time to time there may not be any Obligations then outstanding or the amount of the Obligations may fluctuate from time to time. It is acknowledged by the Mortgagor that if the Mortgagee extends a revolving line of credit to the Mortgagor, this mortgage may be held by the Mortgagee as collateral security for such revolving line of credit or readvances of credit up to the Principal Sum. The accounts and records of the Mortgagee shall,

in the absence of manifest error, constitute prima facie evidence of the amount of Obligations outstanding and owing from time to time by the Mortgagor to the Mortgagee.

Notwithstanding anything contained herein, the Mortgagee and Mortgagor acknowledge and agree that the mortgage and charge taken herein shall not encumber the most easterly seven metres throughout of Surface Parcel #111788219 in the Rural Municipality of Lajord, Saskatchewan until such time as a consent or exemption order is obtained from the Saskatchewan Farm Land Security Board with regard to the application of Part VI of *The Saskatchewan Farm Security Act*. The Mortgagor and the Mortgagee agree to take all necessary steps to obtain such consent or waiver as soon as reasonably possible, the cost of which shall be borne by the Mortgagor. If the most easterly seven metres of Surface Parcel #111788219 is subdivided into a separate parcel, the Mortgagor will partially discharge this mortgage from the title to the new parcel until a consent or waiver from the Farm Land Security Board is obtained.

4. NO MERGER

The taking of a judgment or judgments under any of the covenants contained in this mortgage, in any agreement evidencing the Obligations, or in any other security for payment of the Obligations will not operate as a merger of such covenants or of the Mortgagee's security by way of a charge against the Lands or affect the Mortgagee's right to interest hereunder at the Interest Rate. It is distinctly understood and agreed that the Interest Rate will be payable on the amount of any judgment.

5. TAXES, CLAIMS AND COSTS

- (a) The Mortgagor will pay all taxes, rates, levies, assessments and impositions of the municipality or any other taxing authority which are now or may hereafter be levied, charged, assessed, imposed or payable against or in respect of the Lands, or any part thereof, or on this mortgage or on the Mortgagee in respect of this mortgage, when the same become due, and will provide the Mortgagee with the receipts therefor.
- (b) The Mortgagor will pay and discharge when due all claims of and obligations to labourers, builders, material suppliers and others and all other claims, debts and obligations which by the laws of Canada or of the Province of Saskatchewan have or might have priority over the security hereby created, and will provide the Mortgagee with the receipts therefor.
- (c) If the Mortgagor fails to pay when due any of the items required to be paid by the Mortgagor pursuant to any provision of this mortgage, the Mortgagee may, but will not be obligated to, pay such items.
- (d) If the Mortgagor fails to repair as provided by this mortgage, the Mortgagee may, but will not be obligated to, at such time or times as it deems necessary and without the concurrence of any other person, make arrangements for maintaining, restoring, repairing, finishing, adding to, or putting in order the Lands, and for managing, improving, and taking care of them.
- (e) All solicitor's, inspector's, valuator's, surveyor's and other fees and expenses for drawing and registering this mortgage, for examining the Lands and the title thereto, and for making

or maintaining this mortgage as a second charge, or if approved by the Mortgagee, a subsequent charge, on the Lands, and in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or subsisting (including legal costs as between a solicitor and his own client on a full indemnity basis and also an allowance for the time, work and expenses of the Mortgagee or of any agent, solicitor or servant of the Mortgagee for any purpose herein provided), together with all sums which the Mortgagee from time to time advances, expends or incurs pursuant to any provision contained in this mortgage, whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise, are to be secured hereby and will be a charge on the Lands, together with interest thereon at the Interest Rate calculated from the date of advance or expenditure by the Mortgagee to the date of payment to the Mortgagee. All such monies will be payable to the Mortgagee on demand.

6. INSURANCE

- (a) The Mortgagor will immediately insure and keep insured during the continuance of this security the Lands to their full insurable value, with an insurer or insurers approved by the Mortgagee, against loss or damage by fire, lightning, explosion, smoke, impact by aircraft or land vehicle, riot, windstorm, hail and such other risks as the Mortgagee requires. The Mortgagor will also obtain such other insurance, of kinds and in amounts required by the Mortgagee (including but not limited to business interruption or rental loss insurance if appropriate). The Mortgagor will not do or permit anything which might impair, reduce or void such insurance.
- (b) The Mortgagor will deliver to the Mortgagee the policy or policies of insurance affecting the Lands with a mortgage clause attached, any loss thereunder to be payable to the Mortgagee.
- (c) The Mortgagor will pay all premiums and sums of money necessary to obtain and maintain such insurance as the same become due and, if requested by the Mortgagee, will immediately after payment deliver to the Mortgagee the receipts therefor. Evidence of the renewal of such insurance will, if requested by the Mortgagee, be provided to the Mortgagee at least seven business days before the insurance then existing expires; otherwise the Mortgagee may insure as herein provided.
- (d) If there is loss or damage from any of the risks insured against, the Mortgagor will furnish proof of loss at its own expense and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies and in respect of any such insurance monies received by the Mortgagee, the Mortgagee may at its option:
 - (i) apply the same in or towards substantially rebuilding, reinstating or repairing the Lands; or
 - (ii) apply the same in the manner set forth in paragraph 23(c) hereof; or
 - (iii) pay the same in whole or in part to the Mortgagor, but no such payment will operate as payment or a novation of the Mortgagor's indebtedness hereunder or as a

reduction of this mortgage; or

- (iv) apply the same partly in one way and partly in another as the Mortgagee in its sole discretion determines.

To ensure that the Mortgagee may so apply such insurance monies in the manner aforesaid, the Mortgagor assigns and releases to the Mortgagee all rights of the Mortgagor to receive the insurance monies and expressly waives all rights and benefits, to the extent that the same is permitted by law, pursuant to any legislation which provides for a contrary application of such insurance monies.

- (e) The Mortgagor hereby irrevocably constitutes and appoints the Mortgagee as its attorney for the purpose of demanding, recovering and receiving payment of all insurance monies to which it may become entitled, such appointment being coupled with an interest. Without limiting the generality of the foregoing, the Mortgagee may, in the name of the Mortgagor, file proofs of claim with any insurer who insures the Lands, settle or compromise any claim for insurance proceeds in respect of the Lands, commence and prosecute any action for recovery of insurance proceeds in respect of the Lands, and settle or compromise any such action. Notwithstanding the foregoing, it will remain the Mortgagor's responsibility to demand, recover and receive such payments and nothing herein will render the Mortgagee liable to the Mortgagor for any act done by it in pursuance of the power of attorney granted in this paragraph 6(e) or for its failure to do any act or take any step permitted herein.
- (f) Pending application of any insurance monies by the Mortgagee, the same will be deemed to form part of the Lands and be subject to the charge hereby created.
- (g) If the Mortgagor neglects to keep the Lands or any part of them insured as aforesaid or to pay the said premiums and sums of money necessary for such purpose or to deliver the policy or policies or receipts as aforesaid then the Mortgagee will be entitled, but will not be obliged, to insure the Lands in the manner aforesaid and the Mortgagor further covenants with the Mortgagee that all such monies expended by the Mortgagee, with interest at the rate aforesaid, computed from the time or times on advancing the same, shall be repaid by the Mortgagor to the Mortgagee on demand, and in the meantime the amount of such payment shall be added to the Principal Sum hereby secured and shall bear interest at the rate aforesaid from the time of such payment, and all such payments shall become a charge and mortgage upon the Lands and all the Mortgagor's estate and interest therein.

7. IMPROVEMENTS TO BE FIXTURES

All improvements, fixed or otherwise, now on or hereafter put on the Lands, other than the Leasehold Lands (including but not limited to all buildings, mobile homes, machinery, plant, fences, furnaces, boilers, water heaters, heating, plumbing, air conditioning, cooking, refrigerating, ventilating, lighting and water-heating equipment, window blinds, storm windows, storm doors, window screens and screen doors, and all apparatus and equipment appurtenant thereto, whether movable or stationary, with the proper, usual and necessary gears, construction and appliances)

are and will, in addition to other fixtures thereon, be and become fixtures and become part of the realty and of the security and are included in the expression the "Lands".

8. USE OF THE LANDS

The provisions set forth in this Section 8, insofar as they pertain to the Leasehold Lands, shall be subject to the terms of the Lease.

- (a) The Mortgagor will not commit or permit any act of waste on the Lands or any portion thereof or do or permit anything which might impair the value thereof.
- (b) The Mortgagor will at all times during the continuance of this mortgage well and sufficiently repair, maintain, restore and keep the Lands and every part thereof in good and substantial repair.
- (c) The Mortgagee by its agents, solicitors or inspectors may enter upon the Lands or any part thereof at any reasonable time to view their state of repair.
- (d) If in the opinion of the Mortgagee the Lands or any part thereof are not in a proper state of repair it may serve notice upon the Mortgagor to make such repairs or replacements as the Mortgagee deems proper within a time limited by such notice. If the Mortgagor fails to comply with such notice such failure will constitute a breach of covenant hereunder and in such event the Mortgagee or its agents, employees or contractors may enter upon the Lands and proceed to repair as provided in this mortgage and will have all the remedies set forth herein.
- (e) The Mortgagor will not make, or permit to be made, any alterations or additions to the Lands, or change their present use thereof, without the consent of the Mortgagee.
- (f) If the Mortgagor rents out all or any portion of the Lands, the Mortgagor will faithfully perform any landlord's covenants which it may have undertaken or which it may hereafter undertake as landlord under any such leases and will neither do, neglect to do, nor permit to be done, anything (other than pursuing the enforcement of the terms of such leases in accordance with the terms thereof) which may cause a material modification or termination of any such leases or which may diminish the value of any leases, the rents provided for therein, or the interest of the Mortgagor or Mortgagee herein. The Mortgagor will not assign its interest in any such leases. The Mortgagor will give the Mortgagee immediate notice of any material default or notice of cancellation under any such leases. The Mortgagor shall obtain the prior consent in writing of the Mortgagee to any lease of all or any portion the Lands, which consent shall not be unreasonably withheld by the Mortgagee.
- (g) In its ownership, operation and management of the Lands, the Mortgagor will observe and comply with all applicable federal, provincial and municipal by-laws, statutes, ordinances, regulations, orders and restrictions including but not limited to all health, fire safety and land use by-laws and all building codes affecting the Lands.

9. CARE OF THE LANDS

- (a) In this mortgage:
- (i) "environment" includes the Lands and surroundings;
 - (ii) "pollutant" means any substance, class of substances, mixture of substances, form of energy or combination thereof that is capable of entering the environment in a quantity or concentration or under conditions that may cause an immediate or long term adverse effect, and includes anything defined as a hazardous substance, hazardous waste, toxic substance, dangerous goods, hazardous chemical, contaminant, or agricultural chemical under any federal, provincial or municipal laws or by-laws now or hereafter in force; and
 - (iii) "release" includes the noun or verb form of spill, discharge, spray, inject, abandon, deposit, leak, seep, pour, emit, empty, throw, dump, place, exhaust and words of like or similar meaning.
- (b) Neither the Mortgagor, nor, to the knowledge of the Mortgagor after diligent inquiry and investigation, any other person, has ever caused or permitted any pollutant to be placed, handled, stored or disposed of on, under or at the Lands, or on, under or at adjacent lands, except in compliance with applicable laws or as disclosed to the Mortgagee in writing.
- (c) The Mortgagor will not allow any pollutant to be placed, handled, stored or disposed of on, under or at the Lands except in compliance with applicable laws or with the prior written consent of the Mortgagee, which consent may be arbitrarily or unreasonably withheld.
- (d) In the event of a release, the Mortgagor will promptly take any and all necessary remedial action; provided, however, that the Mortgagor will not, without the Mortgagee's prior written consent, take any such remedial action nor enter into any settlement agreement, consent decree, or other compromise in respect of any related claims, proceedings, lawsuits or action commenced or threatened pursuant to any environmental, health or safety laws or in connection with any third party, if such remedial action, settlement, consent or compromise might impair the value of the Mortgagee's security hereunder. The Mortgagee's prior consent will not, however, be necessary if the release either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not possible to obtain the Mortgagee's consent prior to undertaking such action. If the Mortgagor undertakes any remedial action the Mortgagor will immediately notify the Mortgagee of any such remedial action in compliance with all applicable federal, provincial and municipal laws and by-laws, and in accordance with the orders and directives of all federal, provincial and municipal governmental authorities, to the satisfaction of the Mortgagee.
- (e) The Mortgagor agrees to defend, indemnify, and hold the Mortgagee harmless from and against any and all claims, losses, liabilities, damages and expenses (including, without limitation, legal costs as between a solicitor and his own client on a full indemnity basis,

including those arising by reason of any of the aforesaid or an action under this indemnity) arising directly or indirectly from, out of or by reason of any release, environmental complaint, or any environmental health, fire, safety, and land use law governing the Mortgagor, its operations or the Lands. This indemnity will apply notwithstanding any negligent or other contributory conduct by or on the part of the Mortgagee or any one or more other parties or third parties and will survive the payment of and the satisfaction of this mortgage.

10. COVENANTS UNDER THE LAND TITLES ACT

- (a) The Mortgagor has a good title to the Lands.
- (b) The Mortgagor has the right to mortgage the Lands.
- (c) On default the Mortgagee will have quiet possession of the Lands.
- (d) The Lands are free from all encumbrances except as consented to in writing by the Mortgagee.
- (e) The Mortgagor will execute such further assurances of the Lands as may be required by the Mortgagee.
- (f) The Mortgagor has done no act to encumber the Lands except as consented to in writing by the Mortgagee.

11. COVENANTS REGARDING LEASE

- (a) the Lease is a good, valid and effective lease and not surrendered, forfeited, void or voidable and the rents and covenants therein reserved and contained have been paid and performed by the Mortgagor up to the date of execution and delivery hereof and the Mortgagor will during the term of the Lease or any renewal or extension thereof pay as they fall due all rents and other monies reserved and payable thereunder. Upon default being made in any such payment or in the performance of any such covenant, proviso or condition, the Mortgagee may make such payment or comply with such covenant, proviso or condition and any payment so made in the costs and expense of such compliance shall be added to the debt hereby secured and shall become a charge on the Lease and shall bear

interest at a rate per annum equal to the lesser of the Interest Rate and the rate or rates set forth in the Credit Agreement and shall be forthwith repayable to the Mortgagee;

- (b) the Mortgagor will at all times fully and promptly perform and observe each and every one of the terms, covenants and conditions to be performed or observed by the tenant under the Lease;
- (c) the Mortgagor covenants to give to the Mortgagee prompt notice of any notice of default it receives under the Lease;
- (d) the Mortgagor covenants that it will not alter, modify or further amend the terms of any Lease or cancel or surrender any Lease without the prior written consent of the Mortgagee, such consent not to be unreasonably withheld;
- (e) if the Mortgagor becomes a registered or beneficial owner of the freehold interest in the Leasehold Lands or any part thereof, the Mortgagor shall do all acts and execute all documentation necessary to (i) cause the mortgage and charge constituted by this Mortgage to attach and extend to and constitute a mortgage and charge of the said freehold interest and (ii) cause the leasehold estate in the Leasehold Lands or part thereof mortgaged hereunder to not merge with and always remain separate and distinct from the said freehold interest, notwithstanding union of the two estates;
- (f) that the Mortgagor will stand possessed of the Leasehold Lands for the residue vested in it of the term granted by the Lease (hereinafter called the "head term") in trust for the Mortgagee and, upon a default, will assign and dispose of it as the Mortgagee may direct, but subject to the right of redemption as is hereby given to the Mortgagor with respect to the derivative term hereby granted; and the Mortgagor hereby irrevocably appoints the Mortgagee as its substitute to be the attorney of the Mortgagor or itself and on its behalf and in its name or otherwise, to assign the head term as the Mortgagee shall at any time direct, and in particular upon any sale made by the Mortgagee under the power of sale herein granted or under the statutory power, will assign the head term to the purchaser and execute any deeds for that purpose; and it is hereby declared that the Mortgagee or other person for the time being entitled to the money hereby secured may at any time by deed remove the Mortgagor or any other person, firm or corporation from being a trustee of the head term under the declaration of trust herein before declared, and on the removal of the Mortgagor, or any future trustee of the head term may, by deed, appoint a new trustee or trustees in its place;
- (g) that the Mortgagor will, upon a Default, at the request of the Mortgagee, but at the cost, charge and expense of the Mortgagor, grant and assign unto the Mortgagee or to whom it may appoint the last day of the said term herein before excepted or of any extended or substituted term; and further, that in the event of the Mortgagee making any sale under the power of sale herein given, the Mortgagor shall stand seized and possessed of the last day

of the term herein before excepted and of any extended or substituted term, in trust for the purchaser or purchasers as its or their executors, administrators, successors and assigns.

12. DEFAULT AND ACCELERATION

The security of this mortgage will, at the option of the Mortgagee, immediately become enforceable and may be enforced without the requirement of any or any further notice from the Mortgagee to the Mortgagor, in each of the following events, each of which shall constitute an event of default:

- (a) if the Mortgagor defaults in any payment contained herein or in another security or agreement now or hereafter executed and delivered by the Mortgagor to the Mortgagee;
- (b) if the Mortgagor defaults in the observance or performance of any of the Obligations, or of any obligation, covenant or liability of the Mortgagor to the Mortgagee contained herein or in another security or agreement now or hereafter executed and delivered by the Mortgagor to the Mortgagee, and, except as otherwise expressly provided, such default continues for more than seven days following written notice from the Mortgagee to otherwise remedy the same;
- (c) if an Event of Default (as defined in the Credit Agreement) has occurred;
- (d) if any warranty, representation or statement made or furnished to the Mortgagee by or on behalf of the Mortgagor in respect of the Lands or the Mortgagor proves to have been false or misleading in any material respect when made or furnished;
- (e) if the Lands are capable of generating income and there is loss or damage to the Lands or any part thereof which materially adversely affects its income-generating ability thereof in the reasonable opinion of the Mortgagee, and such loss or damage cannot be repaired or replaced so as to re-establish the income-generating ability of the Lands within a reasonable time and in any case within 90 days following such loss or damage;
- (f) if there is a seizure or attachment to or on the Lands;
- (g) if any charge or encumbrance created or issued by the Mortgagor affecting the Lands becomes enforceable and any step is taken to enforce the same;
- (h) if an order is made, an effective resolution passed or a petition is filed for the winding up of the Mortgagor, or a receiver of the Mortgagor or the Lands is appointed;
- (i) if the Mortgagor becomes insolvent, makes a general assignment for the benefit of its creditors or otherwise acknowledges insolvency, or a bankruptcy petition or receiving order is filed or made against the Mortgagor;
- (j) if the Mortgagor ceases or threatens to cease to carry on its business, makes a bulk sale of its assets or commits or threatens to commit any act of bankruptcy;
- (k) if any other mortgagee, encumbrance holder or other party having a charge on the Lands

commences proceedings to enforce its rights or security in such mortgage, encumbrance or charge or takes steps to collect all or any of the income generated from the Lands, or any part thereof;

- (l) if the Mortgagor grants or attempts to grant any form of security to any person other than the Mortgagee ranking or purporting to rank in priority to or equally with the security held by the Mortgagee on the Lands other than the existing first mortgage to Farm Credit Canada in the amount of \$50,000,000.00;
- (m) if the Mortgagor abandons the Lands or any part thereof;
- (n) if the Mortgagor operates a business on the Lands and fails to maintain and operate such business as a going concern in a prudent and businesslike manner to the reasonable satisfaction of the Mortgagee; or
- (o) if for any other reason the Mortgagee determines that its security under this mortgage is in jeopardy.

13. POWER OF ATTORNEY

Upon the occurrence of an event of default pursuant to paragraph 12, the following power of attorney will take effect: the Mortgagor hereby irrevocably appoints the Mortgagee, or such person or corporation as may be designated by the Mortgagee, as attorney on behalf of the Mortgagor to sell, lease, sub-lease, mortgage or otherwise dispose of or encumber the Lands or any part thereof, to deal with the Lands, and to execute all instruments and do all acts, matters and things that may be necessary or convenient for carrying out the powers hereby given and for the recovery of all sums of money owing for or in respect of the Lands or any part thereof, and for the enforcement of all contracts and covenants in respect of the Lands or any part thereof, and for the taking and maintaining of possession of and the protection and preservation of the Lands or any part thereof. Such appointment is coupled with an interest.

14. RIGHT TO SEIZE

If the Mortgagor defaults in performing or fulfilling any of the covenants set forth in this mortgage it will be lawful for, and the Mortgagor hereby grants full power and license to, the Mortgagee to enter, seize and distrain upon the Lands or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of a demise of the Lands as much of the Principal Sum and interest and other monies as is from time to time in arrears, together with all costs, charges and expenses attending such levy or distress as in like cases of distress for rent.

15. APPOINTMENT OF RECEIVER OR RECEIVER-MANAGER

- (a) At any time when there is default under any of the provisions of this mortgage the Mortgagee may, with or without entering into possession of the Lands or any part thereof, appoint in writing a receiver or a receiver/manager (the "**Receiver**") of the Lands or any part thereof and of the rents and revenues therefrom with or without security. The Mortgagee may from time to time by similar writing remove any Receiver and appoint another in its place. In making any such appointment or removal the Mortgagee will be

deemed to be acting as agent or attorney for the Mortgagor. The statutory declaration of an officer of the Mortgagee as to the existence of such default will be conclusive evidence of such default. Every Receiver will be the irrevocable assignee or attorney of the Mortgagor for the collection of all rents falling due in respect of the Lands or any part of them. Every Receiver may, in the discretion of the Mortgagee and by writing under its corporate seal, be vested with all or any powers and discretions of the Mortgagee. The Mortgagee may from time to time fix the remuneration of every Receiver, who will be entitled to deduct the same from the income or proceeds of sale of the Lands. Every Receiver will, as far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the Mortgagor and in no event the agent of the Mortgagee. The appointment of every Receiver by the Mortgagee will not incur or create any liability on the part of the Mortgagee to the Receiver in any respect and such appointment or anything which may be done by the Receiver or the removal of any Receiver or the termination of any receivership will not have the effect of constituting the Mortgagee a mortgagee in possession of the Lands or any part of them. Every Receiver will from time to time have the power to rent any portion of the Lands which may become vacant for such term and subject to such provisions as it may deem advisable or expedient and in so doing every Receiver will act as the attorney or agent of the Mortgagor and will have the authority to execute under the Mortgagor's seal any lease or sub-lease of any such premises in the name of and on behalf of the Mortgagor. The Mortgagor undertakes to ratify and confirm whatever any Receiver may do in respect of the Lands. Every Receiver will have full power to manage, operate, amend, repair, alter or extend the Lands or any part thereof in the name of the Mortgagor for all purposes including securing the payment of rental for the Lands or any part of them. In exercising such powers, the Receiver will have all incidental powers, including the power to borrow such funds as may be required in connection therewith. No Receiver will be liable to the Mortgagor to account for monies or damages other than cash received by it in respect of the Lands or any part thereof. Out of such cash so received every Receiver will in the following order pay:

- (i) its remuneration,
 - (ii) all payments made or incurred by it in connection with the management, operation, amendment, repair, alteration or extension of the Lands or any part of them, and
 - (iii) interest, principal and other money which may from time to time be charged upon the Lands in priority to this mortgage, and all taxes, insurance premiums and every other expenditure made or incurred by it in respect of the Lands or any part of them.
- (b) Notwithstanding the provisions of subparagraph (a) above, the Mortgagee, in addition to the right of private appointment contained therein, will have the right to apply to a court of competent jurisdiction for the appointment of a receiver or a receiver-manager, whether such application is made prior to or after the appointment of a receiver pursuant to subparagraph (a). The right to apply to a court for the appointment of a receiver or receiver-manager will be in addition to the right to appoint a receiver pursuant to subparagraph (a) and may be exercised at any time by the Mortgagee in its sole discretion.

16. DUE ON SALE

If, without the prior written consent of the Mortgagee:

- (a) the Mortgagor sells, conveys, transfers or assigns all or any part of its interest in the Lands, or
- (b) where the Mortgagor is a corporation, there is a Change of Control (as defined in the Credit Agreement) of such corporation;

the full amount then secured by this mortgage shall, at the option of the Mortgagee, become immediately due and payable upon notice to the Mortgagor.

The giving or withholding of consent shall be solely within the Mortgagee's discretion and as a condition of consent the Mortgagee may require or impose such conditions as it sees fit, including but not limited to the requirement that any purchaser, transferee or assignee execute an assumption agreement in favour of the Mortgagee on such terms and conditions as the Mortgagee may require.

17. ASSIGNMENT OF RENTALS

As further security to the Mortgagee for repayment and performance of its other obligations as aforesaid, the Mortgagor hereby assigns, transfers and sets over to the Mortgagee all rents and other revenues from the Lands now or hereafter due or to become due, provided that:

- (a) the Mortgagor will be entitled to receive and recover such rents and other revenues until default under this mortgage;
- (b) if the Mortgagor defaults, all monies received by the Mortgagor in respect of the Lands after the default will be received by the Mortgagor in trust for the Mortgagee. Immediately after receiving such monies the Mortgagor will pay them to the Mortgagee;
- (c) the Mortgagee will have no obligation to collect any such rents or other revenues at any time and will be liable only for monies actually received;
- (d) nothing contained in this clause nor the exercise by the Mortgagee of any rights or remedies arising herefrom will place or be deemed to place the Mortgagee in possession of the Lands;
- (e) neither this assignment, nor the collection of rents pursuant to it, will be construed as a recognition or acceptance of any lease with respect to the Lands or any part thereof;
- (f) the Mortgagor will not accept any rents in excess of one monthly instalment in advance;
- (g) whenever requested by the Mortgagee the Mortgagor will assign to the Mortgagee its interest in each specific lease of the Lands or any part thereof and will execute such further specific or general assignments as may be requested by the Mortgagee from time to time; and

- (h) the Mortgagee or its agents may, but will not be obligated to, register this assignment at such registry offices as the Mortgagee in its discretion deems appropriate.

18. CONDOMINIUM

If the Lands are or hereafter become subject to a condominium plan duly created pursuant to the provisions of *The Condominium Property Act, 1993* (Saskatchewan) (which, as amended from time to time, together with any legislation substituted therefor is herein collectively called "the **Act**"), then:

- (a) the Mortgagor fully and absolutely assigns, transfers and sets over to the Mortgagee all of the Mortgagor's voting rights now existing or which may hereafter come into existence with respect to the Lands and with respect to the Condominium Corporation of which the Mortgagor is a member by virtue of the Mortgagor's ownership of the condominium unit or units being charged by this mortgage (the "**Condominium Corporation**"), whether such voting rights arise under the Act, under the bylaws of the Condominium Corporation, under any agreement with the Condominium Corporation, or otherwise howsoever. The Mortgagor will execute any documentation which in the sole opinion of the Mortgagee is necessary or advisable to give full effect to the foregoing. Provided however, that if the Mortgagee is not present in person or by proxy, or, if present, does not wish to vote, then the Mortgagor may without further authority exercise all voting rights other than the right to vote on any matter requiring a unanimous resolution. Provided further that the Mortgagee may, by written notice to the Mortgagor, terminate all voting rights and privileges of the Mortgagor;
- (b) notwithstanding anything to the contrary herein contained:
- (i) the Mortgagor will observe and perform every covenant and provision required to be performed under or pursuant to the terms of this mortgage, the Act, the bylaws of the Condominium Corporation in effect from time to time, and under any agreement between the Mortgagor and the Condominium Corporation; and
- (ii) without limiting the generality of the preceding subparagraph, the Mortgagor will pay promptly when due all assessments, instalments or payments owing by it to the Condominium Corporation; and
- (c) where the Mortgagor defaults in the Mortgagor's obligations to contribute to the common expenses assessed or levied by the Condominium Corporation or any authorized agent on its behalf, or any assessment, instalment or payment owing to the Condominium Corporation, or upon breach of any covenant or provision contained in this section, then regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Mortgagee, at its option and without notice to the Mortgagor may pay such contribution owing to the Condominium Corporation or rectify any such default or breach by the Mortgagor.

19. SUBROGATION

The Mortgagee may pay off any charges or encumbrances against the Lands and in such cases will be subrogated to the rights of, stand in the position of, and be entitled to all the equities of the person so paid off, whether the same are or are not discharged.

20. PRIOR CHARGE

If the Mortgagor defaults in the performance of any covenants, payments or conditions contained in any mortgage, lien, agreement for sale, encumbrance, interest in land or other charge or claim upon or with respect to the Lands which has or may have or which may acquire priority to this mortgage (any and all of which are herein called the "**Prior Charge**") then such default will constitute a default under this mortgage and the Obligations will, at the option of the Mortgagee, become immediately due and payable without notice or demand. The Mortgagee will be entitled but not obligated to pay any arrears or other sums payable under the Prior Charge, or to pay off all or any portion of the amount thereby secured. For the purposes of tendering any arrears or other sums payable to a holder of a Prior Charge, the Mortgagor hereby irrevocably appoints the Mortgagee its agent and irrevocably directs the Mortgagee to tender such monies upon the holder of a Prior Charge in the name of and on behalf of the Mortgagor, such appointment being coupled with an interest. In this regard the Mortgagor hereby assigns to the Mortgagee its equity of redemption, if any, with respect to the Prior Charge, together with the statutory right of redemption given to the Mortgagor by any laws of the Province of Saskatchewan, as in force and amended from time to time. It is the intention of the parties that the Mortgagee will have the same rights and powers, but not the liabilities, as the Mortgagor under and pursuant to the terms of the Prior Charge so that the Mortgagee will be in a position to take whatever steps are necessary to bring the Prior Charge into good standing once default has occurred thereunder. This assignment is not intended to encompass the Mortgagor's entire interest in the Prior Charge, but only to the extent hereinbefore stipulated. Furthermore, nothing herein contained will create any obligation upon the Mortgagee to cure any default on behalf of the Mortgagor.

