FOOD AND INGREDIENTS INC.

ANNUAL INFORMATION FORM

Year Ended December 31, 2017

March 20, 2018

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ITEM 1. EXPLANATORY NOTES AND CAUTIONARY STATEMENTS

1.1 Explanatory Notes

In this Annual Information Form ("**AIF**"), references to "**AGT**" or the "**Company**" are to AGT Food and Ingredients Inc. and include its subsidiaries, unless the context otherwise requires. Unless otherwise stated in this AIF, the information contained herein is stated as at December 31, 2017.

1.2 Forward-Looking Information

Included in this AIF are forward-looking statements (within the meaning of applicable securities laws) with respect to AGT. Forward-looking statements include but are not limited to those with respect to AGT's strategy and direction, the particulars of AGT within its applicable marketplaces, the future of applicable industries, working capital management, asset utilization, sales volumes, the quality of receivables, supply management, production, the geographic location of the consumption of pulses, certain competitive advantages, the price of lentils and other crops, the estimated size and quality of future harvests of lentils and other crops, costs of production, currency fluctuations, requirements for additional capital and the expected benefits of certain transactions.

This AIF contains or refers to certain forward-looking statements relating to, but not limited to, our expectations, intentions, plans and beliefs, including information as to the future financial or operating performance of AGT. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "goal", "scheduled", "estimates", "forecasts", "intends", "are viewed", "likely" or "not likely", "develop", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "potential", "might" or "will" be taken, occur or be achieved. Such forward-looking statements or forward looking information reflect management's beliefs, estimates and opinions regarding AGT's future growth, results of operations, performance, and business prospects and opportunities at the time such statements are made and AGT takes no obligation to update forward-looking statements if these beliefs, estimates and opinions or circumstances should change. Undue reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond AGT's control. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by AGT, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Forward-looking statements are not guarantees of future performance. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of AGT (including its operating subsidiaries) to differ materially from what AGT expects at the time such statements are made. Such risks and uncertainties include, among others, the actual results of harvests, fluctuations in the price of lentils and other crops, failure of plant, equipment or processes to operate as anticipated, accidents, or labour disputes, changes in distribution and retail market and in consumer preference, changes in consumer discretionary spending resulting from changes in economic conditions and/or several consumer confidence levels, risks relating to the integration of acquisitions or to international operations, as well as those factors referred to in the section titled "*Risk Factors*" in this AIF. All forward-looking statements contained in this AIF are expressly qualified in their entirety by this cautionary statement.

Although AGT has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. AGT expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

1.3 Non-IFRS Earnings Measures

AGT provides some non-International Financial Reporting Standards ("**IFRS**") measures in this AIF as supplementary information that management believes may be useful to investors to explain AGT's financial results. These non-IFRS measures include Adjusted EBITDA* (earnings before finance expense, income taxes, depreciation and amortization, restructuring costs and any effects of non-cash, non-recurring and other costs and foreign exchange adjustment). Management believes that Adjusted EBITDA* is an important indicator of AGT's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures and uses this metric for these purposes. The exclusion of non-cash and foreign exchange adjustments eliminates the non-cash impact on Adjusted EBITDA* and is also used by investors and analysts for the purpose of valuing AGT. The intent of this measure is to provide additional useful information to investors and analysts and the measure does not have any standardized meaning under IFRS. Adjusted EBITDA* should therefore not be considered in isolation or used as a substitute for measures of performance prepared in accordance with IFRS. For a reconciliation of net earnings (loss) determined in accordance with IFRS to Adjusted EBITDA*, see the table on page 48 in the related management's discussion and analysis for the three and twelve months ended December 31, 2017 (the "**2017 MD&A**").

1.4 Industry and Market Data

This AIF includes market share and industry data and other statistical information that AGT has obtained from independent industry publications, government publications, market research reports and other published independent sources, including the Food and Agriculture Organization of the United Nations ("**FAO**") and others noted by source references in this document.

Such publications and reports generally state that the information contained therein has been obtained from sources believed to be reliable. Although AGT believes these publications and reports to be reliable, it has not independently verified any of the data or other statistical information contained therein, nor has it ascertained or validated the underlying economic or other assumptions relied upon by these sources and cannot, and does not, provide any representation or assurance as to the accuracy or completeness of the information or data, or the appropriateness of the information or data for any particular analytic purpose and, accordingly, disclaims any liability in relation to such information and data. AGT has no intention and undertakes no obligation to update or revise any such information or data, whether as a result of new information, future events or otherwise, except as required by law.

1.5 Currency and Exchange Rates

AGT's financial statements are presented in Canadian dollars, whereas AGT's operating subsidiaries earn revenues and incur expenses in several currencies, including U.S. dollars ("**US$**" or "**USD**"), Turkish lira ("**TL**"), Australian dollars ("**AUD**"), Pounds Sterling ("**£**" or "**GBP**"), Euros ("**EUR**") South African rand ("**R**" or "**ZAR**"), Indian Rupee ("**INR**") and the Renminbi of the People's Republic of China ("**RMB**"). All references to "**dollars**" and "**$**" herein are expressed in Canadian dollars unless specifically stated otherwise.

As at December 31, 2017, the closing buying rates for the currencies in which AGT operates, as reported by the X-Rates in 2017 and Bank of Canada in 2016 were as set forth in the following table.

	2017	**2016**
USD/CDN	1.25732	1.34270
AUD/CDN	0.98249	0.97070
TL/CDN	0.33127	0.38150
GBP/CDN	1.69775	1.65640
EUR/CDN	1.50861	1.41690
ZAR/CDN	0.10145	0.09800
RMB/CDN	0.19326	0.19300
INR/CDN	0.01969	0.01980

ITEM 2. CORPORATE STRUCTURE

2.1 Name, Address and Incorporation

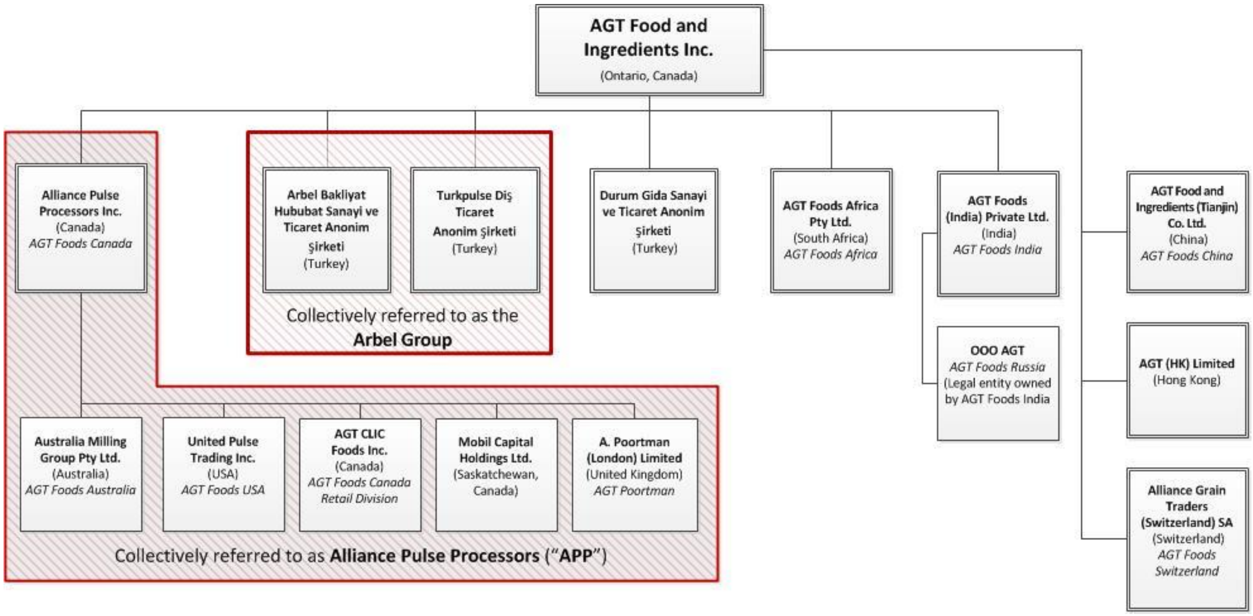
AGT Food and Ingredients Inc., formerly Alliance Grain Traders Inc., was incorporated under the laws of the Province of Ontario on July 2, 2009 as a wholly-owned subsidiary of Alliance Grain Traders Income Fund (the "**Fund**"). The Fund was originally established as "Agtech Income Fund", a limited purpose open-ended trust established under the laws of the Province of Ontario by a declaration of trust dated June 25, 2004, and changed its name to "Alliance Grain Traders Income Fund" on December 7, 2007. On September 15, 2009 the Fund was converted from an income trust to a corporation by means of a plan of arrangement under the *Business Corporations Act* (Ontario). On October 1, 2014, a change in name to AGT Food and Ingredients Inc. was completed.

The registered office of AGT is located at 2100, 40 King Street West, Toronto, Ontario M5H 3C2. The management of day-to-day operations of AGT is carried on in Canada from the head office of AGT's principal Canadian operating company, Alliance Pulse Processors Inc. ("**APP**") at 6200 East Primrose Green Drive, Regina, Saskatchewan S4V 3L7 and in Turkey from the head office of AGT's principal Turkish operating company, Arbel Bakliyat Hububat Sanayi ve Ticaret A.Ş. ("**Arbel**") at Yeni Mahalle, Cumhuriyet Bulvari, No:73/4, 33281 Kazanli, Mersin, Turkey.

2.2 Inter-Corporate Relationships

The following chart indicates the structure of AGT and its material subsidiaries and the jurisdiction of incorporation of each entity. All subsidiaries are wholly owned, except as otherwise indicated.

AGT Corporate Structure Chart



ITEM 3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Three Year History

As part of its strategic plan to increase processing capacity and diversify both product offerings and the markets in which it operates, management has developed AGT's global platform through strategic acquisitions, construction and/or refurbishment of processing facilities and organic market entry expanding the Company's origination, distribution and processing footprint from its Canadian base to now include the United States ("**U.S.**"), Turkey, Australia, South Africa, China, India and Russia.

These acquisitions have also strengthened AGT's local management in all operating geographies with substantially all of the local management groups having been retained and continuing their employment with AGT. Local managers are critical to origination activities for local plants as they develop strong relationships with producers in their region and provide AGT with valuable market information.

2015

On June 2, 2015, AGT announced the completion of the purchase of the assets of West Central Road & Rail Ltd. ("**WCRR**") by APP. The acquisition included five bulk loading sites located in Saskatchewan which were purchased for a purchase price of approximately $22 million.

On October 5, 2015, AGT announced the signing of a definitive share purchase agreement between AGT, APP, Mobil Capital Holdings Ltd. ("**Mobil**") and its subsidiaries and the shareholders of Mobil to acquire the businesses of Mobil and its subsidiaries for a total purchase price of $57.5 million including the issuance of $19 million of common shares in the capital of AGT ("**Common Shares**") (being 722,803 Common Shares) and a $19.5 million promissory note repayable in equal installments for a period of 54 months following the completion of the acquisition, which closed on October 30, 2015 (the "**Mobil Acquisition**").

2016

On March 21, 2016, AGT announced the addition of production capacity at AGT's Minot, North Dakota pulses ingredient processing facility (the "**Minot Facility**") for increased fibre processing and granulated pulse flour production as well as the addition of production line four to increase overall production capacity. Both lines commenced installation in the latter half of 2016 and was commissioned and commenced ramp-up to commercial production in the first quarter of 2017 with production capacity brought on line late in second quarter of 2017.

On May 11, 2016, the Company announced Board approval of the adoption of a shareholder rights plan (the "**Rights Plan**") effective on the date of the announcement. The Rights Plan is similar to the types of rights plans adopted by other Canadian corporations, with such amendments to take into consideration the recent changes to the take-over bid rules in Canada. However, on March 8, 2018, the Company announced that it would seek shareholder approval for the redemption of the rights issued pursuant to the Rights Plan and the cancellation of the Rights Plan at its 2018 annual meeting of holders of Common Shares.

On December 21, 2016, AGT completed an offering of $200 million aggregate principal amount of 5.875% senior unsecured notes (the "**Notes**") due December 21, 2021 (the "**Notes Offering**") sold at a price of 100% of principal for gross proceeds of $200 million. The Notes are direct senior unsecured obligations of AGT and effectively junior to all existing secured indebtedness of AGT, including the Bank Facilities (as defined below). The Notes are guaranteed by certain of AGT's subsidiaries.

2017

On July 11, 2017, AGT acquired a minority interest in CanEst Transit Inc., a terminal in the Port of Montreal. The activities of CanEst include storing and filling containers as well as handling and transporting bulk products. The purchase was executed through AGT's wholly-owned subsidiary, AGT Terminal East Inc. ("**AGTTE**"). AGTTE's minority equity interest may be increased pursuant to an earn-up, based on delivered volumes under a terminal agreement, which expires on August 31, 2033. The terminal agreement includes an option to extend the terminal agreement by both parties for an additional 5 years. The aggregate consideration in terms of both an equity investment and shareholder loan was $1.925 million.

On August 31, 2017, AGT issued $190 million of 5.375% securities ("**Preferred Securities**") to Fairfax Financial Holdings Limited, through certain of its subsidiaries (collectively, "**Fairfax**"), for cash. The Preferred Securities are unsecured obligations, maturing August 31, 2116 and are guaranteed by certain of AGT's subsidiaries. The $190 million principal amount is to be repaid in cash on maturity. Concurrently with the issuance of the Preferred Securities, AGT issued 5,714,286 Common Share purchase warrants (the "**Warrants**"), each exercisable into one Common Share of AGT and exercisable at $33.25 per share. Each Warrant will be exercisable within 7 years. AGT may also elect to require early exercise of the Warrants if the five-day volume weighted-average closing price of its Common Shares reaches $53.20 at any time after the fifth anniversary of the issuance of the Warrants.

On December 18, 2017, AGT announced that it entered into a long-term terminal services agreement with Fibreco Export Inc. ("**Fibreco**"), pursuant to which, among other things, Fibreco will construct an agriproducts export terminal facility at Fibreco's current bulk handling and loading facility located at the Port of Vancouver (the "**Agriproducts Facility**"). The Agriproducts Facility will include approximately 43,000 metric tonnes ("**mt**") of dry bulk storage, rail capacity to receive full unit trains, and a new shiploader and expanded ship berth capable of loading Panamax vessels. Fibreco will provide terminal services and additional services to AGT for the guaranteed throughput of agricultural commodities in respect of the Agriproducts Facility, for and in consideration of services and other fees payable by AGT, on and subject to the terms and conditions contained in the Services Agreement. The term of the Services Agreement is 20 years and contains certain exclusive rights for shipping select agricultural commodities in favor of AGT.

2018

On March 9, 2018, upon receipt of approval of the Toronto Stock Exchange (the "**TSX**"), AGT amended the terms of the Warrants (the "**Amendment**") held by Fairfax, which allows Fairfax to purchase the Common Shares of AGT. The Warrants were issued in connection with the issuance of the Preferred Securities and the Amendment provides that for a period of one-year following the date of the Amendment, the Warrants shall not be exercisable for a number of Common Shares, when taken together with all other Common Shares beneficially owned directly or indirectly by Fairfax, that would result in Fairfax acquiring beneficial ownership of greater than 19.99% of AGT's issued and outstanding Common Shares. Upon the expiration of such one-year period, the Warrants may be exercised for the full amount of Common Shares provided for therein in accordance with their terms and conditions. At any time prior to the 61st day that the one-year restriction above would expire, the Company and Fairfax may mutually elect to extend such restriction for another year.

On March 8, 2017, AGT also announced that it intends to make a normal course issuer bid (a "**NCIB**") to purchase and cancel up to 1,610,698 Common Shares over a one-year period, representing up to approximately 10% of the public float of AGT's issued and outstanding Common Shares on the TSX as of March 7, 2018. The Company intends to fund such purchases through working capital. The Company intends to buy back Common Shares for cancellation from time to time when it determines the price at which they are trading is undervalued and that such purchases provide the best use of available cash. The Company has submitted documentation for the NCIB for approval and acceptance by the TSX and, if accepted, will be made in accordance with the applicable rules and policies of the TSX. Common Shares will be purchased through the facilities of the TSX at prevailing market prices at the time of purchase. In accordance with the applicable TSX rules, the maximum amount of daily purchases may not exceed 25% of the average daily trading volume of the Common Shares for a six month period preceding the date of approval of the NCIB by the TSX, and the Company may make, once per calendar week, a block purchase of Common Shares not owned, directly or indirectly, by insiders of AGT that exceeds the daily repurchase restriction.

On March 8, 2017, AGT also announced that it will seek shareholder approval for the redemption of the rights issued pursuant to the Rights Plan and the cancellation of the Rights Plan at its 2018 annual meeting of holders of Common Shares.

3.2 Credit Facilities

APP Credit Facilities

On June 2, 2015, APP amended its syndicated credit facilities (the "**Bank Facilities**") to increase the aggregate principal amount available to $336.5 million in connection with the WCRR acquisition.