21. PARTIAL RELEASE

The Mortgagee may release any part of the Lands at any time at its discretion, or may release any person from this mortgage or from any of the covenants herein contained or contained in any collateral security, either with or without any consideration therefor, without responsibility therefor and without releasing any other part of the Lands, any other person or any collateral security.

22. MORTGAGEE IN POSSESSION

If the Mortgagee exercises any of its rights hereunder, or goes into possession of the Lands or any part thereof for any purpose under the powers conferred upon it by this mortgage or by law, it will not be deemed to be a mortgagee in possession nor responsible in any way for anything other than monies actually received by it.

23. APPROPRIATION OF PAYMENTS

(a) This mortgage is intended as collateral security to secure the Obligations and any other

amounts owing under and secured hereby in accordance with the terms hereof, and will secure any ultimate balance owing. No payment by the Mortgagor will reduce the amount secured by this mortgage unless:

- (i) the Mortgagee so agrees in writing; or
 - (ii) the Mortgagor's obligations to the Mortgagee do not exceed the Principal Sum, the Mortgagee has no obligation to advance further funds to the Mortgagor or for which the Mortgagor would be liable, and the Mortgagor advises the Mortgagee in writing that the amount paid will reduce the Principal Sum secured by this mortgage.
- (b) Subject to clause (c) below, any amount received by the Mortgagee which reduces the gross amount secured by this mortgage will be applied in whatever manner the Mortgagee thinks fit as between principal, interest or other monies secured by this mortgage.
- (c) If, prior to the Mortgagee requiring payment from the Mortgagor under the Obligations, the Mortgagee received:
- (i) a payment from the Mortgagor which reduces the amount secured hereunder;
 - (ii) insurance proceeds which are not applied to rebuild, reinstate or repair the Lands or released to the Mortgagor; or
 - (iii) any monies as a result of a demand upon or realizing upon the security of this mortgage and which reduces the amount secured by this mortgage;

the Mortgagee will retain the amount received (after deduction of any appropriate costs and expenses in accordance with this mortgage) in a collateral account in substitution for this mortgage to the extent of the amount so retained, and such amount will constitute collateral security to the Mortgagee for the Obligations of the Mortgagor.

24. EXPROPRIATION AND CONDEMNATION

- (a) Notwithstanding anything to the contrary contained herein, if the Mortgagee receives a notice of intention to expropriate (as referred to in *The Expropriation Act* (Saskatchewan)) the Lands or the estate or interest of the Mortgagee in the Lands, or expropriation occurs under *The Expropriation Procedure Act* (Saskatchewan) or any similar expropriation statute or the Lands are condemned by any authority having jurisdiction in that regard, then the Obligations will at the option of the Mortgagee automatically become due in full on demand by the Mortgagee.
- (b) The damages, proceeds, consideration and award, whether awarded by any board, tribunal, arbitrator, a court or otherwise, resulting from any expropriation are, to the extent of the full amount of the monies and obligations secured by this mortgage and remaining unpaid on the date of such expropriation, hereby assigned by the Mortgagor to the Mortgagee and will be paid immediately to the Mortgagee.

- (c) The Mortgagor covenants to pay to the Mortgagee the difference between the amount secured under this mortgage and the monies paid by the expropriating authority to the Mortgagee, together with interest thereon at the Interest Rate both before and after maturity, default, acceleration and the obtaining of any judgment by the Mortgagee.

25. GENERAL CLAUSES

- (a) Any notice required or permitted to be given to the Mortgagor in connection with this mortgage may be personally delivered, or sent by facsimile or electronic PDF or mailed to it by registered mail addressed to it at its last address as shown on the records of the Mortgagee. Such notice will be conclusively deemed to have been received on the date of delivery or three business days after the date of mailing. No want of notice or publication when required by this mortgage or by any statute, nor any impropriety or irregularity, will invalidate any sale made or purported to be made under this mortgage.
- (b) No waiver by the Mortgagee of the performance of any covenant, proviso, condition or agreement herein contained will take effect or be binding on the Mortgagee unless the same is expressed in writing by the Mortgagee or its duly authorized agent. Such waiver will not nullify such covenant, proviso, condition or agreement, affect its future enforcement or be a waiver of any subsequent breach of the same.
- (c) A default in the due observance or performance by the Mortgagor of any of its covenants contained in the Obligations or in any promissory notes, agreements, or other securities which may now or at any time be held or taken by the Mortgagee in respect of the Obligations will, in addition to its usual effect, have the same effect and give rise to the same rights and remedies as a default under the terms of this mortgage. If the Mortgagee becomes entitled to take legal proceedings of any nature whatsoever against the Mortgagor in respect of this mortgage or in respect of the Obligations or any of the said promissory notes, agreements or other securities, the Mortgagee may either concurrently with such suit, successively or otherwise, pursue any or all of its other remedies. If the Mortgagee pursues one or other of the said remedies this will not constitute an election by the Mortgagee to abandon any of the other remedies.
- (d) The lien and charge hereby created will take effect immediately on the execution of this mortgage, and will secure the full amounts referenced in paragraph 3 hereof.
- (e) If the Mortgagor is a body corporate it will maintain its separate corporate existence and do all such things as are required in order to permit it to carry on its business.
- (f) If the Mortgagor operates a business on the lands or otherwise derives revenue therefrom the Mortgagor will:
 - (i) maintain proper records and books of account with respect to the operation of its business on the Lands and the income and expenses related thereto. The Mortgagor will allow the Mortgagee's representatives at all reasonable times to inspect all such records and books of account as such representatives may deem necessary; and

- (ii) provide to the Mortgagee such information, financial or otherwise, as to the business and affairs of the Mortgagor, in relation to the Mortgagor being able to observe and perform its obligations to the Mortgagee under this mortgage, as the Mortgagee may from time to time request.

26. INTERPRETATION

- (a) If the context so requires, wherever the neuter is used it will include the feminine and masculine, and wherever the singular is used it will include the plural.
- (b) If there is more than one Mortgagor then all covenants and stipulations herein contained or implied will apply to and be binding upon all the Mortgagors jointly and severally; provided always, and it is expressly agreed, that all covenants, provisos, powers, privileges and licenses herein expressed or implied will be binding upon and enure to the benefit of the respective legal personal representatives, successors and assigns of the parties.
- (c) The provisions contained in any schedules to this mortgage are incorporated by reference and form a part of this mortgage as fully as if set out in the body of this mortgage. The covenants and obligations of the Mortgagor and the rights and remedies of the Mortgagee contained in this mortgage are in addition to those granted or implied by statute or otherwise imposed or granted by law.
- (d) If any provision of this mortgage is held to be invalid or unenforceable by a Court of competent jurisdiction it will be deemed to have been deleted from the mortgage and the remaining provisions of this mortgage will continue in full force and effect and be enforceable to the greatest extent permitted by law.
- (e) The headings contained in this mortgage are inserted for ease of reference only and will not be construed so as to limit or restrict the obligations of the Mortgagor or the rights and remedies of the Mortgagee herein.
- (f) Neither the execution nor registration of this mortgage or any additional or other security or documentation will act as a merger of or otherwise affect the enforceability of the Obligations. All agreements and securities now or hereafter entered into by the Mortgagor with or in favour of the Mortgagee, whether related to the within transaction or otherwise, will be in addition to and not in substitution for any agreements or securities previously granted, unless expressly provided to the contrary therein.
- (g) In the event of any inconsistency between the terms of the Credit Agreement and this mortgage, the terms of the Credit Agreement shall prevail.

27. CHARGE

For better securing to the Mortgagee the repayment in the manner aforesaid of the Principal Sum and interest and other charges and monies hereby secured, and for the due performance by the Mortgagor of all of the covenants, provisos and conditions herein expressed or implied, the Mortgagor hereby mortgages to the Mortgagee all of the Mortgagor's estate and interest in the Lands.

28. DISCHARGE

The Mortgagee will have a reasonable time to provide the Mortgagor with a registrable discharge of this mortgage, upon the Mortgagor becoming entitled to such discharge. All costs related to such discharge will be borne by the Mortgagor to the extent permitted by law.

29. WAIVER OF LEGISLATION

Where the Mortgagor is a corporation the Mortgagor covenants with the Mortgagee that:

- (a) *The Land Contracts (Actions) Act, 2018* (Saskatchewan) shall have no application to an action, as defined in that Act, with respect to this mortgage; and
- (b) *The Limitation of Civil Rights Act* (Saskatchewan) shall have no application to this mortgage or any agreement or instrument renewing or extending or collateral to this mortgage, or the rights, powers or remedies of any other person under this mortgage, or any such agreement or instrument renewing or extending or collateral to this mortgage.

In the event that the Mortgagor is an agricultural corporation within the meaning of *The Saskatchewan Farm Security Act* (Saskatchewan), the Mortgagor agrees with the Mortgagee that all of Part IV (other than Section 46) of that Act shall not apply to the Mortgagor, and that the Mortgagor has received independent legal advice prior to executing this mortgage.

29. GOVERNING LAW

This mortgage shall be governed by and construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable in the Province of Saskatchewan and the courts of the Province of Saskatchewan shall have non-exclusive jurisdiction over any dispute or matter arising herefrom. This mortgage is made pursuant to *The Land Titles Act, 2000* (Saskatchewan).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Mortgagor has executed this mortgage this 1st day of February, 2024.

**GLOBAL FOOD AND INGREDIENTS
INC.**

Per: *Bill Murray*
Name: Bill Murray
Title: CFO

I have authority to bind the corporation.

SCHEDULE "A"

Part 1 - FEE SIMPLE LANDS

Surface Parcel #111788219

Reference Land Description: Blk/Par A Plan No 101331425 Extension 10
As described on Certificate of Title 99SE01294, description 10.

Surface Parcel #145169185

Reference Land Description: Blk/Par A Plan No 98MW19933 Extension 1
As described on Certificate of Title 99MW02348.

Surface Parcel #202892519

Reference Land Description: Blk/Par K Plan No 102144046 Extension 0

Part 2 - LEASEHOLD LANDS

Surface Parcel #203169775

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

This is Exhibit "O" referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.

SEARCH SUMMARY

ONTARIO

1. PERSONAL PROPERTY SECURITY ACT (Ontario) - File Currency: May 13, 2024

- (a) Global Food and Ingredients Inc.; and
Global Food and Ingredients Ltd.**

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
1. JPMORGAN CHASE BANK, N.A., AS AGENT	GLOBAL FOOD AND INGREDIENTS INC.	50244134 – 20240202 1438 1590 9401 (5 YEARS)	ACCOUNTS, OTHER	ALL CASH MAINTAINED BY THE SECURED PARTY AS CASH COLLATERAL AND ALL DEPOSIT ACCOUNTS HELD BY THE SECURED PARTY CONTAINING SUCH CASH COLLATERAL AND ANY REPLACEMENTS, AMENDMENTS, RENEWALS OR SUBSTITUTIONS MADE IN RESPECT OF SUCH AMOUNT AND ANY ACCRETIONS THERETO OR PROCEEDS THEREOF FROM TIME TO TIME, INCLUDING ANY INTEREST AND INCOME THEREON.	
2. SIENA LENDING GROUP CANADA LLC	GLOBAL FOOD AND INGREDIENTS INC.	502259058 – 20240129 0803 1590 8364 (5 YEARS)	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLES		
3. SIENA LENDING GROUP CANADA LLC	GLOBAL FOOD AND INGREDIENTS LTD.	502259067 – 20240129 0804 1590 8365 (5 YEARS)	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLES		

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
4. 35 OAK HOLDINGS LTD.	GLOBAL FOOD AND INGREDIENTS INC.	502278309 – 20240129 1237 1590 8430 (5 YEARS)	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLES		
5. MERIDIAN ONECAP CREDIT CORP.	BIG SKY MILLING INC.	78276755 – 20211116 1958 1902 5574 (6 YEARS)	EQUIPMENT, OTHER, MOTOR VEHICLES 2021 CLARK GTS30 LPG VIN LISTED	FORLIFT(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL	<u>TRANSFERRED BY 20240123</u> <u>1548 5064 2566</u> TRANSFERORS: GLOBAL FOOD AND INGREDIENTS INC. AND GFILP TRANSFEREE: BIG SKY MILLING INC.
6. FARM CREDIT CANADA	GLOBAL FOOD AND INGREDIENTS INC.	756524655 – 20191015 1448 1590 7470 (10 YEARS)	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLES		
7. FARM CREDIT CANADA	GLOBAL FOOD AND INGREDIENTS INC.	756524664 – 20191015 1449 1590 7471 (10 YEARS)	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLES		<u>TRANSFERRED BY 20220414</u> <u>1135 1590 7671</u> TRANSFEROR: GFI LP TRANSFEREE: GFI BRANDS INC. <u>AMENDED BY 20220504 1730</u> <u>1590 0945</u>

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
8. FARM CREDIT CANADA	GLOBAL FOOD AND INGREDIENTS INC.	756524673 – 20191015 1449 1590 7472 (10 YEARS)	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLES		<p>AMENDMENT TO CORRECT FINANCING CHANGE STATEMENT REGISTRATION NUMBER 20220414 1135 1590 7671, GFI BRANDS INC. WAS INCORRECTLY LISTED AS THE TRANSFEREE. THE REGISTRATION OF A DEBTOR TRANSFER SHOULD HAVE BEEN FROM GFI LP TO GLOBAL FOOD AND INGREDIENTS INC. THE CURRENT DEBTOR OF FILE NO. 756524664 IS GLOBAL FOOD AND INGREDIENTS INC.</p> <p>TRANSFERRED BY 20220414 1135 1590 7672 TRANSFEROR: 11567403 CANADA INC. TRANSFEREE: GFI BRANDS INC. AMENDED BY 20220504 1731 1590 0946 AMENDMENT TO CORRECT FINANCING CHANGE STATEMENT REGISTRATION NUMBER 20220414 1135 1590 7672, GFI BRANDS INC. WAS INCORRECTLY LISTED AS THE TRANSFEREE. THE REGISTRATION OF A DEBTOR TRANSFER SHOULD HAVE BEEN FROM 11567403 CANADA INC. TO GLOBAL FOOD AND INGREDIENTS INC. THE CURRENT DEBTOR</p>

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
					OF FILE NO. 756524673 IS GLOBAL FOOD AND INGREDIENTS INC.

(b) GFI Brands Inc. (The following registrations were not disclosed by our search against “Global Food and Ingredients Inc.”)

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
1. SIENA LENDING GROUP CANADA LLC	GFI BRANDS INC.	502259076 – 20240129 0804 1590 8366 (5 YEARS)	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLES		
2. FARM CREDIT CANADA	GFI BRANDS INC.	782043858 – 20220414 1136 1590 7673 (8 YEARS)	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLES		

(c) Global Food and Ingredients (USA) Inc.; and North Lilly Foods Inc.

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
NO REGISTRATIONS WERE DISCLOSED.					

BRITISH COLUMBIA

1. PERSONAL PROPERTY SECURITY ACT - File Currency: May 15, 2024

(a) Global Food and Ingredients Inc.

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
1. SIENA LENDING GROUP CANADA LLC	GLOBAL FOOD AND INGREDIENTS INC.	BASE REGN NO.: 158580Q REGN DATE: JAN 29, 2024 EXPIRY DATE: JAN 29, 2029	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	

(b) GFI Brands Inc.

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
1. SIENA LENDING GROUP CANADA LLC	GFI BRANDS INC.	BASE REGN NO.: 158579Q REGN DATE: JAN 29, 2024 EXPIRY DATE: JAN 29, 2029	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	

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ALBERTA

1. PERSONAL PROPERTY SECURITY ACT - File Currency: May 15, 2024

(a) Global Food and Ingredients Inc.

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
1. FARM CREDIT CANADA	GLOBAL FOOD AND INGREDIENTS INC.	REGN NO.: 23031324805 REGN DATE: MAR 13, 2023	ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
		EXPIRY DATE: MAR 13, 2033		
2. SIENA LENDING GROUP CANADA LLC	GLOBAL FOOD AND INGREDIENTS INC.	REGN NO.: 24012901702 REGN DATE: JAN 29, 2024 EXPIRY DATE: JAN 29, 2029	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	
3. 35 OAK HOLDINGS LTD	GLOBAL FOOD AND INGREDIENTS INC.	REGN NO.: 24013110312 REGN DATE: JAN 31, 2024 EXPIRY DATE: JAN 31, 2029	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	

(b) GFI Brands Inc.

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
1. SIENA LENDING GROUP CANADA LLC	GFI BRANDS INC.	REGN NO.: 24012901651 REGN DATE: JAN 29, 2024 EXPIRY DATE: JAN 29, 2029	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	

SASKATCHEWAN

1. PERSONAL PROPERTY SECURITY ACT - File Currency: May 16, 2024

(a) Global Food and Ingredients Inc.

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
1. FARM CREDIT CANADA	GLOBAL FOOD AND INGREDIENTS INC.	REGN NO.: 301965227 REGN DATE: OCT 16, 2019	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
2. DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.	GLOBAL FOOD AND INGREDIENTS INC.	EXPIRY DATE: OCT 16, 2029 REGN NO.: 302306859 REGN DATE: JUNE 22, 2022 EXPIRY DATE: JUNE 22, 2028	2022 TEU / FTB20 VIN LISTED ALL PERSONAL PROPERTY OF THE DEBTOR DESCRIBED HEREIN BY VEHICLE IDENTIFICATION NUMBER OR SERIAL NUMBER, AS APPLICABLE, WHEREVER SITUATED, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON; ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM. PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY WHICH IS DERIVED, DIRECTLY OR INDIRECTLY, FROM ANY DEALING WITH OR DISPOSITION OF THE ABOVE-DESCRIBED COLLATERAL, INCLUDING WITHOUT LIMITATION, ALL INSURANCE AND OTHER PAYMENTS PAYABLE AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE THERETO, ACCOUNTS, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE ABOVE-DESCRIBED COLLATERAL, GOODS, CHATTEL PAPER, INVESTMENT PROPERTY, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, CHEQUES, DEPOSITS, SECURITIES AND INTANGIBLES.	
3. SIENA LENDING GROUP CANADA LLC	GLOBAL FOOD AND INGREDIENTS INC.	REGN NO.: 302510581 REGN DATE: JAN 29, 2024 EXPIRY DATE: JAN 22, 2029	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROEPRTY.	

MANITOBA

1. PERSONAL PROPERTY SECURITY ACT - File Currency: May 15, 2024

(a) Global Food and Ingredients Inc.

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
1. SIENA LENDING GROUP CANADA LLC	GLOBAL FOOD AND INGREDIENTS INC.	REGN NO.: 202401528506 REGN DATE: JAN 29, 2024 EXPIRY DATE: JAN 22, 2029	THE SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER- ACQUIRED PERSONAL PROPERTY.	

1400-8251-6236

This is Exhibit "P" referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.

INTERCREDITOR AGREEMENT

INTERCREDITOR AGREEMENT (this "Agreement"), dated as of February 1, 2024 among SIENA LENDING GROUP CANADA LLC, as ABL Lender (in such capacity, with its successors and assigns, and as more specifically defined below, the "ABL Lender"), FARM CREDIT CANADA, as Term Loan Lender (in such capacity, with its successors and assigns, and as more specifically defined below, the "Term Loan Lender"), and acknowledged by each of the Loan Parties (as defined below).

WHEREAS GLOBAL FOOD AND INGREDIENTS INC., a Canadian corporation ("Global Foods Canada"), GFI BRANDS INC., an Ontario corporation ("GFI Brands"), NORTH LILY FOODS INC., a Delaware corporation ("North Lily Foods" and, together with Global Foods Canada and GFI Brands, are each an "ABL Borrower" and collectively the "ABL Borrowers"), GLOBAL FOOD AND INGREDIENTS (USA) INC., a Delaware corporation ("Global Food USA") and GLOBAL FOOD AND INGREDIENTS LTD., an Ontario corporation ("Parent" and, together with Global Food USA, each an "ABL Guarantor" and collectively the "ABL Guarantors") and the other Loan Parties (as defined therein) party from time to time to the Existing ABL Agreement (defined below) and the ABL Lender are parties to a certain Loan and Security Agreement dated as of the date of this Agreement (as amended, restated, supplemented and otherwise modified from time to time, the "Existing ABL Agreement"), pursuant to which the ABL Lender has agreed to make loans and extend other financial accommodations to the ABL Borrowers (the ABL Borrowers, the ABL Guarantors and the other Loan Parties party to the Existing ABL Agreement from time to time are each an "ABL Loan Party" and collectively the "ABL Loan Parties");

WHEREAS Global Foods Canada (the "Term Loan Borrower"), GFI Brands, the Parent, North Lily Foods and Global Food USA (each, a "Term Loan Guarantor" and collectively, the "Term Loan Guarantors") are parties to that certain Second Amended and Restated Credit Agreement dated as of May 17, 2022, as amended by a first amending agreement dated December 30, 2022, a second amending agreement dated March 17, 2023 and a third amending agreement dated February 1, 2024 (as amended, restated, supplemented and otherwise modified from time to time, the "Existing Term Loan Agreement"), pursuant to which the Term Loan Lender has made term loans to the Term Loan Borrower (the Term Loan Borrower and the Term Loan Guarantors are each, a "Term Loan Loan Party" and collectively, the "Term Loan Loan Parties");

WHEREAS, each of the ABL Loan Parties has granted to the ABL Lender security interests and other liens in and on the ABL Collateral as security for payment and performance of the ABL Obligations; and

WHEREAS, each of the Term Loan Loan Parties has granted to the Term Loan Lender security interests and other liens in and on the Term Loan Collateral as security for payment and performance of the Term Loan Obligations.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and other good and valuable consideration, the existence and sufficiency of which is expressly recognized by all of the parties hereto, the parties agree as follows:

SECTION 1. Definitions; Rules of Construction.

1.1 PPSA Definitions. The following terms which are defined in the PPSA are used herein as so defined: Accounts, Chattel Paper, Consumer Goods, Documents of Title, Futures Accounts, Goods, Instruments, Intangibles, Inventory, Investment Property, and Securities Accounts.

1.2. Defined Terms. The following terms, as used herein, have the following meanings:

"ABL Agreement" means the collective reference to (a) the Existing ABL Agreement, (b) any Additional ABL Agreement and (c) any other credit agreement, loan agreement, note agreement,

promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, replace, refinance or refund in whole or in part the indebtedness and other obligations outstanding under the Existing ABL Agreement (regardless of whether such replacement, refunding or refinancing is a “working capital” facility, asset-based facility or otherwise), any Additional ABL Agreement or any other agreement or instrument referred to in this clause (c) unless such agreement or instrument expressly provides that it is not intended to be and is not an ABL Agreement hereunder (a “Replacement ABL Agreement”). Any reference to the ABL Agreement hereunder shall be deemed a reference to any ABL Agreement then extant.

“ABL Borrowers” has the meaning set forth in the first WHEREAS clause above.

“ABL Collateral” means all assets, whether now owned or hereafter acquired by any Loan Party, in which a Lien is granted or purported to be granted at any time to the ABL Lender as security for any ABL Obligation (including, but not limited to, Accounts, cash or cash equivalents, Chattel Paper, Documents of Title, Equipment, Futures Accounts, Goods, Instruments, Intangibles, Intellectual Property, Inventory, Investment Property, deposit accounts, and Securities Accounts, Real Property and accessions to, substitutions for, and replacements, Proceeds and products of any of the foregoing, together with all books and records, customer lists, credit files, computer files, programs, printouts, and other computer materials and records related thereto and any Intangibles at any time evidencing or relating to any of the foregoing, and all other assets of each Loan Party now or hereafter as set forth in the ABL Security Documents) and shall include, for the avoidance of doubt, any such assets and property that, but for the application of Section 552 of the Bankruptcy Code (or any similar provision of any Insolvency Law), would be ABL Collateral.

“ABL DIP Financing” has the meaning set forth in Section 5.2(a).

“ABL Documents” means the ABL Agreement, each of the ABL Security Documents, each of the ABL Guarantees and each other “Loan Document” as defined in the ABL Agreement.

“ABL Guarantee” means any guarantee by any ABL Loan Party of any or all of the ABL Obligations.

“ABL Guarantors” has the meaning set forth in the first WHEREAS clause above.

“ABL Lender” has the meaning set forth in the introductory paragraph hereof. In the case of any Replacement ABL Agreement, the ABL Lender shall be the Person identified as such in such Agreement.

“ABL Lien” means any Lien created by the ABL Security Documents.

“ABL Loan Parties” has the meaning set forth in the first WHEREAS clause above.

“ABL Obligations” means (a) all principal of and interest (including without limitation any Post-Petition Interest) and premium (if any) on all loans made pursuant to the ABL Agreement or any ABL DIP Financing by the ABL Lender, (b) all reimbursement obligations (if any) and interest thereon (including without limitation any Post-Petition Interest) with respect to any letter of credit or similar instruments issued pursuant to the ABL Agreement, (c) all Swap Obligations, (d) all Banking Services Obligations and (e) all guarantee obligations, indemnities, fees, expenses and other amounts payable from time to time pursuant to the ABL Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any ABL Obligation (whether by or on behalf of any Loan Party, as Proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, the Term Loan Lender, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the ABL Lender and the Term Loan Lender, be deemed to be reinstated and outstanding as if such payment had not occurred.

“ABL Obligations Payment Date” means the first date on which (a) the ABL Obligations (other than those that constitute Unasserted Contingent Obligations) have been indefeasibly paid in cash in full (or cash collateralized or defeased in accordance with the terms of the ABL Documents), (b) all commitments to extend credit under the ABL Documents have been terminated, (c) there are no outstanding letters of credit or similar instruments issued under the ABL Documents (other than such as have been cash collateralized or defeased in accordance with the terms of the ABL Documents), and (d) so long as the Term Loan Obligations Payment Date shall not have occurred, the ABL Lender has delivered a written notice to the Term Loan Lender stating that the events described in clauses (a), (b) and (c) have occurred to the satisfaction of the ABL Lender.

“ABL Priority Collateral” means all ABL Collateral other than Term Loan Priority Collateral.

“ABL Security Documents” means the “Collateral Documents” as defined in the ABL Agreement, and any other documents that are designated under the ABL Agreement as “ABL Security Documents” for purposes of this Agreement.

“Access Period” means, with respect to each parcel or item of Term Loan Priority Collateral, the period, following the commencement of any Enforcement Action, which begins on the earlier of (a) the day on which the ABL Lender provides the Term Loan Lender with the notice of its election to request access to such parcel or item of Term Loan Priority Collateral pursuant to Section 3.4(c) and (b) the fifth (5th) Business Day after the Term Loan Lender provides the ABL Lender with notice that the Term Loan Lender (or its agent) has obtained possession or control of such parcel or item of Term Loan Priority Collateral and ends on the earliest of (i) the day which is one hundred twenty (120) days after the date (the “Initial Access Date”) on which the ABL Lender initially obtains the ability to take physical possession of, remove or otherwise control physical access to, or actually uses, such parcel or item of Term Loan Priority Collateral plus such number of days, if any, after the Initial Access Date that it is stayed or otherwise prohibited by law or court order from exercising remedies with respect to associated ABL Priority Collateral, (ii) the date on which all or substantially all of the ABL Priority Collateral associated with such parcel or item of Term Loan Priority Collateral is sold, collected or liquidated, (iii) the ABL Obligations Payment Date and (iv) the date on which the default which resulted in such Enforcement Action has been cured or waived in writing.

“Additional ABL Agreement” means any agreement approved for designation as such by the ABL Lender and the Term Loan Lender.

“Additional Term Loan Agreement” means any agreement approved for designation as such by the ABL Lender and the Term Loan Lender.

“Banking Services Obligations” means, with respect to any Loan Party, any obligations of such Loan Party and its subsidiaries owed to the ABL Lender (or any of its affiliates) in respect of treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services), credit card services, stored valued card services or other cash management services.

“Bankruptcy Code” means *the United States Bankruptcy Code (11 U.S.C. §101 et seq.)*, as amended from time to time.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in Toronto, Ontario are authorized or required by law to remain closed.

“Collateral” means, collectively, all ABL Collateral and all Term Loan Collateral.

“Common Collateral” means all Collateral that constitutes both ABL Collateral and Term Loan Collateral.

“Comparable Security Document” means, in relation to any Senior Collateral subject to any Senior Security Document, that Junior Security Document that creates a security interest in the same Senior Collateral, granted by the same Loan Party, as applicable.

“Copyright Licenses” means any and all agreements granting any right in, to or under Copyrights (whether a Loan Party is licensee or licensor thereunder).

“Copyrights” means all Canadian, United States, state and foreign copyrights, including but not limited to copyrights in software and databases, and all “Mask Works” (as defined under 17 U.S.C. 901 of the U.S. Copyright Act), whether registered or unregistered, now or hereafter in force, and with respect to any and all of the foregoing: (a) all registrations and applications therefor, (b) all extensions and renewals thereof, (c) all rights corresponding thereto throughout the world, (d) all rights to sue for past, present and future infringements thereof, (e) all licenses, claims, damages and proceeds of suit arising therefrom, and (f) all payments and royalties and rights to payments and royalties arising out of the sale, lease, license, assignment, or other disposition thereof.

“DIP Financing” shall mean any ABL DIP Financing or any Term Loan DIP Financing, as applicable.

“Enforcement Action” means, with respect to the ABL Obligations or the Term Loan Obligations, the exercise of any rights and remedies with respect to any Common Collateral securing such obligations or the commencement or prosecution of enforcement of any of the rights and remedies under, as applicable, the ABL Documents or the Term Loan Documents, or applicable law, including without limitation the exercise of any rights of set-off or recoupment, and the exercise of any rights or remedies of a secured creditor under the PPSA or the Uniform Commercial Code of any applicable jurisdiction or under Insolvency Law.

“Enforcement Notice” means a written notice delivered by the ABL Lender or the Term Loan Lender to the other Secured Party following the acceleration of its Secured Obligations or demand for payment, as applicable, stating that the ABL Lender or the Term Loan Lender, as applicable, intends to take one or more Enforcement Action.