On November 17, 2015, APP amended and restated its Bank Facilities to increase the aggregate principal amount available to $363.5 million.

On December 18, 2015, the aggregate principal amount available under the Bank Facilities was increased to approximately $393.5 million when the accordion option was exercised in full and a new lender was added to the Bank Facilities. On November 14, 2016, APP amended the Amended and Restated Bank Facilities to, among other things, extend the maturity date to January 24, 2019, increase the aggregate principal amount available and allow for the Notes Offering. The Bank Facilities, and their corresponding amendments noted above, are contained in a second amended and restated credit agreement with the Bank and the Lenders from time to time, as amended.

On December 21, 2017, APP extended the maturities of its Bank Facilities to January 24, 2020 from January 24, 2019 and amended such facilities to cancel the non-revolving facility and reducing the aggregate committed facility to $400 million from $437 million. APP also increased its accordion under the Bank Facilities from $50 million to $75 million and removed the financial covenants which measured the fixed charge coverage ratios for each of AGT and APP and replacing them with ratios measuring the minimum Adjusted EBITDA* to Interest Expense for both AGT and APP.

Such facilities include an approximately $150 million operating facility (including a $10 million swingline), with availability thereunder subject to a borrowing base, to be used for general corporate purposes ("**Facility A**"), and a $250 million revolving facility to be used for financing new capital expenditures and acquisitions ("**Facility B**"). The Bank Facilities have floating interest rates and management monitors interest rates regularly to make adjustments to its fixed versus floating interest rate management program.

The Bank Facilities contain customary negative covenants including, but not limited to, restrictions on APP's and certain guarantors' ability to make certain distributions, merge, consolidate and amalgamate with other companies, incur indebtedness, make certain investments, undertake asset sales, provide certain forms of financial assistance, transact or have any outstanding financial instruments other than permitted hedging instruments, hypothecate, charge pledge or otherwise encumber their assets other than certain permitted encumbrances, amend its Export Development Canada ("**EDC**") insurance and amend the Notes. The Bank Facilities require the maintenance of certain ratios at the APP and AGT level.

The Bank Facilities contain customary affirmative covenants including, but not limited to, delivery of financial and other information to the Bank, notice to the Bank upon the occurrence of certain material events, maintenance of insurance, maintenance of existence, payment of taxes and other claims, maintenance of properties and insurance, access to books and records by the Bank, compliance with applicable laws and regulations and further assurances.

The Bank Facilities are guaranteed by AGT, United Pulse, AGT CLIC and Australia Milling Group Pty Ltd. ("**AGT Australia**"), as secured obligors (collectively, the "**Secured Obligors**"), and AGT's remaining subsidiaries, as unsecured obligors (collectively, the "**Unsecured Obligors**"), other than Mobil and its subsidiaries, AGT Food and Ingredients (Tianjin) Co. Ltd. (formerly Alliance (Tianjin) Grain Traders Co., Ltd.) ("**AGT China**"), AGT Foods (India) Private Ltd. (formerly Alliance Grain Traders (India) Private Ltd.) ("**AGT India**"), and AGT (HK) Limited. APP and each of the Secured Obligors have provided a first-ranking security interest in all present and after-acquired personal property and all other present and future undertaking, assets and real property, to the lenders under the Credit Agreement, excluding security over AGT's equity interest in any entity that is not APP and its subsidiaries. The Unsecured Obligors have provided unsecured guarantees.

AGT Foods Africa Credit Facilities

AGT Foods Africa (Pty) Ltd., formerly, Advance Seed Proprietary Limited ("**AGT Africa**"), and its wholly-owned subsidiary, AGT Foods (Pty) Ltd., formerly Pouyoukas Foods ("**AGT Africa Retail**"), were parties to a credit agreement with HSBC (transferred from the Hong Kong and Shanghai Banking Corporation Limited effective April 1, 2013) providing for secured credit facilities (the "**AGT Foods Africa Facility**") that included two overdraft facilities in the aggregate amount of approximately US$7.7 million (or local currency equivalents). The AGT Foods Africa Facility is guaranteed by AGT and cross guaranteed by AGT Africa and AGT Africa Retail. In March 2014, this facility was replaced by a new agreement with Standard Bank South Africa in the amount of R80 million, subject to an annual review and was completed on market-based terms which were substantially similar to those from the previous facility. On November 3, 2014, the facility was increased to R100 million and was subsequently renewed on December 21, 2015. On September 29, 2016, the facility was reviewed and the aggregate principal amount available is now R120 million. The facilities were renewed and extended for a one-year period on July 27, 2107, with aggregate principal available unchanged.

Poortman Credit Facilities

In August 2017, A. Poortman (London) Limited ("**Poortman**") renewed its credit facilities with Lloyds TSB Bank plc providing for facilities in an aggregate amount of £17,500,000 (the "**Poortman Facility**"). The Poortman Facility is guaranteed on an unsecured basis by AGT. The facility matures on August 30, 2018.

Mobil Credit Facilities

As a result of the Mobil Acquisition in October 2015, $43.55 million of debt was assumed and incurred, and additionally incurred, by AGT and certain of the Mobil subsidiaries. As of December 31, 2017, Mobil Grain Ltd. ("**Mobil Grain**") and Mobilex Terminal Ltd. ("**Mobilex**"), both Mobil subsidiaries, are parties to facilities letters with the Business Development Bank of Canada dated as of June 19, 2014, September 12, 2014, March 16, 2015 and August 11, 2015 (each as amended) and another facility letter to be entered into prior to the Issue Date for facilities in the aggregate amount of approximately $8.2 million, which facilities are guaranteed by AGT and secured by a mortgage from Mobil Grain and general security agreements from each of Mobil Grain and Mobilex. Big Sky Rail is also indebted under a debt obligation owing prior to the Mobil Acquisition in the amount of $13.5 million and is a guarantee of a promissory note issued by AGT to the vendors of Mobil as part of the Mobil Acquisition in the amount of $11.7 million, which obligations are secured by a first and second charge, respectively, over certain land and rail track of Big Sky Rail. Further, Mobil subsidiaries are indebted under a debt obligation the amount of $4.2 million, which obligation is secured by a first charge over the certain assets of Mobil.

Trade Finance Agreements

AGT, Durum Gida Sanayi ve Ticaret A.Ş ("**Durum**"), Arbel, Poortman, AGT Switzerland, AGT India, AGT CLIC and APP are parties to a trade payables program (the "**Trade Payables Program**") and a credit facility for a supplier payment program (the "**Credit Supplier Program**") dated as of December 5, 2012 (as amended) with National Bank of Canada ("**NBC**") in an aggregate amount of US$20.0 million. Under the Trade Payables Program, NBC may purchase qualifying receivables from approved suppliers of any AGT, Durum, Arbel, Poortman and AGT Switzerland in Canada or the United States and under the Credit Supplier Program, any of AGT, Durum, Arbel, Poortman and AGT Switzerland may finance their accounts payable by requesting an advance in the form of a term loan or a letter of credit, which shall be repaid not later than 90 days after that advance is made.

On December 21, 2012, AGT, Arbel, Durum and Turkpulse Diş Ticaret A.Ş. ("**Turkpulse**") entered into a Master Receivables Purchase Agreement, as amended (the "**Factoring Facility**") with the Bank. Under the terms of the Factoring Facility, Arbel, Turkpulse (collectively the "**Arbel Group**") and Durum may sell certain of their accounts receivable to the Bank from time to time, up to a maximum aggregate amount outstanding at any time not to exceed US$40 million. Non-collection of the accounts receivable is insured by EDC; however, such insurance is not available in the case of loss resulting from fraud or non-compliance with the terms of applicable sale agreements on the part of the Arbel Group and Durum. The Factoring Facility may be terminated by either any of the Arbel Group or Durum or the Bank by giving at least 30 calendar days' notice in writing to the other party.

Other

AGT also uses fixed rate banker's acceptances to mitigate a portion of its floating interest rate risk in its operating credit facilities. The low interest rates prevailing in Canada in recent years have induced management to leave its Canadian credit facilities largely at floating interest rates.

AGT utilizes a global foreign exchange management program to effectively manage its net exposure to the USD, while matching its local currency operations to minimize net exposure to any one foreign currency. AGT's operations in Canada, Australia and Turkey are managed such that net exposures to local currencies are mitigated through offsetting local transactions and hedging programs where appropriate.

3.3 Significant Acquisitions

The Company did not complete any significant acquisitions during the year ended December 31, 2017 for which disclosure is required under Part 8 of National Instrument 51-102 **-** *Continuous Disclosure Obligations*.

ITEM 4. DESCRIPTION OF THE BUSINESS

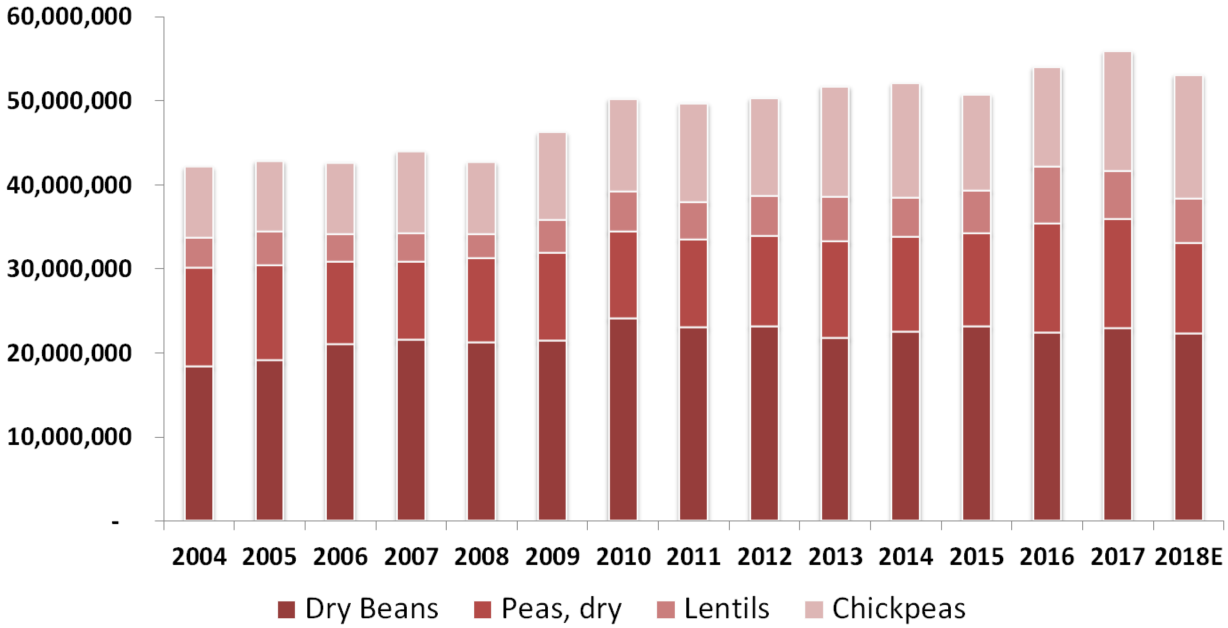
4.1 General

AGT is a global leader in pulse and staple food processing and distribution, with processing facilities and sales offices located around the globe. Pulse crops include peas, beans, lentils and chickpeas, which produce edible seeds called pulses. Pulses represent a major source of protein and fibre in addition to being Genetically Modified Organism ("**GMO**") free, gluten-free and nutrient-dense. According to GPC, the global pulse trade is estimated to be valued at more than US$100 billion annually at the retail level.

FAO data estimates that the majority of pulses are consumed in developing nations, which rely heavily on pulses to meet their growing energy and protein requirements. In these periods, the world pulses market has exhibited stable levels and growth in underlying demand demonstrated by exports globally of the four major pulses (dry beans, lentils, chickpeas and dry peas). However, current and complete data for only the largest producing and exporting origins, those being Canada, India, Australia, Turkey and the United States, is widely available from government and private services that account for the vast majority of production and trade volume.

From data available regarding total production of the four major pulses (dry beans, lentils, chickpeas and dry peas) production is seen to have trended higher over the period from 2004 to 2017. This can, in part, be attributed to increases in global populations, particularly in those developing nations where pulse consumption is traditionally high. Several other factors have also exerted continuing upward pressure on the global demand for pulses; a more affluent world population that is spending more on food, particularly in developing nations where diets tend to consist of a greater proportion of pulses; a consumer movement in developed countries towards healthier lifestyles which has resulted in increased demand for pulse-based food products and ingredients due to their nutritional and health benefits; and global demand for renewable fuels, as pulses are a rotational crop for wheat and canola, both of which are used for biodiesel and ethanol production.

Global Pulse Production (2004-2018E) (mt)



Source: Based on data from FAO, Statistics Canada (StatsCan) and United States Department of Agriculture (USDA) data, and other official and unofficial statistical outlets, as compiled by STAT Communications Ltd.

Based on production capacity of its facilities and the size of AGT's sales programs, management believes that AGT is among the world's largest capacities for value-added processing and splitting of pulse crops. AGT also has a leading market position in the export of lentils, value-added peas, chickpeas and white beans as well as some traditional grains such as durum wheat, which is used in the production of pasta, semolina and bulgur and traditional consumption grains such as rice. AGT has also expanded its operations to include the production of proteins, fibres, starches and flours for food ingredient and industrial uses as well as an expanded presence in North American canned and packaged pulses and staple foods for retail and food service outlets.

AGT's unique global platform allows it to benefit from an extensive global origination, supplier and customer network, including direct relationships with thousands of local growers in AGT's countries of operations and a customer base in over 120 countries. AGT's pulse and grain processing facilities handle and process (peeling, splitting, colour sorting, calibration, cleaning, de-stoning, polishing and packaging) a full range of pulses and specialty crops, including lentils, peas, chickpeas and beans as well as canary seed, flax and other specialty seeds, primarily for export markets. AGT also operates facilities for the milling of pulses to produce pulse ingredient flours, proteins, starches and fibres for human food ingredient, feed, petfood, aquaculture and industrial uses as well as facilities for the milling of rice and durum wheat and the production of pasta and semolina. The following table provides a breakdown and comparison of the sales of AGT in 2017 and 2016 for each category of product.

2017 and 2016 Sales Breakdown by Product Category
(in thousands of Canadian Dollars)

Category	**2017**	**2016**
Pulse and Specialty Crops	$ 883,174	$ 1,172,950
Milled Grains: Pasta, Semolina and Bulgur	121,657	134,929
Rice	103,576	73,030
Other commodities and miscellaneous revenue	626,880	592,295
Total	$ 1,735,287	$ 1,973,204

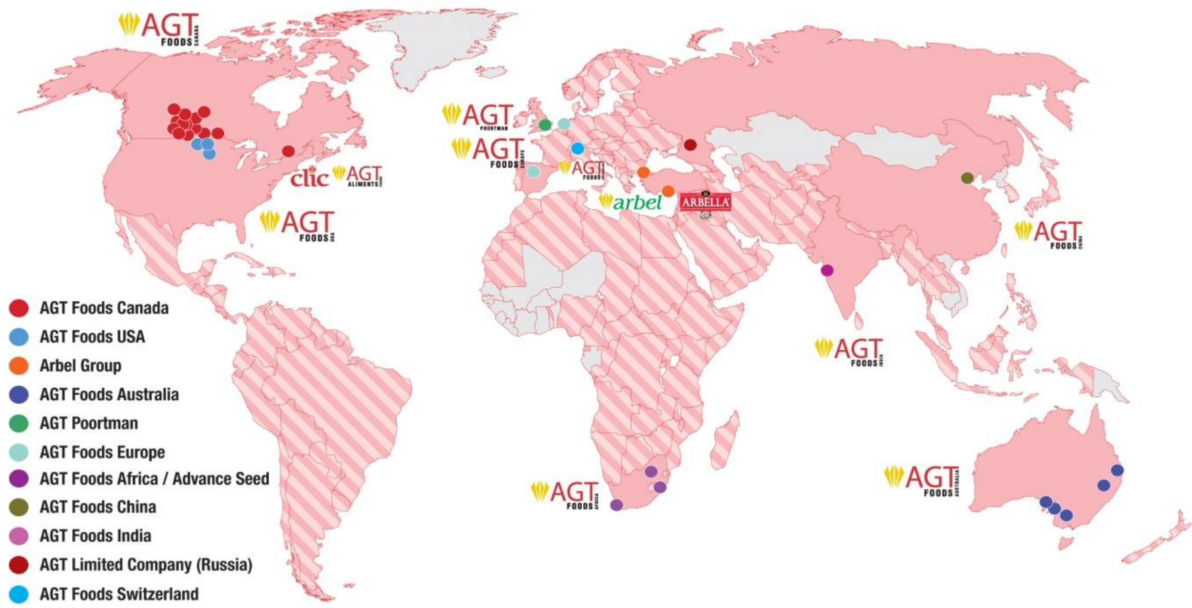
2017 and 2016 Total Sales Principal Markets
(in thousands of Canadian Dollars)

Area	**2017**	**2016**
Canada	$ 119,155	$ 108,046
Americas/Caribbean, excluding Canada	251,293	235,990
Asia/Pacific Rim	388,611	545,121
Europe/Middle East/North Africa	976,228	1,084,047
Total	$ 1,735,287	$ 1,973,204

AGT owns and operates 47 value-added processing, packaging, bulk loading and canning and distribution facilities located in Canada, Turkey, the U.S., Australia, China and South Africa. AGT also operates storage and distribution warehouses in many key consumption and distribution markets. In Turkey, AGT operates durum wheat milling operations which process and produce semolina, bulgur wheat and pasta, mills medium grain and long grain rice, and processes other specialty products such as sunflower seeds and popcorn. AGT also operates sales and merchandising and administration offices in the United Kingdom ("**U.K.**"), the Netherlands, Spain, Egypt, India, Australia, and Switzerland as well as operating origination offices in Myanmar, Russia and Kyrgyzstan. AGT operates canning and packaging facilities and operations in Canada, supplying canned and packaged pulses and staple foods to retailers in Canada and the U.S. under the CLIC brand.