“Equipment” means Goods that are not Inventory or Consumer Goods now or hereafter owned by any Loan Party and customarily located at or situate upon the Real Property, and any part thereof including all tools, supplies, spare parts, apparatus, plant, furniture, fixtures, equipment, machinery, conveyors, machine tools, data processing and computer equipment, including embedded software and peripheral equipment and all engineering, processing and manufacturing equipment, HVAC systems, elevation systems and storage equipment, automotive equipment, trailers, motor vehicles, trucks, forklifts, molds, dies, stamps, rolling stock and other equipment of every kind and nature whatsoever and all accessories, additions and accessions thereto, and any building components that are affixed to the real and immoveable property that comprise the Real Property and constitute real property at law.

“Existing ABL Agreement” has the meaning set forth in the first WHEREAS clause of this Agreement.

“Existing Term Loan Agreement” has the meaning set forth in the second WHEREAS clause of this Agreement.

“fixtures” means all fixtures (including trade fixtures), facilities and equipment, howsoever affixed or attached to Real Property.

“GFI Brands” has the meaning set forth in the first WHEREAS clause above.

“Global Foods Canada” has the meaning set forth in the first WHEREAS clause above.

“Global Food USA” has the meaning set forth in the first WHEREAS clause above.

“Insolvency Law” shall mean any of the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and the Bankruptcy Code, each as now and hereafter in effect, any successors to such statutes and any other applicable bankruptcy or insolvency or other similar law of any jurisdiction including, without limitation, any corporate law in respect of compromise or arrangement and any law of any jurisdiction permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it.

“Insolvency Proceeding” means any proceeding in respect of bankruptcy, insolvency, winding up, receivership, dissolution, arrangement or assignment for the benefit of creditors, in each of the foregoing events whether under Insolvency Law or any similar federal, state, provincial or foreign bankruptcy, insolvency, reorganization, receivership or similar law.

“Intellectual Property” means, collectively, Copyrights, Copyright Licenses, industrial designs, industrial design applications, Patents, Patent Licenses, Trademarks, Trademark Licenses, Trade Secrets, and Trade Secret Licenses.

“Junior Collateral” shall mean with respect to any Junior Secured Party, any Collateral on which it has a Junior Lien.

“Junior Documents” shall mean, collectively, with respect to any Junior Obligations, any provision pertaining to such Junior Obligation in any Loan Document or any other document, instrument or certificate evidencing or delivered in connection with such Junior Obligation.

“Junior Liens” shall mean (a) with respect to any ABL Priority Collateral, all Liens securing the Term Loan Obligations and (b) with respect to any Term Loan Priority Collateral, all Liens securing the ABL Obligations.

“Junior Obligations” shall mean (a) with respect to any ABL Priority Collateral, all Term Loan Obligations and (b) with respect to any Term Loan Priority Collateral, all ABL Obligations.

“Junior Representative” shall mean (a) with respect to any ABL Obligations or any ABL Priority Collateral, the Term Loan Lender and (b) with respect to any Term Loan Obligations or any Term Loan Priority Collateral, the ABL Lender.

“Junior Secured Parties” shall mean (a) with respect to the ABL Priority Collateral, the Term Loan Lender and (b) with respect to the Term Loan Priority Collateral, the ABL Lender.

“Junior Security Documents” shall mean with respect to any Junior Secured Party, the Security Documents that secure the Junior Obligations.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, deed to secure debt, lien, pledge, hypothecation, assignment, assignation, debenture, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Lien Priority” means with respect to any Lien of the ABL Lender or Term Loan Lender in the Common Collateral, the order of priority of such Lien specified in Section 2.1.

“Loan Documents” shall mean, collectively, the ABL Documents and the Term Loan Documents.

“Loan Party” means the ABL Borrowers and each direct or indirect affiliate or shareholder (or equivalent) of the ABL Borrowers or any of their affiliates that is now or hereafter becomes a party to any ABL Document or any Term Loan Document, including any ABL Loan Party. All references in this Agreement to any Loan Party shall include such Loan Party as a debtor-in-possession and any receiver or trustee for such Loan Party in any Insolvency Proceeding.

“North Lily Foods” has the meaning set forth in the first WHEREAS clause above.

“Parent” has the meaning set forth in the first WHEREAS clause above.

“Patent License” means all agreements granting any right in, to, or under Patents (whether any Loan Party is licensee or licensor thereunder).

“Patents” means all Canadian, United States and foreign patents and certificates of invention, or similar industrial property rights, now or hereafter in force, and with respect to any and all of the foregoing, (a) all applications therefore, (b) all reissues, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations thereof, (c) all rights corresponding thereto throughout the world, (d) all inventions and improvements described therein, (e) all rights to sue for past, present and future infringements thereof, (f) all licenses, claims, damages, and proceeds of suit arising therefrom, and (g) all payments and royalties and rights to payments and royalties arising out of the sale, lease, license, assignment, or other disposition thereof.

“Person” means any person, individual, sole proprietorship, partnership, joint venture, corporation, limited liability company, unlimited liability company, unincorporated organization, association, institution, entity, party, including any government and any political subdivision, agency or instrumentality thereof.

“Post-Petition Interest” means any interest or entitlement to fees or expenses or other charges that accrues after the commencement of any Insolvency Proceeding (or would accrue but for the commencement of an Insolvency Proceeding), whether or not allowed or allowable in any such Insolvency Proceeding.

“PPSA” means the *Personal Property Security Act* (Ontario) or the *Personal Property Security Act* of any other Canadian jurisdiction (including the *Civil Code of Québec*), as applicable, as now and hereafter in effect.

“Priority Collateral” means the ABL Priority Collateral or the Term Loan Priority Collateral, as applicable.

“Proceeds” means (a) all “proceeds”, as defined in Article 9 of the Uniform Commercial Code or the PPSA, as applicable, with respect to the Common Collateral, and (b) whatever is recoverable or recovered when any Common Collateral is sold, exchanged, collected, or disposed of, whether voluntarily or involuntarily.

“Real Property” means any right, title or interest in and to all real (immovable) property now or hereafter owned or leased by any Loan Party which is now or hereafter mortgaged by any Loan Party to and in favour of the Term Loan Lender including, without limitation, the Saskatchewan Real Property Collateral, and such Loan Party’s interest in all buildings, erections, and fixtures constituting real property at law now or hereafter constructed or placed thereon (such as, without limitation, lighting, plumbing and HVAC systems), and revenues, receipts, income, credits, deposits, profits, royalties, rents, additional rents, recoveries, accounts receivables of any kind and nature whatsoever arising from or relating to any lease, sublease, agreement to lease or licences of the Real Property (together with any guarantee or indemnity of the obligations of any tenant of the Real Property).

"Replacement ABL Agreement" has the meaning set forth in the definition of "ABL Agreement".

"Replacement Term Loan Agreement" has the meaning set forth in the definition of "Term Loan Agreement".

"Saskatchewan Real Property Collateral" shall mean the real property owned or leased by the Term Loan Borrower, with the municipal address at one of the Saskatchewan Real Property Locations and all improvements and building fixtures attached thereto (such as, without limitation, lighting, plumbing and HVAC systems) and revenues, receipts, income, credits, deposits, profits, royalties, rents, additional rents, recoveries, accounts receivables of any kind and nature whatsoever arising from or relating to any lease, sublease, agreement to lease or licences of the Saskatchewan Real Property Location (together with any guarantee or indemnity of the obligations of any tenant of the Saskatchewan Real Property Location), in each case, over which a Lien in favour of the Term Loan Lender has been granted pursuant to the Term Loan Security Documents and a Lien in favour of the ABL Lender has been granted pursuant to the ABL Security Documents.

"Saskatchewan Real Property Location" means, the real property owned or leased by the Term Loan Borrower with the municipal addresses of (a) [no address available], RM of Lajord No. 128, Saskatchewan, being: Surface Parcel #111788219 (Reference Land Description: Blk/Par A Plan No 101331425 Extension 10, As described on Certificate of Title 99SE01294, description 10); (b) 100 Elevator Road, Town of Zealandia, Saskatchewan, being: Surface Parcel #145169185 (Reference Land Description: Blk/Par A Plan No 98MW19933 Extension 1 as described on Certificate of Title 99MW02348) and Surface Parcel #202892519 (Reference Land Description: Blk/Par K Plan No 102144046 Extension 0); and (c) 100 South Railway Avenue, RM of Lajord No. 128, being Surface Parcel #203169775 (Reference Land Description: SW 09 Twp 15 Rge 16 W 2 Plan No. B3490 Extension 4).

"Secured Obligations" shall mean the ABL Obligations and the Term Loan Obligations.

"Secured Parties" means the ABL Lender and the Term Loan Lender, and "Secured Party" means either one of them, as the context requires.

"Security Documents" means, collectively, the ABL Security Documents and the Term Loan Security Documents.

"Senior Collateral" shall mean with respect to any Senior Secured Party, any Collateral on which it has a Senior Lien.

"Senior Documents" shall mean, collectively, with respect to any Senior Obligation, any provision pertaining to such Senior Obligation in any Loan Document or any other document, instrument or certificate evidencing or delivered in connection with such Senior Obligation.

"Senior Liens" shall mean (a) with respect to the ABL Priority Collateral, all Liens securing the ABL Obligations and (b) with respect to the Term Loan Priority Collateral, all Liens securing the Term Loan Obligations.

"Senior Obligations" shall mean (a) with respect to any ABL Priority Collateral, all ABL Obligations and (b) with respect to any Term Loan Priority Collateral, all Term Loan Obligations.

"Senior Obligations Payment Date" shall mean (a) with respect to ABL Obligations, the ABL Obligations Payment Date and (b) with respect to any Term Loan Obligations, the Term Loan Obligations Payment Date.

“Senior Representative” shall mean (a) with respect to any ABL Priority Collateral, the ABL Lender and (b) with respect to any Term Loan Priority Collateral, the Term Loan Lender.

“Senior Secured Parties” shall mean (a) with respect to the ABL Priority Collateral, the ABL Lender, and (b) with respect to the Term Loan Priority Collateral, the Term Loan Lender.

“Senior Security Documents” shall mean with respect to any Senior Secured Party, the Security Documents that secure the Senior Obligations.

“Swap Obligations” means, with respect to any Loan Party, any obligations of such Loan Party owed to the ABL Lender (or any of its affiliates) in respect of any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

“Term Loan Agreement” means the collective reference to (a) the Existing Term Loan Agreement, (b) any Additional Term Loan Agreement and (c) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, replace, refinance or refund in whole or in part the indebtedness and other obligations outstanding under the Existing Term Loan Agreement, any Additional Term Loan Agreement or any other agreement or instrument referred to in this clause (c) unless such agreement or instrument expressly provides that it is not intended to be and is not a Term Loan Agreement hereunder (a “Replacement Term Loan Agreement”). Any reference to the Term Loan Agreement hereunder shall be deemed a reference to any Term Loan Agreement then extant.

“Term Loan Borrower” has the meaning set forth in the second WHEREAS clause above.

“Term Loan Collateral” means all assets, whether now owned or hereafter acquired by any Loan Party, in which a Lien is granted or purported to be granted to the Term Loan Lender as security for any Term Loan Obligation.

“Term Loan DIP Financing” has the meaning set forth in Section 5.2(b).

“Term Loan Documents” means each Term Loan Agreement, each Term Loan Security Document, each Term Loan Guarantee and each other “Loan Document” as defined in the Term Loan Agreement.

“Term Loan Guarantee” means any guarantee by any Loan Party of any or all of the Term Loan Obligations.

“Term Loan Guarantors” has the meaning set forth in the second WHEREAS clause above.

“Term Loan Lender” has the meaning set forth in the introductory paragraph hereof. In the case of any Replacement Term Loan Agreement, the Term Loan Lender shall be the Person identified as such in such Agreement.

“Term Loan Lien” means any Lien created by the Term Loan Security Documents.

“Term Loan Loan Parties” has the meaning set forth in the second WHEREAS clause above.

“Term Loan Obligations” means (a) all principal of and interest (including, without limitation, any Post-Petition Interest) and premium (if any) on all indebtedness under the Term Loan Agreement or any Term Loan DIP Financing by the Term Loan Lender, and (b) all guarantee obligations, indemnities, fees,

expenses and other amounts payable from time to time pursuant to the Term Loan Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any Term Loan Obligation (whether by or on behalf of any Loan Party, as Proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, the ABL Lender, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the ABL Lender and the Term Loan Lender, be deemed to be reinstated and outstanding as if such payment had not occurred.

“Term Loan Obligations Payment Date” means the first date on which (a) the Term Loan Obligations (other than those that constitute Unasserted Contingent Obligations) have been indefeasibly paid in cash in full, (b) all commitments to extend credit under the Term Loan Documents have been terminated, and (c) so long as the ABL Obligations Payment Date shall not have occurred, the Term Loan Lender has delivered a written notice to the ABL Lender stating that the events described in clauses (a) and (b) have occurred to the satisfaction of the Term Loan Lender.

“Term Loan Priority Collateral” means all Collateral consisting of the following:

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

provided, however, “Term Loan Priority Collateral” shall not include Proceeds from the disposition of any Term Loan Priority Collateral permitted by the Term Loan Agreement to the extent such Proceeds are not required to be applied to the mandatory prepayment of the Term Loan Obligations pursuant to the Term Loan Documents, unless such Proceeds arise from a disposition of Term Loan Priority Collateral resulting from Enforcement Action taken by the Term Loan Lender permitted by this Agreement.

“Term Loan Security Documents” means the “Security Documents” as defined in the Term Loan Agreement and any documents that are designated under the Term Loan Agreement as “Term Loan Security Documents” for purposes of this Agreement.

“Trade Secret Licenses” means any and all agreements granting any right in or to Trade Secrets (whether a Loan Party is licensee or licensor thereunder).

“Trade Secrets” means all trade secrets and all other confidential or proprietary information and know-how, whether or not reduced to a writing or other tangible form, now or hereafter in force, owned or used in, or contemplated at any time for use in, the business of any Loan Party, including with respect to any and all of the foregoing: (a) all documents and things embodying, incorporating, or referring in any way thereto, (b) all rights to sue for past, present and future infringement thereof, (c) all licenses, claims,

damages, and proceeds of suit arising therefrom, and (d) all payments and royalties and rights to payments and royalties arising out of the sale, lease, license, assignment, or other dispositions thereof.

“Trademark Licenses” means any and all agreements granting any right in or to Trademarks (whether a Loan Party is licensee or licensor thereunder).

“Trademarks” means all Canadian, United States, state and foreign trademarks, service marks, certification marks, collective marks, trade names, corporate names, d/b/as, business names, fictitious business names, Internet domain names, trade styles, logos, other source or business identifiers, designs and intangibles of a like nature, rights of publicity and privacy pertaining to the names, likeness, signature and biographical data of natural persons, now or hereafter in force, and, with respect to any and all of the foregoing: (a) all registrations and applications therefor, (b) the goodwill of the business symbolized thereby, (c) all rights corresponding thereto throughout the world, (d) all rights to sue for past, present and future infringement or dilution thereof or for any injury to goodwill, (e) all licenses, claims, damages, and proceeds of suit arising therefrom, and (f) all payments and royalties and rights to payments and royalties arising out of the sale, lease, license assignment or other disposition thereof.

“Unasserted Contingent Obligations” shall mean, at any time, ABL Obligations or Term Loan Obligations, as applicable, for taxes, costs, indemnifications, reimbursements, damages and other liabilities (excluding (a) the principal of, and interest and premium (if any) on, and fees and expenses relating to, any ABL Obligation or Term Loan Obligation, as applicable, and (b) with respect to ABL Obligations contingent reimbursement obligations in respect of amounts that may be drawn under outstanding letters of credit) in respect of which no assertion of liability (whether oral or written) and no claim or demand for payment (whether oral or written) has been made (and, in the case of ABL Obligations or Term Loan Obligations, as applicable, for indemnification, no notice for indemnification has been issued by the indemnitee) at such time.

“Uniform Commercial Code” shall mean the Uniform Commercial Code as in effect from time to time in the applicable jurisdiction.

1.3 Rules of Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 2. Lien Priority.

2.1 Lien Subordination. Notwithstanding the date, manner or order of grant, execution, delivery, attachment, registration or perfection of any Junior Lien in respect of any Collateral or of any Senior Lien in respect of any Collateral and notwithstanding any provision of the PPSA, the Uniform Commercial Code, any applicable law, any Security Document, any alleged or actual defect or deficiency

in any of the foregoing or any other circumstance whatsoever, each Junior Representative, on behalf of each Junior Secured Party, in respect of such Collateral hereby agrees that:

(a) any Senior Lien in respect of such Collateral, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be and shall remain senior and prior to any Junior Lien in respect of such Collateral (whether or not such Senior Lien is subordinated to any Lien securing any other obligation); and

(b) any Junior Lien in respect of such Collateral, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to any Senior Lien in respect of such Collateral.

2.2 Prohibition on Contesting Liens. In respect of any Collateral, each Junior Representative, on behalf of each Junior Secured Party, in respect of such Collateral agrees that it shall not, and hereby waives any right to:

(a) contest, or support any other Person in contesting, in any proceeding (including any Insolvency Proceeding), the priority, validity or enforceability of any Senior Lien on such Collateral; or

(b) demand, request, plead or otherwise assert or claim the benefit of any marshalling, appraisal, valuation or similar right which it may have in respect of such Collateral or the Senior Liens on such Collateral, except to the extent that such rights are expressly granted in this Agreement.

2.3 Nature of Obligations; Consent to ABL Obligations and ABL Liens. The Term Loan Lender acknowledges that the ABL Obligations (or a portion thereof) constitute debt that is revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently re-borrowed, and that the terms of the ABL Obligations may be modified, extended or amended from time to time, and that the aggregate amount of the ABL Obligations may be increased, replaced or refinanced, in each event, without notice to or consent by the Term Loan Lender and without affecting the provisions hereof. The ABL Lender acknowledges that Term Loan Obligations may be replaced or refinanced without notice to or consent by the ABL Lender and without affecting the provisions hereof. The Lien Priorities provided in Section 2.1 shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment, re-borrowing, increase, replacement, renewal, restatement or refinancing of either the ABL Obligations or the Term Loan Obligations, or any portion thereof. Notwithstanding the terms of any Term Loan Document, the Term Loan Lender hereby consents to the ABL Obligations and ABL Liens, and the Term Loan Lender acknowledges and agrees that, as of the date of this Agreement, the maximum principal amount of the ABL Obligations is \$20,000,000 and that, as of the date of this Agreement, such amount may at any time be increased to up to \$25,000,000 in accordance with the terms of the Existing ABL Agreement.

2.4 No New Liens.

(a) Until the ABL Obligations Payment Date, the Term Loan Lender shall not acquire or hold any Lien on any assets of any Loan Party securing any Term Loan Obligation which assets are not also subject to the Lien of the ABL Lender under the ABL Documents, subject to the Lien Priority set forth herein. If the Term Loan Lender shall (nonetheless and in breach hereof) acquire or hold any Lien on any assets of any Loan Party securing any Term Loan Obligation which assets are not also subject to the Lien of the ABL Lender under the ABL Documents, subject to the Lien Priority set forth herein, then the Term Loan Lender shall, notwithstanding anything to the contrary in any other Term Loan Document, be deemed to also hold and have held such lien for the benefit

of the ABL Lender as security for the ABL Obligations (subject to the Lien Priority and other terms hereof) and shall promptly notify the ABL Lender in writing of the existence of such Lien.

(b) Until the Term Loan Obligations Payment Date, the ABL Lender shall not acquire or hold any Lien on any assets of any Loan Party securing any ABL Obligation which assets are not also subject to the Lien of the Term Loan Lender under the Term Loan Documents, subject to the Lien Priority set forth herein. If the ABL Lender shall (nonetheless and in breach hereof) acquire or hold any Lien on any assets of any Loan Party securing any ABL Obligation which assets are not also subject to the Lien of the Term Loan Lender under the Term Loan Documents, subject to the Lien Priority set forth herein, then the ABL Lender shall, notwithstanding anything to the contrary in any other ABL Document be deemed to also hold and have held such lien for the benefit of the Term Loan Lender as security for the Term Loan Obligations (subject to the Lien Priority and other terms hereof) and shall promptly notify the Term Loan Lender in writing of the existence of such Lien.

2.5 Separate Grants of Security and Separate Classification. Each Secured Party acknowledges and agrees that (a) the grants of Liens pursuant to the ABL Security Documents and the Term Loan Security Documents constitute two separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Common Collateral, the Term Loan Obligations are fundamentally different from the ABL Obligations and they should be separately classified in any plan of reorganization proposed or adopted in an Insolvency Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the ABL Lender and the Term Loan Lender in respect of the Common Collateral constitute claims in the same class (rather than separate classes of senior and junior secured claims), then the ABL Lender and the Term Loan Lender hereby acknowledge and agree that all distributions shall be made as if there were separate classes of ABL Obligation claims and Term Loan Obligation claims against the Loan Parties (with the effect being that, to the extent that the aggregate value of the ABL Priority Collateral or Term Loan Priority Collateral is sufficient (for this purpose ignoring all claims held by the other Secured Parties), the ABL Lender or the Term Loan Lender, respectively, shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest that is available from each pool of Priority Collateral for each of the ABL Lender and the Term Loan Lender, respectively, before any distribution is made in respect of the claims held by the other Secured Parties, with the other Secured Parties hereby acknowledging and agreeing to turn over to the respective other Secured Parties amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the aggregate recoveries).

2.6 Agreements Regarding Actions to Perfect Liens.

Each of the ABL Lender and the Term Loan Lender hereby acknowledges that, to the extent that it holds, or a third party holds on its behalf, physical possession of or "control" (as defined in the Uniform Commercial Code or pursuant to the PPSA, as applicable) over Common Collateral pursuant to the ABL Security Documents or the Term Loan Security Documents, as applicable, such possession or control is also for the benefit of the Term Loan Lender or the ABL Lender, as applicable, solely to the extent required to perfect their security interest in such Common Collateral. Nothing in the preceding sentence shall be construed to impose any duty on the ABL Lender or the Term Loan Lender (or any third party acting on either such Person's behalf) with respect to such Common Collateral or provide the Term Loan Lender or the ABL Lender, as applicable, with any rights with respect to such Common Collateral beyond those specified in this Agreement, the ABL Security Documents and the Term Loan Security Documents, as applicable, provided that subsequent to the occurrence of the ABL Obligations Payment Date (so long as the Term Loan Obligations Payment Date shall not have occurred), the ABL Lender shall (i) deliver to the Term Loan Lender, at the Loan Parties' sole cost and expense, the Common Collateral in its possession or control together with any necessary endorsements to the extent required by the Term Loan Documents or (ii) direct and deliver such Common Collateral as a court of competent jurisdiction otherwise directs;

provided, further, that subsequent to the occurrence of the Term Loan Obligations Payment Date (so long as the ABL Obligations Payment Date shall not have occurred), the Term Loan Lender shall (A) deliver to the ABL Lender, at the Loan Parties' sole cost and expense, the Common Collateral in its possession or control together with any necessary endorsements to the extent required by the ABL Documents or (B) direct and deliver such Common Collateral as a court of competent jurisdiction otherwise directs. The provisions of this Agreement are intended solely to govern the respective Lien priorities as between the ABL Lender and the Term Loan Lender and shall not impose on the ABL Lender or the Term Loan Lender any obligations in respect of the disposition of any Common Collateral (or any proceeds thereof) that would conflict with prior perfected Liens or any claims thereon in favor of any other Person that is not a Secured Party.

SECTION 3. Enforcement Rights.

3.1 Exclusive Enforcement. Until the Senior Obligations Payment Date has occurred, whether or not an Insolvency Proceeding has been commenced by or against any Loan Party, the Senior Secured Parties shall have the exclusive right to take and continue any Enforcement Action (including the right to credit bid their debt) with respect to the Senior Collateral, without any consultation with or consent of any Junior Secured Party, but subject to the proviso set forth in Section 5.1. Upon the occurrence and during the continuance of a default or an event of default under any Senior Documents, each Senior Representative and the other Senior Secured Parties may take and continue any Enforcement Action with respect to their Senior Obligations and their Senior Collateral in such order and manner as they may determine in their sole discretion in accordance with the terms and conditions of such Senior Documents.

3.2 Standstill and Waivers. Each Junior Representative, on behalf of itself and the other Junior Secured Parties, as applicable, agrees that, until the Senior Obligations Payment Date has occurred, but subject to the proviso set forth in Section 5.1:

(a) they will not take or cause to be taken any action, the purpose or effect of which is to make any Lien on any Senior Collateral that secures any Junior Obligation pari passu with or senior to, or to give any Junior Secured Party any preference or priority relative to, the Liens on the Senior Collateral securing the Senior Obligations;

(b) they will not contest, oppose, object to, interfere with, hinder or delay, in any manner, whether by judicial proceedings (including without limitation the filing of an Insolvency Proceeding) or otherwise, any foreclosure, sale, lease, exchange, transfer or other disposition of the Senior Collateral by any Senior Secured Party or any other Enforcement Action taken (or any forbearance from taking any Enforcement Action) in respect of the Senior Collateral by or on behalf of any Senior Secured Party;

(c) they have no right to (i) direct either the Senior Representative or any other Senior Secured Party to exercise any right, remedy or power with respect to the Senior Collateral or pursuant to the Senior Security Documents in respect of the Senior Collateral or (ii) consent or object to the exercise by the Senior Representative or any other Senior Secured Party of any right, remedy or power with respect to the Senior Collateral or pursuant to the Senior Security Documents with respect to the Senior Collateral or to the timing or manner in which any such right is exercised or not exercised (or, to the extent they may have any such right described in this clause (c), whether as a junior lien creditor in respect of the Senior Collateral or otherwise, they hereby irrevocably waive such right);

(d) they will not institute any suit or other proceeding or assert in any suit, Insolvency Proceeding or other proceeding any claim against any Senior Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise, with respect to, and no Senior Secured Party shall be liable for, any action taken or omitted to be taken by any Senior

Secured Party with respect to the Senior Collateral or pursuant to the Senior Documents in respect of the Senior Collateral;

(e) they will not commence judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of any Senior Collateral, exercise any right, remedy or power with respect to, or otherwise take any action to enforce their interest in or realize upon, the Senior Collateral; and

(f) they will not seek, and hereby waive any right, to have the Senior Collateral or any part thereof marshaled upon any foreclosure or other disposition of the Senior Collateral.

3.3 Judgment Creditors. In the event that the Term Loan Lender becomes a judgment lien creditor in respect of Common Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment lien shall be subject to the terms of this Agreement for all purposes (including in relation to the ABL Liens and the ABL Obligations) to the same extent as all other Liens securing the Term Loan Obligations are subject to the terms of this Agreement. In the event that the ABL Lender becomes a judgment lien creditor in respect of Common Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment lien shall be subject to the terms of this Agreement for all purposes (including in relation to the Term Loan Liens and the Term Loan Obligations) to the same extent as all other Liens securing the ABL Obligations are subject to the terms of this Agreement.

3.4 Cooperation; Sharing of Information and Access.

(a) The Term Loan Lender agrees that it shall take such actions as the ABL Lender shall reasonably request in connection with the exercise by the ABL Lender of its rights set forth herein in respect of the ABL Priority Collateral. The ABL Lender agrees that it shall take such actions as the Term Loan Lender shall reasonably request in connection with the exercise by the Term Loan Lender of its rights set forth herein in respect of the Term Loan Priority Collateral..

(b) In the event that the ABL Lender shall, in the exercise of its rights under the ABL Security Documents or otherwise, receive possession or control of any books and records of any Loan Party which contain information identifying or pertaining to the Term Loan Priority Collateral, the ABL Lender shall promptly notify the Term Loan Lender of such fact and, upon request from the Term Loan Lender and as promptly as practicable thereafter, either make available to the Term Loan Lender such books and records for inspection and duplication or provide to the Term Loan Lender copies thereof. In the event that the Term Loan Lender shall, in the exercise of its rights under the Term Loan Security Documents or otherwise, receive possession or control of any books and records of any Loan Party which contain information identifying or pertaining to any of the ABL Priority Collateral, the Term Loan Lender shall promptly notify the ABL Lender of such fact and, upon request from the ABL Lender and as promptly as practicable thereafter, either make available to the ABL Lender such books and records for inspection and duplication or provide the ABL Lender copies thereof. The Term Loan Lender hereby irrevocably grants the ABL Lender a non-exclusive worldwide license or right to use, to the maximum extent permitted by applicable law and to the extent of the Term Loan Lender's interest therein, exercisable without payment of royalty or other compensation, to use any of the Intellectual Property now or hereafter owned by, licensed to, or otherwise used by the Loan Parties in order for the ABL Lender to purchase, use, market, repossess, possess, store, assemble, manufacture, process, sell, transfer, distribute or otherwise dispose of any asset included in the ABL Priority Collateral in connection with the liquidation, disposition or realization upon the ABL Priority Collateral in accordance with the terms and conditions of the ABL Security Documents and the other ABL Documents. The Term Loan Lender agrees that any sale, transfer or other disposition of any of the Loan Parties' Intellectual Property

(whether by foreclosure or otherwise) will be subject to the ABL Lender's rights as set forth in this Section 3.4.

(c) If the Term Loan Lender, or any agent or representative of the Term Loan Lender, or any receiver, shall, after the commencement of any Enforcement Action, obtain possession or physical control of any of the Term Loan Priority Collateral, the Term Loan Lender shall promptly notify the ABL Lender in writing of that fact, and the ABL Lender shall, within ten (10) Business Days thereafter, notify the Term Loan Lender in writing as to whether the ABL Lender desires to exercise access rights under this Agreement. In addition, if the ABL Lender, or any agent or representative of the ABL Lender, or any receiver, shall obtain possession or physical control of any of the ABL Priority Collateral in connection with an Enforcement Action, then the ABL Lender shall promptly notify the Term Loan Lender that the ABL Lender is exercising its access rights under this Agreement and its rights under Section 3.4 under either circumstance. Upon delivery of such notice by the ABL Lender to the Term Loan Lender, the parties shall confer in good faith to coordinate with respect to the ABL Lender's exercise of such access rights, with such access rights to apply to any parcel or item of Term Loan Priority Collateral access to which is reasonably necessary to enable the ABL Lender during normal business hours to convert ABL Priority Collateral consisting of raw materials and work-in-process into saleable finished goods and/or to transport such ABL Priority Collateral to a point where such conversion can occur, to otherwise prepare ABL Priority Collateral for sale and/or to arrange or effect the sale of ABL Priority Collateral, all in accordance with the manner in which such matters are completed in the ordinary course of business. Consistent with the definition of "Access Period", access rights will apply to differing parcels or items of Term Loan Priority Collateral at differing times, in which case, a differing Access Period will apply to each such parcel or items. During any pertinent Access Period, the ABL Lender and its agents, representatives and designees shall have an irrevocable, non-exclusive right to have access to, and a rent-free right to use, any relevant parcel or item of the Term Loan Priority Collateral for the purposes described above, provided the ABL Lender or its agents, representatives or designees pays on a per diem basis all direct expenses arising from the use or occupation by the ABL Lender of any Term Loan Priority Collateral including, but not limited to, costs with respect to property insurance (on a full replacement value basis), security, heat, light, electricity, water and real property taxes with respect to any building so used or occupied and payroll and related expenses for employees whose services are required for such use of such Term Loan Priority Collateral. The ABL Lender shall take proper and reasonable care under the circumstances of any Term Loan Priority Collateral that is used by the ABL Lender during the Access Period and repair and replace any damage (ordinary wear-and-tear excepted) caused by the ABL Lender or its agents, representatives or designees and the ABL Lender shall comply with all applicable laws in all material respects in connection with its use or occupancy or possession of the ABL Priority Collateral. The ABL Lender shall indemnify and hold harmless the Term Loan Lender for any injury or damage to Persons or property (ordinary wear-and-tear excepted) caused by the acts or omissions of Persons under its control; provided, however, that the ABL Lender will not be liable for any diminution in the value of Term Loan Priority Collateral caused by the absence of the ABL Priority Collateral therefrom. The ABL Lender and the Term Loan Lender shall cooperate and use reasonable efforts to ensure that their activities during the Access Period as described above do not interfere materially with the activities of the other as described above, including the right of Term Loan Lender to show the Term Loan Priority Collateral to prospective purchasers and to ready the Term Loan Priority Collateral for sale. Consistent with the definition of the term "Access Period", if any order or injunction is issued or stay is granted or is otherwise effective by operation of law that prohibits the ABL Lender from exercising any of its rights hereunder, then the Access Period granted to the ABL Lender under this Section 3.4 shall be stayed during the period of such prohibition and shall continue thereafter for the number of days remaining as required under this Section 3.4. The Term Loan Lender shall not foreclose or otherwise sell, remove or dispose of any of the Term Loan Priority Collateral during the Access Period with respect to such Collateral if such

Collateral is reasonably necessary to enable the ABL Lender to convert, transport or arrange to sell the ABL Priority Collateral as described above.

3.5 No Additional Rights For the Loan Parties Hereunder. Except as provided in Section 3.6 hereof, if the ABL Lender or the Term Loan Lender shall enforce its rights or remedies in violation of the terms of this Agreement, no Loan Party shall be entitled to use such violation as a defense to any action by the ABL Lender or the Term Loan Lender, as the case may be, nor to assert such violation as a counterclaim or basis for set off or recoupment the ABL Lender or the Term Loan Lender.

3.6 Actions Upon Breach.

(a) If the ABL Lender or the Term Loan Lender, contrary to this Agreement, commences or participates in any action or proceeding against any Loan Party or the Common Collateral, such Loan Party, with the prior written consent of the ABL Lender or the Term Loan Lender, as applicable, may interpose as a defense or dilatory plea the making of this Agreement, and the ABL Lender or the Term Loan Lender, as applicable, may intervene and interpose such defense or plea in its or their name or in the name of such Loan Party.

(b) Should the ABL Lender or the Term Loan Lender, contrary to this Agreement, in any way take, attempt to or threaten to take any action with respect to the Common Collateral (including, without limitation, any attempt to realize upon or enforce any remedy with respect to this Agreement), or fail to take any action required by this Agreement, the ABL Lender or the Term Loan Lender (in its own name or in the name of the relevant Loan Party), as applicable, or the relevant Loan Party, may obtain relief against the ABL Lender or the Term Loan Lender, as applicable, by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by each of the ABL Lender and the Term Loan Lender that (i) the damages suffered by the ABL Lender or the Term Loan Lender, as applicable, from such actions may at that time be difficult to ascertain and may be irreparable, and (ii) the ABL Lender or the Term Loan Lender, as applicable, waives any defense that the Loan Parties and/or the Term Loan Lender and/or ABL Lender, as applicable, cannot demonstrate damage and/or be made whole by the awarding of damages.

SECTION 4. Application of Proceeds of Senior Collateral; Dispositions and Releases of Lien; Notices and Insurance.

4.1 Application of Proceeds.

(a) Application of Proceeds of Senior Collateral. The Senior Representative and Junior Representative hereby agree that all Senior Collateral, and all Proceeds thereof, received by either of them in connection with the collection, sale or disposition of Senior Collateral shall be applied,

(i) first, to the payment of costs (and expenses (including reasonable attorneys' fees and expenses and court costs) of the Senior Representative in connection with such Enforcement Action,

(ii) second, to the payment of the Senior Obligations in accordance with the Senior Documents until the Senior Obligations Payment Date,

(iii) third, to the payment of the Junior Obligations in accordance with the terms thereof, and

(iv) fourth, the balance, if any, to the Loan Parties or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

(b) Limited Obligation or Liability. In exercising remedies, whether as a secured creditor or otherwise, the Senior Representative shall have no obligation or liability to the Junior Representative or to any Junior Secured Party, as applicable, regarding the adequacy of any Proceeds or for any action or omission, save and except solely for an action or omission that breaches the express obligations undertaken by each party under the terms of this Agreement.

(c) Segregation of Collateral. Until the occurrence of the Senior Obligations Payment Date, any Senior Collateral that may be received by any Junior Secured Party, whether or not in violation of this Agreement, shall be segregated and held in trust and promptly paid over to the Senior Representative, for the benefit of the Senior Secured Parties, in the same form as received, with any necessary endorsements, and each Junior Secured Party hereby authorizes the Senior Representative to make any such endorsements as agent for the Junior Representative (which authorization, being coupled with an interest, is irrevocable).

4.2 Releases of Liens. Upon any release, sale or disposition of Senior Collateral permitted pursuant to the terms of the Senior Documents that results in the release of the Senior Lien on any Senior Collateral (including without limitation any sale or other disposition pursuant to any Enforcement Action) (other than a release of the Senior Lien due to the occurrence of the Senior Obligations Payment Date), the Junior Lien on such Senior Collateral (excluding any portion of the proceeds of such Senior Collateral remaining after the Senior Obligations Payment Date occurs) shall be automatically and unconditionally released with no further consent or action of any Person. The Junior Representative shall promptly execute and deliver such release documents and instruments and shall take such further actions as the Senior Representative shall reasonably request to evidence any release of the Junior Lien described in this Section 4.2. The Junior Representative hereby appoints the Senior Representative and any officer or duly authorized person of the Senior Representative, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney in the place and stead of the Junior Representative and in the name of the Junior Representative or in the Senior Representative's own name, from time to time, in the Senior Representative's sole discretion, for the purposes of carrying out the terms of this Section 4.2, to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of this Section 4.2, including, without limitation, any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

4.3 Certain Real Property Notices; Insurance.

(a) [Intentionally deleted.]

(b) The Term Loan Lender shall give the ABL Lender at least ten (10) days written notice prior to commencing any Enforcement Action against any Real Property owned by any Loan Party at which ABL Priority Collateral is stored or otherwise located or to dispossess any Loan Party from such Real Property.

(c) Proceeds of Common Collateral include any insurance proceeds thereof, and therefore the Lien Priority shall govern the ultimate disposition of casualty insurance proceeds. The ABL Lender shall be named as additional insured or loss payee, as applicable, with respect to all insurance policies relating to ABL Priority Collateral and the Term Loan Lender shall be named as additional insured or loss payee, as applicable, with respect to all insurance policies relating to Term Loan Priority Collateral. The ABL Lender shall have the sole and exclusive right, as against the Term Loan Lender, to adjust settlement of insurance claims in the event of any covered loss, theft or destruction of ABL Priority Collateral. The Term Loan Lender shall have the sole and

exclusive right, as against the ABL Lender, to adjust settlement of insurance claims in the event of any covered loss, theft or destruction of Term Loan Priority Collateral. All proceeds of such insurance shall be remitted to the ABL Lender or the Term Loan Lender, as the case may be, and each of the Term Loan Lender and ABL Lender shall cooperate (if necessary) in a reasonable manner in effecting the payment of insurance proceeds in accordance with Section 4.1.

SECTION 5. Insolvency Proceedings.

5.1 Filing of Motions. Until the Senior Obligations Payment Date has occurred, each Junior Representative agrees on behalf of itself and the other Junior Secured Parties, as applicable, that no Junior Secured Party shall, in or in connection with any Insolvency Proceeding, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever, in each case in respect of any of the Senior Collateral, including, without limitation, with respect to the determination of any Liens or claims held by the Senior Representative (including the validity and enforceability thereof) or any other Senior Secured Party, as applicable, in respect of any Senior Collateral or the value of any claims of such parties under Insolvency Law or otherwise; provided that the Junior Representative may (a) file a proof of claim in an Insolvency Proceeding, and (b) file any necessary responsive or defensive pleadings in opposition to any motion or other pleadings made by any Person objecting to or otherwise seeking the disallowance of all of any part of the claims of the Junior Secured Parties on the Senior Collateral, subject to the limitations contained in this Agreement and only if consistent with the terms and the limitations on the Junior Representative imposed hereby.

5.2 Financing Matters.

(a) If any Loan Party becomes subject to any Insolvency Proceeding in Canada or the United States at any time prior to the ABL Obligations Payment Date, and if the ABL Lender desires to consent (or not object) to the use of cash collateral under Insolvency Law or to provide financing to any Loan Party under Insolvency Law or to consent (or not object) to the provision of such financing to any Loan Party by any third party (any such financing, "ABL DIP Financing"), then the Term Loan Lender agrees that, so long as such ABL DIP Financing does not expressly or indirectly require, support, or permit the use of cash collateral Proceeds of the Term Loan Priority Collateral without the consent of the Term Loan Lender, it (i) will be deemed to have consented to, will raise no objection to, nor support any other Person objecting to, the use of such cash collateral or to such ABL DIP Financing on the grounds of a failure to provide "adequate protection" for the Term Loan Lender's Lien on the Term Loan Collateral to secure the Term Loan Obligations or on any other grounds (and will not request any adequate protection solely as a result of such ABL DIP Financing) and (ii) will subordinate (and will be deemed hereunder to have subordinated) the Term Loan Liens on any ABL Priority Collateral to (A) such ABL DIP Financing on the same terms as the ABL Liens are subordinated thereto (and such subordination will not alter in any manner the terms of this Agreement), (B) any adequate protection provided to the ABL Lender and (C) any "carve-out" agreed to by the ABL Lender, so long as (x) the Term Loan Lender retains its Lien on the Term Loan Collateral to secure the Term Loan Obligations (in each case, including Proceeds thereof arising after the commencement of the case under Insolvency Law) and, as to the Term Loan Priority Collateral only, such Lien has the same priority as existed prior to the commencement of the case under Insolvency Law and any Lien securing such ABL DIP Financing is junior and subordinate to the Lien of the Term Loan Lender on the Term Loan Priority Collateral, (y) all Liens on ABL Priority Collateral securing any such ABL DIP Financing shall be senior to or on a parity with the Liens of the ABL Lender securing the ABL Obligations on ABL Priority Collateral and (z) if the ABL Lender receives a replacement or adequate protection Lien on post-petition assets of the debtor to secure the ABL Obligations, and such replacement or adequate protection Lien is on any of the Term Loan Priority Collateral, (1) such replacement or adequate protection Lien on such post-petition assets which are part of the Term Loan Priority Collateral (the "Term Post-Petition Assets") is junior and subordinate to the Lien in favor of the Term Loan Lender on the Term Loan

Priority Collateral, and (2) the Term Loan Lender also receives a replacement or adequate protection Lien on such Term Post-Petition Assets of the Loan Party to secure the Term Loan Obligations. In no event will the ABL Lender seek to obtain a priming Lien on any of the Term Loan Priority Collateral and nothing contained herein shall be deemed to be a consent by Term Loan Lender to any adequate protection payments using Term Loan Priority Collateral. In no event shall the ABL Lender be entitled to or seek adequate protection payment from Proceeds of Term Loan Priority Collateral or otherwise take any action inconsistent with the terms of this Agreement.

(b) If any Loan Party becomes subject to any Insolvency Proceeding in Canada or the United States at any time prior to the Term Loan Obligations Payment Date, and if the Term Loan Lender desires to consent (or not object) or to provide financing to any Loan Party under Insolvency Law or to consent (or not object) to the provision of such financing to any Loan Party by any third party (any such financing, "Term Loan DIP Financing"), then the ABL Lender agrees that, so long as such Term DIP Financing does not expressly or indirectly require, support, or permit the use of cash collateral Proceeds of the ABL Priority Collateral without the consent of the ABL Lender, it (i) will be deemed to have consented to, will raise no objection to, nor support any other Person objecting to, such Term Loan DIP Financing on the grounds of a failure to provide "adequate protection" for the ABL Lender's Lien on the ABL Collateral to secure the ABL Obligations or on any other grounds (and will not request any adequate protection solely as a result of such Term Loan DIP Financing) and (ii) will subordinate (and will be deemed hereunder to have subordinated) the ABL Liens on any Term Loan Priority Collateral to (A) such Term Loan DIP Financing on the same terms as the Term Loan Liens are subordinated thereto (and such subordination will not alter in any manner the terms of this Agreement), (B) any adequate protection provided to the Term Loan Lender and (C) any "carve-out" agreed to by the Term Loan Lender, so long as (x) the ABL Lender retains its Lien on the ABL Collateral to secure the ABL Obligations (in each case, including Proceeds thereof arising after the commencement of the case under Insolvency Law) and, as to the ABL Priority Collateral only, such Lien has the same priority as existed prior to the commencement of the case under Insolvency Law and any Lien securing such Term Loan DIP Financing is junior and subordinate to the Lien of the ABL Lender on the ABL Priority Collateral, (y) all Liens on Term Loan Priority Collateral securing any such Term Loan DIP Financing shall be senior to or on a parity with the Liens of the Term Loan Lender securing the Term Loan Obligations on Term Loan Priority Collateral and (z) if the Term Loan Lender receives a replacement or adequate protection Lien on post-petition assets of the debtor to secure the Term Loan Obligations, and such replacement or adequate protection Lien is on any of the ABL Priority Collateral, (1) such replacement or adequate protection Lien on such post-petition assets which are part of the ABL Priority Collateral (the "ABL Post-Petition Assets") is junior and subordinate to the Lien in favor of the ABL Lender on the ABL Priority Collateral, and (2) the ABL Lender also receives a replacement or adequate protection Lien on such ABL Post-Petition Assets of the Loan Party to secure the ABL Obligations. In no event will the Term Loan Lender seek to obtain a priming Lien on any of the ABL Priority Collateral, and nothing contained herein shall be deemed to be a consent by the ABL Lender to any adequate protection payments using ABL Priority Collateral. In no event shall the Term Loan Lender be entitled to or seek adequate protection payment from Proceeds of ABL Priority Collateral or otherwise take any action inconsistent with the terms of this Agreement.

(c) In no event shall the ABL Lender propose or otherwise provide (except as permitted by Section 5.2(a) above), or support or consent to a third party other than the Term Loan Lender (subject to the terms of this Agreement) providing, DIP Financing to any Loan Party without the prior written consent of the Term Loan Lender. In no event shall the Term Loan Lender propose or otherwise provide (except as permitted by Section 5.2(b) above), or support or consent to a third party other than the ABL Lender (subject to the terms of this Agreement) providing, DIP Financing to any Loan Party without the prior written consent of the ABL Lender.

(d) All Liens granted to the Term Loan Lender or the ABL Lender in any Insolvency Proceeding, whether as adequate protection or otherwise, are intended to be and shall be deemed to be subject to the Lien Priority and the other terms and conditions of this Agreement.

5.3 Relief From the Automatic Stay. Until the ABL Obligations Payment Date, the Term Loan Lender agrees that it will not seek relief from the automatic stay or from any other stay in any Insolvency Proceeding or take any action in derogation thereof, in each case in respect of any ABL Priority Collateral, without the prior written consent of the ABL Lender. Until the Term Loan Obligations Payment Date, the ABL Lender agrees that it will not seek relief from the automatic stay or from any other stay in any Insolvency Proceeding or take any action in derogation thereof, in each case in respect of any Term Loan Priority Collateral, without the prior written consent of the Term Loan Lender. In addition, neither the Term Loan Lender nor the ABL Lender shall seek any relief from the automatic stay with respect to any Common Collateral without providing thirty (30) days' prior written notice to the other, unless otherwise agreed by both the ABL Lender and the Term Loan Lender.

5.4 No Contest. Each Junior Representative, on behalf of itself and the Junior Secured Parties, as applicable, agrees that, prior to the Senior Obligations Payment Date, none of them shall contest (or support any other Person contesting) (a) any request by the Senior Representative or any Senior Secured Party, as applicable, for adequate protection of its interest in the Senior Collateral (unless in contravention of Section 5.2(a) or (b), as applicable), or (b) any motion, relief, action, or proceeding based on a claim by the Senior Representative or any Senior Secured Party, as applicable, that its interests in the Senior Collateral (unless in contravention of Section 5.2 (a) or (b), as applicable) are not adequately protected (or any other similar request under any law applicable to an Insolvency Proceeding), so long as any Liens granted to the Senior Representative as adequate protection of its interests are subject to the Lien Priority in this Agreement.

5.5 Avoidance Issues. If any Senior Secured Party is required in any Insolvency Proceeding or otherwise to disgorge, turn over or otherwise pay to the estate of any Loan Party, because such amount was avoided or ordered to be paid or disgorged for any reason, including without limitation because it was found to be a fraudulent or preferential transfer or a transfer at undervalue, any amount (a "Recovery"), whether received as proceeds of security, enforcement of any right of set-off or otherwise, then the Senior Obligations shall be reinstated to the extent of such Recovery and shall be deemed to be outstanding as if such payment had not occurred, and any applicable Senior Obligations Payment Date shall be deemed not to have occurred. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto.

5.6 Asset Dispositions in an Insolvency Proceeding. Neither the Junior Representative nor any other Junior Secured Party, as applicable, shall, in an Insolvency Proceeding or otherwise, oppose any sale or disposition of any Senior Collateral that is supported by the applicable Senior Secured Parties, and the Junior Representative and each other Junior Secured Party, as applicable, will be deemed to have consented under Insolvency Law (and otherwise) to any sale of any Senior Collateral supported by the applicable Senior Secured Parties and to have released their Liens on such assets; provided that this Section 5.6 shall not apply to any case of a sale or disposition of Real Property unless the ABL Lender has received at least ninety (90) days prior notice of the consummation of any such sale.

5.7 Other Matters. To the extent that the Senior Representative or any Senior Secured Party, as applicable, has or acquires rights under any Insolvency Law with respect to any of the Junior Collateral, the Senior Representative agrees, on behalf of itself and the other Senior Secured Parties, as applicable, not to assert any of such rights without the prior written consent of the Junior Representative; provided that if requested by the Junior Representative, the Senior Representative shall timely exercise such rights in the manner requested by the Junior Representative, including any rights to payments in respect of such rights.

5.8 Effectiveness in Insolvency Proceedings. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under any Insolvency Law (including under section 510(a) of the Bankruptcy Code), shall be effective before, during and after the commencement of an Insolvency Proceeding.

SECTION 6. Term Loan Documents and ABL Documents.

(a) Each Loan Party and the Term Loan Lender agree that they shall not at any time execute or deliver any amendment or other modification to any of the Term Loan Documents inconsistent with or in violation of this Agreement.

(b) Each Loan Party and the ABL Lender agree that they shall not at any time execute or deliver any amendment or other modification to any of the ABL Documents inconsistent with or in violation of this Agreement.

(c) The ABL Lender, the Term Loan Lender and each of the Loan Parties agree that, in the event any Senior Representative enters into any amendment, waiver or consent in respect of any of their Senior Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any Senior Security Document or changing in any manner the rights of any parties thereunder, in each case solely with respect to any Senior Collateral, then such amendment, waiver or consent shall apply automatically to any comparable provision of the comparable Junior Security Document without the consent of or action by any Junior Secured Party (with all such amendments, waivers and modifications subject to the terms hereof); provided that, (i) no such amendment, waiver or consent shall have the effect of removing assets subject to the Lien of any Junior Security Document, except to the extent that a release of such Lien is permitted by Section 4.2, (ii) any such amendment, waiver or consent that materially and adversely affects the rights of the Junior Secured Parties and does not affect the Senior Secured Parties in a like or similar manner shall not apply to the Junior Security Documents without the consent of the Junior Representative, (iii) no such amendment, waiver or consent with respect to any provision applicable to the Junior Representative under the Junior Loan Documents shall be made without the prior written consent of the Junior Representative and (iv) notice of such amendment, waiver or consent shall be given to the Junior Representative no later than thirty (30) days after its effectiveness, provided that the failure to give such notice shall not affect the effectiveness and validity thereof. The ABL Lender, the Term Loan Lender and each of the Loan Parties further acknowledge and agree that, should either Senior Representative enter into any document with the Loan Parties to either shorten or extend the term of the respective Senior Security Documents, the term of the Junior Security Documents shall be shortened or extended in the same fashion, provided that (A) in no event shall the term of the ABL Obligations be extended beyond three (3) years from the date hereof, and (B) the term of the ABL Obligations shall always expire at least 90 days before term of the Term Loan Obligations expire.

SECTION 7. Purchase Options.

7.1 Notice of Exercise.

(a) Upon the occurrence and during the continuance of an "Event of Default" under the ABL Documents and the issuance of an Enforcement Notice, if such Event of Default remains uncured or unwaived for at least thirty (30) consecutive days and the ABL Lender has not agreed to forbear from the exercise of remedies, the Term Loan Lender shall have the option at any time upon five (5) Business Days' prior written notice to the ABL Lender to purchase all of the ABL Obligations from the ABL Lender. Such notice from such Term Loan Lender to the ABL Lender shall be irrevocable.

(b) Upon the occurrence and during the continuance of an "Event of Default" under the Term Loan Documents and the issuance of an Enforcement Notice, if such Event of Default remains uncured or unwaived for at least thirty (30) consecutive days and the Term Loan Lender has not agreed to forbear from the exercise of remedies, the ABL Lender shall have the option at any time upon five (5) Business Days' prior written notice to the Term Loan Lender to purchase all of the Term Loan Obligations from the Term Loan Lender. Such notice from the ABL Lender to the Term Loan Lender shall be irrevocable.

7.2 Purchase and Sale.

(a) On the date specified by the Term Loan Lender in the notice contemplated by Section 7.1(a) above (which shall not be less than five (5) Business Days, nor more than twenty (20) calendar days, after the receipt by the ABL Lender of the notice of the Term Loan Lender's election to exercise such option), the ABL Lender shall sell to the Term Loan Lender, and the Term Loan Lender shall purchase from the ABL Lender, the ABL Obligations, provided that, the ABL Lender shall retain all rights to be indemnified or held harmless by the Loan Parties in accordance with the terms of the ABL Documents but shall not retain any rights to the security therefor.

(b) On the date specified by the ABL Lender in the notice contemplated by Section 7.1(b) above (which shall not be less than five (5) Business Days, nor more than twenty (20) calendar days, after the receipt by the Term Loan Lender of the notice of the ABL Lender's election to exercise such option), the Term Loan Lender shall sell to the ABL Lender, and the ABL Lender shall purchase from the Term Loan Lender, the Term Loan Obligations, provided that, the Term Loan Lender shall retain all rights to be indemnified or held harmless by the Loan Parties in accordance with the terms of the Term Loan Documents but shall not retain any rights to the security therefor.

7.3 Payment of Purchase Price. Upon the date of such purchase and sale, the Term Loan Lender or the ABL Lender, as applicable, shall (a) pay to the ABL Lender (with respect to a purchase of the ABL Obligations) or to the Term Loan Lender (with respect to a purchase of the Term Loan Obligations) as the purchase price therefor the full amount of all the ABL Obligations or Term Loan Obligations, as applicable, then outstanding and unpaid (including principal, interest, fees and expenses, including reasonable attorneys' fees and legal expenses but specifically excluding any prepayment premium, termination or similar fees), (b) with respect to a purchase of the ABL Obligations, furnish cash collateral to the ABL Lender in a manner and in such amounts as the ABL Lender determines is reasonably necessary to secure the ABL Lender, letter of credit issuing banks and applicable affiliates in connection with any issued and outstanding letters of credit, hedging obligations and cash management obligations secured by the ABL Documents, (c) with respect to a purchase of the ABL Obligations, agree to reimburse the ABL Lender and letter of credit issuing banks for any loss, cost, damage or expense (including reasonable attorneys' fees and legal expenses) in connection with any commissions, fees, costs or expenses related to any issued and outstanding letters of credit as described above and any checks or other payments provisionally credited to the ABL Obligations, and/or as to which the ABL Lender has not yet received final payment, (d) agree to reimburse the ABL Lender or the Term Loan Lender, as applicable, and with respect to a purchase of the ABL Obligations letter of credit issuing banks, in respect of indemnification obligations of the Loan Parties under the ABL Documents or the Term Loan Documents, as applicable, as to matters or circumstances known to the ABL Lender or the Term Loan Lender, as applicable, at the time of the purchase and sale which would reasonably be expected to result in any loss, cost, damage or expense (including reasonable attorneys' fees and legal expenses) to the ABL Lender, the Term Loan Lender or letter of credit issuing banks, as applicable, and (e) agree to indemnify and hold harmless the ABL Lender or the Term Loan Lender, as applicable, and with respect to a purchase of the ABL Obligations letter of credit issuing banks, from and against any loss, liability, claim, damage or expense (including reasonable fees and expenses of legal counsel) arising out of any claim asserted by a third party in respect of the ABL Obligations or the Term Loan Obligations, as applicable, as a direct result of any acts by the Term Loan

Lender or the ABL Lender, as applicable, occurring after the date of such purchase. Such purchase price and cash collateral shall be remitted by wire transfer in immediately available funds to such bank account as the ABL Lender or the Term Loan Lender, as applicable, may designate in writing for such purpose.

7.4 Limitation on Representations and Warranties. Such purchase shall be expressly made without representation or warranty of any kind by any selling party (or the ABL Lender or the Term Loan Lender) and without recourse of any kind, except that the selling party shall represent and warrant: (a) the amount of the ABL Obligations or Term Loan Obligations, as applicable, being purchased from it, (b) that the ABL Lender or the Term Loan Lender, as applicable, owns the ABL Obligations or Term Loan Obligations, as applicable, free and clear of any Liens or encumbrances and (c) that the ABL Lender or the Term Loan Lender, as applicable, has the right to assign such ABL Obligations or Term Loan Obligations, as applicable, and the assignment is duly authorized.

SECTION 8. Reliance; Waivers; etc.

8.1 Reliance. The ABL Documents are deemed to have been executed and delivered, and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. The Term Loan Lender expressly waives all notice of the acceptance of and reliance on this Agreement by the ABL Lender. The Term Loan Documents are deemed to have been executed and delivered and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. The ABL Lender expressly waives all notices of the acceptance of and reliance on this Agreement by the Term Loan Lender.

8.2 No Warranties or Liability. The Term Loan Lender and the ABL Lender acknowledge and agree that neither has made any representation or warranty with respect to the execution, validity, legality, completeness, collectibility or enforceability of any other ABL Document or any Term Loan Document. Except as otherwise provided in this Agreement, the Term Loan Lender and the ABL Lender will be entitled to manage and supervise the respective extensions of credit to any Loan Party in accordance with law and their usual practices, modified from time to time as they deem appropriate.

8.3 No Waivers. No right or benefit of any party hereunder shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of such party or any other party hereto or by any noncompliance by any Loan Party with the terms and conditions of any of the ABL Documents or the Term Loan Documents.

SECTION 9. Obligations Unconditional. All rights, interests, agreements and obligations hereunder of the Senior Representative and the Senior Secured Parties, as applicable, in respect of any Collateral, and of the Junior Representative and the Junior Secured Parties, as applicable, in respect of such Collateral, shall remain in full force and effect regardless of:

(a) any lack of validity or enforceability of any Senior Document or any Junior Document and regardless of whether the Liens of the Senior Representative and any Senior Secured Parties, as applicable, are not perfected or are voidable for any reason;

(b) any change in the time, manner or place of payment of, or in any other terms of, all or any of the Senior Obligations or Junior Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any Senior Document or any Junior Document;

(c) any exchange, release or lack of perfection of any Lien on any Collateral or any other asset, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the Senior Obligations or Junior Obligations or any guarantee thereof;

- (d) the commencement of any Insolvency Proceeding in respect of any Loan Party; or
- (e) any other circumstances which otherwise might constitute a defense available to, or a discharge of, any Loan Party in respect of any Secured Obligation or of any Junior Secured Party in respect of this Agreement.

SECTION 10. Miscellaneous.