While there are other global scale agri-businesses involved in value-added pulse and grain operations, management believes that AGT has a competitive advantage as there is no other fully integrated value-added processor that competes in all of the same product segments in which AGT operates.

Global Facility Locations and Export Markets (countries shaded in red show AGT operations (processing, distribution and sales); countries in shaded stripes show AGT sales markets)



Reporting Segments

AGT operates with three reporting segments: (1) pulse and grain processing, (2) bulk handling and distribution and (3) food ingredients and packaged foods. Business segments are strategic business units with different products, processes and marketing strategies.

Pulse and Grain Processing

The Pulse and Grain Processing segment includes the operations of AGT subsidiaries and facilities in Canada, the U.S., Australia, China and a portion of the operations in Turkey. The activities in this segment are viewed by management as the traditional and regular business of AGT: to source pulses and grain from producers, process them through its factories, load and move products through its logistics networks and sell these products to its network of clients in over 120 countries in the world.

Bulk Handling and Distribution

The Bulk Handling and Distribution segment, formerly referred to as Trading and Distribution, relates to AGT's activities for products not specifically processed in AGT facilities, such as some non-core commodity sales of AGT to aid programs and cross-selling of other commodities to pulse and staple foods business customers and is aimed at bringing its range of pulses, specialty crops and other products, including ground nuts, popcorn, chickpeas, dry beans and other commodity products sourced from quality audited and reliable suppliers located worldwide, to wholesale and retail markets around the world.

The segment assists AGT in increasing the utilization of its core asset base in the pulse and grain processing segment as well includes AGT's new bulk handling system included in this segment, for the bulk handling of bulk pulses and durum wheat and non-pulse commodities. The bulk loading and handling and a dedicated short line rail system and a series of bulk loading and grain cart sites serves Regina Plains, Central and West Central Saskatchewan, a significant growing region for pulses and durum wheat. This network includes a series of mobile grain loading sites, each with a capacity of 25+ cars, capable of building 100-car unit-trains for international shipping.

The segment currently includes operations in Europe, Russia, India, and a portion of the operations in Canada, Turkey and Australia. The segment also includes a trading group that sources agricultural products from South America, Africa, China, Russia and Ukraine and other origins for a food and feed client base. It also includes a birdseed ingredient distribution business in Europe with sales to leading packagers of bird food blends for retail clients globally.

Food Ingredients and Packaged Foods

The Food Ingredients and Packaged Foods segment includes subsidiaries and facilities in the U.S., Canada, South Africa and a portion of the operations in Turkey. The segment includes all pulse-based human food, petfood and animal feed ingredient products including proteins, flours, fibres and starches products produced at the Minot Facility; the operations in South Africa, including the AGT Africa Retail brand; a portion of the operations in Turkey under the Arbella pasta brand and the Arbel brand of pulses, rice and bulgur; as well as retail and private label canned and dry packaged foods in Canada, produced, packaged or distributed through its retail division operations in Laval, Québec and warehouses and distribution centres in Canada and the United States.

Segmented Reporting

AGT's chief operating decision maker evaluates segment performance on the basis of Adjusted EBITDA* (earnings before finance expense, income taxes, depreciation and amortization, restructuring costs and any effects of non-recurring and other costs and foreign exchange adjustment). The revenues, expenses, Adjusted EBITDA* and other information for each of the reporting segments is reproduced below.

Reporting Segments, Revenues, Net Earnings, Adjusted EBITDA and Other Information*
(in thousands of Canadian Dollars)

December 31, 2017	Pulse and Grain Processing	Bulk Handling and Distribution	Food Ingredients and Packaged Foods	Corporate and Eliminations	Consolidated
Revenue	$ 1,070,394	$ 525,381	$ 316,578	$ (177,066)	**$ 1,735,287**
Cost of sales	1,021,549	509,397	275,221	(177,066)	**1,629,101**
Gross profit	48,845	15,984	41,357	-	**106,186**
Earnings (loss) before income tax	**8,068**	**(1,429)**	**21,139**	**(69,843)**	**(42,065)**
Net earnings (loss)	**8,068**	**(1,429)**	**21,139**	**(64,701)**	**(36,923)**
Adjusted EBITDA*	$ **35,072**	$ **6,483**	$ **32,966**	$ **(9,647)**	$ **64,874**
Intangible assets	$ 5,952	$ 850	$ 6,422	$ -	$ **13,224**
Goodwill	37,277	6,830	11,120	-	**55,227**
Purchase of property, plant and equipment	31,854	159	16,716	-	**48,729**
Depreciation and amortization	18,234	1,080	10,721	711	**30,746**

Capacity

AGT's fixed asset base is primarily comprised of its strategically-located global network of 47 modern facilities featuring equipment for the value-added processing and production of pulses and staple foods. AGT operates 29 production and bulk handling/loading facilities in Canada and the U.S., including the largest lentil and pea splitting plant in the Americas as well as packaging, canning and distribution centres for AGT's retail operations in Canada and the U.S. This includes the bulk grain handling assets and transportation and logistics assets acquired by AGT that are used to augment the available capacity for its Canadian pulse and grain core business.

In June 2013, AGT completed commissioning its industrial-scale food ingredient processing and production facility, the Minot Facility, which is producing protein, fibre, starch and flour derived from pulses, including lentils, peas, chickpeas, and beans for human consumption; animal feeds, including petfood; and food ingredients, with commercial shipments having commenced later in 2013. Expansion and additions of production lines two and three were completed and commissioned in 2014 and 2015 respectively and line four was announced in 2016. Construction, installation and commissioning activities for the third production line announced in November 2014 at the Minot Facility was completed in the second quarter of 2015 with the commencement of commercial production. The related construction projects, announced in March 2015, also included infrastructure and space for the future installation of two possible additional processing lines and related packaging, warehouse and infrastructure for future expansions should sales programs support additional production lines.

In March 2016, AGT announced the addition of production capacity at the Minot Facility for increased fibre processing and granulated pulse flour production as well as the addition of production line four to increase overall production capacity. Both lines commenced installation in the latter half of 2016 and commenced ramp up to commercial production in the first quarter of 2017 with production capacity brought online late in second quarter of 2017. The expansions are expected to allow AGT to meet its growing obligations in the food sector for pulse ingredient flours, fibre, protein and starch. The addition of the fourth production line required to ensure that AGT's petfood sector volume business with the first three production lines at the Minot Facility, primarily focusing on products from peas, may continue uninterrupted. The fourth production line and the enhancement and deflavouring lines are expected to allow AGT to continue uninterrupted production as demand is expected to rise for new food uses for conventional and organic flours, fibre and proteins primarily from a full range of pulses. Additionally, AGT is targeted to report on the feasibility of adding pulse flour and fibre processing capacity in Turkey, where logistical advantages for this business supplying Turkey and Europe exist, to satisfy what is expected to be growing demand for pulse ingredients.

4.2 Products and Suppliers

Products Overview

AGT offers its customers over 150 products comprised of various grades, sizes, varieties and types, and sourced from different origins, creating a full range of pulses and specialty crops. In addition to the Company's core products comprised of pulses, AGT has also been focusing on the continued expansion of sales programs in the Company's newer offerings of beans, pasta, bulgur wheat, semolina and rice, as well as the development of the planned food ingredient platform, including proteins, fibres, starches and flours derived from pulses. Additionally, AGT is focused on increasing North American and European sales of branded packaged and canned products for retail sale and food service uses with a longer shelf life, as well as food ingredients, to reduce the effect of seasonal sales and poor harvests, stabilize cash flows and improve margins.

AGT Key Product Offerings

Key Products	Category
Lentils	Red, green, yellow
Chickpeas	Kabuli, desi, split desi
Beans	Navy, romano, pinto, barbunya, dark and light red kidney, faba, black, red
Milled Durum Wheat	Pasta, semolina, bulgur
Food Ingredients	Flour, protein, starch and fibre derived from pulses, durum wheat, rice
Other	Peas, rice, popcorn, sunflower seeds, canary seeds, flax seeds, spices

AGT's food ingredient initiative is expected to continue AGT's vertical integration into the higher-margin food ingredient segment, through the production and sale of pulse ingredient flours, proteins, starches and fibres, derived from lentils, peas, chickpeas or beans and used by manufactures of human food, pet food, animal feed and aquaculture feed as an ingredients to replace other flour, protein, starch or fibre ingredients such as those derived from corn, tapioca, rice or other sources with ingredients that provide similar performance characteristics however different desired characteristics such as low or non-allergen, non-GMO, gluten-free, functional characteristics or to provide added protein or fibre levels. Customers in the human food, pet food, animal feed and aquaculture feed sectors are desired customers as they are believed to be less impacted by market dynamics inherent to commodity markets and thereby and reduce exposure to commodity markets.

Research and Development

As part of AGT's food ingredient initiative, investments have been made in laboratory and research and development facilities in AGT's Saskatoon location ("**AGT Labs**"). The AGT Labs provide AGT with infrastructure and technical expertise to aid customers in collaborative research into the ingredient uses for pulses in their own application and formulation work as well as provide technical services to AGT customers using pulse ingredients. AGT Labs is a critical component in the conversion of test quantities of pulse ingredients, taken by customers during their own application research into new formulations and uses for these ingredients, to sales quantities for production of their products to introduce to the marketplace.

Value-Added Processing Capabilities

AGT owns and operates 47 facilities on five continents, with numerous value-added processing capabilities such as colour sorting, blending and splitting as well as canning, packaging, warehousing and distribution. These enhanced processing capabilities allow the Company to offer an integrated supply chain approach from origination of raw materials from farmers to processing including upgrading quality and add value to products, thereby extracting additional margin from the raw commodity and creating additional sales opportunities. This approach also allows AGT to mitigate the effects of high wholesale crop prices and endure poor grading harvests.

AGT's value-added processing capabilities include:

- bagged and bulk whole and value-added pulses (cleaning, sizing, splitting and colour sorting of pulses for sale to retail and wholesale markets) grains and durum wheat;
- pulse fractionation (proteins, fibres and starches) and pulse flour production derived from lentils, peas, chickpeas and beans and from durum wheat and rice;

- wheat milling to produce semolina flour from durum wheat used in the production of pasta and the production of bulgur wheat and pasta production in various shapes and sizes including long and short cut varieties;

- wholesale and retail packaged rice (cleaning, de-hulling and colour sorting rice for sale to retail and wholesale markets); and

- packaging of dry package and wet canned pulses for sale to retail, food service and wholesale markets.

AGT has continued to focus on increasing value-added processing capacity with its recent acquisitions and expansions, and continues to evaluate accretive acquisition and investment opportunities. For example, the expansion of the Minot Facility is intended to configure the facility in a manner that makes most efficient use of processes and equipment for value-added processing of pulses and staple foods. An additional example is AGT's operations in Horsham, Australia, which are fully equipped with a splitting and value-added processing capacity, allowing AGT to process off-grade lentils and faba beans for the high quality demands in the Middle East and Indian subcontinent markets.

Suppliers

AGT has direct relationships with thousands of local growers around the world and primarily purchases crops directly from these local growers in Western Canada, the U.S., Turkey, Egypt, Australia, China, India, South Africa, Argentina, Morocco, Syria, Kyrgyzstan, Russia, Myanmar and Ukraine. To extend origination reach, AGT purchases a small portion of crops through grain brokers when needed. As a result of variable crop production levels in Turkey, imports are an important component of the Arbel Group and Durum. Other origins have reported significant production volumes in recent years that are expected to continue.

Management estimates that no one supplier accounts for a significant amount of AGT's crop purchases in any origin. Diversification of origination allows AGT to generally mitigate against the risk of low production in any one region as a result of adverse weather conditions or other factors beyond the Company's control, and, in particular, allows the Arbel Group and Durum to make up for potential variability in domestic production in Turkey. Although AGT sources its raw materials from countries where crops are harvested once a year (with the exception of India), the Company has access to crop supplies all year round given the multiple origins from which it originates its products.

Reliance on AGT's North American operations for crops is being further decreased through expansions and a focus on other origins, like Australia, Russia, Kazakhstan and Southern Africa, which are rapidly emerging as significant producers of pulses. AGT anticipates that its efforts to carry a full range of products across its facilities spanning five continents will facilitate distribution to its global clients.

Management estimates that a significant amount of AGT's purchases of raw materials are done on a "spot" basis, which provides AGT with up to three months to take delivery of the crops at the agreed upon price. Payment to suppliers is made between 14 and 30 days after AGT takes delivery. Management estimates that a significant amount of purchases from growers and sales to customers are completed on a "back-to-back" basis, which allows AGT opportunities to mitigate commodity price risk. The remaining portion of AGT's products are purchased through "production" contracts, which fix a price at which AGT may purchase crops from a producer and may include an option to buy additional crops at market price, assisting AGT in mitigating price and supply risk on forward sales.

4.3 Business Strategy

AGT is a globally-diversified, vertically-integrated originator, processor and distributor of value-added pulses and staple foods, with origination, processing and distribution capabilities in key pulse origination markets on five continents.

Management has identified four pillars to AGT's strategy, which are as follows:

- Improve free cash by reducing working capital and capital expenditures improving liquidity and reducing finance expenses and global administration costs reflecting reduced cyclical volumes and margins;

- Grow the scale of processing and improve margins in AGT's food ingredients and packaged foods businesses, developing an integrated farm gate to ingredient and retail consumer package program for AGT's customers under AGT's brands and as a co-packing supply chain partner;

- Expand AGT's bulk handling business and improve the infrastructure asset base in ocean port and inland container and rail terminals to monetize the earnings potential of its unique grain origination and logistical assets which includes trucking, rail, containerization and bulk vessel loading programs, by linking these efforts with other assets in key consumption markets such as Turkey, India and China; and

- Increase AGT's facility utilization and evolve product mix to improve margins in a supply chain approach to the Company's core pulses business.

Improved Facility Utilization and Product Mix

AGT operates in a high fixed cost environment where increases in capacity utilization can have a positive impact on earnings and margins. To provide the most efficient method of transportation from producer to market, AGT has developed a network of value-added facilities located at the source of production as well as facilities for bulk loading and handling and shipment by rail. This network includes origination, receiving, processing (including cleaning, de-stoning, calibrating, sizing, peeling, splitting, optical colour sorting and packaging) and shipment of pulses.

AGT's facilities have the capacity to continue meeting expected export programs to all key consumption markets in the traditional Q4 and Q1 shipping periods and are well prepared for potential demand trend growth in non-traditional Q2 and Q3 periods. This trend is based on higher import levels in key consumption markets such as India, Turkey and the Middle East North Africa region, where record supply levels are leading these markets to restock supplies for distribution and consumption. As a result, AGT expects to increase facility utilization year-round, supporting margins through the current high volume, lower price environment.

Within AGT's core business, the Company continues to diversify its offerings in pulses and staple foods with a concentration on more intensive value-added processing of pulses in a wide range of products. This can increase potential sales programs to customers by offering all or most of the products they purchase, maximizing customer sales programs to AGT's benefit and enhancing margin through operating leverage and an improved product mix. Furthermore, this mitigates AGT's exposure to normal fluctuations in agricultural production resulting from farmer rotational cropping decisions, unexpected crop failures, and/or lower production rates and quality levels resulting from weather conditions during the planting, growing or harvest periods.

Grow AGT's Unique Bulk Handling System and Assets

AGT's recent investments in bulk handling, loading and short-line rail infrastructure in Saskatchewan is expected to leverage AGT's strong origination platform for lentils, pulses and durum wheat to bring bulk products to existing customer demand. In traditional shipping periods, the Company can use the most efficient transportation modes available for both customer programs on bulk lentils and raw material supply of lentils and durum wheat to AGT's own operations. These assets also allow the Company to complement shipments of AGT-processed value-added products with bulk load products, a capability that container shippers with smaller rail capacity generally do not have.

Through ownership of Last Mountain Railway and Big Sky Rail, AGT controls one of the largest Class 3 railways in Canada. These assets comprise locomotives, grain cars and bulk grain handling facilities along approximately 680 km of owned rail track in Regina Plains, Central and West Central Saskatchewan. Saskatchewan is Canada's largest producer of wheat, canola, lentils, peas and durum wheat, and AGT's bulk handling and rail assets allow it to collect grain from farmers and consolidate trains shipped to port facilities for containerization and bulk vessel loading.