10.1 Rights of Subrogation. The Term Loan Lender agrees that no payment to the ABL Lender pursuant to the provisions of this Agreement shall entitle the Term Loan Lender to exercise any rights of subrogation in respect thereof until the ABL Obligations Payment Date. Following the ABL Obligations Payment Date, the ABL Lender agrees to execute such documents, agreements, and instruments as the Term Loan Lender may reasonably request to evidence the transfer by subrogation to any such Person of an interest in the ABL Obligations resulting from payments to the ABL Lender by such Person, so long as all costs and expenses (including all reasonable legal fees and disbursements) incurred in connection therewith by the ABL Lender are paid by such Person upon request for payment thereof. The ABL Lender agrees that no payment to the Term Loan Lender pursuant to the provisions of this Agreement shall entitle the ABL Lender to exercise any rights of subrogation in respect thereof until the Term Loan Obligations Payment Date. Following the Term Loan Obligations Payment Date, the Term Loan Lender agrees to execute such documents, agreements, and instruments as the ABL Lender may reasonably request to evidence the transfer by subrogation to any such Person of an interest in the Term Loan Obligations resulting from payments to the Term Loan Lender by such Person, so long as all costs and expenses (including all reasonable legal fees and disbursements) incurred in connection therewith by the Term Loan Lender are paid by such Person upon request for payment thereof.

10.2 Further Assurances. Each of the Term Loan Lender and the ABL Lender will, at their own expense and at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the other party may reasonably request, in order to protect any right or interest granted or purported to be granted hereby or to enable the ABL Lender or the Term Loan Lender to exercise and enforce its rights and remedies hereunder; provided, however, that no party shall be required to pay over any payment or distribution, execute any instruments or documents, or take any other action referred to in this Section 10.2, to the extent that such action would contravene any law, order, statute, regulation or other legal requirement or any of the terms or provisions of this Agreement, and in the event of a controversy or dispute, such party may interplead any payment or distribution in any court of competent jurisdiction, without further responsibility in respect of such payment or distribution under this Section 10.2.

10.3 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of any ABL Document or any Term Loan Document, the provisions of this Agreement shall govern.

10.4 Continuing Nature of Provisions. Subject to Section 5.5, this Agreement shall continue to be effective, and shall not be revocable by any party hereto, until the earlier of (a) the ABL Obligations Payment Date and (b) the Term Loan Obligations Payment Date. This is a continuing agreement and the ABL Lender and the Term Loan Lender may continue, at any time and without notice to the other parties hereto, to extend credit and other financial accommodations, lend monies and provide indebtedness to, or for the benefit of, any Loan Party on the faith hereof.

10.5 Amendments; Waivers.

- (a) No amendment or modification of any of the provisions of this Agreement shall be effective unless the same shall be in writing and signed by the ABL Lender and the Term Loan

Lender, and, in the case of amendments or modifications of Sections 3.5, 3.6, 10.7 or 10.8 that directly affect the rights or duties of any Loan Party, such Loan Party.

(b) It is understood that the ABL Lender and the Term Loan Lender, may in their discretion determine that a supplemental agreement (which may take the form of an amendment and restatement of this Agreement) is necessary or appropriate to facilitate having additional indebtedness or other obligations (“Additional Debt”) of any of the Loan Parties become ABL Obligations or Term Loan Obligations, as the case may be, under this Agreement, which supplemental agreement shall specify whether such Additional Debt constitutes ABL Obligations or Term Loan Obligations, provided, that such Additional Debt is permitted to be incurred by the ABL Agreement and Term Loan Agreement then extant, and is permitted by said Agreements to be subject to the provisions of this Agreement as ABL Obligations or Term Loan Obligations, as applicable.

10.6 Information Concerning Financial Condition of the Loan Parties. Each of the Term Loan Lender and the ABL Lender hereby assume responsibility for keeping itself informed of the financial condition of the Loan Parties and all other circumstances bearing upon the risk of nonpayment of the ABL Obligations or the Term Loan Obligations. The Term Loan Lender and the ABL Lender hereby agree that no party shall have any duty to advise any other party of information known to it regarding such condition or any such circumstances (except as otherwise provided in the ABL Documents and Term Loan Documents). In the event the Term Loan Lender or the ABL Lender, in its sole discretion, undertakes at any time or from time to time to provide any information to any other party to this Agreement, it shall be under no obligation to (a) provide any such information to such other party or any other party on any subsequent occasion, (b) undertake any investigation not a part of its regular business routine, or (c) disclose any other information.

10.7 Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN, EXCEPT AS OTHERWISE REQUIRED BY MANDATORY PROVISIONS OF LAW AND EXCEPT TO THE EXTENT THAT REMEDIES PROVIDED BY THE LAWS OF ANY JURISDICTION OTHER THAN THE PROVINCE OF ONTARIO ARE GOVERNED BY THE LAWS OF SUCH JURISDICTION.

10.8 Submission to Jurisdiction; JURY TRIAL WAIVER.

(a) The ABL Lender, the Term Loan Lender and each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of Toronto, Ontario, and any appellate court in respect thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each such party hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in the Province of Ontario. Each such party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the ABL Lender or the Term Loan Lender may otherwise have to bring any action or proceeding against any Loan Party or its properties in the courts of any jurisdiction.

(b) The ABL Lender, the Term Loan Lender and each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, (i) any objection it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (a) of this Section and (ii) the defense of an inconvenient forum to the maintenance of such action or proceeding.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.9. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

(d) EACH PARTY HERETO HEREBY WAIVES ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, CIVIL RESPONSIBILITY CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY HERETO REPRESENTS THAT IT HAS REVIEWED THIS WAIVER AND IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

10.9 Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telecopied, or sent by overnight express courier service or Canadian mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or five (5) days after deposit in the Canadian mail (certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is delivered as provided in this Section 10.9) shall be as set forth below each party's name on the signature pages hereof, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

10.10 Successors and Assigns; Assignment. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and the ABL Lender and Term Loan Lender and their respective successors and assigns, and nothing herein is intended, or shall be construed to give, any other Person any right, remedy or claim under, to or in respect of this Agreement or any Collateral. Each of the ABL Lender and the Term Loan Lender hereby agrees that it shall not transfer or assign any of its rights under the ABL Documents and Term Loan Documents, respectively, without first obtaining from the proposed assignee or transferee an agreement to be bound by the provisions of this Agreement.

10.11 Headings. Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

10.12 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

10.13 Other Remedies. For avoidance of doubt, it is understood that nothing in this Agreement shall prevent the ABL Lender or the Term Loan Lender from exercising any available remedy to accelerate the maturity of any indebtedness or other obligations owing under the ABL Documents or the Term Loan Documents, as applicable, or to demand payment under any guarantee in respect thereof.


10.14 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, facsimile or electronic means shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement shall become effective when it shall have been executed by each party hereto.


10.15 Additional Loan Parties. The ABL Borrowers shall cause each Person that becomes a Loan Party after the date hereof to become a party to this Agreement by execution and delivery by such Person of a Joinder Agreement in the form of Annex 1 hereto.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

SIENA LENDING GROUP CANADA LLC, as ABL Lender

DocuSigned by:

By: _____
Name: Steve Blumberg
Title: Director

By: 
Name: JASON SCHICK
Title: MANAGING DIRECTOR

Address for Notices:

Siena Lending Group Canada LLC
9 W Broad Street, 5th floor, Suite 540
Stamford, Connecticut 06902
Attention: Steven Blumfeld
Email: sblumberg@sienalending.com

FARM CREDIT CANADA, as Term Loan Lender

By: *Maude Martin Chantal*

Name: Maude Martin Chantal

Title: Legal Counsel

Address for Notices:

Loan Administration Centre
1133 St. George Blvd, Suite 104
Moncton, NB E1E 4E1
Attention: Loan Administrator
Facsimile No.: 506-851-6613

ACKNOWLEDGMENT

Each Loan Party hereby acknowledges that it has received a copy of the Intercreditor Agreement dated as of February 1, 2024, by and between Siena Lending Group Canada LLC, as ABL Lender, and Farm Credit Canada, as Term Loan Lender (the "Agreement") and consents thereto, agrees to recognize all rights granted thereby to the ABL Lender and the Term Loan Lender, and will not do any act or perform any obligation which is not in accordance with the agreements set forth in the Agreement as in effect on the date hereof. Each Loan Party further acknowledges and agrees that it is not an intended beneficiary or third party beneficiary under the Agreement and (a) as between the ABL Lender and the Loan Parties, the ABL Documents remain in full force and effect as written and are in no way modified hereby, and (b) as between the Term Loan Lender and the Loan Parties, the Term Loan Documents remain in full force and effect as written and are in no way modified hereby. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

[Signature pages follow]

GLOBAL FOOD AND INGREDIENTS INC., as a Loan Party

By: Bill Murray
Name: Bill Murray
Title: CFO

Address for Notices:
43 Colborne Street, Suite 400, Toronto, ON, M5E 1E3, Canada
Attention:
Fax No.:

GLOBAL FOOD AND INGREDIENTS (USA) INC.,
as a Loan Party

By: Bill Murray
Name: Bill Murray
Title: CFO

Address for Notices:
43 Colborne Street, Suite 400, Toronto, ON, M5E 1E3, Canada
Attention:
Fax No.:

GFI BRANDS INC., as a Loan Party

By: Bill Murray
Name: Bill Murray
Title: CFO

Address for Notices:
43 Colborne Street, Suite 400, Toronto, ON, M5E 1E3, Canada
Attention:
Fax No.:

GLOBAL FOOD AND INGREDIENTS LTD., as a Loan Party

By: Bill Murray
Name: Bill Murray
Title: CFO

Address for Notices:
43 Colborne Street, Suite 400, Toronto, ON, M5E 1E3, Canada
Attention:
Fax No.:

NORTH LILY FOODS INC., as a Loan Party

By: Bill Murray
Name: Bill Murray
Title: CFO

Address for Notices:
43 Colborne Street, Suite 400, Toronto, ON, M5E 1E3, Canada
Attention:
Fax No.:

JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this "Agreement"), dated as of _____, 20__, is executed by _____, a _____ (the "New Loan Party") in favor of SIENA LENDING GROUP LLC ("ABL Lender") and FARM CREDIT CANADA ("Term Loan Lender"), in their capacities as ABL Lender and Term Loan Lender, respectively, under that certain Intercreditor Agreement (as amended, restated, supplemented, replaced and otherwise modified from time to time, the "Intercreditor Agreement"), dated as of January [●], 2024 among the ABL Lender, the Term Loan Lender, GLOBAL FOOD AND INGREDIENTS INC., GLOBAL FOOD AND INGREDIENTS (USA) INC., GFI BRANDS INC., GLOBAL FOOD AND INGREDIENTS LTD., BIG SKY MILLING INC., NORTH LILY FOODS INC., and each of the other Loan Parties party thereto. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Intercreditor Agreement.

The New Loan Party, for the benefit of the ABL Lender and the Term Loan Lender, hereby agrees as follows:

1. The New Loan Party hereby acknowledges the Intercreditor Agreement and acknowledges, agrees and confirms that, by its execution of this Agreement, the New Loan Party will be deemed to be a Loan Party under the Intercreditor Agreement and shall have all of the obligations of a Loan Party thereunder as if it had executed the Intercreditor Agreement. The New Loan Party hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Intercreditor Agreement.

2. The address of the New Loan Party for purposes of Section 10.9 of the Intercreditor Agreement is as follows:

3. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE NEW LOAN PARTY HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

IN WITNESS WHEREOF, the New Loan Party has caused this Agreement to be duly executed by its authorized officer, as of the day and year first above written.

[NEW LOAN PARTY]

By: _____
Name: _____
Title: _____

This is Exhibit "Q" referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.

POSTPONEMENT, SUBORDINATION AND STANDSTILL AGREEMENT

TO: SIENA LENDING GROUP CANADA LLC, as lender (the “**Lender**”)

DATED: February 1st, 2024

RE: Security granted by **GLOBAL FOOD AND INGREDIENTS INC.** (the “**Credit Party**”) to **35 OAK HOLDINGS LTD.** (the “**Secured Party**”) in respect of Subordinated Debt (as hereinafter defined)

AND RE: Loan and Security Agreement made among the *inter alia*, Credit Party, as borrower and the Lender, as lender dated with effect as of the date hereof (as may be amended, supplemented, restated, replaced, extended or otherwise modified from time to time, the “**Loan Agreement**”).

WHEREAS the Secured Party has been or will be granted security interests, claims, charges, liens or other encumbrances (“**Liens**”) by the Credit Party and has registered or may register such Liens (the “**Guarantee Security**”) against the Credit Party under the applicable PPSA statute and/or the UCC;

AND WHEREAS the Lender has been or will be granted Liens by the Credit Party and the other Loan Parties (as defined in the Loan Agreement) in connection with any and all debts, liabilities and obligations which may now or hereafter be owing by the Credit Party and the other Loan Parties under the Loan Agreement, the Loan Documents and any and all other documents ancillary thereto (the “**Senior Debt**”) and has registered or may register such Liens against the Credit Party and the other Loan Parties under the PPSA or any real property registry systems (the “**Senior Security**”);

AND WHEREAS the Lender requires a priority security position against all of the present and after-acquired property, assets and undertakings of the Credit Party and the other Loan Parties as a condition to extend credit to the Borrowers (as defined in the Loan Agreement);

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Secured Party, the Secured Party hereby consents to the granting of the Senior Security by the Credit Party and the other Loan Parties to the Lender and the incurring of the Senior Debt by the Borrowers, acknowledges the validity of the Senior Security and the Senior Debt, and hereby acknowledges, covenants and agrees to and in favour of the Lender:

- (a) that notwithstanding any priority provided by any principle of law, equity or statute or the relative order of execution, delivery, creation, grant, registration, advance, attachment, possession, perfection or non-perfection, default, demand, notice, crystallization, enforceability or enforcement of the Senior Security or the Guarantee Security, or any other matter or thing whatsoever, in law or in equity, the Guarantee Security in and to any and all of the present and after-acquired property, assets and undertakings of the Credit Party, any and all proceeds therefrom, and any and all insurance claims and proceeds in connection therewith,

which the Secured Party may now have or hereinafter obtain and which may or may not be perfected by any existing registrations or any subsequent registrations under the PPSA, shall be fully and unconditionally subordinated to the Senior Security in favour of the Lender;

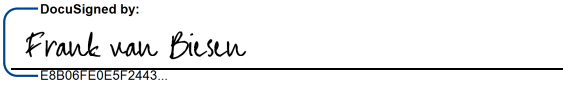
- (b) that any and all debts, liabilities and obligations now or hereafter owing by the Credit Party and any other Loan Party to the Secured Party, present and future (the “**Subordinated Debt**”), including, without limitation, the indebtedness set out in Schedule “A” annexed hereto, is junior, subordinated and postponed to the Senior Debt;
- (c) the Secured Party shall not assign all or any part of its Guarantee Security or Subordinated Debt unless the Secured Party notifies the Lender in writing and the assignee executes and delivers in favour of the Lender a postponement, subordination and standstill agreement on terms similar to this Agreement with respect to such assigned Guarantee Security or Subordinated Debt and upon such assignment, the assignor shall be released from its obligations hereunder with respect to such assigned Guarantee Security and Subordinated Debt;
- (d) to give prompt written notice to the Lender of any default of the Credit Party regarding any Subordinated Debt;
- (e) that the Secured Party shall not, without the Lender’s prior written consent, take any steps whatsoever, to enforce the Guarantee Security (including, without limitation, asserting any rights of set-off or claims against any of the property, assets or undertakings of the Credit Party, commencing any bankruptcy proceedings, foreclosure, sale, power of sale, taking of possession, giving in payment, appointing or making application to a court for an order appointing an agent, monitor, consultant, liquidator or a receiver or receiver-manager over all or any part of the property, assets or undertakings of the Credit Party or by any other means of enforcement thereof, in each case in respect of the Subordinated Debt) unless and until all of the Senior Debt has been indefeasibly paid and performed in full; provided however that the foregoing shall not limit or restrict the Secured Party from taking any action required to preserve the validity or perfection of any Guarantee Security or Subordinated Debt, including filing a proof of claim or similar instrument or voting of a claim in any insolvency or similar proceeding concerning the Credit Party;
- (f) to do all things and execute all documents which may be reasonably requested by the Lender to give effect to this Agreement;
- (g) except as otherwise expressly provided herein, capitalized terms used in this Agreement (including in the Recitals hereof) but not defined herein shall have the meanings assigned to such terms in the Loan Agreement; and

- (h) that this Agreement shall be exclusively (without regard to any rules or principals of conflicts of laws) governed by the laws of the Province of Ontario and the federal laws applicable therein.

[Signature page follows]

DATED with effect as of the day and year first above written.

35 OAK HOLDINGS LTD.

By:  DocuSigned by:
Frank van Biesen
E8B06FE0E5F2443...

Title: President & COO

The undersigned hereby acknowledges receipt of a copy of the foregoing Postponement, Subordination and Standstill Agreement, accepts all of the terms and conditions contained therein and further covenants and agrees with the Lender to give effect to all of the provisions thereof.

ACKNOWLEDGED AND DATED with effect as of the day and year first above written.

GLOBAL FOOD AND INGREDIENTS INC.

By: _____

Title:

DATED with effect as of the day and year first above written.

35 OAK HOLDINGS LTD.

By: _____

Title:

The undersigned hereby acknowledges receipt of a copy of the foregoing Postponement, Subordination and Standstill Agreement, accepts all of the terms and conditions contained therein and further covenants and agrees with the Lender to give effect to all of the provisions thereof.

ACKNOWLEDGED AND DATED with effect as of the day and year first above written.

GLOBAL FOOD AND INGREDIENTS INC.

By: Bill Murray

Title: CFO

SCHEDULE "A"
SUBORDINATED DEBT

See attached.

PROMISSORY NOTE**February 1, 2024 (the Effective Date”)****Toronto, Ontario, Canada**

For value received, Global Food and Ingredients Inc., a corporation formed under the *Canada Business Corporations Act* (“**GFI**”) promises to pay 35 OAK HOLDINGS LTD., or their assign (the “**Holder**”) in the principal sum of \$500,000 (“**Principal Sum**”) together with interest, on the date and manner set forth below.

1. Commitment Fee

As consideration for the commitment of the Holder to undertake the loan, GFI shall pay a fee of 3% of the Principal Sum. The commitment fee shall be payable at the time of the disbursement of the Principal Sum, whereby the Holder shall withhold the amount of commitment fee from the Principal Sum.

2. Payment

All payments of interest and principal shall be in lawful money of Canada. All payments shall be applied first to accrued and unpaid interest from prior months, and thereafter the Principal Sum.

3. Maturity

The entire outstanding Principal Sum and accrued interest shall be due on the date that is one year from the first date of issuance (the “**Maturity**”).

4. Interest Rate

GFI promises to pay interest at the rate of 15% per annum on the outstanding Principal Sum, or the maximum rate permissible by law, whichever is less, payable in cash at Maturity, or earlier as provided for hereafter. Interest shall be calculated on the basis of a 365-day year applied to the actual number of days each tranche of Principal Sum was outstanding. Interest shall be calculated daily from the first day which any Principal Sum was outstanding until payment in full of such tranche.

5. Prepayment

Following the initial disbursement of the Principal Sum, GFI may prepay any part of the Principal Sum at any time and from time to time at its discretion, without requiring consent of the Holder, in minimum increments of \$100,000. Accrued interest applicable to each prepayment will be calculated to the date ending the day before the prepayment and added to such repayment.

6. **Security**

This Promissory Note will be secured by a third-ranking General Security Agreement.

7. **Subordination**

The Promissory Note is subordinate to the obligations of GFI to its senior lender in all respects.

8. **Governing Law**

This Promissory Note shall be governed by the laws of the Province of Ontario, Canada and the federal laws applicable therein.

9. **Assignment**

The Promissory Note may not be assigned or transferred without the prior written consent of GFI.

[Remainder of this page intentionally left blank; signature page follows]

IN WITNESS WHEREOF the parties have the executed this Agreement as of the Effective Date.

35 OAK HOLDINGS LTD.

By: DocuSigned by:
Frank van Biesen
E8B00FE0E5F2443...
Name: Frank van Biesen
Title: President & COO

**GLOBAL FOOD AND
INGREDIENTS INC.**

By: _____
Name: William Murray
Title: CFO

IN WITNESS WHEREOF the parties have the executed this Agreement as of the Effective Date.

35 OAK HOLDINGS LTD.

By: _____
Name: Frank van Biesen
Title: President & COO

**GLOBAL FOOD AND
INGREDIENTS INC.**

By: Bill Murray
Name: William Murray
Title: CFO

This is Exhibit "R" referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.



GLOBAL FOOD AND INGREDIENTS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2023

This Management's Discussion and Analysis ("MD&A") dated February 28, 2024 is provided to enable a reader to assess the operations and financial conditions as it relates to the consolidated financial position and financial performance of Global Food and Ingredients Ltd. and its wholly owned subsidiaries (collectively, "GFI", the "Company", "we", "us" and "our") for the three and nine months ended December 31, 2023. This MD&A provides the reader with a view and analysis, from the perspective of management, of the Company's financial results. The following MD&A should be read in conjunction with our unaudited condensed consolidated interim financial statements for the three and nine months ended December 31, 2023; including the related notes thereto (the "Interim Financial Statements"), and our annual audited consolidated financial statements, including the related notes thereto, for the year ended March 31, 2023 (the "Annual Financial Statements") and the related MD&A.

BASIS OF PRESENTATION

Our Interim Financial Statements and Annual Financial Statements and the financial information contained in the MD&A were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Unless otherwise stated herein, all financial information in this MD&A is presented in Canadian dollars. Certain totals, subtotals, and percentages throughout this MD&A may not reconcile due to rounding.

References in the MD&A are defined as follows:

Reference	Period
Q3 2024	Fiscal quarter for the three months ended December 31, 2023
Q3 2023	Fiscal quarter for the three months ended December 31, 2022
Year-to-date ("YTD") 2024	For the nine months ended December 31, 2023
Year-to-date ("YTD") 2023	For the nine months ended December 31, 2022
Fiscal year 2024 or FY 2024	For the year ended March 31, 2024
Fiscal year 2023 or FY 2023	For the year ended March 31, 2023

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Such forward-looking statements include, but are not limited to, information with respect to our objectives and the strategies for achieving those objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. Forward-looking statements are typically identified by the use of words such as "may", "would", "should", "could", "expect", "intend", "estimate", "anticipate", "plan", "foresee", "believe", or "continue", although not all forward-looking statements contain these words. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments, and the reader is therefore cautioned that such information may not be appropriate for other purposes. Forward-looking statements are based on assumptions and are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. Those risks and uncertainties are discussed in detail under the section entitled "Risk Factors" in the Company's annual information form for the year ended March 31, 2022 (the "AIF"), a copy of which is available under the Global Food and Ingredients Ltd. profile on SEDAR at www.sedarplus.ca. Consequently, all of the forward-looking statements contained herein are qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking statements contained herein are provided as of the date hereof, and we do not undertake to update or amend such forward-looking statements whether as a result of new information, future events or otherwise, except as may be required by applicable law.

BUSINESS OVERVIEW

Corporate Structure

Global Food and Ingredients Ltd. was formed on December 21, 2020, under the Canadian Business Corporations Act (Ontario, Canada) as Pivotal Financial Corp. and changed its name to Global Food and Ingredients Ltd. on June 10, 2022. Prior to June 10, 2022, the Company's operations were conducted through Global Food and Ingredients Inc. Global Food and Ingredients Inc. was incorporated on April 19, 2018.

The Company is a Canadian plant-based food and ingredients company focused on pulses and specialty crops. The Company supplies premium plant-based high protein ingredients to customers around the world and distributes truckload and less-than-truckload of bagged product directly to food processing companies, foodservice companies and institutional buyers (educational institutions, healthcare facilities, correctional facilities, etc.) in North America.

The registered office of the Company is located at 43 Colborne Street, Suite 400, Toronto, Ontario, M5E 1E3.

The common shares of the Company trade on the Toronto Stock Exchange-Venture ("TSX-V") under the ticker symbol "PEAS".

Basis of Presentation and Reclassification of Prior Period Presentation

As at March 31, 2023, one of the Company's plant-based consumer packaged goods divisions ("Yofiit division") has been presented as discontinued operations as discussed in Note 13. As a result, certain revenue disaggregation and segment reporting balances in prior periods have been re-presented for consistency with the current period presentation. The divestiture closed on May 18, 2023. Unless otherwise indicated, all financial information in our MD&A represents the results from our continuing operations.

During the period, the Company undertook an assessment of its operating structure to determine what information should be disclosed that enables users of the financial statements to evaluate the nature and financial effects of the business activities and economic environment on which the Company operates. The Company has determined that following the divestiture of the Yofiit division, the plant-based consumer packaged goods division is no longer a material performance segment monitored by the chief operating decision maker ("CODM"). Based on this fact, the CODM has determined that the corporate services division, although monitored separately, does not warrant separate criteria from the operating segment, plant-based ingredients.

Based on this assessment, the Company has determined that there is one identifiable operating segment which is the strategic business unit of the Company that markets the Company's core plant-based ingredients. As a result, certain segment reporting balances in the prior periods have been re-presented for consistency with the current period presentation. These immaterial reclassifications had no effect on the reported consolidated results of the operations.

General Development of the Business

GFI is a vertically integrated, farm-to-fork Canadian pulse and specialty crop and ingredient company connecting local farms to the global supply chain. GFI directly sources its supply from a network of over 500 farmers in North America, including locally sourced at farms surrounding its four processing facilities, three in Saskatchewan and one in Alberta, in the heart of Canada's pulse and specialty crops growing region. In June 2022 the Company commissioned its state-of-the-art pea splitting facility which is capable of processing over 60,000 metric tonnes annually of yellow and green peas into split peas and pea fibre. In September 2022, GFI opened its first distribution centre, based in Clayton, North Carolina with storage, packaging and distribution capabilities. In April 2023, the Company completed the commissioning of its retail packaging line at the distribution centre, adding the capability of packaging products in pouches, pillow bags and boxes. The Company's five processing and distribution facilities provide over 450,000 metric tonnes of annual processing capacity per year.

Business Model and Growth Strategy

GFI's farm-to-fork business comprises of:

- *our extensive farm network* of over 500 farmers in North America, sourcing locally grown and sustainable ingredients;
- *our five strategically located facilities* in the heart of Canada's pulse regions and growing Southeast US, with over 450,000 metric tonnes of annual processing capacity;
- *our innovative products lines*: plant-based core ingredients, value-added ingredients, plant-based pet food ingredients and downstream products; and
- *our brands and distribution network* with sales offices in Canada and the US, selling to over 37 countries around the world with capabilities to package bulk ingredients into pouches and pillow bags to be sold under the North Lily brand or as private label products to our customers.

GFI believes there is a significant opportunity to continue its vertical integration with further value-added processing and packaging activities to generate additional margin on every metric tonne of product GFI purchases. This strategy is evidenced by the significant investment that GFI has made in building a pea splitting facility which where commissioning commenced in June 2022. The pea splitting facility uses advanced steam-based technology, producing industry-leading quality and efficiency that dramatically reduces water usage compared to older technologies and recycles heat resulting in a uniquely low environmental impact process. By-products produced during the pea splitting process are used in GFI's pet food ingredients production process at its Bowden, Alberta facility, creating a zero-waste system that maximizes value creation at every step of the process.

Our four processing facilities are supported by our North American distribution network and packaging capabilities of GFI's wholesale distribution arm, North Lily Foods. Our strategy is to continue to expand our network across each of the strategic innovative product lines noted below in the U.S. and Canada.

We have developed a four-pillared strategy to pursue growth through our innovative product lines with the target of being a fully integrated plant-based food business through the following areas of focus:

1. *Plant-Based Core Ingredients:* GFI offers top grade North American plant-based, high protein ingredients. Processed at one of our four facilities in Western Canada, with a focus on premium quality and traceability, GFI has the ability to supply conventional, organic, non-GMO, glyphosate-free and gluten-free products. GFI products include peas, lentils, chickpeas, edible beans, specialty crops, split peas and pet food ingredients. GFI's premium plant-based ingredients are offered through our North Lily and North Lily Organic brands, through private label or bulk as needed by our customers. GFI is a quality conscious and service-oriented supplier that food processors can count on for premium products delivered reliably and in whatever packaging best suits their input requirements. GFI will strive to continue adding new customers in regions where there is high population growth and these products are staple foods as key sources of protein in the local diets.
2. *Value-added Ingredients:* Growth by expansion of our in-house capabilities at our facilities and also through acquisitions, with a focus on value added pulse products, including split-peas, high protein pulse flours, pea protein concentrate, pea fibre and blended and ground pet food mixes. GFI completed the commissioning of our state-of-the-art pea splitting facility in Q1 2023, launching our Premium and Ultra Premium wholesale brands. The Company continues to expand production and sales of split peas out of this facility.
3. *Plant-based Pet Food Ingredients:* In September 2021, GFI launched its plant-based pet food ingredients business unit, following the acquisition of the Bowden, Alberta facility. The facility produces custom blends of milled red lentils, green lentils, chickpeas, pinto beans, yellow peas, and green peas to produce specific nutritional profiles for pet food manufacturers. The facility is an ideal addition to GFI's expanding facilities network as it complements the operation and has allowed GFI to develop a zero-waste system whereby we are able to maximize value throughout the process. The facility is designed to extract valuable ingredients from by-products at GFI's other facilities, greatly reducing waste through the extraction and segregation of by-products into pet food ingredients and other feed ingredients. The global pet-food market is set to reach US\$137 billion by 2030, supported by increasing consumer spending; and over 66% of households in the US owning a pet¹.
4. *Downstream Products:* In July 2022, GFI opened its first United States distribution centre based in Clayton, North Carolina. The 17,500 square foot facility houses North Lily's offices, GFI's US wholesale distribution entity. North Lily sells truckload and less-than-truckload of bagged product directly to food processing companies, foodservice companies and institutional buyers (educational institutions, healthcare facilities, correctional facilities, etc.) in the US. The facility complements the business with food service (25lb, 50lb and 100lb bags) and retail (1lb, 2lb and 4lb pillow bags) packaging capabilities for both branded and private labelling offerings. The Company is also in the process of marketing finished products and bagging services to a number of third-party private label opportunities. In March 2022, GFI acquired the Bentilia brand, a premium line-up of function lentil-based pastas. The Company is currently reviewing the long-term strategy of this brand and optimizing the appropriate distribution channels to achieve success.

GFI intends to continue to grow and generate improvements in our financial performance. Our success in achieving these goals is dependent on our ability to execute on our growth strategy to become a leading, premium, fully integrated, farm-to-fork, plant-based food business.

¹ Bloomberg Intelligence, Global Pet Food Market; Forbes, Pet Food Ownership Statistics

SUMMARY OF FINANCIAL PERFORMANCE

During the three and nine months ended December 31, 2023, the Company's business and the ingredients industry as a whole faced a challenging period. Prior to the harvest of the new crop in the fall of 2023, there was an inconsistent view over the remaining 2022 crop between farmers and buyers. Farmers were holding onto 2022 crop and expecting higher market prices as experienced in years past, particularly as it related to 2021 crop (due to COVID-19). However, on the other side, buyers (like GFI) believed that market prices had stabilized and were expecting lower prices going forward. Given the surplus of inventory, buyers delayed purchases until the 2023 harvest, expecting a price decline due to excess supply. Following the 2023 harvest, the market saw an influx of demand for products, resulting in the Company experiencing a strong fiscal third quarter for both sales and margin. The increased demand was a direct result of the standstill from the first half of the year. Overall, the harvest was in line with the 5-year average.

Our results in the nine months ended December 31, 2023, were particularly impacted by a dearth of pea protein inputs sales as many customers built up high inventory levels in the previous year. As well, the end user demand for pea protein has not been as strong as previously anticipated. The combination of the depressed market conditions and high inventory levels reduced the demand for pea protein inputs sales in the current period. The Company has successfully shifted much of that capacity to other commodities and geographies where demand is higher. Overall, the Company's strategy is to continue to prioritize growth in higher margin segments, particularly its plant-based pet food ingredients and split pea markets. Our results are also influenced by seasonality and timing of contracts and tend to be lower in the first half of the fiscal year when the Company is selling the remainder of the prior year crops and awaiting contracts to be fulfilled under the new crop.

Despite an \$8.3 million decrease in pea protein inputs sales in the three months ended December 31, 2023 over the comparable period, the Company had a strong quarter of sales and nearly surpassed the record for sales in a quarter set during the three months ended December 31, 2022. The Company's strategic shift to higher margin products which represented 25.8% and 33.4% of sales in the three and nine months ended December 31, 2023, respectively (2022 three months – 17.9% and 2022 nine months – 24.3%), resulted in a record quarter of adjusted gross profit (\$3.9 million) and adjusted EBITDA (\$1.3 million).

The following tables summarize certain operating results and other financial data for the periods indicated, which have been derived from our Interim Financial Statements and select non-IFRS financial measures for the periods indicated:

	Three months ended December 31,			Change	
	2023	2022		\$	%
Revenue	\$ 36,859,365	\$ 39,434,897	\$ (2,575,532)	(6.5)	%
Cost of sales	34,091,501	37,135,176	(3,043,675)	(8.2)	
Gross profit	2,767,864	2,299,721	468,143	20.4	
Expenses:					
General and administration	1,883,078	2,118,555	(235,477)	(11.1)	
Depreciation and amortization	193,298	171,087	22,211	13.0	
Profit before the undemoted	691,488	10,079	681,409	6,760.7	
Other expenses	588,792	196,843	391,949	199.1	
Profit (loss) before income taxes	102,696	(186,764)	289,460	155.0	
Income tax expense (recovery)	115,038	(226,640)	341,678	150.8	
(Loss) profit for the period from continuing operations	\$ (12,342)	\$ 39,876	\$ (52,218)	(131.0)	%

	Three months ended December 31,			Change	
	2023	2022		\$	%
Gross profit margin	7.5%	5.8%			
Adjusted gross profit	\$ 3,889,936	\$ 2,439,912	\$ 1,450,024	59.4	%
Adjusted gross profit margin	10.6%	6.2%			
EBITDA	\$ 1,305,948	\$ 800,667	\$ 505,281	63.1	%
EBITDA margin	3.5%	2.0%			
Adjusted EBITDA	\$ 1,283,853	\$ (446,629)	\$ 1,730,482	387.5	%
Adjusted EBITDA margin	3.5%	(1.1%)			

See "Non-IFRS Financial Measures".

	Nine months ended December 31,			Change	
	2023	2022	\$	%	
Revenue	\$ 76,115,370	\$ 93,397,824	\$ (17,282,454)	18.5	%
Cost of sales	73,074,569	87,242,305	(14,167,736)	16.2	
Gross profit	3,040,801	6,155,519	(3,114,718)	50.6	
Expenses:					
General and administration	5,621,185	6,021,954	(400,769)	6.7	
Depreciation and amortization	572,457	470,698	101,759	21.6	
(Loss) income before the undernoted	(3,152,841)	(337,133)	(2,815,708)	(835.2)	
Other expenses	1,718,716	7,635,367	(5,916,651)	77.5	
Loss before income taxes	(4,871,557)	(7,972,500)	3,100,943	38.9	
Income tax recovery	(716,623)	(1,677,382)	(960,759)	(57.3)	
Loss for the period from continuing operations	\$ (4,154,934)	\$ (6,295,118)	\$ 2,140,184	34.0	%

	Nine months ended December 31,			Change	
	2023	2022	\$	%	
Gross profit margin	4.0%	6.6%			
Adjusted gross profit	\$ 6,767,437	\$ 7,709,011	\$ (941,574)	(12.2)	%
Adjusted gross profit margin	8.9%	8.3%			
EBITDA	\$ (1,360,294)	\$ (5,101,482)	\$ 3,741,188	73.3	%
EBITDA margin	(1.8%)	(5.5%)			
Adjusted EBITDA	\$ (1,126,121)	\$ (255,373)	\$ (870,748)	(341.0)	%
Adjusted EBITDA margin	(1.5%)	(0.3%)			

See "Non-IFRS Financial Measures".

Selected financial highlights for three months ended December 31, 2023 compared to 2022

- The Company recorded \$36.9 million in revenue in the three months ended December 31, 2023, which represented a 6.5% or \$2.5 million decrease over the prior comparable period of \$39.4 million in the three months ended December 31, 2022. The decrease is predominately due to the slower market conditions as it relates to pea protein inputs in the current year.
- Gross profit increased by 20.4% or \$0.5 million to \$2.8 million, compared to \$2.3 million in the three months ended December 31, 2022. Gross profit margin was 7.5% of revenue, compared to 5.8% in the prior comparable period.
- Adjusted gross profit increased by 59.4% or \$1.5 million to \$3.9 million in comparison to \$2.4 million in the three months ended December 31, 2022. Adjusted gross profit margin increased to 10.6% of revenue, compared to 6.2% in the prior comparable period.
- Loss for the period from continuing operations was \$12 thousand, compared to profit of \$39 thousand in the prior period.
- Adjusted EBITDA of \$1.3 million, an improvement of \$1.7 million or 387.5% from negative \$0.4 million in three months ended December 31, 2022, was directly attributable to higher proportion of sales from higher margin categories, higher margin realized on core ingredients sales in the current period and lower general and administration expenses.

Selected financial highlights for nine months ended December 31, 2023 compared to 2022

- The Company recorded revenue of \$76.1 million in the nine months ended December 31, 2023, which represented an 18.5% or \$17.3 million decrease over the prior comparable period of \$93.4 million in the nine months ended December 31, 2022. The decrease is a result of the Company's continued shift in focus to higher margin product lines, lower market prices and lower volumes due to market conditions in the first half of the current year as a result of overstocking from the previous year.
- Gross profit decreased by \$3.1 million to \$3.0 million, compared to \$6.1 million in the nine months ended December 31, 2022. Gross profit margin was 4.0% of revenue, compared to 6.6% in the prior comparable period.
- Adjusted gross profit decreased by \$0.9 million or 12.2% to \$6.8 million in comparison to \$7.7 million in the nine months ended December 31, 2022. Adjusted gross profit margin increased to 8.9% of revenue, compared to 8.3% in the prior comparable period.
- Loss for the period from continuing operations was \$4.1 million, compared to \$6.3 million in the prior period, an improvement of \$2.2 million or 34.0% primarily due to lower Company overhead costs and a reduction in one-time expenses that did not recur in the current period, offset by a reduction in gross profit.
- Adjusted EBITDA of negative \$1.1 million, a decrease of \$0.9 million from negative \$0.2 million in nine months ended December 31, 2022, was directly attributable to lower sales volume and gross profit levels experienced in the current year as a result of market conditions.

RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2023

Revenue

The following tables present the Company's revenue disaggregated by major goods/service lines for the periods indicated:

	Three months ended December 31,			Change	
	2023	2022		\$	%
Total plant-based ingredient sales	\$ 36,610,326	\$ 39,371,961	\$ (2,761,635)	(7.0)	%
Plant-based consumer packaged goods	249,039	62,936	186,103	295.7	
Revenue	\$ 36,859,365	\$ 39,434,897	\$ (2,575,532)	(6.5)	%

	Nine months ended December 31,			Change	
	2023	2022		\$	%
Total plant-based ingredient sales	\$ 75,619,452	\$ 93,248,244	\$ (17,628,792)	(18.9)	%
Plant-based consumer packaged goods	495,918	149,580	346,338	231.5	
Revenue	\$ 76,115,370	\$ 93,397,824	\$ (17,282,454)	(18.5)	%

On a consolidated basis, revenue for the three months ended December 31, 2023 decreased by 6.5% or \$2.5 million to \$36.9 million, compared to \$39.4 million in the three months ended December 31, 2022, predominantly due to the lower demand for pea protein inputs in the current year. During the three months ended December 31, 2023, higher margin business lines represented 25.8% of total sales in the period in comparison to 17.9% in the prior comparable period. Highlights of the changes in revenue during the three months ended December 31, 2023, include:

▲ \$1.4 million	Increase from plant-based pet food ingredients, predominantly due to higher volumes in the current year as the market saw overstocking of inventory in the first half of the previous fiscal year. The pet food division generated sales of \$6.2 million in the three months ended December 31, 2023 in comparison to \$4.8 million in the three months ended December 31, 2022.
▲ \$1.0 million	Sales generated from the Company's pea splitting operation, amounting to \$3.3 million in the three months ended December 31, 2023, in comparison to \$2.3 million in the three months ended December 31, 2022.
▼ \$8.3 million	Decrease in sales generated from pea protein input sales. This area continues to remain an area of focus for the Company's long-term strategy to continue to position the product mix to lower volume, higher margin generating business lines.
▲ \$3.2 million	Increase in other commodity sales, in particular peas and lentils due to the current market conditions. The Company adjusts its short-term focus and capacity to respond to market conditions, supply and demand constraints and geographical opportunities.
▲ \$0.1 million	New sales generated from the Company's recently commissioned packaging operation at its US distribution center.
▲ \$0.1 million	Increase in consumer packaged goods sales, predominantly attributable to the sale of Yofit inventory following the divestiture of the business. As part of the agreement, the Company retained inventory following the divestiture and agreed to sell the product to the vendor over a period of time following the acquisition.

On a consolidated basis, revenue for the nine months ended December 31, 2023 decreased by 18.5% or \$17.3 million to \$76.1 million, compared to \$93.4 million in the nine months ended December 31, 2022. The decrease is a direct result of slower market conditions in the first half of the current year, in particular as it related to pea protein inputs. During the nine months ended December 31, 2023, higher margin business lines represented 33.4% of total sales in the period in comparison to 24.3% in the prior comparable period. Highlights of the changes in revenue during the nine months ended December 31, 2023, include:

▼ \$1.0 million	The pet food division generated sales of \$17.2 million in the nine months ended December 31, 2023 in comparison to \$18.2 million in the nine months ended December 31, 2022, the decline is predominately due to lower market prices, which was offset by higher volumes in the current period.
▲ \$3.5 million	Sales generated from the Company's pea splitting operation, amounting to \$8.0 million in the nine months ended December 31, 2023, a 78.9% increase in comparison to \$4.5 million in the nine months ended December 31, 2022. The Company commissioned its pea splitting facility in June 2022, prior to this point, the Company used third party processors to build a book of business.
▼ \$18.3 million	Decrease in sales generated from pea protein input sales, predominantly due to current market conditions. This area continues to remain an area of focus for the Company's long-term strategy to continue to position the product mix to lower volume, higher margin generating business lines.
▼ \$2.1 million	Decrease in other commodity sales, in particular beans which was offset by increased volume in lentils and peas as a result of the current market conditions. The Company adjusts its short-term focus and capacity to respond to market conditions, supply and demand constraints and geographical opportunities.

▲ \$0.2 million	New sales generated from the Company's recently commissioned packaging operation at its US distribution center.
▲ \$0.4 million	Increase in consumer packaged goods sales, predominantly attributable to the sale of Yofit inventory following the divestiture of the business. As part of the agreement, the Company retained inventory following the divestiture and agreed to sell the product to the vendor over a period of time following the acquisition.

Gross profit and margin

The following table presents the Company's margin performance for the periods indicated:

	Three months ended December 31,			Change	
	2023	2022		\$	%
Gross profit	\$ 2,767,864	\$ 2,299,721	\$ 468,143	20.4	%
Gross profit margin ⁽¹⁾	7.5%	5.8%			
Adjusted gross profit ⁽¹⁾	\$ 3,889,936	\$ 2,439,912	\$ 1,450,024	59.4	%
Adjusted gross profit margin ⁽¹⁾	10.6%	6.2%			

	Nine months ended December 31,			Change	
	2023	2022		\$	%
Gross profit	\$ 3,040,801	\$ 6,155,519	\$ (3,114,718)	(50.6)	%
Gross profit margin ⁽¹⁾	4.0%	6.6%			
Adjusted gross profit ⁽¹⁾	\$ 6,767,437	\$ 7,709,011	\$ (941,574)	(12.2)	%
Adjusted gross profit margin ⁽¹⁾	8.9%	8.3%			

⁽¹⁾ Gross profit margin, adjusted gross profit, and adjusted gross profit margin are non-IFRS measures. Refer to the section entitled "Non-IFRS Financial Measures".

Gross profit for the three months ended December 31, 2023 totaled \$2.8 million, an increase of 20.4% or \$0.5 million compared to \$2.3 million in the three months ended December 31, 2022. Adjusted gross profit totaled \$3.9 million for the three months ended December 31, 2023, an increase of 59.4% or \$1.5 million compared to \$2.4 million in the three months ended December 31, 2022. The increase in gross profit and adjusted gross profit in the period is a combination of increased sales volume in higher margin categories, such as pet food ingredients and split peas and the Company's execution of the its open order book with the new crop. Adjusted gross profit as a percentage of revenue for the three months ended December 31, 2023 was 10.6% and increase of 4.4% from 6.2% of revenue in the prior comparable period. The increase is a result of the Company's focus on higher margin generating product categories.

Gross profit for the nine months ended December 31, 2023 totaled \$3.0 million, a decrease of 50.6% or \$3.1 million compared to \$6.1 million in the nine months ended December 31, 2022. Adjusted gross profit totaled \$6.8 million for the three months ended December 31, 2023, a decrease of 12.2% or \$0.9 million compared to \$7.7 million in the nine months ended December 31, 2022. The decline in gross profit and adjusted gross profit in the period is predominantly attributable to the lower sales and poor market conditions experienced in the first half of the year. Adjusted gross profit as a percentage of revenue for the nine months ended December 31, 2023 was 8.9% compared to 8.3% of revenue in the prior comparable period, due to the higher proportion of sales generated in the year form higher margin categories.

General and administration

The following table provides a summary of the total general and administrative expenses for the periods presented:

	Three months ended December 31,			Change	
	2023	2022		\$	%
Recorded in expenses	\$ 1,883,078	\$ 2,118,555	\$ (235,477)	(11.1)	%
Recorded in cost of sales	1,030,445	1,040,399	(9,954)	(1.0)	%
Total general and administration expense	\$ 2,913,523	\$ 3,158,954	\$ (245,431)	(7.8)	%

	Nine months ended December 31,			Change	
	2023	2022		\$	%
Recorded in expenses	\$ 5,621,185	\$ 6,021,954	\$ (400,769)	(6.7)	%
Recorded in cost of sales	3,052,854	2,687,818	365,036	13.6	%
Total general and administration expense	\$ 8,674,039	\$ 8,709,772	\$ (35,733)	(0.4)	%

General and administration expenses, inclusive of cost of sales attributable to bringing inventory to a saleable condition, amounted to \$2.9 million for the three months ended December 31, 2023, a decrease of 7.8% or \$0.2 million from \$3.1 million in the three months ended December 31, 2022. The decrease is predominantly attributable to the reduction in general and administration expenses associated with the consumer-packaged products and reduction in headcount as a result of streamlined processes in the Company's trading activities.

General and administration expenses, inclusive of cost of sales attributable to bringing inventory to a saleable condition, amounted to \$8.7 million for the nine months ended December 31, 2023, a decrease of 0.4% from \$8.7 million in the nine months ended December 31, 2022. The decrease is predominantly attributable to:

- increased emphasis on reducing overhead expenses, particularly, corporate and public company related expenses along with streamlining trading and operations teams and facility expenses (\$0.2 million);
- in the first quarter of the current fiscal year, the Company restructured its consumer-packaged goods division which resulted in a decrease in general and administration expenses (\$0.3 million); offset by
- the addition of the US distribution centre and bagging operation which began ramping up operations and costs in FY2024 (\$0.4 million)

Depreciation and amortization

The following table provides a summary of the total depreciation and amortization expenses recorded in cost of sales and expenses for the periods presented:

	Three months ended December 31,			Change	
	2023	2022		\$	%
Recorded in expenses	\$ 193,298	\$ 171,087	\$ 22,211	13.0	%
Recorded in cost of sales	263,519	294,346	(30,827)	(10.5)	
Total depreciation and amortization expense	\$ 456,817	\$ 465,433	\$ (8,616)	(1.9)	%

	Nine months ended December 31,			Change	
	2023	2022		\$	%
Recorded in expenses	\$ 572,457	\$ 470,698	\$ 101,759	21.6	%
Recorded in cost of sales	792,691	679,292	113,399	16.7	
Total depreciation and amortization expense	\$ 1,365,148	\$ 1,149,990	\$ 215,158	18.7	%

Depreciation and amortization expense includes the depreciation of property, plant and equipment, amortization of right-of-use assets and amortization of intangible assets. The amount totalled \$0.4 million in the three months ended December 31, 2023 compared to \$0.4 million in the three months ended December 31, 2022.

Depreciation and amortization expense totalled \$1.4 million in the nine months ended December 31, 2023, an increase of \$0.2 million or 18.7% compared to \$1.2 million in the nine months ended December 31, 2022. The increase in depreciation and amortization expense is predominantly attributable to the Company's US distribution centre, bagging operation and pea splitting facility.

Finance costs

The following table provides a summary of the net finance costs for the periods presented:

	Three months ended December 31,			Change	
	2023	2022		\$	%
Interest income	\$ (106,416)	\$ (83,144)	\$ (23,272)	28.0	%
Interest expense related to financing activities	641,194	510,369	130,825	25.6	
Amortization related to financing activities	93,613	-	93,613	n/a	
Total finance costs, net	\$ 628,391	\$ 427,225	\$ 201,166	47.1	%

	Nine months ended December 31,			Change	
	2023	2022		\$	%
Interest income	\$ (270,140)	\$ (139,245)	\$ (130,895)	94.0	%
Interest expense related to financing activities	1,849,915	1,464,287	385,628	26.3	
Amortization related to financing activities	261,316	221,856	39,460	17.8	
Total finance costs, net	\$ 1,841,091	\$ 1,546,898	\$ 294,193	19.0	%

Finance costs, net of interest income increased by 47.1%, or \$0.2 million, to \$0.6 million in the three months ended December 31, 2023 as compared to \$0.4 million in the three months ended December 31, 2022. The increase is primarily attributable to the interest (accrued) and amortization (non-cash) associated with the addition of the shareholder loan in February 2023.

Finance costs, net of interest income increased by 19.0%, or \$0.3 million, to \$1.8 million in the nine months ended December 31, 2023 as compared to \$1.5 million in the nine months ended December 31, 2022. The increase is predominantly attributable to the addition of the shareholder loan in February 2023 and further driven by a higher average effective interest rate due to central bank rate increases, partially offset by a lower average outstanding balance on the Company's bank indebtedness. During the period the Company also experienced higher interest expense on its long-term debt due to the interest only period from April 1, 2023 to September 30, 2023.

Other expenses and income

The following table provides a summary of the other expenses and income, excluding finance costs, for the periods presented:

	Three months ended December 31,			Change	
	2023	2022		\$	%
Other income	\$ (33,592)	\$ (5,348)	\$ (28,244)	528.1	%
Gain on revaluation of warrant liability	(2,713)	(32,003)	29,290	(91.5)	
Unrealized gain on derivative financial instruments	(411,007)	(1,607,675)	1,196,668	(74.4)	
Realized foreign exchange loss	171,892	1,194,554	(1,022,662)	(85.6)	
Unrealized foreign exchange loss	160,316	78,464	81,852	104.3	
Transaction and brand development costs	75,505	141,626	(66,121)	(46.7)	
Total other income	\$ (39,599)	\$ (230,382)	\$ 190,783	(82.8)	%

	Nine months ended December 31,			Change	
	2023	2022		\$	%
Other income	\$ (78,933)	\$ (5,021)	\$ (73,912)	1,472.1	%
Loss on derivative liability related to convertible debentures	-	221,173	(221,173)	(100.0)	
Gain on revaluation of warrant liability	(12,336)	(163,119)	150,783	(92.4)	
Unrealized (gain) loss on derivative financial instruments	(213,905)	678,994	(892,899)	(131.5)	
Realized foreign exchange loss	118,909	1,813,618	(1,694,709)	(93.4)	
Unrealized foreign exchange (gain) loss	(15,099)	40,213	(55,312)	(137.5)	
Listing expense	-	2,075,733	(2,075,733)	(100.0)	
Transaction and brand development costs	78,989	1,426,878	(1,347,889)	(94.5)	
Total other (income) expenses	\$ (122,375)	\$ 6,088,469	\$ (6,210,844)	(102.0)	%

Other income decreased by \$0.2 million in the three months ended December 31, 2023 to \$39 thousand in comparison to \$0.2 million in the three months ended December 31, 2022, predominantly attributable to the reduction in unrealized foreign exchange and derivative financial instruments gain of \$1.2 million, offset by a reduction in the realized foreign exchange loss of \$1.0 million.

Other expenses decreased by \$6.2 million in the nine months ended December 31, 2023 to income of \$0.1 million in comparison to expense of \$6.1 million in the nine months ended December 31, 2022, predominantly attributable to public company, transactional and brand development related expenses incurred in the previous period, as well as a reduction of \$1.7 million in the realized foreign exchange loss in the current year period.

Profit or Loss for the period from continuing operations

The Company recorded a loss from continuing operations during the three months ended December 31, 2023 of \$12 thousand in comparison to a profit of \$40 thousand in the three months ended December 31, 2022.

The Company recorded a loss from continuing operations during the nine months ended December 31, 2023 of \$4.1 million in comparison to a loss of \$6.3 million in the nine months ended December 31, 2022, an improvement of \$2.2 million or 39.2% over the prior year period. Despite the lower sales and, as a result, margin in the current period, the improvement is attributable to a reduction in general and administration expenses along with one-time expenses incurred in the prior period related (i) to the completion of the RTO transaction and (ii) one-time transaction and brand development related expenses.

EBITDA and Adjusted EBITDA

EBITDA was \$1.3 million during the three months ended December 31, 2023, an improvement of \$0.5 million or 63.1%, compared to a \$0.8 million in the three months ended December 31, 2022. During the nine months ended December 31, 2023 EBITDA was negative \$1.4 million, an improvement of \$3.7 million or 73.3%, compared to a negative \$5.1 million in the nine months ended December 31, 2022.

Adjusted EBITDA improved by \$1.7 million to \$1.3 million during the three months ended December 31, 2023, in comparison to negative \$0.4 million in the three months ended December 31, 2022. Adjusted EBITDA margin represented 3.5% in the three months ended December 31, 2023, compared to negative 1.1% in the three months ended December 31, 2022. The improvement in Adjusted EBITDA and Adjusted EBITDA margin was directly attributable to realized gross profit experienced in the current period as a result of higher proportion of sales from higher margin categories and increased focus on executing profitable sales, coupled with a decrease in general and administration expenses incurred.

Adjusted EBITDA decreased by \$0.9 million to negative \$1.1 million during the nine months ended December 31, 2023, in comparison to negative \$0.2 million in the nine months ended December 31, 2022. Adjusted EBITDA margin was negative 1.5% in the nine months ended December 31, 2023, compared to negative 0.3% in the nine months ended December 31, 2022. The decline in Adjusted EBITDA and Adjusted EBITDA margin was directly attributable to lower sales volume and gross profit levels experienced in the first half of the current year as a result of poor market conditions.

EBITDA, EBITDA margin, Adjusted EBITDA and adjusted EBITDA margin are non-IFRS measures. Refer to the section entitled “Non-IFRS Measures”.

OPERATING SEGMENT RESULTS

The Company has five primary geographic segments: North America, Asia, Europe, South America and Other. The following table presents GFI’s revenue disaggregated by geographical market for the periods indicated:

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Primary geographical markets				
North America	\$ 30,349,606	\$ 23,003,443	\$ 60,220,937	\$ 56,781,101
Asia	2,202,803	10,558,388	4,069,474	22,998,826
Europe	646,677	1,322,995	1,234,483	2,100,275
South America	2,071,796	3,914,501	8,486,485	8,969,153
Other	1,588,483	635,570	2,103,991	2,548,469
Total	\$ 36,859,365	\$ 39,434,897	\$ 76,115,370	\$ 93,397,824

A majority of the decline in revenue in the three and nine months ended December 31, 2023 is directly attributable to the decline in pea protein inputs revenue which was generated through sales into the Asian markets. The market demand for these products is lower in the current year due to a combination of depressed market conditions and high inventory levels from the previous year. The Company is focused on diversifying its geographical footprint and growing in other regions, specifically, South America where there is a high demand for split peas.

Off-Balance Sheet Arrangements

GFI has no material off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, revenues, expenses, results of operation, liquidity, capital expenditures or capital resources.

Related Party Transactions

In June 2023, the Company entered into a letter of intent with a shareholder of the Company, to sell a 49.9% equity stake in the pet food division and enter into a loan agreement for up to \$10.0 million. In August 2023, the Company received an advance in the form of a deposit against the pending loan agreement in the amount of \$3.0 million. The transaction closed in February 2024.

LIQUIDITY AND CAPITAL RESOURCES

Capital Management

The Company’s objective in managing its capital is to ensure sufficient liquidity to finance its operations, maximize the preservation of capital and deliver competitive returns on invested capital. The principal uses of funds are for operating expenses, capital expenditures, growth opportunities and debt service requirements. To fund its activities, the Company has relied on equity raises, debt financing and bank-supplied long-term debt, which are included in the Company’s definition of capital. The Company manages its excess cash to ensure that it has sufficient reserves to fund its operations and capital expenditures. GFI’s ability to fund future operating expenses, capital expenditures and debt service requirements, and to comply with financial covenants will depend on, among other things, its future operating performance, which will be affected by general economic, financial and other factors, see “Forward-Looking Statements”.

Cash Flows

The following table summarizes the Company's cash flows for the periods presented:

	Nine months ended December 31,			Change	
	2023	2022		\$	%
Cash used in operations	\$ (2,184,788)	\$ (2,940,473)	\$ 755,685	(25.7)	%
Changes in non-cash operating working capital	2,088,550	8,689,596	(6,601,046)	(76.0)	
Cash (used in) generated from operating activities	(96,238)	5,749,123	(5,845,361)	(101.7)	
Cash used in from investing activities	(512,831)	(542,188)	29,357	(5.4)	
Cash generated (used in) financing activities	622,823	(3,799,785)	4,422,608	(116.4)	
Net decrease in cash	13,754	1,407,150	(1,393,396)	(99.0)	
Effect of movements in exchange rates on cash	(143,691)	(10,261)	(133,430)	1,300.4	
Cash beginning of the period	482,650	1,792,857	(1,310,207)	(73.1)	
Cash, end of the period	\$ 352,713	\$ 3,189,746	\$ (2,837,033)	(88.9)	%

Note: the above table has not been adjusted for discontinued operations.

Operating Activities

Cash used in operating activities was \$0.1 million during the nine months ended December 31, 2023, an increase of cash used \$5.8 million from \$5.7 million of cash generated from operating activities during the nine months ended December 31, 2022. The change is attributable to a \$0.8 million decrease in cash used in operations and offset by a \$6.6 million decrease in the change in non-cash operating working capital. Changes in non-cash operating working capital items resulted in cash generated of \$2.1 million during the nine months ended December 31, 2023 compared to cash generated of \$8.7 million in the nine months ended December 31, 2022. The decrease in non-cash working capital is due to the timing and volume of sales generated in the current period, resulting in increased accounts receivables, lower inventory and increased payables.

Investing Activities

Investing activities used cash of \$0.5 million in the nine months ended December 31, 2023 compared to cash used of \$0.5 million for the nine months ended December 31, 2022. In the current period, the Company invested in the commissioning and installation of the bagging lines at its US distribution center (\$0.3 million), along with along with regular capital maintenance at its facilities. In the nine months ended December 31, 2022, the Company invested \$2.5 million in the completion of the pea splitting operation and facility maintenance offset by the completion of the RTO which generated cash of \$1.9 million. The Company has invested a significant amount of capital in expanding its operational and value-added capabilities over the last two years and is now focused on generating a return from the capital invested versus expansion opportunities.