AGT has terminal service agreements in Prince Rupert, Vancouver, Montreal, Seattle and Thunder Bay. The Company also owns its own terminal facility in Thunder Bay, Ontario on the Great Lakes of Canada where it is able to load vessel quantities at the rate of 4,000 mt per hour. The Company has also entered into a long-term terminal services agreement with Fibreco at the Port of Vancouver, as well as having acquired a minority interest in CanEst at the Port of Montreal.

By combining AGT's origination and handling assets with a balanced approach to containerization and bulk vessel shipping, AGT has the capacity to scale its Canadian operations to capitalize on additional acreage anticipated to go into production in Canada and the Northern U.S.

Food Ingredients/Packaged Foods Growth and Margin Improvement

AGT continues to develop a platform linking its global farmer origination network to its value-added processing. The food ingredients and packaged foods segment is at the center of this initiative to derive additional margin through the extraction of value from commodities handled in AGT's system. The marketing of food ingredients to major food companies allows AGT to capitalize on its customer's distribution and product development platforms using their brands to reach the end customer. This is being coupled with AGT's strategy to increase relationships with major global food retailers for both the distribution of AGT's owned brands and to act as a manufacturer and co-packer of such retailers' brands.

AGT's food ingredient business continues to advance, with four production lines already commissioned at the Minot Facility focused on production of pulse ingredient flours, proteins, starches and fibres. AGT continues to see household consumer-packaged goods companies include pulse based product development projects, pipelines and commercial and industrial pulse-based quantities in their normal product development cycles.

This is expected to provide AGT with further enhanced margin opportunities in protein sales through increased sales for pet and human food, while monetizing higher value pulse food ingredients, such as starches, flours and fibre fractions.

AGT's global packaged foods business continues to grow as both market opportunities and sales and distribution efficiencies are realized. Combined, this segment contributed over 50% of AGT's earnings in 2017, with only 15% of the tonnages handled. The goal is to continue to scale this business to maintain a five year goal that even in earnings normalized environments that this segment contributes greater than

50% of total EPS. This segment is expected to continue to assist in balancing the cyclicality of the traditional pulses business.

This business unit includes, in addition to the distribution of other brands in key markets: (i) Arbella brand pasta, sold in a number of countries around the globe; (ii) Arbel brand packaged pulses and staple foods, sold in many markets in Turkey, Central Asia, Europe and the Middle East and North Africa region; (iii) CLIC brand, with retail and food service listings providing canning, small packaging and distribution in Canada and the U.S.; and (iv) the AGT Africa Retail brand of packaged foods, available in South Africa.

Operating Liquidity Strong and Banking Agreements Extended

AGT's balance sheet and liquidity are improved as a result of recent transactions for capital planning requirements. Maturities have been pushed out to 2020 and 2021 respectively, for the Bank Facilities and AGT's $200 million high-yield Notes Offering. In August of 2017, AGT also completed a transaction with Fairfax for the issuance of the Preferred Securities in the amount of $190 million, which has provided capital that was utilized for the reduction of indebtedness under the Bank Facilities. Net Debt* was reduced to $473 million as at Q4 2017 versus $543 million in Q4 2016.

The Bank Facilities were amended and extended and covenants were modernized to suit the cycle of the business with covenants moving to simple interest coverage and tangible net worth based ratios, reflecting the strong collateralization of the debt under the Bank Facilities and the effects of the Fairfax capital injection. The Bank Facilities were reduced to $400 million and the uncommitted accordion was increased to accommodate increased needs as the current cycle reverses.

AGT is also focused on working capital management. AGT operates a global supply chain business with origination and processing plants on five continents and sales in over 120 countries. Working capital financing is intensive and AGT has developed a strong focus on receivables and inventory management. The use of credit insurance through a global policy of over $1 billion of declared volume with EDC's Export-Import bank is a key risk management technique as is book to physical inventory reconciliation by facility and geography in each financial reporting period.

The majority of AGT sales are insured through EDC providing coverage on receivables in the event of customer default on payment. In addition, ownership of the original documents for the cargo in transit remains with AGT in most cases, due to the terms of sale. If a customer defaults on the contract, AGT can choose to resell the cargo to another customer or divert the cargo to another market. With extensive market reach and facilities or warehouses in key consumption markets, AGT has numerous options available to minimize or mitigate risk and exposure in these areas. AGT also has the option to make a claim to EDC to cover up to 90% of the receivable in question. AGT has extended its EDC coverage to all foreign operations, excluding China, to ensure that additional financial risks are largely mitigated in the current macro-economic environment.

Working capital and short-term debt are typically used by AGT to finance its export program and customer orders due to the long transit times. In addition, costs associated with the goods, such as processing costs, payments to the farmer from whom raw material were purchased and freight costs, must be paid prior to receiving payment for sale. Customer purchases are typically backed by irrevocable letters of credit or cash against document terms, which mitigates payment risks. The EDC policy remains in place to ensure that a catastrophic loss in any particular region will not hinder payment. Management has implemented steps to monitor accounts receivable aging and inventory turns at each facility. Metrics are calculated for each facility and correlate to facility compensation.

In addition, much of AGT's bank financing availability is determined based on a borrowing base calculation, which leads to this financing being backed by the inventory and accounts receivable.

4.4 Foreign Operations

The majority of AGT's products are exported, with sales destined to buyers outside of Canada and the U.S. AGT has assets located in Canada, the U.S., Turkey, Australia, China and South Africa.

AGT enters into sales denominated in USD for which the related revenue and accounts receivable balances are subject to exchange rate fluctuations. AGT has entered into certain foreign exchange contracts with maturities of less than one year to manage risks associated with entering into new sales contracts denominated in USD.

AGT currently manages the risks involved with the export of goods to foreign countries by selling with internationally accepted documentary letters of credit, documentary collections and receivables insurance through EDC. Risk management programs are also in place to minimize these risks in the international marketplace. For a discussion of the risks relating to the repudiation of goods by foreign buyers, see "*Counterparty and Export Risk*" in the "*Risk Factors*" section.

Aside from sales, AGT's operations through APP do not rely on foreign operations to a material extent. With respect to AGT's Turkish operations, the majority of sales are made through wholesale distribution networks. The Arbel Group and Durum's sales have historically focused on export markets; however, domestic sales have become a growing component to sales programs in recent periods. Approximately one-third of the Arbel Group and Durum's sales are typically to the Turkish domestic market in its main product lines: pulses, *Arbella* pasta, bulgur and rice. In addition, the Arbel Group and Durum's pasta and bulgur business can be dependent on imports of wheat and other raw materials.

4.5 Sales and Distribution

Sales and Marketing

Substantially all of AGT's products are sold directly to importers, canners, packaging companies, wholesalers and distributors located around the world. AGT currently exports its products to a diverse base of clients in over 100 countries and management estimates that no private sector company or customer accounted for greater than 5% of total revenues in the year ended December 31, 2017. The United Nations ("**U.N.**") through its World Food Program agency and the U.S. Government through the United States Agency for International Development have historically accounted for approximately 10% of total revenue in certain years, although this number varies according to international food aid tender requirements. AGT sells its products directly to customers and, where appropriate, pulse brokers (usually located in the country of destination) are used to assist in managing the execution of export sales contracts.

Sales Contracts

Management estimates that the majority of AGT's sales are made through spot contracts for shipment typically within three months of contracting. In select cases, sales are made through long-term commitments for shipment up to one year in the future. Longer-term contracts are uncommon because the market price of pulses, durum wheat and specialty crops constantly fluctuates and parties are reluctant to lock in a price too far in advance. Goods are generally shipped on a "cost and freight destination" basis, meaning AGT pays the costs to bring the goods to the destination. Most of AGT's sales are cash against documents, allowing AGT to retain title to its inventory until it has received payment in full. The significant majority of receivables are credit insured through a global policy with EDC. Typically customers are subject to 5-day payment terms before the vessel arrives at port; however, a small portion of customers are on 30-day terms while larger established customers are on 90-day terms.

Freight & Logistics

AGT manages its own in-house freight and logistics management team and has a team of specialists in export documentation and logistics in its trading offices in Canada, Australia, Turkey, South Africa and Europe. The Company also uses third party logistics providers for a portion of its transport needs.

APP's facilities are situated on or near major highways and all-weather roads, which offers an advantage over smaller competitors that may be located off secondary or grid roads. AGT is increasingly focused on shipping finished product by intermodal service, where containers are loaded at the plant and taken by trailer to the railway for shipping by rail cars. AGT also has arrangements with transloading/logistics facilities in Montreal and Vancouver in Canada; various container port locations in the U.S.; and Adelaide, Sydney and Melbourne in Australia to facilitate the final containerization or handling of loaded containers of its products for export.

AGT's facilities in Canada and the U.S. are located near container yards, and key strategic plants located in Western Canada are accessible to rail with Canadian Pacific Railways, Canadian National Railways. U.S. facilities receive service from Burlington Northern Santa Fe Railways. APP owns two container storage sites, one in each of Saskatoon and Regina, and operates its own container lifts, trucks and container chassis for transportation of ocean containers to its factories. The Minot Facility is directly adjacent to the Port of North Dakota intermodal transportation hub, which transports westbound agricultural commodities on Burlington Northern Santa Fe's dedicated rail line. Facilities in Australia also receive rail shipments to the main port locations in Adelaide, Sydney and Melbourne. For example, in New South Wales, the Company's Narrabri processing facility, which is in a key growing region for Australian chickpeas, is equipped with direct rail access with dedicated three times weekly container train service direct from the facility to Sydney, one of Australia's main container ports. Additionally, in South Australia, APP is a 33% co-owner of a company that operates trains six times per week from the Company's locations there inland to port at Adelaide.

AGT, through APP, operates bulk loading and handling and short line rail assets in Saskatchewan and a loop track port facility in Thunder Bay, Ontario through the acquisitions of bulk loading assets in West Central Saskatchewan, a key growing region for pulses and durum wheat and Mobil, which services AGT's bulk loading and handling assets in this area. AGT's transportation assets reflect the importance of rail transportation and loading infrastructure to the competitiveness of AGT's core business segment, both for supply of bulk pulses and cereals and oilseeds to its global customers and AGT's own processing and handling operations in India and Turkey.

Arbel and Durum facilities in Turkey are strategically situated in proximity to key shipping areas, providing the companies with logistical freight advantages. These facilities are located approximately eight km from the main container seaport in Mersin, one of the Mediterranean's main agri-product seaports, and provide access to the Mersin Free Zone and customs bonded warehouses that allow AGT to import product into Turkey for processing and optimize import tax levies should the product be re-exported to international markets.

AGT has direct steamship line relationships and management believes the Company is among the largest agri-products container shippers in Canada and Turkey. Steamship line agreements are for fixed rates for three to six month windows for export destinations to allow the costs of freight to be borne by the buyer of the cargo, and AGT also insures its cargo. See "*Risk Management*".

The Company also benefits from strategic warehousing in India and South Africa, a freight advantage from Australia to India, and strategic location in China, with locations near port facilities and a lower freight cost and reduced transit times to and from Canada and Turkey.

4.6 Risk Management

In order to provide AGT with operational efficiencies and the ability to mitigate a number of over risk exposures, AGT's risk management activities are coordinated through a well-established, centralized and comprehensive risk management framework. Day-to-day risk management decisions are made by AGT's executive committee, which consists of the Executive Chairman, the CEO, the CFO and the COO and are then implemented at a local level. Risk information from AGT's operating geographies are independently assessed and then aggregated, allowing for clear visibility and centrally-controlled decision making and internal controls. AGT manages certain specific risks in the following ways:

- *Price Risk:* AGT's direct relationships with thousands of local growers and over 1,000 end customers enable the Company to sell a significant amount of its inventory on a ''back-to-back'' basis. Clear visibility and centrally controlled positions on the remaining inventory, coupled with a focus on value-added products and pulses that have historically exhibited lower levels of price volatility, further mitigate overall commodity price exposure. Furthermore, AGT's global market intelligence allows it to collect internally generated information concerning price movements, contributing to its ability to efficiently manage its inventory;

- *Foreign Exchange Risk:* AGT has implemented a global foreign exchange management program to manage its net exposure to local currencies (excluding TL) versus the U.S. dollar via forward contracts with maturities of less than one year. TL exposure is managed by seeking to match TL denominated assets to TL denominated liabilities as domestic sales generate TL to satisfy local currency requirements for operating expenses and local purchases;

- *Counter-party Risk:* AGT controls counter-party risk by typically backing customer purchases with irrevocable letters of credit, cash against document terms and, in some cases, full or partial prepayment before shipment. As a result, client repudiation is unusual. Additionally, the significant majority of AGT's accounts receivable are insured through a global policy with EDC providing coverage on up to 90% of losses attributed to repudiation and customer default on payment related to insolvency and political risk; and

- *Freight Risk:* AGT goods are generally shipped "cost and freight destination" whereby AGT must pay the costs to transport goods to their destination. The Company's strong relationships with major North American railways, as well as direct relationships with international steamship lines and agreements for fixed shipping rates, mitigate freight cost risk. In addition, for all sales made "cost, insurance and freight," AGT also procures cargo insurance.

Throughout AGT's acquisition history, since 2007, substantially all of the target companies' senior management has remained with AGT, greatly enhancing AGT's geographic risk management strength. In addition, key staff has been added in management or specialized roles and positions to further increase this risk management strength.

4.7 Competitive Conditions

In pulses, AGT targets the ready-for-human-consumption, bagged and bulk containerized and bulk vessel shipments to end use markets, serving importers, wholesalers, canners, packagers, retailers and ingredient users of pulses and staple foods. While there are many processing plants located throughout the pulse-growing regions of Canada, the U.S., Turkey, Australia, China and South Africa, competitors that target end use markets similar to those served by AGT are smaller regional players with a primary focus on a limited number of products and geographies. This narrower competitive scope limits the advantages for these smaller players that are otherwise afforded to AGT as a result of its strong global presence and infrastructure. In Canada, a limited number of companies are active in the pulse processing business, including Scoular, Simpson Seeds, Prairie Pulse, Sunrise Foods, Ilta Grain, and Archer Daniels Midland. In Turkey, there are a number of family-owned pulse processing companies which tend to have a narrow product or geographic focus. AGT also competes with local processors and splitting plants in Sri Lanka, India, Turkey, the United Arab Emirates and Egypt, however, this is to a much lesser extent.

Large grain processing companies such as Viterra Inc. (Glencore PLC), Richardson International, Grains Connect Graincorp and Bunge Limited are also active in the Canadian and international markets more generally, though the significant majority of their shipments in the pulse sector consist of bulk quantity shipments of peas, lentils or faba beans. Bulk shipments are typically processed by bulk buyers locally prior to consumption. Other competitors that also fall into this group of large international bulk shippers include Cargill Incorporated and Archer Daniels Midland. The food ingredient segment is an emerging business based on the inclusion of value-added pulses as an input for the production of various food products. The production of pulse ingredients is a relatively small-scale global industry, with a high concentration of players in Europe and North America. There are also a number of players in China, driven by the production of vermicelli noodles, a process that extracts starch from Canadian peas, leaving a protein by-product. Notable global players include, but are not limited to Roquette (France), Cosucra (EU), Nutripea (Canada), World Food (U.S.), Parrheim Foods (Canada) and Dakota Dry Bean (U.S.). Smaller value-added processors include Verdient Foods (Canada), Caremoli USA, Harvest Innovations (Archer Daniels Midland) and Best Cooking Pulses. Most of these companies concentrate only on certain segments of the market, with few having a product suite that encompasses flours, fractions, concentrates and isolates. Many industry players also employ modification technologies that de-nature the protein during production or render the ingredients ineligible for use in natural and clean label food products. In addition to pulse based ingredients businesses, there are a number of large global players who have a material presence in the sales, distribution and marketing of ingredients. The major players in this segment are Cargill Incorporated, Archer Daniels Midland, Tate & Lyle and Ingredion Incorporated.

In the pasta market, AGT competes with other established branded and private label competitors both within Turkey and internationally. Competitors include Ankara Makarna, Selva, Filiz and Barilla, the largest pasta company in the world. According to the International Pasta Organization, global pasta exports were approximately US$4.7 billion in 2013.

Management believes that competitiveness within the pulse and staple food processing industry hinges on the ability to economically source, process and deliver product to the marketplace and that this ability has been a core part of AGT's competitive strength. With its multi-plant processing, multi-origin import/export strategy and large-volume program, AGT has captured economies of scale and developed significant flexibility in respect of its processing and freight operations to meet customer demand. Management believes that this scale and flexibility, taken together, has resulted in AGT possessing significant competitive advantages and creating barriers to entry. These advantages have been further enhanced by AGT's measured strategy of growing its business both organically and through acquisitions. Management believes that AGT's global network, client base and product mix of split and value-added lentils, peas, chickpeas, beans, pasta and bulgur put AGT in a position of strength among its global competitors, as there is no fully integrated value-added processor that competes in all of the same product segments in which AGT operates.