Financing Activities

Financing activities generated cash flows of \$0.6 million during the during the nine months ended December 31, 2023 compared to cash used of \$3.8 million during the nine months ended December 31, 2022, an increase in cash generated in financing activities of \$4.4 million. The increase was predominantly the result of a \$3.0 million advance received on the pet food transaction, along with the deferral of principal payments against the Company's long-term debt and a lower average balance held on the Company's asset-backed loan facility bank. In the previous comparable period, the Company raised \$3.2 million of equity in the form of subscription receipts as part of the go public process which was offset by a \$2.0 million repayment of a shareholder loan, \$2.4 million repayment long-term debt, lease obligations and interest and a reduction in bank indebtedness of \$3.1 million.

Indebtedness

Asset-Backed Loan Facility

The Company has a revolving asset-backed loan facility to fund working capital. The committed facility carries a three-year term and can be drawn to a maximum of \$25.0 million or the USD equivalent, which can increase to \$28.0 million during December 1 to March 31 each year. The facility matures on August 21, 2024. The facility is secured by a first ranking charge on all of the inventory and accounts receivable of the Company and its subsidiaries and any amounts drawn under the facility carry an interest rate of Canadian prime rate/US Base rate plus 0.25%, or CDOR plus 1.70%. The Company is required to pay an annual standby fee of 0.25% of undrawn amounts. Under the terms of the credit agreement, the Company is required to comply with certain financial and non-financial covenants. Subsequent to December 31, 2023, the asset backed loan facility was refinanced (refer to Subsequent Events).

Long-Term Debt

The Company's long-term debt consists of credit facilities comprised of three different term loans of \$12.0 million, \$2.0 million and \$4.0 million. As at December 31, 2023, the total principal amount outstanding was \$15.3 million. In March 2023, the Company's credit facility agreement was amended to amend covenant testing to commence in the fiscal year ending March 31, 2024 and defer principal payments on each loan for a period of six months from April 1 to September 30, 2023. In addition, both the maturity date and end of amortization date of each loan was extended by six months.

Collectively, the facilities are secured by a collateral mortgage against the Company's properties, a general security agreement, constituting a first priority security interest in all present and future real and personal property of the Company, security pledge agreements, assignment of insurance and material contracts, and guarantees from certain shareholders.

Additional Financing Requirements

As a result of realized and anticipated growth in its activities, planned investments in processing equipment, operations, marketing, logistics, new product development and the potential for operating losses, the Company may require additional financing in the future to realize the goals outlined in the "Business Model and Growth Strategy" section of this MD&A.

EQUITY

Shares Outstanding

As at December 31, 2023 there were 65,080,169 issued and outstanding common shares.

Options and Warrants

As at December 31, 2023 there were 4,271,666 stock options outstanding with an average exercise price of \$0.46 and 14,301,805 warrants outstanding with an average exercise price of \$1.52.

Dividends

The Company did not pay dividends in the three or nine months ended December 31, 2023 or in the twelve-month fiscal year ended March 31, 2023. The Company's current policy is to retain future earnings to finance growth. Any future determination to pay dividends will be made at the discretion of the Company's Board of Directors and will depend on the Company's financial condition, results of operations, capital requirements and other such factors as the Board of Directors may deem relevant.

SUMMARY OF FACTORS AFFECTING OUR PERFORMANCE

The Company believes that our performance and future success depend on a number of factors that present significant opportunities for us. These factors are subject to a number of inherent risks and challenges, described in the section entitled "Risk Factors" in the Company's AIF

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to credit risk, liquidity risk, currency risk, and interest rate risk. The Company's management oversees the management of these risks. The Company's management is supported by the members of the Board of Directors that advise on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by policies and procedures and financial risks are identified, measured, and managed in accordance with the Company's policies and the Company's risk appetite.

Fair Value

The Company's financial instruments include cash, trade and other receivables, promissory note, trade payables and accrued liabilities, bank indebtedness, derivative financial instruments, warrant liability, long-term debt, other loan payable, related party loan and puttable shares. As of December 31, 2023, derivative financial instruments and warrant liability are carried at fair value. All other financial instruments are not measured at fair value as their carrying values are considered to approximate their fair value due to their short-term nature or due to similar market instruments.

Credit Risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash, deposits and trade and other receivable. The Company recorded an expected credit loss ("ECL") equivalent to 2.82% of the uninsured portion of trade receivable for the nine months ended December 31, 2023. In the current year, this amounts to 0.65% of the trade receivable balance. The Company is not significantly exposed to its accounts receivable due to its diversified customer base, a stringent collection policy and extensive use of credit insurance.

Liquidity Risk

Liquidity risk is the risk that the Company is unable to generate or obtain sufficient cash in a cost-effective manner to fund its obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk through maintaining sufficient funds on hand and continuously monitoring forecast and actual cash flows.

Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company operates in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency transaction and translation risks.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash and cash equivalents and long-term debts. Cash and cash equivalents and deposits bear interest at market rates. A large portion of the Company's debts have variable rates of interest. The Company does not use any derivative instruments to hedge against interest rate risk and a significant change in interest rates may have a significant impact on its financial results.

Economic Dependency

There were no single customers that contributed 10% or more of the Company's revenue for the nine months ended December 31, 2023 (2022 – one).

Industry

The Company operates in the agricultural environment and is affected by general economic trends. A decline in economic conditions, consumer-spending levels or other adverse conditions could lead to reduced revenue and gross margins. The Company is dependent on the supply chain and distribution industry which can be impacted by general economic trends, port shutdowns/closures, and climate changes; these impacts may result in delays in shipments which could have an adverse impact on the Company's revenue and gross margins.

Weather / Climate

A number of the Company's product inputs are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, frosts, earthquakes, hurricanes, wildfires and pestilence. Adverse weather conditions and natural disaster can lower crop yields and reduce crop size and quality, which in turn could reduce available supply of or increase the price of quality ingredients. The Company also competes with other food producers in the procurement of specialty crops and ingredients, and as consumer demand for plant-based protein products increases, this competition may increase. If supplies of quality products and ingredients are reduced due to adverse weather events or the effects of climate change, or there is greater demand for such ingredients, the Company may not be able to obtain sufficient supply on favorable terms, or at all, which could impact the Company's ability to supply products to distributors and retailers and may adversely affect its business, results of operations and financial condition.

Price

The pulse, grain and specialty crops processing industry is a margin-based business in which gross profits depend on the excess of sales prices over costs. Consequently, profitability is sensitive to fluctuations in wholesale price of crops caused by changes in supply, taxes, government programs and policies for the farming and transportation industries, and other market conditions. The world market for pulses and specialty crops is subject to numerous risks and uncertainties, including risks and uncertainties related to international trade and global political conditions.

SUMMARY OF QUARTERLY RESULTS

The following table presents GFI's revenue, adjusted gross profit and adjusted EBITDA for the eight most recently completed quarters:

	Three months ended							
	Dec 31 2023	Sept 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022 ⁽²⁾	Sept 30 2022 ⁽²⁾	Jun 30 2022 ⁽²⁾	Mar 31 2022 ⁽²⁾
Revenue	\$ 36,859,365	17,567,708	21,688,297	29,862,358	39,434,897	23,877,517	30,085,410	34,817,520
Adjusted gross profit ⁽¹⁾	\$ 3,889,936	2,148,343	729,158	1,450,579	2,439,912	2,424,569	2,844,530	1,535,972
Adjusted gross profit margin ⁽¹⁾	10.6%	12.2%	3.4%	4.9%	6.2%	10.2%	9.5%	4.4%
Adjusted EBITDA ⁽¹⁾	\$ 1,283,853	(709,560)	(1,700,414)	(1,724,242)	(446,629)	(149,528)	340,784	(559,459)
Adjusted EBITDA margin ⁽¹⁾	3.5%	(4.0%)	(7.8%)	(5.8%)	(1.1%)	(0.6%)	1.1%	(1.6%)
(Loss) profit from continuing operations ⁽³⁾	\$ (12,342)	(2,053,092)	(2,089,500)	(2,333,896)	39,876	(2,327,292)	(4,007,702)	(2,290,757)
(Loss) profit from continuing operations ⁽³⁾ per share, basic and diluted	\$ -	(0.03)	(0.03)	(0.04)	-	(0.03)	(0.07)	(0.22)
Loss for the period ⁽³⁾	\$ (12,342)	(2,053,092)	(2,476,465)	(2,935,515)	(316,382)	(2,802,497)	(4,351,036)	(2,325,089)
Loss for the period ⁽³⁾ per share, basic and diluted	\$ -	(0.03)	(0.04)	(0.05)	(0.01)	(0.04)	(0.08)	(0.22)

⁽¹⁾ Adjusted gross profit, adjusted gross profit margin, adjusted EBITDA and adjusted EBITDA margin are non-IFRS measures. Refer to the section entitled "Non-IFRS Measures".

⁽²⁾ Figures have been re-presented to reflect discontinued operations.

⁽³⁾ Attributable to Shareholders of the Company

⁽⁴⁾ Totals may not add due to rounding

Fluctuations in quarterly results can be attributed to changes in pricing, volume, sales mix, and the impact of foreign exchange translation. For an explanation and analysis of quarterly results, refer to the Company's MD&A for each of the respective quarterly periods which are filed on SEDAR+ and also available on the Company's website at www.gfiglobalfood.com.

CRITICAL ACCOUNTING ESTIMATES

Please see the Company's Annual Financial Statements for the year ended March 31, 2023 for a discussion of the accounting policies and estimates that are critical to the understanding of the Company's business operations and the results of its operations. The significant accounting policies as disclosed in the Annual Financial Statements have been applied consistently, except as described below.

Changes in accounting standards

Amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates (“IAS 8”) – Definition of Accounting Estimates

In February 2021, the IASB issued *Definition of Accounting Estimates*, which amends IAS 8. The amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier adoption permitted. There was no impact on the consolidated financial statements as a result of the adoption of this amendment.

SUBSEQUENT EVENTS

On January 16, 2024, the Company entered into a subscription agreement to sell 49.9% equity stake in its pet food subsidiary, Big Sky Milling Inc. (“Big Sky”) to a shareholder of the Company, for \$3.45 million (“Subscription Proceeds”). The closing of the transaction was subject to customary approvals and closed in February 2024. The proceeds from the subscription were used to repay the related party loan and accrued interest owing by the Company to its shareholder in the same amount maturing on February 2, 2024. As part of the repayment, the 2.5 million warrants issued as consideration for the related party loan expired. The subscription agreement closed on February 1, 2024 in conjunction with the Pet Food Transaction (defined below).

On February 1, 2024, the Company completed an asset purchase agreement (“Pet Food Transaction”) in which the assets of its pet food division were sold by Global Food and Ingredients Inc. (“GFI Inc.”) to Big Sky, both subsidiaries of the Company. The acquisition constitutes a business combination under common control and was recorded at book value. As consideration for the purchased assets GFI Inc. received a combination of shares in Big Sky along with a vendor take back note which was satisfied in cash through the Subscription Proceeds and the closing draw on the Big Sky Loan (defined below).

On February 1, 2024, Big Sky, a subsidiary of the Company entered into a two-year committed loan agreement (“Big Sky Loan”) for up to \$10.0 million with a shareholder of the Company. The loan agreement consists of two tranches, including a revolving credit

facility of up to \$5.0 million and a term loan in the principal amount of \$5.0 million. The loan tranches bear interest at a rate of Canadian prime rate plus 3.80% and are secured by a collateral mortgage against Big Sky's property in the principal amount of \$10.0 million, a general security agreement constituting a first priority security interest in all present and future real and personal property of Big Sky and assignment of insurance and material contracts. The loan agreement included a 2.0% commitment fee, payable over the term of the loan. As additional consideration, the Company issued non-transferrable warrants to purchase an aggregate of 3.25 million common shares of the Company. Each warrant can be exercised for one common share of the Company at a price of \$0.20 per share for a period of two years following the date of issuance. A portion of the proceeds from the loan agreement was used to refinance the Company's existing bank indebtedness.

On February 1, 2024, GFI Inc., a wholly-owned subsidiary of the Company entered into a promissory note with a shareholder in the principal amount of \$0.5 million. The promissory note bear interest at a rate of 15.0% per annum and accrue and become payable along with the principal amount one year following the issuance. The promissory note included a 3.0% commitment fee and is secured by a general security agreement, constituting a security interest in all present and future real and personal property of the Company; subordinated to the Company's senior lenders.

On February 1, 2024, GFI Inc., a subsidiary of the Company entered into a three-year committed asset-based lending facility of up to \$20.0 million. The asset-based facility is secured by a first ranking priority interest in all of the inventory and accounts receivable of the Company and its subsidiaries (excluding Big Sky), a collateral mortgage over the properties of GFI Inc. (subordinated to the senior term lender), security pledge agreements, assignment of insurance and material contracts, and guarantee from the Company and certain subsidiaries. Any amounts drawn under the asset-based facility carry an interest rate of one-month CDOR plus 4.0%, subject to a minimum interest rate of 8.38%. Under the terms of the asset-based lending facility, the Company is required to comply with certain non-financial covenants. The proceeds from the asset-based lending facility were used to refinance the Company's existing bank indebtedness.

NON-IFRS FINANCIAL MEASURES

Non-IFRS Financial Measures

This MD&A makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have standardized meaning prescribed by IFRS, and therefore may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures are not intended to represent, and should not be considered as alternatives to, our financial information reported under IFRS. In addition to our results determined in accordance with IFRS, the Company use non-IFRS measures including: gross profit margin, adjusted gross profit, adjusted gross profit margin, earnings before interest, taxes and depreciation and amortization ("EBITDA"), EBITDA margin, adjusted EBITDA and adjusted EBITDA margin. These non-IFRS measures are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures.

Management also uses non-IFRS measures to exclude the impact of certain expenses and income that management does not believe reflect the Company's underlying operating performance. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period and to prepare annual operating budgets and as a measure of the Company's ability to finance its ongoing operations and service its obligations. For definitions and reconciliations of these non-IFRS measures to the relevant reported measures, please see below.

Gross Profit Margin

Gross profit margin is defined as gross profit divided by revenue.

Adjusted Gross Profit and Adjusted Gross Profit Margin

Adjusted Gross Profit

Adjusted gross profit is a non-IFRS financial measure used by management to assess the financial and operating performance of our business. Adjusted gross profit is calculated by adding or deducting, as applicable from gross profit, certain costs, charges or benefits incurred in such periods which in management's view are either not indicative or are directly correlated to the Company's process to sell its products, including: (a) realized foreign exchange loss (gain) and (b) overhead costs attributable to bringing inventory to a saleable condition that have been recorded as cost of sales under IFRS. Management believes adjusted gross profit is a useful supplemental measure to compare the Company's margin over time on a consistent basis and is believed to be a clearer indication of trade margin on the Company's core plant-based ingredients business.

Adjusted Gross Profit Margin

Adjusted gross profit margin represents adjusted gross profit divided by revenue. Management uses adjusted gross profit margin to facilitate a comparison of the operating performance of the Company on a consistent basis reflecting factors and trends affecting our business.

Reconciliation

The following table provides a reconciliation of gross profit to adjusted gross profit for the periods presented:

	Three months ended December 31,			Nine months ended December 31,		
	2023	2022 ⁽¹⁾	change	2023	2022 ⁽¹⁾	change
Gross profit	\$ 2,767,864	\$ 2,299,721	20.4 %	\$ 3,040,801	\$ 6,155,519	(50.6) %
Gross profit margin	7.5%	5.8%		4.0%	6.6%	
Less:						
Realized foreign exchange (gain) loss ⁽¹⁾	171,892	1,194,554	(85.6)	118,909	1,813,618	(93.4)
Plus: Total costs attributable to bringing inventory to a saleable condition: ⁽²⁾						
Overhead	1,030,445	1,040,399	(1.0)	3,052,854	2,687,818	13.6
Amortization of property plant and equipment	263,519	294,346	(10.5)	792,691	679,292	16.7
Adjusted gross profit	\$ 3,889,936	\$ 2,439,912	59.4 %	\$ 6,767,437	\$ 7,709,011	(12.2) %
Adjusted gross profit margin	10.6%	6.2%		8.9%	8.3%	

⁽¹⁾ Figures have been re-presented to reflect discontinued operations.

⁽²⁾ Consists of realized gains and losses on foreign exchange rates for executed transactions. The Company does not participate in hedge accounting practices, but books forward contracts at the time the Company enters into a new contract with a foreign currency denominated vendor. The gain or loss realized at the time of sale is directly related to each of the executed contracts and as a result is indicative of the margin realized on said contract.

⁽³⁾ This is an IFRS adjustment to allocate applicable overhead costs, including compensation and benefits and other general and administration costs, and amortization of property, plant and equipment specifically related to the Company's operating facilities to cost of sales. Management views these costs as fixed in nature and does not assess them as being indicative of the variable cost of selling its products.

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin

EBITDA

EBITDA is a non-IFRS financial measure which calculates, for the applicable period, earnings before interest, taxes and depreciation and amortization. Interest includes all finance costs net of interest income and depreciation and amortization includes the depreciation of property, plant and equipment, amortization of right-of-use assets, amortization of intangible assets and amortization of deferred financing fees. Management does not use EBITDA as a financial performance metric.

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure used by management to assess the financial performance of our business as well as a key metric in analyzing and assessing any strategic investment or financing opportunity. Adjusted EBITDA is calculated by adding and deducting, as applicable from EBITDA, certain expenses, costs, charges or benefits incurred in such period which in management's view are either not indicative of underlying business performance, impact the ability to assess the operating performance of our business or are deemed non-cash, non-recurring or one-time in nature. The Company utilizes adjusted EBITDA to facilitate a comparison of our operating performance on a consistent basis reflecting factors and trends affecting our business. Management believe that adjusted EBITDA is a useful measure of financial performance because it provides an indication of the Company's ability to seize growth opportunities in a cost-effective manner, finance its ongoing operation and service its financing obligations. As the Company continues to grow its business, it may be faced with new events or circumstances that are not indicative of our underlying business performance or that impact the ability to assess our operating performance.

Adjusted EBITDA margin

Adjusted EBITDA margin represents adjusted EBITDA divided by revenue. Management use adjusted EBITDA margin to facilitate a comparison of the operating performance of the Company on a consistent basis reflecting factors and trends affecting our business.

Reconciliation

The following table provides a reconciliation of net income to EBITDA and Adjusted EBITDA for the periods presented:

	Three months ended December 31,				Nine months ended December 31,			
	2023	2022 ⁽⁹⁾	change	%	2023	2022 ⁽⁹⁾	change	%
(Loss) profit for the period	\$ (12,342)	\$ 39,876	(131.0)	%	\$ (4,154,934)	\$ (6,295,118)	34.0	%
Plus:								
Income tax expense (recovery)	115,038	(226,640)	(150.8)		(716,623)	(1,677,382)	(57.3)	
Interest ⁽¹⁾	734,807	510,369	44.0		2,111,231	1,686,143	25.2	
Depreciation and amortization ⁽²⁾	468,445	477,062	(1.8)		1,400,032	1,184,875	18.2	
EBITDA	1,305,948	800,667	63.1		(1,360,294)	(5,101,482)	73.3	
Other income ⁽³⁾	(33,592)	(5,348)	528.1		(78,933)	(5,021)	1,472.1	
Loss on derivative liability related to convertible debentures ⁽⁴⁾	-	-	n/a		-	221,173	(100.0)	
Gain on warrant revaluation ⁽⁴⁾	(2,713)	(32,003)	(91.5)		(12,336)	(163,119)	(92.4)	
Unrealized (gain) loss on derivative financial instruments ⁽⁵⁾	(411,007)	(1,607,675)	(74.4)		(213,905)	678,994	131.5	
Unrealized foreign exchange loss (gain) ⁽⁵⁾	160,316	78,464	104.3		(15,099)	40,213	(137.5)	
Listing expense ⁽⁶⁾	-	-	n/a		-	2,075,733	(100.0)	
Acquisition / one-time transaction and brand development costs ⁽⁶⁾	75,505	141,626	(46.7)		78,989	1,426,878	(94.5)	
Share based compensation ⁽⁷⁾	67,645	110,188	(38.6)		196,621	224,930	(12.6)	
Other ⁽⁸⁾	121,751	67,452	80.5		278,836	346,328	(19.5)	
Adjusted EBITDA	\$ 1,283,853	\$ (446,629)	387.5	%	\$ (1,126,121)	\$ (255,373)	(341.0)	%
<i>Adjusted EBITDA margin</i>	<i>3.5%</i>	<i>(1.1%)</i>			<i>(1.5%)</i>	<i>(0.3%)</i>		

⁽¹⁾ Interest includes all finance costs net of interest income.

⁽²⁾ Depreciation and amortization include depreciation of property, plant and equipment, amortization of right-of-use assets, amortization of intangible assets and amortization of deferred financing fees.

⁽³⁾ Consists of incomes and expenses incurred outside of the normal course of operation.

⁽⁴⁾ This is a non-cash item that consists of the fair value revaluation of the convertible debentures and warrants.

⁽⁵⁾ Consists of (i) non-cash, unrealized gains and losses attributable to foreign exchange rate fluctuations and (ii) non-cash gains and losses on foreign exchange "mark-to-market" in connection with our derivative financial instruments.

⁽⁶⁾ Consists of acquisition, integration and other costs such as legal, consulting and other fees and expenses incurred in respect of acquisitions, financing, rebranding and product development costs and Transaction-related activities completed during the applicable period.

⁽⁷⁾ This is a non-cash item and consists of the amortization of the estimated fair value of share-based options granted under the Company's share-based option plan.

⁽⁸⁾ Other expenses incurred by the Company in the applicable period noted relating to one-time, non-recurring, start-up related or other expenses as disclosed by the Company. For the three and nine months ended December 31, 2023 the expenses relate to closing costs associated with the divested Yofit division including a one-time contract termination charge and one-time severance costs. For the three and nine months ended December 31, 2022 the expenses relate to start-up costs as a result of operating the pea-splitting facility during the period of commissioning and commercialization of the product, with low to minimal third-party outputs.

⁽⁹⁾ Figures have been re-presented to reflect discontinued operations.

Quarterly Non-IFRS Measures

Adjusted Gross Profit and Adjusted Gross Profit Margin

	Three months ended				
	Dec 31 2023	Sept 30 2023	Jun 30 2023	Mar 31 2023	Mar 31 2022 ⁽¹⁾
Gross profit (loss)	\$ 2,767,864	626,408	(354,471)	662,912	2,129,817
Gross profit (loss) margin	7.5%	3.6%	(1.6)%	2.2%	7.1%
				5.8%	7.2%
				2,299,721	1,725,981
Less:					
Realized foreign exchange loss (gain)	171,892	(152,759)	99,776	509,541	157,239
Plus: Total costs attributable to bringing inventory to a saleable condition:					
Overhead	1,030,445	1,104,654	917,755	1,019,829	682,455
Amortization of property plant and equipment	263,519	264,522	264,650	277,379	173,372
Adjusted gross profit	\$ 3,889,936	2,148,343	729,158	1,450,579	2,424,569
Adjusted gross profit margin	10.6%	12.2%	3.4%	4.9%	10.2%
				2,439,912	2,844,530
				6.2%	9.5%
				1,194,554	461,825
					135,969
					801,812
					166,450
					1,535,972
					4.4%

⁽¹⁾ Figures have been re-presented to reflect discontinued operations.

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin

	Three months ended				
	Dec 31 2023	Sept 30 2023	Jun 30 2023	Mar 31 2023	Mar 31 2022 ⁽¹⁾
(Loss) profit for the period	\$ (12,342)	(2,053,092)	(2,089,500)	(2,333,896)	(2,290,757)
Plus: Income tax expense (recovery)	115,038	(216,775)	(614,886)	(187,240)	(918,290)
Interest	734,807	674,215	702,209	705,305	411,807
Depreciation and amortization	468,445	469,601	461,986	502,763	357,361
EBITDA	1,305,948	(1,126,051)	(1,540,191)	(1,313,068)	(2,476,414)
Other (income) expenses	(33,592)	(39,000)	(6,341)	(29)	5,387
Gain on derivative liability related to convertible debentures	-	-	-	-	(5,060)
(Gain) loss on warrant revaluation	(2,713)	(4,065)	(5,558)	(9,514)	221,173
Unrealized (gain) loss on derivative financial instruments	(411,007)	257,132	(60,030)	(543,383)	(40,690)
Unrealized foreign exchange loss (gain)	160,316	(33,108)	(142,307)	13,699	1,760,097
Listing expense	-	-	-	-	(57,551)
Acquisition/ one-time transaction and brand development costs	75,505	3,484	-	-	2,075,733
Share based compensation	67,645	74,963	54,013	76,903	932,247
Other	121,751	157,085	-	-	93,293
Adjusted EBITDA	\$ 1,283,853	(709,560)	(1,700,414)	(1,724,242)	(149,528)
Adjusted EBITDA margin	3.5%	(4.0)%	(7.8)%	(5.8)%	(0.6)%
				(446,629)	340,784
				(1.1)%	1.1%
					(1.6)%

⁽²⁾ Figures have been re-presented to reflect discontinued operations.

This is Exhibit "S" referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.

GFI ANNOUNCES WIND-DOWN OF OPERATIONS

Sudden Rapid Slowdown Hindering Debt Service

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

Management and the board of directors have determined that these challenges will make it near impossible for the Company to continue to operate and service its debts, leaving no other option than to wind-down its operations. The board of directors of GFI and its financial advisors have conducted an extensive and exhaustive review of all available and credible alternatives for the Company to allow it to continue its business operations, including but not limited to, the refinancing or sale of existing processing facilities, bridge financing options and/or a sale of all or a material portion of GFI’s assets/business, but was unsuccessful in securing a viable solution. The Company will be working with its lenders to sell its assets in an orderly fashion.

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

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

About GFI

GFI is a Canadian plant-based food and ingredients company, connecting the local farm to the global supply chain for peas, beans, lentils, chickpeas and other high protein specialty crops. GFI is headquartered in Toronto, Canada and operations in Western Canada and North Carolina, USA.

Contact Information

For further information, please contact:

GLOBAL FOOD AND INGREDIENTS LTD.

Bill Murray, CFO

Phone: 416-840-6801

Email: bill.murray@gfiglobalfood.com

Disclaimer

Neither the TSXV nor its Regulation Service Provider (as defined policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.

Cautionary Statements

This press release may contain certain forward-looking information and statements (“forward-looking information”) within the meaning of applicable Canadian securities legislation, that are not based on historical fact, including without limitation statements containing the words “believes”, “anticipates”, “plans”, “intends”, “will”, “should”, “expects”, “continue”, “estimate”, “forecasts” and other similar expressions. Forward looking statements in this press release include without limitation statements relating to the impacts of recent macro-economic events on GFI’s operations, GFI’s plans to commence the sale of its assets as part of the wind-down of its business operations and the Company’s compliance with its continuous disclosure obligations. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements. GFI undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of GFI, its securities, or financial or operating results (as applicable).

Although GFI believes that the expectations reflected in forward-looking information in this press release are reasonable, such forward-looking information has been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond GFI’s control, including the risk factors discussed in GFI’s annual information form for the year ended March 31, 2023, which are incorporated herein by reference and are available through SEDAR+ at www.sedarplus.ca. The forward-looking information contained in this press release are

expressly qualified by this cautionary statement and are made as of the date hereof. GFI disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

This is Exhibit "T" referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.

A handwritten signature in black ink, appearing to read "L. D. Simpson". The signature is written in a cursive style with a large, stylized initial "L" and "D".

A Commissioner for Taking Affidavits, etc.

Goodmans^{LLP}

Barristers & Solicitors
 Bay Adelaide Centre
 333 Bay Street, Suite 3400
 Toronto, Ontario M5H 2S7
 Telephone: 416.979.2211
 Facsimile: 416.979.1234
 goodmans.ca

Direct Line: 416.587.2202
 jlatham@goodmans.ca

May 7, 2024

By Email

Global Food and Ingredients Inc.,
 GFI Brands Inc., and
 North Lily Foods Inc.
 c/o Global Food and Ingredients Inc.
 43 Colborne Street, Suite 400
 Toronto, ON, M5E 1E3

Attention: William Murray (bill.murray@gfiglobalfood.com)

Dear Sir:

Re: Indebtedness of Global Food and Ingredients Inc., GFI Brands Inc., and North Lily Foods Inc. (collectively, the “Borrowers”) to Siena Lending Group Canada LLC pursuant to the Loan and Security Agreement

We are counsel to Siena Lending Group Canada LLC (the “**Lender**”). As you know, the Borrowers are jointly and severally indebted to the Lender pursuant to a loan and security agreement dated February 1, 2024 (the “**Loan and Security Agreement**”), under which the Lender extended, *inter alia*, Revolving Loans and Letters of Credit to the Borrowers. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Loan and Security Agreement.

As general and continuing security for the payment and performance of the Borrowers’ indebtedness and obligations under the Loan and Security Agreement, the Lender was granted a security interest in the Collateral of the Loan Parties.

According to the records of the Lender, the Borrowers are indebted to the Lender in the aggregate amount of \$6,844,973.08 as of May 7, 2024, together with all accrued and accruing interest, legal expenses and other costs, charges and fees (collectively, the “**Indebtedness**”).

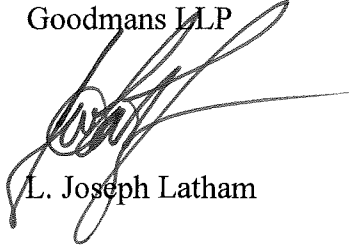
We are advised by the Lender that Events of Default under the terms of the Loan and Security Agreement have occurred and are continuing. As a result, the Lender hereby confirms and declares that the Indebtedness is immediately due and payable, and hereby demands payment in full of the Indebtedness forthwith, including (i) all accrued or accruing interest until payment in full of the Indebtedness is received, and (ii) all costs, charges, fees and expenses incurred and to be incurred by the Lender in connection with the Indebtedness.

Goodmans^{LLP}

If payment in full of the Indebtedness is not received forthwith, the Lender shall have the right to exercise all of its rights and remedies as it may deem necessary or appropriate in order to recover payment in full of the Indebtedness, all without further notice to you. In that regard, we enclose herewith a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* (Canada).