Barriers to entry facing any competitor include the significant capital investment required to replicate AGT's network of strategically located modern processing facilities and global operating subsidiaries, AGT's first mover advantage in selecting which assets, businesses and managements teams to acquire in each strategic expansion of its global footprint and AGT's well established direct relationships with farmers and customers in the key glove pulse origination and consumption markets.

4.8 Working Capital and Seasonality

AGT's sales and purchases are fairly evenly spread out during AGT's fiscal year; however, there is a bias towards the last half of the fiscal year (July 1 to December 31), as it is both the period of peak demand and the harvest period for most origins of the Company. This also has the effect of increasing working capital requirements in that period, as management estimates that approximately two-thirds of the annual working capital requirements are used in the last half of the fiscal year. Initiatives such as diversification of the Company's product mix towards beans and chickpeas, lowering reliance on lentil shipments, increased focus on packaged goods for retail sale, the new food ingredient platform driven by the Minot Facility, and the movement of Ramadan 10 days earlier each year, are expected to have the result of smoothing working capital requirements to an approximate 50/50 distribution within the next three to five years.

Working capital is required by AGT to finance its export program and customer orders due to long transit times and final payment typically being made on delivery. While customer purchases are typically backed by irrevocable letters of credit or cash against document terms, costs associated with the goods, such as processing costs, payments to the farmer from whom raw materials were purchased and freight costs, must be paid prior to receiving payment for sale.

AGT's inventory is primarily comprised of crops purchased from its suppliers in their raw form and processed products. AGT estimates that there are over 150 different products and grades contained within its inventory. Inventory management practices include book to physical inventory reconciliations monthly to ensure accurate recording of inventory values. Given the diversity and non-perishable, commodity-like nature of its products, management believes AGT's inventory is highly liquid. In addition, management estimates that a significant amount of grower purchases and customer sales are completed on a "back-to-back" basis, which allows AGT to mitigate commodity/inventory price risk.

Given customer purchases are backed by irrevocable letters of credit and advance payments, client repudiation is unusual. In addition, the majority of AGT sales are insured through EDC providing coverage on receivables in the event of customer default on payment (see "*Counterparty and Export Risk*" in the "*Risk Factors*" section). Consequently, management believes AGT's receivables are high quality and liquid.

AGT has an average North American cash conversion cycle, from the date of purchasing crops to the date of collection from the international customer, of 90 to 110 days. The majority of crops purchased by AGT are done under spot contracts, which provide AGT up to three months to take delivery of the crops at the agreed upon price. Payment is made to the supplier within 30 days of delivery. The crops arrive at the plants on a "just-in-time" basis, and are classified as inventory for approximately 35-50 days, comprised of approximately one week for storage and processing, three weeks from shipment to port and two week for loading onto a ship. Once the products are loaded into a vessel for shipping, inventory is reclassified as accounts receivable, the majority of which is insured by EDC. Transportation from North America to customers in Europe and Asia takes, on average, an additional 30-45 days, with payment by the customer typically made five days after the ship hitting its port of destination.

Recent increases in AGT's inventory levels can be attributed to a shift to distribution activities in consumption markets, illustrated by the continued flow of pulses from Canada and Australia to Turkey, the flow of pulses and grains from Russia and Ukraine to Turkey, and the distribution and sales activities of Poortman in Europe and Advance Seed in South Africa. Management continues the practice of examining stock levels at each of its foreign operations to achieve an optimization of inventory levels. In addition, in its efforts to manage working capital, AGT has initiated tighter credit terms for international buyers.

4.9 Regulations

The Canadian Grain Commission ("**CGC**") is the regulator for grains in Canada. Although the CGC does not market pulses, it does regulate some aspects of the pulse business. APP holds a primary elevator license from the CGC and is in good standing, allowing it to purchase pulses, cereals and other crops, directly from producers. License holders are subject to rigorous security and audit requirements. As required by CGC rules, APP has a contract of insurance in favour of CGC in the amount of $13 million. The license enables APP to negotiate purchase terms directly with producers and thus obtain, or offer, better terms. APP is also bonded with the North Dakota and Montana state governments as a requirement of its operations there. There are no licensing requirements in Turkey or Australia.

No export license is required to export pulses and grains from Canada, Turkey, the U.S. or Australia. There are no other material regulatory considerations specific to the export of pulses and specialty crops.

Rules governing tariffs and quotas apply to pasta in the European Union ("**E.U.**") and the U.S. These measures are largely aimed at the protection of domestic production industries. AGT is aware of these regulations and although it sells in compliance with such rules, as applicable, AGT concentrates sales in the rest of the world where these types of trade barriers do not exist.

In late December 2017, Canada announced that a complaint was filed with Canada Border Services Agency ("**CBSA**") and through the Canadian International Trade Tribunal ("**CITT**") regarding allegations of injurious dumping and subsidizing of certain dry wheat pasta originating in or exported from Turkey to Canada by some pasta manufactures in Canada resulting in an investigation by CBSA and CITT. The complaint surrounds claims that pasta is being sold at unfair prices in Canada and that this has caused and is threatening to cause injury to the Canadian producers of like goods. It should be noted that the complaint with CBSA and CITT is against Turkish pasta manufacturers and not AGT specifically in Canada, however as AGT is involved with pasta production and export from Turkey through its business unit that includes the Arbella brand of pasta. AGT is one of the largest pasta producers in Turkey and is a significant exporter of pasta including to Canada from Turkey, thereby involving AGT in the matter Management is closely monitoring the developments on this matter and expects no immediate material impact on its pasta business as Canada is one of approximately fifty country markets to which AGT exports pasta.

Regulations for India are evolving with material regulatory changes seen in 2017 and which are expected to continue. While markets had been adjusting to costs surrounding fumigation at arrival port, equating to approximately $12 to $14 USD per mt, Government of India ("**GoI**") introduced import duties on peas (50%), lentils (33%) and chickpeas (66%). However, the duty on chickpeas is not expected to have a material impact on AGT's business in Canada, where the most commonly produced variety, which is kabuli-type, versus the desi-type produced in India, Australia and Africa and consumed in India, does not account for significant exports to India. Introduction of these duties on pulses is viewed by global markets as a mechanism by the GoI to make locally produced pulses more attractive from a price standpoint to deter and reduce India's reliance on imports of key food products and boost local production to combat issues surrounding food security and inflation with the GoI stated goal of self-sufficiency in pulses.

4.10 Employees

As at December 31, 2017, AGT and its subsidiaries had approximately 2,100 full time permanent employees worldwide. AGT also employs temporary and seasonal workers in different geographies at various peak production and shipping periods annually.

4.11 Intangible Property

AGT believes that its trademarks are important to its competitive position. AGT and its subsidiaries own a number of registered and unregistered trademarks including the World Intellectual Property Office; in Canada with the Canadian Intellectual Property Office ("**CIPO**"); in the U.S. with the U.S. Patent and Trademark Office ("**USPTO**"); in the E.U. with the Office for Harmonization in the Internal Market - Trade Marks; in Turkey with the Turkish Patent and Trademark Office; the Japan Patent Office; the Korean Intellectual Property Office; and the Intellectual Property Office of Singapore as well as other jurisdictions that are important to AGT's business.

Designs and trademarks including: "AGT Foods", "AGT Food and Ingredients", "Alliance", "Alliance Grain Traders", "Alliance Pulse Processors", "Arbel", "Arbella", "Pasta Veneta", "Arbella Family", "United Pulse Trading", "Saskcan", "Agtech", "Saskcan Pulse Trading and design", and "Saskcan Disc design", "West Central Road and Rail", "WCRR", "Mobil Grain", "Mobil", "Last Mountain Rail", "LMR", "Big Sky Rail", "BGS", "CLIC", "PulsePlus" and "V-6000". These registrations for these trademarks and others relevant to AGT's business have been completed or are in process in a number of AGT's other key sales and operational markets.

APP has also been awarded the worldwide commercialization rights for three varieties of pulses developed at the University of Saskatchewan by the Saskatchewan Pulse Growers, an industry organization representing over 18,000 pulse crop growers in Saskatchewan. These include the King Red lentil variety (a bold red lentil grown in Western Canada) (commercialization rights to 2020), the Queen Green Lentil (a green cotyledon lentil) (commercialization rights to 2018) and large Food Type Faba Bean (commercialization rights to 2018). APP has registered the trademarks "King Red" and "Queen Green" with the CIPO and the USPTO. APP also signed an agreement in March 2009 with Terramax Grains of Saskatchewan to develop the B90 chickpea. All of these initiatives are underway, including the commercialization, merchandising activities and production of the aforementioned varieties.

AGT's intangible assets are an important part of its business. AGT has attached an intangible asset value to brand and client relationships such as *Arbella* acquired at Arbel, CLIC and Poortman. AGT benefits from the goodwill established for its brand names and protects it proprietary information, including its trademarks, through trademark laws, contractual provisions and confidentiality procedures.

AGT has a number of patents pending in filings in the U.S. and Canada related to the production of food ingredients, pastas and the utilization of high velocity mobile loading systems for grain silo and railcar storage.

4.12 Risk Factors

AGT is a buyer, processor and exporter of a range of pulses and special crops, and is exposed to a number of risks and uncertainties that are common to other companies engaged in the same or similar businesses. Certain material risks specific to AGT's business and its industry are summarized below. Additional risks and uncertainties not currently known to AGT, or that are currently not considered material, may also impair AGT's operations. If any such risk actually occurs, the business, financial condition, liquidity or results of operations of AGT could be materially adversely affected.

Operating Requirements

AGT's revenues are dependent on the continued operation of its processing facilities. The operation of its processing facilities involves certain risks, including the failure or substandard performance of equipment, natural disasters including earthquakes (the Arbel Group and Durum facilities are located in Turkey, a region that has experienced earthquakes in the past), workplace accidents, labour problems, spoilage, as well as other hazards incidental to the production, use, handling, processing, storage and transportation of pulses and special crops. Also, as an industrial operation, AGT is exposed to workplace health and safety and workers' compensation claims and the equivalents in the U.S., Australia, Turkey and other countries of operation. There can be no assurance as to the actual amount of these liabilities or the timing of them. The occurrence of material operational problems including, but not limited to, the above events may have a material adverse effect on the business, financial condition and results of operations of AGT.

The success of AGT's business depends on a large number of both hourly and salaried employees. Changes in the general conditions of the employment market could affect the ability of AGT to hire or retain staff at competitive wage levels, which could have an adverse effect on AGT's business, financial condition and results of operations.

AGT facilities are currently not unionized except for a small, non-majority representation union group in AGT's Advance Seed operations in South Africa and in respect of certain railway operations of Mobil in Saskatchewan. However, there is no assurance that some or all of the employees of AGT will not unionize in the future. If successful, such an occurrence could substantially alter the employment terms of AGT's employees and increase labour costs and thereby have an adverse effect on AGT's business, financial condition and results of operations.

Volume Risk

Weather conditions, which can vary substantially from year to year, have a significant impact on the size and quality of the harvest of the crops processed and sold by AGT. Significant increases or decreases in the total harvest will impact AGT's sales and the gross profits realized on sales of its product and, consequently, the results of its operations. A good harvest usually results in lower prices for product (due to high supply relative to demand), but higher volume of sales. A poor harvest usually results in higher prices for product (due to low supply relative to demand) but lower volume of sales. The use of splitting and colour sorting equipment assists AGT in its efforts to extract the maximum highest-priced product from the available crop in poor harvest years where the crop is amenable to the use of such equipment (e.g. lentils). AGT also achieves some risk mitigation by having its plants spread out geographically in North America and Turkey and by sourcing product for Australia from local production in Australia. High degrees of quality variance can also affect processing velocity and capacity utilization, as the processes required to potentially upgrade lower or more variable quality product can slow overall processing times. There can be no assurance that such factors would fully offset a significant decrease in volume and quality caused by a poor harvest, or the decrease in price caused by a glut in production. Such factors could therefore have a material adverse effect on the business, financial condition and results of operations of AGT.

Transportation and Transloading

AGT is largely dependent on third parties and container availability for the transportation of its products despite its regionally established transportation networks in certain areas of the world. In Canada, the U.S., Australia and China, a large proportion of AGT's products are transported by rail and a portion of AGT's products are also transported by road. In Turkey, AGT's products are transported exclusively by road. As the majority of AGT's products are exported, AGT also relies on shipping companies and vessel space. All exported products also pass through third party transloading facilities to facilitate their final containerization for export. Strikes, work stoppages, labour disputes, failure or substandard performance of equipment, or other interruptions to the rail or road networks, haulage companies, transloading facilities or shipping companies used by AGT, and limited container availability, may have a material adverse effect on the business, financial condition and results of operations of AGT.

Logistics are expected by management to be a major consideration in AGT's business on an ongoing basis. AGT anticipates it will continue to be challenging to obtain container availability and vessel space to move the typical crop volumes from North America and Australia. As container availability is driven by global trade flows and imports, slowdowns in the economy in the U.S. and Europe and import imbalances in South Australia have resulted in tight container supplies. The ability to procure and effectively manage allocated transportation units by ocean line and rail service is a continuing focus by management. Although AGT mitigates this risk by being a leader in containerized and rail agri-shipments, maintaining direct relationships with railways and international steamship lines and its key regional seaport presence, there can be no assurance that AGT will be able to obtain sufficient container availability, railcar allocations and vessel space to meet its needs, which may have a material adverse effect on the business, financial condition and results of operations of AGT.

Distribution and Supply Contracts

AGT typically does not enter into written long-term agreements with its clients, distributors or suppliers. As a result, such parties may, without notice or penalty, terminate their relationship with AGT at any time. In addition, even if such parties should decide to continue their relationship with AGT, there can be no guarantee that the consideration or other terms of such contracts will continue on the same basis. All spot contracts with growers or sales contracts with clients are backed by formal written legal contracts that AGT would seek to enforce through local courts, international or local trade and arbitration rules (Grain and Feed Trade Association, Canadian Special Crops Association, U.S. Pea and Lentil Trade Association). If one or more of AGT's key clients, distributors or suppliers terminates or otherwise alters the terms of its relationship with AGT and/or if a number of smaller clients, distributors or suppliers concurrently were to terminate or otherwise alter the terms of their relationship with AGT, that could have a material adverse effect on the business, financial condition and results of operations of AGT.

Customer Retention and Competitive Environment

AGT experiences competition in the markets in which it operates. Certain of AGT's competitors may have greater financial and capital resources than AGT. AGT could face increased competition from newly formed or emerging entities, as well as from established entities that choose to focus, or increase their existing focus, on AGT's primary markets and product lines. There is also a risk that a larger, more formidable competitor may be created through a combination of several smaller competitors. Competition within the pulse and special processing industry is based primarily on service and price. If AGT is unable to compete effectively in these areas, it may lose existing customers or fail to acquire new customers, which could have a material adverse effect on the business, financial condition and results of operations of AGT.

Foreign Operations

AGT's foreign operations may be subject to the risks normally associated with the conduct of business in certain foreign countries, including uncertain political and economic environments; strong governmental control and regulation; lack of an independent judiciary; war, terrorism and civil disturbances; crime; corruption; changes in laws, regulations or policies of a particular country, including those related to imports, exports, duties and currency; cancellation or renegotiation of contracts; tax increases or other claims by government entities, including retroactive claims; the risk of expropriation and nationalization; delays in obtaining or the inability to obtain or maintain necessary permits; currency fluctuations; high inflation; restrictions on the ability to hold USD or other foreign currencies in offshore bank accounts; import and export regulations; limitations on the repatriation of earnings; and increased financing costs. The occurrence of one or more of these risks may have a material adverse effect on AGT's financial results, business prospects and financial condition.

Integration of Acquisitions

The continued integration of acquisitions may result in significant challenges, and management may be unable to accomplish the continued integration smoothly or without spending significant amounts of money. There can be no assurance that management will be able to integrate the operations of each of the acquired businesses successfully. Any inability of management to successfully integrate the operations of AGT, including, but not limited to, information technology and financial reporting systems could have a material adverse effect on the business, financial condition and results of operations of AGT.

Realization of Benefits from Acquisitions

There is a risk that some or all of the expected benefits of acquisitions may fail to materialize or may not occur within the time periods anticipated by management. The realization of such benefits may be affected by a number of factors, many of which are beyond the control of AGT. The failure to realize some or all of the expected benefits of such acquisitions could have a material adverse effect on the business, financial condition and results of operations of AGT.

Acquisition and Expansion Risk

AGT's growth strategy will depend, in part, on it acquiring other pulse and grain processors, pasta producers, or related businesses, which it may be unable to do profitably or at all. The success of this acquisition strategy will depend, in part, on its ability to:

- identify suitable businesses to acquire;
- negotiate the purchase of those businesses on terms acceptable to it;
- complete the acquisitions within the expected time frame;
- improve the results of operations of the businesses that it acquires and successfully integrate their operations into its own; and
- avoid or overcome any concerns expressed by regulators, including anti-trust or competition law concerns.

AGT may fail to properly complete any or all of these steps. AGT may not be able to identify appropriate acquisition candidates, acquire those candidates that it identifies, obtain necessary permits or integrate acquired businesses effectively or profitably, and it may experience other impediments to its acquisition strategy. Moreover, increased competition may reduce the number of acquisition targets available to AGT and may lead to unfavourable terms as part of any acquisition, including high purchase prices. If acquisition candidates are unavailable or too costly, AGT may need to change its business strategy.

AGT's integration plan for acquisitions will depend on certain cost savings. Unforeseen factors may offset the estimated cost savings or other components of its integration plan in whole or in part and, as a result, it may not realize any cost savings or other benefits from future acquisitions. Furthermore, any difficulties AGT encounters in the integration process could interfere with its operations and reduce its operating margins. Even if AGT is able to make acquisitions on advantageous terms and is able to integrate them successfully into its operations and organization, some acquisitions may not be advantageous due to factors that AGT cannot control, such as market position or customer base. As a result, operating margins could be less than AGT originally anticipated when it made such acquisitions. AGT may change its strategy with respect to such businesses, or a particular market, and decide to sell the operations at a loss, or keep the operations and recognize an impairment of goodwill and/or intangible assets.

AGT also cannot be certain that it will have enough capital or be able to raise enough capital by issuing equity or debt securities or through other financing methods on reasonable terms, if at all, to complete the purchases of the businesses that it wants to acquire. Acquisitions may increase its capital requirements. AGT's acquisitions will also involve the potential risk that it will fail to assess accurately all of the pre-existing liabilities of the operations acquired, including environmental liabilities.

If AGT is unsuccessful in implementing its acquisition strategy for the reasons discussed above or otherwise, its business, financial condition and results of operations could be materially adversely affected.

Reliance on Key Personnel

AGT's operations are dependent on the abilities, experience and efforts of its senior management. Should any of these persons be unable or unwilling to continue providing services to AGT, the business prospects of AGT could be materially adversely affected as operating results could suffer. The future success of AGT will depend on, among other things, its ability to keep the services of its executives and to hire other highly qualified employees at all levels. AGT will compete with other potential employers for employees and may not be successful in hiring and keeping the services of executives and other employees that it needs. The loss of the services of, or AGT's inability to hire, executives or key employees could have a material adverse effect on AGT's growth, business, financial condition and results of operations.

Localized Decision Making

After being acquired by AGT in September 2009, the Arbel Group and Durum continued its current business under its management and business practices, subject to the same overview by the Board to which management of APP is subject. The same approach was taken following the acquisition of Poortman, now referred to as AGT Poortman, Advance Seed, now referred to as AGT Foods Africa, and most recently in the case of Mobil. Substantially all of the local management groups have been retained throughout AGT's acquisition history. This approach allows a significant amount of management and decision-making to be made on a localized basis. AGT's localized decision-making structure could allow local managers to make decisions that adversely affect its business, financial condition and operating results. Local managers have the authority to make many decisions concerning their operations without obtaining prior approval from centralized senior management, subject to compliance with general corporation-wide policies. Poor decisions by local managers could result in a loss of customers or increases in costs, in either case having a materially adverse effect on the business, financial condition and results of operations of AGT.

Potential Undisclosed Liabilities

In connection with AGT's acquisitions, there may be liabilities that AGT failed to discover or was unable to quantify in the due diligence which it conducted prior to the closing of such acquisitions. The discovery or quantification of any material liabilities could have a material adverse effect on the business, financial condition or future prospects of AGT.

Uninsured and Underinsured Losses

AGT maintains property, equipment, business interruption and liabilities insurance coverage and uses the services of AON International and local insurance brokers in Canada, the U.S., Turkey, Australia, China and South Africa to continuously review the adequacy of its coverage and the pricing of insurance. AGT uses its discretion in determining amounts, coverage limits and deductibility provisions of insurance, with a view to maintaining appropriate insurance coverage on its assets and operations at a commercially reasonable cost and on suitable terms. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full current market value or current replacement cost of its assets or cover the cost of a particular claim, which could have a material adverse effect on the business, financial condition and results of operations of AGT.

Global Financial Crisis and General Economic Conditions

Market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic condition may cause significant volatility to commodity prices and global currency. The collapse or reduction in liquidity of, and government intervention in, major banks, financial institutions and insurers may create a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. Such conditions may continue in future periods.

Petroleum prices are expected to remain volatile for the near future as a result of market uncertainties over supply and demand due to the current state of economies globally, the actions of the Organization of Petroleum Exporting Countries and the ongoing global credit and liquidity concerns.

Worsening economic conditions could have a direct material adverse effect on the business, financial condition and results of operations of AGT, and may have an adverse effect on AGT's business indirectly, through pressure on the liquidity of AGT's business partners and the intermediaries necessary to bring product to market. Changes to governmental policies such as tariffs and duties, non-tariff trade barriers and import substitution policies may materially adversely affect the financial performance of AGT in its ongoing operations and may have a material short term earnings impact through the incurrence of ancillary charges, demurrage and detention charges, repositioning costs, repacking costs, cargo diversion costs and increases to product costs affecting the cost of sales resulting in the reduction of margins and earnings.

Political Risk

Management closely monitors political situations in geographies of operations and of key markets.

While political events in Turkey in past periods may have added some level of volatility to Turkish currency and economic markets, there are no material adverse effects to AGT's Arbel operations reported currently by management. The impact of these events, if any, on AGT's domestic and export business to the region continues to be monitored locally. Ongoing tensions between Syria and Turkey may result in a reduction in the business volume from Turkey for international aid agencies and this volume is anticipated to be delivered via other origins such as Lebanon, Jordon, United Arab Emirates ("**UAE**"), Canada, Australia and U.S.

Political unrest in Ukraine and the Crimean Peninsula continues to be monitored locally and may have resulted in the Arbel Group's origination activities for peas, chickpeas and beans from the region to be more heavily focused on Kyrgyzstan, Kazakhstan and Russia through year-round ports via the Black Sea and the Bosphorus to processing destinations in Turkey. No significant disruption in import supply of pulses from Russia to Turkey for processing activities is expected as a result of recent political tension between Russia and Turkey, with any disruptions that are experienced mitigated by supply from Canada.

No material impact is expected as a result of changing policies in the U.S. as a result of the recent change in administration. AGT's U.S. operations operate wholly or substantially using U.S. grown and origin raw materials. Nevertheless, any withdrawal or material modification of the North American Free-Trade Agreement or NAFTA or certain other International trade agreements by the U.S. could adversely affect AGT's business.

Wholesale Price Volatility

The pulse, grain and special 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 prices of crops caused by changes in supply (which itself depends on other factors such as weather, fuel, equipment and labour costs, shipping costs, economic situation and global demand), taxes, government programs and policies for the farming and transportation industries (including price controls), and other market conditions, all of which are factors beyond AGT's control. The world market for pulses and special crops is subject to numerous risks and uncertainties, including risks and uncertainties related to international trade and global political conditions.

In the event of a sudden and sharp increase in the wholesale price of pulses, grains and special crops, in order to stay competitive, AGT may not be able to pass this price increase through to its customers, which could have a material adverse effect on the business, financial condition and results of operations of AGT.

A portion of AGT's crop purchases are made through production contracts, which fix a price at which AGT may purchase lentils from a producer over the course of the selling season. In addition, a portion of AGT's crop purchases are made directly from local farmers and crops are delivered at the time of purchase to be held in inventory. Should events occur after the price is fixed or after the date of purchase that increase the cost of production or the ability of AGT to sell the processed products at expected levels, the margins realized by AGT on such products could be lower than expected. If, after AGT purchases crops, their sale price falls below the price at which AGT purchased them, AGT could realize a lower than expected margin on sales, or even have unprofitable sales.

Capital Markets

As a result of the weakened global economic situation, AGT may have restricted access to capital and increased borrowing costs as the lending capacity of all financial institutions has diminished. As future capital expenditures will be financed out of cash generated from operations, borrowings and possible future equity sales, AGT is dependent on, among other factors, the overall state of the capital markets and investor demand for investments in the commodities industry and in particular in AGT's securities. If AGT has difficulty obtaining, or is unable to obtain, access to the capital markets it could have a material adverse effect on its business, financial condition and results of operations.

Leverage and Capital Requirements

The degree to which AGT is leveraged could impact AGT's ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future. Moreover, a significant portion of AGT's cash flow from operations may be dedicated to the payment of the principal and interest on its indebtedness, thereby reducing funds available for future operations. Additionally, certain of AGT's borrowings are subject to variable rates of interest, which will expose AGT to the risk of increased interest rates. As a result, AGT may be more vulnerable to economic downturns and may be limited in its ability to withstand competitor pressures, which could have a material adverse effect on its business, financial condition and results of operations.

The ability of AGT to remain competitive, sustain its growth and expand its operations will require large amounts of cash. AGT expects to obtain this cash from its operating cash flow and borrowings under available credit facilities. However, AGT may require additional equity or debt financing to fund its growth and debt repayment obligations. If AGT undertakes acquisitions or expands its operations, its capital expenditures may increase. The increase in expenditures may reduce AGT's working capital and require it to finance working capital deficits. AGT's cash needs will increase if its capital expenditures increase above its current reserves taken for these costs. These factors, together with those discussed above, could substantially increase AGT's operating costs and therefore impair its ability to invest in existing or new facilities, which could have a material adverse effect on the business, financial condition and results of operations of AGT.

Financing Risks and Credit Facilities

AGT may in the future need to refinance its credit facilities or other debt and there can be no assurance that AGT will be able to do so or be able to do so on terms as favourable as those presently in place. If AGT is unable to refinance credit facilities or other debt, or is only able to refinance on less favourable and/or more restrictive terms, this may have a material adverse effect on AGT's financial position. In addition, the terms of any new credit facility or debt may be less favourable or more restrictive than the terms of the existing credit facilities or other debt.

While management currently expects that the cash flow from AGT's operations and funds available to it under its credit facilities will be adequate to finance AGT's operations and business strategy and maintain an adequate level of liquidity, expected revenue and the costs of planned capital expenditures are only estimates. Actual cash flows from operations are dependent on regulatory, market and other conditions that are beyond the control of AGT. As such, no assurance can be given that management's expectations as to future performance will be realized.

Payments under the Bank Facilities and the Notes and the security granted in respect of the same have priority over all other payments payable and security granted by AGT. AGT has banking relationships in a number of global markets in which current credit facilities are maintained. There can be no assurance that credit will continue to be available from capital providers in the future.

In addition, as a large proportion of AGT's credit facilities have floating interest rates, if there is a significant increase in interest rates, it will have a material adverse effect on AGT's business, financial condition and results of operations.

Liquidity Risk

Liquidity risk results from the requirement of AGT to make cash payments against certain indebtedness over the course of upcoming years. AGT currently has in place certain outstanding credit facilities and loans, including its obligations pursuant to the Notes, with a range of maturity dates and interest rates. While management expects that future operational cash flows and assets will be sufficient to fund these obligations, deteriorating market conditions, volatility in commodity prices and other financial and operational risks referred to in this "*Risk Factors*" section could adversely impact AGT's ability to do so, including causing AGT to default on certain of its obligations. AGT's failure to service its obligations would have a material adverse effect on the business, financial condition and results of operations of AGT.

Reduced Dividend Payment

The payment of any future dividends is at the discretion of the Board after taking into account many factors, including AGT's operating results, financial condition and current and anticipated cash needs. Deteriorating economic and market conditions, as well as other financial and operational risks referred to in this "*Risk Factors*" section, could adversely impact AGT to such an extent that the Board determines to reduce the payment of future dividends in order for AGT to retain earnings and other cash resources for the operation and development of its business.

International Agricultural Trade Risks

International agricultural trade is affected by high levels of domestic production and global export subsidies, especially by the U.S. and the E.U. Such subsidies interfere with normal market demand and supply forces and generally put downward pressure on commodity prices. Tariffs, non-tariff trade barriers and subsidies restricting access to foreign markets or adding duty on imports may prevent the expansion of the agri-food processing industry. While not the most significant sector overall for World Trade Organization members, the agricultural sector may be the most politicized. The political influence of the farm sector in both the E.U. and the U.S. is very significant and agricultural negotiations are driven as much by political needs as they are by economics. Developing nations typically have small manufacturing bases and their agricultural sectors are critical to their economies to ensure strength of agricultural and food production as well as to ensure local food security and combat food inflation. Political interference or tariffs imposed by certain foreign governments on AGT or its products could have a material adverse effect on the business, financial condition and results of operations of AGT.

Foreign Exchange Exposure

While most of APP's costs are incurred in the local currency of operation of the country, most of its revenues are earned in USD. As a result, APP is exposed to currency exchange rate risks. A change in the currency exchange rate may effectively reduce the local currency amounts received by APP. APP has entered into certain foreign exchange contracts with maturities of less than one year, to manage risks associated with entering into new sales contracts denominated in USD. Net sales proceeds, net of matched USD costs, are hedged from USD into local currency at the time of sale to mitigate currency risks. Nonetheless, there can be no assurance that currency fluctuations will not have a material adverse effect on AGT. Local currency positions in TL, Canadian dollar, AUD, INR, RMB, ZAR, EUR or GBP may be partially managed through local currency denominated borrowings and matching purchases and sales denominated in USD. AGT has treasury processes in place to ensure that the need to purchase foreign currencies to settle debt will be minimized if it will result in realized losses on foreign exchange.

For the purposes of financial reporting by AGT, any change in the value of the Canadian dollar, AUD, ZAR, EUR, GBP, INR, RMB or the TL against the USD during a given financial reporting period would result in a foreign exchange loss or gain on the translation of any U.S. cash and cash equivalents. AGT's exposure to foreign exchange losses could have a material adverse effect on its business, financial condition and results of operations.

Counterparty and Export Risk

AGT is exposed to credit risk through its counterparties in the event of non-performance. AGT monitors the credit ratings of its counterparties on an ongoing basis. Trade receivables comprise a significant amount of AGT's outstanding accounts receivable. As a result, the business is exposed to the credit risk associated with certain of its customers. AGT manages its exposure to potential credit risk in respect of trade receivable contracts through analysis of outstanding positions, payment and loss history and ongoing credit reviews of all significant contracts. The absence of significant financial concentration of such receivables limits AGT's exposure to credit risk. However, negative credit experience with AGT's counterparties or customers could have a material adverse effect on AGT's financial results, business prospects and financial condition.

AGT seeks to mitigate its exposure to counterparty credit risks from emerging markets through EDC's credit insurance program. AGT currently manages the risks involved with the export of goods to foreign countries by selling with internationally accepted documentary letters of credit, documentary collections and receivables insurance through EDC. Nonetheless, there is a risk that goods may be lost in transit before a foreign buyer can take delivery and before they are paid for in full (for which reason AGT maintains a contingent cargo insurance policy), or that a foreign buyer may refuse delivery of the product after it has been shipped but before it has been paid for in full (for which reason AGT maintains an insurance policy with EDC, which covers 90% of the losses attributed to repudiation risks), which could lead to residual costs to AGT affecting its profitability. AGT's exposure to counterparty credit risk could have a material adverse effect on its business, financial condition and results of operations.

Geographic and Political Exposure

AGT's end customers are primarily located in the Middle East, Northern Africa, Europe, Russia and South and Central Asia. Many of AGT's customers are located in jurisdictions which may not adopt business and legal practices that are customary in Canada. Exposure to diverse political entities may increase the risk of doing business, including having a material adverse effect on the business, financial condition and results of operations of AGT.

Additionally, AGT has processing and production facilities in Turkey, China and South Africa, and an origination office in Russia, countries which carry certain risks associated with a different political, business, social and economic environment than that of Canada. The ability to carry on business in these countries could be affected by political or economic instability in those countries. Changes or shifts in political attitude in Turkey, China, Russia or South Africa may impact the ability of private business, such as AGT, to carry on business, which could have a material adverse effect on the financial condition and results of operations of AGT.

AGT is subject to various corporate tax, sales tax and import and export duty and taxation systems in its various international operations. There can be no assurance that existing tax laws will remain unchanged or that any changes would be favourable to AGT. Unfavourable tax treatment, policies or levies could have a material adverse effect on the business, financial condition and results of operations of AGT.

Various AGT operations have been dependent on their ability to import raw materials into their processing and production facilities and are also dependent on exporting goods to its customers throughout the world. AGT is exposed to regulations with respect to import and export permits that are controlled by local governments that are beyond the control of AGT. Permits can be based on the availability of local supply and protectionist government policies could have a material adverse effect on its business, financial condition and results of operations.

Environmental Protection

The current and future operations of AGT are subject to laws and regulations governing airborne emissions, pollution, occupational health, waste disposal, protection and remediation of the environment, toxic substances and other similar matters. If AGT were to fail to comply with such laws or regulations and suffered a material fine, if AGT was required to spend significant amounts to remediate environmental damage or if AGT's environmental compliance costs were to materially increase, this could have a material adverse effect on AGT's business, financial condition and results of operations.