Yours very truly,

Goodmans LLP

A handwritten signature in black ink, appearing to read "L. Joseph Latham", is written over the printed name. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

L. Joseph Latham

**NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1) of the BIA)**

TO: Global Food and Ingredients Inc., GFI Brands Inc., and North Lily Foods Inc. (together, the “**Debtors**” and each a “**Debtor**”), insolvent persons

TAKE NOTICE that:

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Loan and Security Agreement dated February 1, 2024, by and among (i) Siena Lending Group Canada LLC, as lender (the “**Secured Party**”), (ii) Global Food and Ingredients Inc., GFI Brands Inc., and North Lily Foods Inc., as borrowers, and (iii) Global Food and Ingredients LTD., and Global Food and Ingredients (USA) Inc., as guarantors (the “**Loan and Security Agreement**”).
2. The Secured Party, as secured creditor of the Debtors, pursuant to the Loan and Security Agreement, intends to enforce its security, in its sole discretion, on any or all of the assets, property, and undertaking of the Loan Parties of any nature whatsoever, subject to the Security (as defined below) granted by the Loan Parties in favour of the Secured Party.
3. The security that is to be enforced is in the form of the security described in the Loan and Security Agreement and defined therein as the Collateral (the “**Security**”).
4. As of May 7, 2024, the total amount of indebtedness owed by the Debtors to the Secured Party is \$6,844,973.08, together with all accrued and accruing interest, legal expenses and other costs, charges and fees.
5. The Secured Party will not have the right to enforce the Security until after the expiry of the ten-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, Ontario this 7th day of May, 2024.

**SIENA LENDING GROUP CANADA
LLC, by its Lawyers, GOODMAN'S LLP**

Per:


Name: L. Joseph Latham

This Notice is a required document under the *Bankruptcy & Insolvency Act* (Canada) (the “**Act**”). The use of the word “insolvent” is prescribed by the Act but nothing herein shall be deemed to imply that any person to whom this Notice is delivered is, in fact, insolvent.

This is Exhibit "U" referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.

A handwritten signature in cursive script, appearing to read "L. D.", positioned above a horizontal line.

A Commissioner for Taking Affidavits, etc.



Barristers & Solicitors
 Bay Adelaide Centre
 333 Bay Street, Suite 3400
 Toronto, Ontario M5H 2S7
 Telephone: 416.979.2211
 Facsimile: 416.979.1234
 goodmans.ca

Direct Line: 416.587.2202
 jlatham@goodmans.ca

May 7, 2024

By Email

Global Food and Ingredients LTD. & Global Food and Ingredients (USA) Inc.
 c/o Global Food & Ingredients Inc.
 43 Colborne Street, Suite 400
 Toronto, ON, M5E 1E3

Attention: William Murray (bill.murray@gfiglobalfood.com)

Dear Sir:

Re: Indebtedness of Global Food and Ingredients Inc., GFI Brands Inc., and North Lily Foods Inc. (the “Borrowers”) in respect of the Loan and Security Agreement

We are counsel to Siena Lending Group Canada LLC (the “**Lender**”). As you know, the Borrowers are indebted to the Lender pursuant to a loan and security agreement dated February 1, 2024 (the “**Loan and Security Agreement**”) pursuant to which the Lender extended, *inter alia*, Revolving Loans and Letters of Credit to the Borrowers. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Loan and Security Agreement.

As general and continuing security for the payment and performance of the Borrowers’ indebtedness and obligations under the Loan and Security Agreement, the Lender was granted a security interest in the Collateral of the Loan Parties.

Each of Global Food and Ingredients LTD. and Global Food and Ingredients (USA) Inc. are a Loan Party under the Loan and Security Agreement and both have unconditionally and irrevocably guaranteed when due, whether upon maturity, acceleration or otherwise, all of the Obligations of the Borrowers under the Loan and Security Agreement.

According to the records of the Lender, the Borrowers are indebted to the Lender in the aggregate amount of \$6,844,973.08 as of May 7, 2024, together with all accrued and accruing interest, legal expenses and other costs, charges and fees (collectively, the “**Indebtedness**”).

We are advised by the Lender that Events of Default under the terms of the Loan and Security Agreement have occurred and are continuing. By letter dated the date hereof, the Lender has demanded payment from the Borrowers, a copy of which letter is attached hereto.

As a result, pursuant to your guarantees, the Lender hereby demands payment in full of the Indebtedness forthwith, including (i) all accrued and accruing interest until payment in full of the

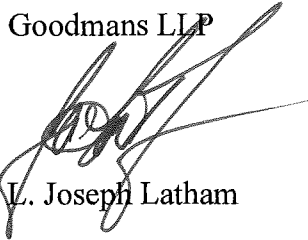
Goodmans^{LLP}

Indebtedness is received, and (ii) all costs, charges, fees and expenses incurred and to be incurred by the Lender in connection with the Indebtedness.

If payment in full of the Indebtedness is not received forthwith, the Lender shall have the right to exercise all of its rights and remedies as it may deem necessary or appropriate in order to recover payment in full of the Indebtedness, all without further notice to you. In that regard, we enclose herewith a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* (Canada).

Yours very truly,

Goodmans LLP



L. Joseph Latham

NOTICE OF INTENTION TO ENFORCE SECURITY (Subsection 244(1) of the BIA)

TO: Global Food and Ingredients LTD., and Global Food and Ingredients (USA) Inc. (together, the “**Debtors**” and each a “**Debtor**”), insolvent persons

TAKE NOTICE that:

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Loan and Security Agreement dated February 1, 2024, by and among (i) Siena Lending Group Canada LLC, as lender (the “**Secured Party**”), (ii) Global Food and Ingredients Inc., GFI Brands Inc., and North Lily Foods Inc., as borrowers (the “**Borrowers**”), and (iii) Global Food and Ingredients LTD., and Global Food and Ingredients (USA) Inc., as guarantors (the “**Loan and Security Agreement**”).
2. Pursuant to the Loan and Security Agreement, each of the Debtors has unconditionally and irrevocably guaranteed when due, whether upon maturity, acceleration or otherwise, all of the Obligations of the Borrowers under the Loan and Security Agreement. The Secured Party has demanded payment from the Borrowers.
3. The Secured Party, as secured creditor of the Loan Parties pursuant to the Loan and Security Agreement, intends to enforce its security, in its sole discretion, on any or all of the assets, property, and undertaking of the Loan Parties of any nature whatsoever, subject to the Security (as defined below) granted by the Loan Parties in favour of the Secured Party.
4. The security that is to be enforced is in the form of the security described in the Loan and Security Agreement and defined therein as the Collateral (the “**Security**”).
5. As of May 7, 2024, the total amount of indebtedness owed by the Borrowers to the Secured Party is \$6,844,973.08, together with all accrued and accruing interest, legal expenses and other costs, charges and fees.
6. The Secured Party will not have the right to enforce the Security until after the expiry of the ten-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, Ontario this 7th day of May, 2024..

**SIENA LENDING GROUP CANADA
LLC, by its Lawyers, GOODMAN LLP**

Per:



Name: L. Joseph Latham

This Notice is a required document under the *Bankruptcy & Insolvency Act* (Canada) (the “Act”). The use of the word “insolvent” is prescribed by the Act but nothing herein shall be deemed to imply that any person to whom this Notice is delivered is, in fact, insolvent.

Goodmans^{LLP}

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 goodmans.ca

Direct Line: 416.587.2202
 jlatham@goodmans.ca

May 7, 2024

By Email

Global Food and Ingredients Inc.,
 GFI Brands Inc., and
 North Lily Foods Inc.
 c/o Global Food and Ingredients Inc.
 43 Colborne Street, Suite 400
 Toronto, ON, M5E 1E3

Attention: William Murray (bill.murray@gfiglobalfood.com)

Dear Sir:

Re: Indebtedness of Global Food and Ingredients Inc., GFI Brands Inc., and North Lily Foods Inc. (collectively, the “Borrowers”) to Siena Lending Group Canada LLC pursuant to the Loan and Security Agreement

We are counsel to Siena Lending Group Canada LLC (the “**Lender**”). As you know, the Borrowers are jointly and severally indebted to the Lender pursuant to a loan and security agreement dated February 1, 2024 (the “**Loan and Security Agreement**”), under which the Lender extended, *inter alia*, Revolving Loans and Letters of Credit to the Borrowers. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Loan and Security Agreement.

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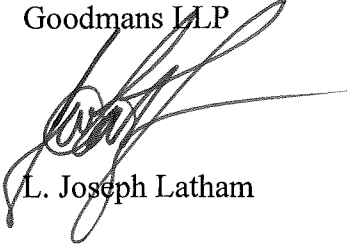
We are advised by the Lender that Events of Default under the terms of the Loan and Security Agreement have occurred and are continuing. As a result, the Lender hereby confirms and declares that the Indebtedness is immediately due and payable, and hereby demands payment in full of the Indebtedness forthwith, including (i) all accrued or accruing interest until payment in full of the Indebtedness is received, and (ii) all costs, charges, fees and expenses incurred and to be incurred by the Lender in connection with the Indebtedness.

Goodmans^{LLP}

If payment in full of the Indebtedness is not received forthwith, the Lender shall have the right to exercise all of its rights and remedies as it may deem necessary or appropriate in order to recover payment in full of the Indebtedness, all without further notice to you. In that regard, we enclose herewith a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* (Canada).

Yours very truly,

Goodmans LLP

A handwritten signature in black ink, appearing to read "L. Joseph Latham", is written over the printed name. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

L. Joseph Latham

**NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1) of the BIA)**

TO: Global Food and Ingredients Inc., GFI Brands Inc., and North Lily Foods Inc. (together, the “**Debtors**” and each a “**Debtor**”), insolvent persons

TAKE NOTICE that:

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Loan and Security Agreement dated February 1, 2024, by and among (i) Siena Lending Group Canada LLC, as lender (the “**Secured Party**”), (ii) Global Food and Ingredients Inc., GFI Brands Inc., and North Lily Foods Inc., as borrowers, and (iii) Global Food and Ingredients LTD., and Global Food and Ingredients (USA) Inc., as guarantors (the “**Loan and Security Agreement**”).
2. The Secured Party, as secured creditor of the Debtors, pursuant to the Loan and Security Agreement, intends to enforce its security, in its sole discretion, on any or all of the assets, property, and undertaking of the Loan Parties of any nature whatsoever, subject to the Security (as defined below) granted by the Loan Parties in favour of the Secured Party.
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4. As of May 7, 2024, the total amount of indebtedness owed by the Debtors to the Secured Party is \$6,844,973.08, together with all accrued and accruing interest, legal expenses and other costs, charges and fees.
5. The Secured Party will not have the right to enforce the Security until after the expiry of the ten-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, Ontario this 7th day of May, 2024.

**SIENA LENDING GROUP CANADA
LLC, by its Lawyers, GOODMAN'S LLP**

Per:


Name: L. Joseph Latham

This Notice is a required document under the *Bankruptcy & Insolvency Act* (Canada) (the “**Act**”). The use of the word “insolvent” is prescribed by the Act but nothing herein shall be deemed to imply that any person to whom this Notice is delivered is, in fact, insolvent.

This is Exhibit "V" referred to in the Affidavit of James Simpson, affirmed before me this 23rd day of May, 2024.



A Commissioner for Taking Affidavits, etc.

Grain commission revokes GFI licenses

Global Foods and Ingredients shut down operations May 7



By Robert Arnason

Reading Time: 3 minutes

Published: May 15, 2024

Crops, News



GFI has headquarters in Toronto and has several facilities in Saskatchewan, including elevators in Zealandia and Lajord. | Screenshot via Youtube.com/ Global Food and Ingredients Inc.

Newsletter Sign Up - Receive free Western Producer newsletters

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UPDATED – to include new information from the Canadian Grain Commission – May 16, 2024 – 1305 CST

READ ALSO

Honey obtains halal certification

WINNIPEG — Most Canadians are familiar with halal meat. But other foods can also be halal, such as cheese, oat...

WINNIPEG — The Canadian Grain Commission has revoked six licenses for ⁴⁷⁴Global Food and Ingredients, a plant-based and plant protein company with facilities in Saskatchewan.

The CGC pulled the licenses as of May 16.

"We've revoked Global Food's one grain dealer license and three primary elevator licenses for their facilities in Lajord, Sedley and Zealandia, Sask., as well as two process elevator licenses in Bowden, Alta., as well as Zealandia, Sask.," said CGC spokesperson Remi Gosselin.

The commission decision came after Global Food and Ingredients (GFI), with headquarters in Toronto, announced May 7 a "wind down" of its business operations. GFI said it cannot service its debt.

"(This) is a result of recent macro-economic events, which have caused GFI to experience challenges in purchasing adequate supplies of raw material inputs for its processing assets, which has resulted, and is expected to continue to, result in a material decline in the company's sales and gross profit until new raw material supply becomes available from the fall 2024 Canadian harvest," GFI said.

"Management and the board of directors have determined that these challenges will make it near impossible for (GFI) to continue to operate and service its debts, leaving no other option than to wind down its operations."

The company purchased peas, lentils chickpeas and other high protein crops from farmers. In a financial statement released in February, GFI says it has four lines of business — Core Ingredients, Value-Added Ingredients, Plant-Based Pet Food Ingredients and Downstream Products — and ships to 37 countries around the world.

While operating, GFI manufactured pea and lentil flours, pea protein, pasta made from lentils and its own brand of pulse-rich pet food.

It had a pea processing plant in Zealandia and a pet food processing plant in Bowden.

From April 1 to Dec. 31, 2023, GFI had revenues of \$76.1 million, a decline of 18 per cent from the same period in 2022.

A May 8 company news release said GFI has received letters from its secured lenders demanding immediate and full payment of the "outstanding debt balances of \$14,987,992 and \$6,844,973."

The main creditors have applied to have GFI placed into receivership. On May 23 a hearing will be held to "discuss the application for receivership," Gosselin said.

In addition to revoking its license, the grain commission has prohibited GFI from purchasing grain from farmers and trading in grain.

"In terms of security, the CGC holds a \$2 million Intact insurance company payables insurance policy, which would be used to compensate producers who have delivered grain to (GFI) and who have not been paid and make eligible claims for payment to the Canadian Grain Commission."

Grain commission staff will be visiting GFI locations in Saskatchewan to determine the outstanding liabilities to farmers.

"Our payment protection program provides ... protection to producers who are eligible, by obtaining security from licensees," Gosselin said.

"But we can't guarantee that producers will be paid in full, if the licensee (GFI in this case) defaults on its payment obligations."

So, if the money owed to farmers exceeds \$2 million, some producers may be reimbursed less than 100 per cent.

"If the outstanding liabilities are \$2.2 million, then we would pay producers back on a pro-rated basis," Gosselin said.

"What we do know ... is we have \$2 million in security. We need to conduct a final audit to determine what is owed to producers."

Farmers who haven't received payment from GFI should contact the grain commission immediately, he added.

"A claims process will begin as soon as possible."

Contact robert.arnason@producer.com

ABOUT THE AUTHOR

SIENA LENDING GROUP
CANADA LLC
Applicant

GLOBAL FOOD AND INGREDIENTS
and
INC. ET. AL.
Respondents

Court File No. CV-24-00720816-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

AFFIDAVIT OF JAMES SIMPSON

Affirmed] May 23, 2024

GOODMANS LLP

333 Bay Street, Suite 3400
Toronto ON M5H 2S7

Joseph Latham LSO#: 32326A

Tel: 416.597.4211
latham@goodmans.ca

Luke Devine LSO#: 841870

Tel: 416.849.6009
ldevine@goodmans.ca

Lawyers for the Applicant

3

Court File No. CV-24-00720816-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

SIENA LENDING GROUP CANADA LLC

Applicant

- and -

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

Respondents

CONSENT TO ACT AS RECEIVER

RICHTER INC. hereby consents to act as receiver and manager, without security, of those assets that constitute ABL Priority Collateral (as defined in the affidavit of James Simpson affirmed May 23, 2024) of the Respondents, in accordance with an order substantially in the form of the draft order included in the Application Record of the Applicant.

DATED at Toronto, Ontario on May 23, 2024.

RICHTER INC.



Karen Kimel

MAcc, CPA, CA, CPA (IL), CIRP, LIT

Senior Vice President

4

Court File No. CV-24-00720816-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) THURSDAY, THE 30TH
JUSTICE STEELE) DAY OF MAY, 2024

SIENA LENDING GROUP CANADA LLC

Applicant

-and-

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

Respondents

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by Siena Lending Group Canada LLC (the “**Applicant**”) for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C. 43, as amended (the “**CJA**”), appointing Richter Inc. (“**Richter**”) as receiver (in such capacities, the “**Receiver**”) without security, of those assets that constitute ABL Priority Collateral (defined below) of Global Food and Ingredients Ltd. (“**GFL Ltd.**”), Global Food and Ingredients Inc. (“**GFI Inc.**”) and GFI Brands Inc. (“**GFI Brands**” and, collectively with GFI Ltd. and GFI Inc., the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of James Simpson affirmed May 23, 2024 and the Exhibits thereto (the “**Simpson Affidavit**”), and on hearing the submissions of counsel for the Applicant and Farm Credit Canada (“**FCC**”), no one appearing for the Debtors or any other parties although duly served, and on reading the consent of Richter to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that, pursuant to section 243(1) of the BIA and section 101 of the CJA, Richter is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors that constitute ABL Priority Collateral (as defined in the Simpson Affidavit).

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the ABL Priority Collateral and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of and exercise control over the ABL Priority Collateral and any and all proceeds, receipts and disbursements arising out of or from the ABL Priority Collateral;

(b) to receive, preserve, and protect the ABL Priority Collateral, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of ABL Priority Collateral to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;

- (d) to engage employees of the Debtors, consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to rent or pay for the cost of using such machinery, equipment, premises or other assets to preserve, protect, convert to finished goods, remove or sell any ABL Priority Collateral from any of the facilities of the Debtors;
- (f) to purchase such inventories or supplies as may be necessary to convert any existing work in process inventory not finished goods inventory;
- (g) with respect to the ABL Priority Collateral, to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (h) to settle, extend or compromise any indebtedness owing to the Debtors in respect of the ABL Priority Collateral;
- (i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the ABL Priority Collateral, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the ABL Priority Collateral or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the ABL Priority Collateral, including advertising and soliciting offers in respect of the ABL Priority Collateral or any part or parts thereof and

negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (l) to sell, convey, transfer, lease or assign the ABL Priority Collateral or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal ABL Priority Collateral Security Act*, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply;

- (m) to apply for any vesting order or other orders necessary to convey the ABL Priority Collateral or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such ABL Priority Collateral;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the ABL Priority Collateral and the receivership, including but not limited to meeting with and discussing with FCC and/or any receiver appointed by this Court on application by FCC, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors or any purchasers of the Debtor's assets or other secured lenders of the Debtors,

including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any ABL Priority Collateral owned or leased by the Debtors;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any ABL Priority Collateral in such Person's possession or control, shall grant immediate and continued access to the ABL Priority Collateral to the Receiver, and shall deliver all such ABL Priority Collateral to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due

to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords, purchasers or secured creditors of the Debtors with notice of the Receiver's intention to remove any ABL Priority Collateral from any leased premises at least two (2) days prior to the date of the intended removal. The relevant landlord, purchaser or secured creditor shall be entitled to have a representative present in the leased premises to observe such removal.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE ABL PRIORITY COLLATERAL

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the ABL Priority Collateral shall be commenced or continued except with the written consent of the

Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the ABL Priority Collateral are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the ABL Priority Collateral, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this

Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the ABL Priority Collateral and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the ABL Priority Collateral and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the ABL Priority Collateral (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain

and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any ABL Priority Collateral shall be entitled to continue to use the personal information provided to it, and related to the ABL Priority Collateral purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the ABL Priority Collateral that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the ABL Priority Collateral within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order

shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the ABL Priority Collateral, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the ABL Priority Collateral in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$450,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the ABL Priority

Collateral shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: '<richter.ca/insolvencycase/global-food-and-ingredients-inc/>'.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Richter Inc., the receiver (the "**Receiver**") of the ABL Priority Collateral (as defined in the Order) of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 30th day of May, 2024 (the "**Order**") made in an action having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$450,000 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the ABL Priority Collateral, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such ABL Priority Collateral in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at [*].

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the ABL Priority Collateral as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2024.

Richter Inc., solely in its capacity as Receiver of
the ABL Priority Collateral, and not in its
personal capacity

Per: _____

Name:

Title:

5

Revised: January 21, 2014
s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver

Court File No. _____

ONTARIO

SUPERIOR COURT OF JUSTICE

Court File No. <u>CV-24-00720816-00CL</u>
<u>ONTARIO</u>
<u>SUPERIOR COURT OF JUSTICE</u>
<u>COMMERCIAL LIST</u>

COMMERCIAL LIST

<u>THE HONOURABLE</u>)	<u>THURSDAY, THE 30TH</u>
THE HONOURABLE _____)	WEEKDAY, THE #
JUSTICE _____ <u>STEELE</u>)	DAY OF MONTH <u>MAY</u> ,
		20YR <u>2024</u>

PLAINTIFF[†]

SIENA LENDING GROUP CANADA LLC

~~Plaintiff~~ Applicant

-and-

DEFENDANT

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

~~Defendant~~ Respondents

ORDER

(~~appointing~~ Appointing Receiver)

[†] ~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

THIS ~~MOTION made by the Plaintiff~~² APPLICATION made by Siena Lending Group Canada LLC (the "Applicant") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"),₂ and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C. 43, as amended (the "CJA"),₂ appointing ~~[RECEIVER'S NAME]~~ Richter Inc. ("Richter") as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of ~~all of the assets, undertakings and properties of [DEBTOR'S NAME] (the "Debtor")~~ those assets that constitute ABL Priority Collateral (defined below) of Global Food and Ingredients Ltd. ("GFL Ltd."), Global Food and Ingredients Inc. ("GFI Inc.") and GFI Brands Inc. ("GFI Brands" and, collectively with GFI Ltd. and GFI Inc., the "Debtors") acquired for, or used in relation to a business carried on by the ~~Debtor~~ Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME] sworn [DATE]~~ James Simpson affirmed May 23, 2024 and the Exhibits thereto (the "Simpson Affidavit"), and on hearing the submissions of counsel for ~~[NAMES] the Applicant and Farm Credit Canada ("FCC")~~, no one appearing for ~~[NAME] the Debtors or any other parties~~ although duly served ~~as appears from the affidavit of service of [NAME] sworn [DATE]~~, and on reading the consent of ~~[RECEIVER'S NAME]~~ Richter to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated³ so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that,₂ pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~ Richter is hereby appointed Receiver, without security, of all of

² ~~Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

³ ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

the assets, undertakings and properties of the ~~Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property"~~Debtors that constitute ABL Priority Collateral (as defined in the Simpson Affidavit).

~~RECEIVER'S~~RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the ~~Property~~ABL Priority Collateral and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the ~~Property~~ABL Priority Collateral and any and all proceeds, receipts and disbursements arising out of or from the ~~Property~~ABL Priority Collateral;
- (b) to receive, preserve, and protect the ~~Property~~ABL Priority Collateral, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of ~~Property~~ABL Priority Collateral to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the ~~Debtor~~Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the ~~Debtor~~Debtors;
- (d) to engage employees of the Debtors, consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to rent or pay for the cost of using such machinery, equipment, premises or other assets to preserve, protect, convert to finished goods, remove or sell any ABL Priority Collateral from any of the facilities of the Debtors;

(f) ~~(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;~~ such inventories or supplies as may be necessary to convert any existing work in process inventory not finished goods inventory;

(g) ~~(f) with respect to the ABL Priority Collateral,~~ to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~Debtors and to exercise all remedies of the ~~Debtor~~Debtors in collecting such monies, including, without limitation, to enforce any security held by the ~~Debtor~~Debtors;

(h) ~~(g) to settle, extend or compromise any indebtedness owing to the Debtor~~Debtors in respect of the ABL Priority Collateral;

(i) ~~(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property~~ABL Priority Collateral, whether in the Receiver's name or in the name and on behalf of the ~~Debtor~~Debtors, for any purpose pursuant to this Order;

(j) ~~(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor~~Debtors, the ~~Property~~ABL Priority Collateral or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

~~⁴This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

(k) ~~(j)~~ to market any or all of the ~~Property~~ABL Priority Collateral, including advertising and soliciting offers in respect of the ~~Property~~ABL Priority Collateral or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(l) ~~(k)~~ to sell, convey, transfer, lease or assign the ~~Property~~ABL Priority Collateral or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$~~_____~~250,000, provided that the aggregate consideration for all such transactions does not exceed \$~~_____~~1,000,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property*ABL Priority Collateral *Security Act*, ~~[or section 31 of the Ontario Mortgages Act, as the case may be,]~~⁵ shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply~~;~~;

(m) ~~(l)~~ to apply for any vesting order or other orders necessary to convey the ~~Property~~ABL Priority Collateral or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such ~~Property~~ABL Priority Collateral;

(n) ~~(m)~~ to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the ~~Property~~ABL Priority Collateral and the receivership, including but not limited to meeting with and

⁵ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

discussing with FCC and/or any receiver appointed by this Court on application by FCC, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

~~(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;~~

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the ~~Debtor~~Debtors;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the ~~Debtor~~Debtors or any purchasers of the Debtor's assets or other secured lenders of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any ~~property~~ABL Priority Collateral owned or leased by the ~~Debtor~~Debtors;

(q) to exercise any shareholder, partnership, joint venture or other rights which the ~~Debtor~~Debtors may have; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the ~~Debtor~~Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the ~~Debtor~~Debtors, (ii) all of ~~its~~their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on ~~its~~their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise

the Receiver of the existence of any ~~Property~~ABL Priority Collateral in such Person's possession or control, shall grant immediate and continued access to the ~~Property~~ABL Priority Collateral to the Receiver, and shall deliver all such ~~Property~~ABL Priority Collateral to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the ~~Debtor~~Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords, purchasers or secured creditors of the Debtors with notice of the Receiver's intention to remove any ~~fixtures~~ ABL Priority Collateral from any leased premises at least ~~seventwo~~ (72) days prior to the date of the intended removal. The relevant landlord, purchaser or secured creditor shall be entitled to have a representative present in the leased premises to observe such removal ~~and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.~~

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE ~~DEBTOR~~ DEBTORS OR THE ~~PROPERTY~~ ABL PRIORITY COLLATERAL

9. THIS COURT ORDERS that no Proceeding against or in respect of the ~~Debtor~~ Debtors or the ~~Property~~ ABL Priority Collateral shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the ~~Debtor~~ Debtors or the ~~Property~~ ABL Priority Collateral are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the ~~Debtor~~ Debtors, the Receiver, or affecting the ~~Property~~ ABL Priority Collateral, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the

~~Debtor~~Debtors to carry on any business which the ~~Debtor is~~Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the ~~Debtor~~Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Debtor~~Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the ~~Debtor~~Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the ~~Debtor~~Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the ~~Debtor's~~Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the ~~Debtor~~Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the ~~Property~~ABL

Priority Collateral and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the ~~Debtor~~Debtors shall remain the employees of the ~~Debtor~~Debtors until such time as the Receiver, on the ~~Debtor's~~Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the ~~Property~~ABL Priority Collateral and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the ~~Property~~ABL Priority Collateral (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any ~~Property~~ABL Priority Collateral shall be entitled to continue to use the personal information provided to it, and related to the ~~Property~~ABL Priority Collateral purchased, in a manner which is in all material respects identical to the prior use of such information by the ~~Debtor~~Debtors, and

shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the ~~Property~~[ABL Priority Collateral](#) that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the ~~Property~~[ABL Priority Collateral](#) within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the ~~Property~~ABL Priority Collateral, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the ~~Property~~ABL Priority Collateral in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$~~_____~~450,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the ~~Property~~ABL Priority

~~⁶Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

Collateral shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at

~~<http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>~~<http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and

effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL:

'<[@richter.ca/insolvencycase/global-food-and-ingredients-inc/](http://richter.ca/insolvencycase/global-food-and-ingredients-inc/)>'.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the ~~Debtor's~~Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the ~~Debtor~~Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the ~~Debtor~~Debtors.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the ~~Plaintiff~~Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff's~~Applicant's security or, if not so provided by the ~~Plaintiff's~~Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the ~~Debtor's~~Debtors' estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

~~SCHEDULE~~ SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ Richter Inc., the receiver (the "Receiver") of the ~~assets, undertakings and properties~~ ~~[DEBTOR'S NAME]~~ ABL Priority Collateral (as defined in the Order) of the Debtors acquired for, or used in relation to a business carried on by the ~~Debtor~~ Debtors, including all proceeds thereof ~~(collectively, the "Property")~~, appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 30th day of May, 2024 (the "Order") made in an action having Court file number -CL-, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ 450,000 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the ~~Property~~ ABL Priority Collateral, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such ~~Property~~ ABL Priority Collateral in respect of its remuneration and expenses.

- 4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ~~Toronto, Ontario~~ [*].
- 5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
- 6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the ~~Property~~ ABL Priority Collateral as authorized by the Order and as authorized by any further or other order of the Court.
- 7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, ~~20~~ 2024.



~~[RECEIVER'S NAME]~~ Richter Inc., solely in its capacity
- as Receiver of the ~~Property~~ ABL Priority Collateral, and not in its personal capacity

	Per:	<u>Per:</u> _____ _____ Name: Title:
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Summary report: Litera Compare for Word 11.4.0.111 Document comparison done on 5/23/2024 9:04:53 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: receivership-order-EN.doc	
Modified filename: Receivership Order GFI - v7.docx	
Changes:	
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Delete	186
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Move To	0
Table Insert	2
Table Delete	10
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	346

Applicant Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

APPLICATION RECORD

Goodmans LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Joseph Latham LSO#: 32326A
Tel: 416.597.4211
latham@goodmans.ca

Luke Devine LSO#: 841870
Tel: 416.849.6009
ldevine@goodmans.ca

Lawyers for the Applicant