Energy Price Fluctuation

AGT's operating costs, shipping costs and the selling prices of certain finished products are sensitive to changes in energy prices. AGT's processing plants are powered principally by electricity and natural gas. AGT's transportation operations are dependent upon diesel fuel and other petroleum-based products. Significant increases in the cost of these items, including any consequences of regulation or taxation of greenhouse gases, could adversely affect AGT's production costs and operating results.

Information Technology Risk

AGT places significant reliance on information technology for information and processing that support financial, regulatory, administrative, and commercial operations. In addition, AGT relies upon telecommunication services to interface its global operations, customers and business partners. The failure of any such systems for a significant time period could have a material adverse effect on AGT's business, financial condition and results of operations.

Regulatory Oversight

Government regulators, such as competition law or anti-trust regulators in Canada, the U.S., Australia, Turkey, South Africa or elsewhere, may examine AGT's acquisitions more closely in the future due to AGT's increased size. Such regulators may object to or place conditions upon certain of AGT's proposed future acquisitions, which could limit AGT's ability to make such future acquisitions or could limit their benefit to AGT. Such regulatory oversight could have a material adverse effect on the business, financial condition and results of operations of AGT.

Financial Reporting

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS. Disclosure controls and procedures are designed to ensure that information required to be disclosed by a company in reports filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to a company's management, including its CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of reporting, including financial reporting and financial statement preparation. Management continues to review, evaluate and enhance its disclosure controls and procedures and internal control over financial reporting for AGT's expanding international operations.

Dilution of Shareholders

AGT is authorized to issue an unlimited number of Common Shares, for such consideration and on such terms and conditions as may be determined by the Board, without the approval of the holders of Common Shares (the "**Shareholders**"), subject to the rules of the TSX. AGT may make future acquisitions or enter into financings or other transactions involving the issuance of securities of AGT which may be dilutive to current Shareholders as Shareholders will have no pre-emptive rights in connection with such further issuances.

ITEM 5. DIVIDENDS

AGT's policy is to pay a quarterly dividend to Shareholders, as determined by the Board from time to time. AGT's dividend policy is subject to the discretion of the Board and may vary depending on, among other things, AGT's earnings, financial requirements, the satisfaction of certain customary covenants contained in credit facility documents restricting the ability to pay dividends in certain circumstances, the satisfaction of solvency tests imposed by the *Business Corporations Act* (Ontario) for the declaration of dividends and other relevant factors.

The following table sets out the dividends per Common Share paid by AGT to Shareholders for each of the three most recently completed financial years.

Distribution for Quarter Ending	Dividend per Common Share
December 31, 2017	$0.15
September 30, 2017	$0.15
June 30, 2017	$0.15
March 31, 2017	$0.15
December 31, 2016	$0.15
September 30, 2016	$0.15
June 30, 2016	$0.15
March 31, 2016	$0.15
December 31, 2015	$0.15
September 30, 2015	$0.15
June 30, 2015	$0.15
March 31, 2015	$0.15

ITEM 6. CREDIT RATINGS

The following information relating to the Company's credit ratings is provided as it relates to the Company's financing costs, liquidity and operations. Specifically, credit ratings affect the Company's ability to obtain short-term and long-term financing and the cost of such financing. Additionally, the ability of the Company to engage in certain business activities on a cost effective basis depends on the Company's credit ratings. A reduction in the current rating on the Notes by its rating agencies or a negative change in the Company's ratings outlook could adversely affect the Company's cost of financing and its access to sources of liquidity and capital. See "*Leverage and Capital Requirements*" in the "*Risk Factors*" section.

The Company and the Notes are currently rated by Standard and Poor's Rating Services, a division of McGraw-Hill Companies (Canada) Corporation ("**S&P**") and DBRS Limited ("**DBRS**"). The following table outlines the received ratings and outlooks of the Company and the Notes as of March 20, 2018.

	S&P	DBRS
Notes	B	BB (low) Stable
Issuer Rating	B/Negative	B (high) Stable

Credit ratings are intended to provide an independent measure of the credit quality of an issue of securities. The credit ratings assigned by the rating agencies are not recommendations to purchase, hold or sell the securities nor do the ratings comment on market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant. A rating can be revised, suspended or withdrawn at any time by the rating agency. Investors should consult the rating agency should they require more information with respect to the interpretation and implications of the foregoing ratings. A revision or withdrawal of a credit rating could have a material adverse effect on the pricing and liquidity of the Notes in the secondary market.

S&P's credit ratings are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. According to S&P's rating system, an obligation rated "B" is more vulnerable to adverse business, financial and economic conditions, but the obligor currently has the capacity to meet its financial commitments on the obligation. The addition of a plus (+) or minus (-) designation after a rating indicates the relative standing within the major rating categories. A ratings outlook gives the potential direction of a short or long-term rating and the "stable" designation indicates that a rating is not likely to change.

DBRS's long-term credit ratings are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rates. A rating of B by DBRS is assigned to debt securities considered to be highly speculative credit quality. The capacity for payment of financial obligations is uncertain. Entities in the B category may be vulnerable to future events. The assignment of a "(high)" or "(low)" modifier within each rating category indicates relative standing with such category.

The Company provides an annual fee to both S&P and DBRS for credit rating services.

ITEM 7. DESCRIPTION OF THE CAPITAL STRUCTURE

AGT is authorized to issue an unlimited number of Common Shares and an unlimited number of Class A shares, issuable in series (the "**Class A Shares"**). The rights, privileges and restrictions attaching to the Common Shares and the Class A Shares are as set out below. As at March 20, 2018, there were 24,236,536 Common Shares and no Class A Shares issued and outstanding.

Common Shares

The Common Shares entitle the holder thereof to one vote for each Common Share held at all meetings of Shareholders, other than meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series. The Shareholders are entitled to receive any dividend declared by AGT in respect of the Common Shares and to receive the remaining property of AGT upon its dissolution, in each case, subject to the rights of the Class A Shares. There are no restrictions on the issue, transfer or ownership of the Common Shares.

Class A Shares

The Class A Shares may at any time, and from time to time, be issued in one or more series, in accordance with and subject to the provisions of applicable laws. The number of shares in, and the designation, rights, privileges, restrictions and conditions attaching to the Class A Shares of, any series of Class A Shares must be fixed by the Board before the issue of any Class A Shares of any series. The determinations of the Board are subject to applicable laws, AGT's articles and any conditions attaching to any outstanding series of Class A Shares.

The Class A Shares of each series ranks, both with regard to dividends and return of capital, in priority to the Common Shares and over any other shares ranking junior to the Class A Shares. The Class A Shares of each series may also be given such other preferences over the Common Shares and any other shares ranking junior to the Class A Shares as the Board determines for the respective series authorized to be issued. Any priority, in the case of cumulative dividends, is with respect to all prior completed periods in respect of which such dividends were payable plus such further amounts, if any, as may be specified in the provisions attaching to a particular series. In the case of non-cumulative dividends, any priority is with respect to all dividends declared and unpaid. The Class A Shares of each series ranks on a parity with the Class A Shares of every other series with respect to priority in payment of dividends and return of capital in the event of liquidation, dissolution or winding up of AGT.

Preferred Securities and Warrants

On August 31, 2017, AGT issued the Preferred Securities to Fairfax for cash. The Preferred Securities are unsecured obligations, maturing August 31, 2116 and guaranteed by certain of AGT's subsidiaries. The $190 million principal amount is to be repaid in cash on maturity.

Concurrently with the issuance of the Preferred Securities, AGT issued the Warrants to Fairfax with each Warrant being exercisable into one Common Share of AGT and exercisable at $33.25 per share. Each Warrant will be exercisable within 7 years. AGT may also elect to require early exercise of the Warrants if the five-day volume weighted-average closing price of its common shares reaches $53.20 at any time after the fifth anniversary of the closing. The Warrants were subsequently amended on March 9, 2018 (see Section 3.1 – "2018").

Other Securities Convertible into Common Shares

AGT has a stock option plan which was amended and approved by the Shareholders on June 27, 2013 and reapproved on June 15, 2016. Such plan is an "evergreen" plan where the number of Common Shares which may be reserved for issuance on the exercise of options to acquire Common Shares (the "**Options**") equals six percent (6%) of the Common Shares outstanding from time to time.

In 2017, 300,001 Options to acquire Common Shares were exercised. As at March 20, 2018, no Options were issued and outstanding.

Long Term Debt

For a description of the Notes and the Company's various credit facilities, see "*General Development of the Business - Credit Facilities*".

ITEM 8. MARKET FOR SECURITIES

The Common Shares are listed on the TSX under the symbol "AGT". The following table sets forth the price ranges and volume of trading of the Common Shares on the TSX for each month during the year ended December 31, 2017:

Month of 2017	Low	High	Average Daily Volume
January	$34.71	$37.46	45,081
February	$32.48	$36.34	69,265
March	$29.39	$34.02	160,674
April	$28.81	$31.67	84,478
May	$24.70	$32.48	162,463
June	$21.98	$26.76	122,194
July	$23.00	$28.95	118,645
August	$23.30	$26.57	92,422
September	$24.14	$27.10	50,853
October	$20.07	$24.96	113,614
November	$17.85	$23.25	121,930
December	$19.02	$21.48	61,112

ITEM 9. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The following table sets forth, as of the date hereof, the number of securities of each class of securities of AGT held, to the knowledge of AGT, in escrow or that is subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

Designation of Class	Number of Securities held in Escrow or that are Subject to a Contractual Restriction on Transfer(1)	Percentage of Class
Common Shares	433,682	1.79%

(1) In connection with the Mobil acquisition, each vendor entered into a lock-up agreement restricting it from transferring any of the Common Shares they received in connection with the acquisition for a period of: (i) six months from the closing of the acquisition (being October 30, 2015) (the "**Closing Date**") in respect of one fifth (1/5) of its Common Shares; (ii) 18 months from the Closing Date in respect of one fifth (1/5) of its Common Shares; (iii) 30 months from the Closing Date in respect of one fifth (1/5) of its Common Shares; (iv) 42 months from the Closing Date in respect of one fifth (1/5) of its Common Shares; and (v) 54 months from the Closing Date in respect of one fifth (1/5) of its Common Shares.

ITEM 10. DIRECTORS AND OFFICERS OF AGT

10.1 Name, Occupation and Security Holding

The following table sets forth, for each of the directors and executive officers of AGT, the individual's name, province or state and country of residence, as applicable, principal occupation and the date on which the individual was appointed as a trustee, director or officer of the Fund or AGT, as applicable. Each of the individuals listed below, except for John Gardner, Drew Franklin, Greg Stewart and Marie-Lucie Morin, have been a director or officer of AGT, as applicable, since its incorporation. The directors and executive officers of AGT, as a group, own, control, or direct, directly or indirectly, 4,314,008 Common Shares, representing approximately 17.8 % of the issued and outstanding Common Shares.

Name and Province and Country of Residence	Position with AGT	Trustee/Director/Officer of the Fund/AGT Since	Number of Common Shares Beneficially Owned or Controlled or Directed (as at March 20, 2018	Principal Occupation
Murad Al-Katib Regina, Saskatchewan, Canada	President, CEO and Director	August 1, 2007	4,058,906 (1)(2)	President and CEO of AGT; President and CEO, APP
Hüseyin Arslan Mersin, Turkey	Executive Chairman and Director	January 31, 2008	Nil	Executive Chairman of AGT and President, Arbel Group
Howard N. Rosen(3)(4)(5) Ontario, Canada	Vice-Chairman, Lead Independent Director	November 30, 2004	83,000(6)	Senior Managing Director, FTI Consulting
John Gardner(3)(4) Ontario, Canada	Director	June 28, 2011	27,950 (7)	President and Director, Gardner Advisory Services Inc.,

Name and Province and Country of Residence	Position with AGT	Trustee/Director/Officer of the Fund/AGT Since	Number of Common Shares Beneficially Owned or Controlled or Directed (as at March 20, 2018	Principal Occupation
Drew Franklin(3)(4) Kuala Lumpur, Malaysia	Director	June 18, 2012	23,667	Vice President, General Manager ASEAN S.C. Johnson
Greg Stewart(4)(5) Saskatchewan, Canada	Director	June 15, 2016	5,475	Independent Consultant and Director
Marie-Lucie Morin(4)(5) Ontario, Canada	Director	June 15, 2016	335	Independent Consultant and Director
Lori Ireland, Regina, Saskatchewan, Canada	Chief Financial Officer	August 1, 2007	62,762	Chief Financial Officer of AGT
Gaetan Bourassa, Regina, Saskatchewan, Canada	Chief Operating Officer	August 1, 2007	51,913	Chief Operating Officer of AGT; Vice-President of APP

(1) 575,935 Common Shares are held by Mr. Al-Katib directly, and 170,370 Common Shares are held by Al-Katib Consulting Inc., a corporation controlled by Mr. Al-Katib.
(2) 3,312,601 Common Shares are held by the Trust, of which Mr. Al-Katib retains control by way of a voting instrument with the Trust administrator and 200,000 Common Shares are held by another family trust, of which Mr. Al-Katib is the bare trustee.
(3) Member of the Audit, Finance and Risk Committee.
(4) Member of the Compensation and Human Resources Committee
(5) Member of the Corporate Governance and Nominating Committee.
(6) 65,000 Common Shares are held by Mr. Rosen directly and 18,000 are held by Randy Rosen, Mr. Rosen's wife.
(7) 11,284 Common Shares are held by Mr. Gardner directly, 13,416 Common Shares are held by Gardner Advisory Services Inc. and 3,250 Common Shares are held by Brenda Gardner, Mr. Gardner's wife.

At AGT's board meetings on January 31, 2018 and February 1, 2018, the board of directors discussed and agreed to reconstitute the committees and committee members, as well as institute new charters for each of the committees. Formerly, the committees consisted of the Audit Committee, the Compensation Committee and the Nominations Committee. As of February 1, 2018, the committees consist of the Audit, Finance and Risk Committee, the Compensation and Human Resources Committee, and the Corporate Governance and Nominating Committee. The members of each of the new committees are noted in the notes to the above table. At the Company's board meeting on March 20, 2018, each of the charters for the Audit, Finance and Risk Committee, the Compensation and Human Resources Committee, and the Corporate Governance and Nominating Committee, were approved by the board of directors.

The term of office of each director expires at the next annual meeting of the Shareholders. Each of the directors and executive officers listed above has been engaged for five years or more in his or her present principal occupation, and with AGT (with the exception of Mr. Stewart and Ms. Morin, who have been directors since their election in June 2016 and as set forth below.

Murad Al-Katib. Mr. Al-Katib founded Saskcan Pulse Trading Inc. ("**Saskcan**") in 2001 with Mr. Arslan, and has led its expansion as a processor and seller of pulses and specialty crops as AGT's President and CEO. After the amalgamation of Saskcan and the Fund's then operating company, Agtech Processors Inc. ("**Agtech**"), in August 2007, Mr. Al-Katib joined the board of trustees of the Fund, and assumed the role of President and CEO of the Fund's new amalgamated operating company, APP. In

January 2008 he was appointed Chairman of the board of trustees of the Fund and on the conversion of the Fund from an open-ended unit trust to a dividend-paying corporation (the "**Conversion**"), he was appointed President and CEO and a director of AGT. Mr. Al-Katib completed a Masters from the Thunderbird School of Global Management in Arizona and a Bachelor of Commerce from the University of Saskatchewan, and then worked in international trade promotion for the Government of Saskatchewan. Mr. Al-Katib serves as Chair of the Government of Canada National Agri-Food Strategy Roundtable, on the Asia Pacific Foundation of Canada Board and as the Economic Development Regina Board Chair. Past Boards include the CSCA, Pulse Canada and a number of Canadian Government advisory boards and panels including serving as the Chair of the Advisory Board for Small and Medium Enterprise for the Canadian Minister of International Trade, as a panel member for the Government of Canada's renewal of Canada's Global Commerce Strategy and the Advisory Committee for the Review of the Canada Transportation Act for the Minister of Transport. Mr. Al-Katib has received a number of prestigious awards including the 2017 Saskatchewan Order of Merit, an Honorary Degree from the University of Regina recognizing his work as a humanitarian and entrepreneur, the 2017 "*Oslo Business for Peace*" Honouree, 2017 EY "*World Entrepreneur of the Yea*r" after being named Canada National and Prairie Region "*Entrepreneur of the Year*", 2016 UN Association of Canada "*Global Citizen Laureate*", PROFITGuide Magazine's "*30 Most Fabulous Entrepreneurs of the Past 30 Years*" list, the Globe & Mail "*Canada's Top 40 under 40*" and the Western Producer "*44 Innovators Who Shaped Prairie Agriculture*. Mr. Al-Katib has also received the Queen's Diamond Jubilee Medal, complementing his award of a Queen's Saskatchewan Centennial Medal given in 2006 and was a recipient of the Senate of Canada 150th Anniversary Medal in 2018.

Hüseyin Arslan. Mr. Arslan, involved in the global pulses and staple foods business for over 30 years, has presided for the last 16 years as the President of the Arbel Group. In 2001, Mr. Arslan was one of the founding shareholders of Saskcan providing the nucleus for AGT, where he has served as a director or trustee since 2008 and Executive Chairman of the Board since 2009. He also serves as a director of AGT subsidiaries, Durum, the producer of the Arbella pasta brand, and Turkpulse, as well as of certain companies owned by the Arslan Family in Turkey. Mr. Arslan holds a Bachelor of Science in Electronics Engineering from Middle East Technical University in Turkey and has over three decades of experience in the trading of agricultural and food products globally. In 2015, Mr. Arslan was selected as President of the Global Pulse Confederation (formerly referred to as the International Pulse Processors and Exporters Federation), the global pulse industry association after serving as Executive Vice-President since 2013, as well as serving as the President of the Mersin Trade Commodity Exchange Council. Mr. Arslan was the recipient of the Saskatchewan Distinguished Service Award in 2017.

Howard N. Rosen. Mr. Rosen is the senior managing director of FTI Consulting, a business and regulatory consulting firm. From April 2004 to March 2009, he was the managing director of LECG Canada, Ltd., also a business and regulatory consulting firm. Before that he was a principal of LRTS from May 1998 to April 2004, and a partner with Arthur Andersen from June 1992 to May 1998. He is a former director and member of the audit committee of The Medipattern Corporation, having resigned in February 2013. Mr. Rosen was also a director of Betacom Corp. from October 2002 to November 2003. Mr. Rosen holds a Bachelor of Business Administration degree from the York University Business School, and is a Chartered Professional Accountant, Chartered Business Valuator, Accredited Senior Appraiser, and Certified Fraud Examiner.

John Gardner. Mr. Gardner is an experienced CEO with a career spanning the retail food, food service and office furniture industries. Mr. Gardner is the President & CEO and Director of Gardner Advisory Services Inc.; a corporation providing general management and strategic planning consultation to smaller and medium sized corporations. In connection with this, Mr. Gardner is the President & CEO, and Director of Ergo Industrial Seating Systems Inc. Canada's foremost designer and manufacturer of ergonomic seating solutions for the office and healthcare environments. Other company board experience includes serving as the Executive Chairman of Genesis Worldwide Inc., a TSX and AIM listed company and as director of The Econo-Rack Group Inc., a Canadian private corporation. Mr. Gardner is a past President & CEO of Sysco Food Services of Toronto and a past President of Lumsden Brothers Ltd. and TRA Newfoundland Ltd., both of whom are subsidiaries of Sobeys Inc. A graduate of The Chartered Directors programme from McMaster University Mr. Gardner also holds an MBA from Memorial University of Newfoundland, is a member of the Institute of Chartered Professional Accountants of both Ontario and Newfoundland and was awarded a Fellowship of the Institute of Chartered Professional Accountants of Newfoundland.

Drew Franklin. Mr. Franklin has worked extensively in consumer packaged goods for over 30 years with some of the industry's top companies including Procter & Gamble, General Mills and S.C. Johnson. Currently, Mr. Franklin is Vice President and General Manager of ASEAN for S.C. Johnson; responsible for a market of 650 million consumers through 10 countries in Southeast Asia with full P&L responsibility. All general managers, country managers, marketing and sales teams report to Mr. Franklin as the company's senior officer in charge of the region. Prior to his current role, Mr. Franklin served as Global Vice President of the $1.5 billion Home Storage (Ziploc) brand at the company's international headquarters in Racine, Wisconsin. Mr. Franklin was also President and General Manager of S.C. Johnson Canada from 2004-2007, where he was accountable to the board of directors while overseeing multiple factories and all functions, operations and P&L responsibility for the subsidiary. During this time, Mr. Franklin also served as Chairman of the Canadian Consumer Specialty Products Association, the Corporations Sharing Responsibility Organization, while also sitting on the Food and Consumer Products Manufacturers Council and was chair of its policy committee. A graduate of the Sobey School of Business at Saint Mary's University in Halifax, Nova Scotia, Canada, Mr. Franklin has worked extensively in brand management, sales and general management roles throughout North America and the globe. He has served on company boards in Canada, Europe, South America, Asia and the United States. Mr. Franklin also sat on the Advisory Council for the MBA Brand and Product Management program at the University of Wisconsin in Madison. Prior to S.C. Johnson, Mr. Franklin oversaw key business units at General Mills Canada, and prior to that began his career at Procter and Gamble. He resides in Racine, Wisconsin with his wife and children.

Greg Stewart. Mr. Stewart has been an independent consultant and corporate director since his retirement from Farm Credit Canada ("FCC"). Mr. Stewart is the past President and Chief Executive Officer at FCC. Mr. Stewart's career at FCC spanned 27 years, 16 years of which were in a senior leadership capacity, and his final seven years as the President and CEO. He retired from FCC in 2014. Mr. Stewart is a champion of risk management practices, and was instrumental in developing and maturing FCC's risk management profile. Under his leadership, FCC's national loan portfolio and income increased significantly. Among other high-performance initiatives to impact culture and accountability at FCC, Mr. Stewart led a multi-year multi-million dollar program to improve business processes and implement technological transformations. He also volunteers his time as a board member for Habitat for Humanity Canada, Food Banks Canada, and serves as a board member for the Bank of Canada. He holds a Chartered Director designation from the Directors College, and a Bachelor of Science (Agriculture) degree from the University of Manitoba.

Marie-Lucie Morin, C.M., P.C. Marie-Lucie Morin served as Executive Director for Canada, Ireland, and the Caribbean at the World Bank from 2010 to 2013. Before joining the World Bank Ms. Morin pursued a 30-year career in the Federal Public Service. She was appointed National Security Advisor to the Prime Minister and Associate Secretary to the Cabinet (2008 – 2010); previously served as Deputy Minister for International Trade and as Associate Deputy Minister of Foreign Affairs (2003 - 2008). During the earlier years of her career with the Department of Foreign Affairs and International Trade, Ms. Morin completed assignments in San Francisco, Jakarta, London, and Moscow. She was appointed Ambassador to the Kingdom of Norway with concurrent accreditation to the Republic of Iceland (1997 – 2001). Ms. Morin was awarded the Governor General's 125th Anniversary of the Confederation of Canada Medal, was named Chevalier de la Légion d'honneur in 2012 and became a member of the Order of Canada in 2016. Ms. Morin serves on Corporate and not-for-profit Boards; she was an advisor to the Canada Transportation Act Review panel which tabled its Report in December 2016. She is a member of the Security Intelligence Review Committee (SIRC). Ms. Morin, a lawyer, is a graduate of the Université de Sherbrooke. She was admitted to the Quebec Bar in 1980.

Lori Ireland. Ms. Ireland is a Chartered Professional Accountant and a Certified Management Accountant with over 20 years' experience in agricultural accounting. Ms. Ireland worked as an Accountant for Heartland Livestock for three years managing the implementation and related staff training of the livestock Feeder Finance program through Farm Credit Canada. Ms. Ireland spent the next several years in Special Crops Accounting at the Saskatchewan Wheat Pool (Viterra), with duties including all aspects of grain accounting as well as being appointed Project Manager for the implementation of a new Grain Accounting Reporting Package that was designed for the Grain Accounting and Marketing areas of the company. In 2002, Ms. Ireland joined Saskcan as CFO and was named CFO of AGT in 2007, serving in this role to the present. Ms. Ireland was also on contract with the Society of Management Accountants for several years and acting as a Moderator for the Strategic Leadership Program. This position involved the mentoring of candidates as they learn various areas of management, including: strategic planning, human resources management, treasury, decision making and report writing.

Gaetan Bourassa. Mr. Bourassa, as COO, is responsible for all merchandising, plant operations and marketing programs for AGT and its subsidiaries globally. Mr. Bourassa brings over 20 years of experience in facility management, plant operations and merchandising activities in the global pulse industry. After completing his business studies in 1992, he joined the marketing team at Best Cooking Pulses, Canada's first pea splitter, where he spent 12 years working as the General Manager. In 2005, Mr. Bourassa joined AGT, assuming the role of Vice President of Marketing and Operations in 2006 and COO in 2009. Mr. Bourassa has been a driving force in establishing AGT as a world leader in split and value-added pulse production and export, overseeing an export program to over 120 countries. He is a proven risk manager, leading the development of many new sales programs.

10.2 Cease Trade Orders, Bankruptcies, Penalties and Sanctions

No director or executive officer of AGT is as at the date hereof, or within the ten years prior to the date hereof has been, a director, CEO or CFO of any company that was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued while such director or executive officer was acting in the capacity as director, CEO or CFO of such company, or that was issued after the director or executive officer ceased to be a director, CEO or CFO of such company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO of such company.

No director or executive officer of AGT, or other person holding a sufficient number of voting securities of AGT to affect materially the control of AGT, (i) is, as at the date hereof or within ten years prior to the date hereof, has been a director or executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

10.3 Conflicts of Interest

Other than any actual or potential conflict of interest resulting from Mr. Al-Katib's control over the Common Shares held by the Trust and his membership on the Board as described herein, there are no existing or potential material conflicts of interest between AGT and any director or officer of AGT.

ITEM 11. AUDIT, FINANCE AND RISK COMMITTEE

The full text of the Audit, Finance and Risk Committee's charter is attached hereto as Schedule A.

Composition of the Audit Committee

The Audit, Finance and Risk Committee of AGT is comprised of Howard N. Rosen, John Gardner, Drew Franklin and Greg Stewart. Mr. Gardner is the Chairman of the Audit Finance and Risk Committee. Each of the members of the Audit Finance and Risk Committee is financially literate.

Each of the current members of the Audit, Finance and Risk Committee is considered to be independent. This determination was made by the Board upon inquiring into each member's activities and relationships with AGT.

Relevant Education and Experience

The qualifications and experience of the members of the Audit, Finance and Risk Committee are set out above under "*Directors and Officers of AGT - Name, Occupation and Security Holding*".

Pre-Approval Policies and Procedures

The Audit Finance and Risk Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Services Fees

The following table sets out the aggregate fees billed by the external auditor to AGT (for the years 2017 and 2016):

Category of Fees	Year Ended December 31, 2017	Year Ended December 31, 2016
Audit Fees[(1)]	$ 1,043,100	$ 887,950
Audit-Related Fees[(2)]	$ 40,000	50,000
Tax Advisory Related Fees [(3)]	$ 48,400	374,550
All Other Fees[(4)]	$ 22,000	21,600

(1) "Audit Fees" refer to fees billed for audit services.
(2) "Audit-Related Fees" refer to aggregate fees billed for assurance and related services that reasonably relate to the performance of the audit or review of the AGT's financial statements and are not reported under "Audit Fees".
(3) "Tax Advisory Related Fees" refer to fees billed for advice related to tax compliance, tax advice and tax planning.
(4) "All Other Fees" refer to fees related to non-audit assurance advisory work not specifically required for regulatory purposes and not included as part of the Audit Fees or Audit-Related Fees.

ITEM 12. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Board is not aware of any material legal proceedings or regulatory actions outstanding, threatened or pending as of the date hereof by or against AGT or relating to any of its material subsidiaries.

ITEM 13. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

A description of the material transactions entered into by AGT during the three most recently completed financial years or during the current financial year with any director or executive officer of AGT or other person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding voting securities of AGT, or any associate or affiliate of any such person, can be found under the heading "*Transactions with other related parties*" on pages 38 and 39 of the 2017 MD&A**.**

ITEM 14. TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is TSX Trust Company at its principal office in Toronto, Ontario.

ITEM 15. MATERIAL CONTRACTS

There are no material contracts which were either entered into within the last financial year or are still in effect as of the date of this AIF, other than those which were entered into in the ordinary course of business of AGT.

ITEM 16. INTERESTS OF EXPERTS

KPMG LLP, Chartered Professional Accountants in Regina, Saskatchewan, is the auditor of AGT and has advised that it is independent with respect to AGT in accordance with the Uniform Rules of Professional Conduct of the Chartered Professional Accounts of Saskatchewan.

ITEM 17. ADDITIONAL INFORMATION

Additional information relating to AGT, including directors' and officers' remuneration and indebtedness, principal holders of AGT's securities and securities authorized for issuance under equity compensation plans, are contained in AGT's management information circular prepared in connection with AGT's most recent annual meeting of Shareholders that involved the election of directors, which is available under AGT's profile on SEDAR at www.sedar.com.

Financial information is provided in AGT's financial statements for the financial year ended December 31, 2016, and the year ended December 31, 2017 and the 2017 MD&A, which are posted on AGT's website, www.agtfoods.com, and under AGT's profile on SEDAR. Shareholders may request, and receive free of charge, copies of such financial statements and the 2017 MD&A by sending a request to AGT's transfer agent, TSX Trust Company, 100 Adelaide St West, Suite 301, Toronto ON M5H 4H1, Fax: (416) 361-0470.

SCHEDULE A
CHARTER OF THE AUDIT, FINANCE AND RISK COMMITTEE
OF
AGT FOOD AND INGREDIENTS INC.
(the "Corporation")

PART I
ESTABLISHMENT OF COMMITTEE AND PURPOSE

1. Purpose

The Audit, Finance and Risk Committee (the "**Committee**") is established by the Board of Directors (the "**Board**") of AGT Food and Ingredients Inc. (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities with respect to the following principal areas:

(a) the Corporation's external audit function; including the qualifications, independence, appointment and oversight of the work of the external auditors of the Corporation (the "**External Auditor**");

(b) the Corporation's accounting and financial reporting requirements;

(c) the Corporation's reporting of financial information to the public;

(d) the Corporation's compliance with law and regulatory requirements;

(e) the Corporation's risks and risk management policies;

(f) the Corporation's system of internal controls and management information systems; and

(g) such other functions as are delegated to it by the Board.

2. Composition of Committee and Appointment of Committee Members

The Committee shall consist of at least three independent directors who shall serve on behalf of the Board. The Board, at its organization meeting held in connection with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. Each member shall meet the independence, financial literacy and experience requirements of the TSX, any other exchange upon which any securities of the Corporation may be listed to the extent required by the rules of such exchange, *National Instrument 52-110 - Audit Committees* and of any other regulatory bodies, as applicable. Each member of the Committee must not have participated in the preparation of the financial statements of the Corporation at any time within the preceding three years. The Board may, at any time and from time to time, remove or replace any member of the Committee, fill any vacancy in the Committee or add a member to the Committee.

"Financial literacy" requires that all members of the Committee shall have the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements. At least one member of the Committee shall be able to analyze and interpret a full set of financial statements, including the related notes, in accordance with International Financial Reporting Standards ("**IFRS**") and at least one member of the Committee shall qualify and be designated as the "Audit Committee Financial Expert" as determined in the judgment of the Board with reference to applicable law and stock exchange rules.

3. **<u>Oversight Role</u>**

Management of the Corporation ("**Management**") is responsible for preparing the Corporation's financial statements and the External Auditor is responsible for auditing those financial statements. It is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of Management and the External Auditor. The Committee and the Chair and any members of the Committee identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Corporation, and are not specifically accountable or responsible for the day to day operation or performance of such activities. Although the designation of a member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and the Board in the absence of such designation. Rather, the role of a member of the Committee who is identified as having accounting or related financial expertise, like the role of all members of the Committee, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

PART II
COMMITTEE PROCEDURE

1. **<u>Vacancies</u>**

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Committee, and shall be filled by the Board if the membership of the Committee is fewer than three directors. The Board may remove and replace any member of the Committee.

2. **<u>Committee Chair</u>**

The Board upon recommendation of the Committee shall appoint a chair (the "**Chair**") for the Committee. The Chair may be removed and replaced by the Board.

3. **<u>Absence of Chair</u>**

If the Chair is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.

4. **<u>Secretary of Committee</u>**

The corporate secretary or such other person acceptable to the members shall act as secretary to the Committee.

5. **<u>Meetings</u>**

The Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet not less than in accordance with and pursuant to Part IV hereof. The Chair, any two members of the Committee, or the Chair of the Board may call a special meeting of the Committee. The Committee at any time may, and at each regularly scheduled Committee meeting shall, meet without Management present. Any member of the Committee may move the Committee in camera at any time during the course of a meeting, and a record of any decisions made in camera shall be maintained by the Chair.

6. **Attendance by Other Members of the Board**

All members of the Board shall be entitled, but not required, to attend meetings of the Committee and to take part in discussions and considerations of the affairs of the Committee, provided that such members of the Board who are not members of the Committee shall not be counted when constituting a quorum, nor will they be entitled to vote on any matter before the Committee.

7. **Quorum and Voting**

A majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other, shall constitute a quorum. All decisions of the Committee shall be made by (i) a resolution in writing signed by all of the members who would have been entitled to vote on that resolution at a meeting of the Committee, or (ii) a majority vote of the members of the Committee present at the meeting, and in the event of an equality of votes, the Chair shall not be entitled to a second or casting vote.

8. **Notice of Meetings**

Notice of the time and place of every meeting shall be given in writing or by e-mail or facsimile communication to each member of the Committee and the chairs of the other formally constituted committees of the Corporation at least 24 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

9. **Agenda**

The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and Management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

10. **Delegation**

The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it considers appropriate.

11. **Access**

In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel of the Corporation.

12. **Attendance of Officers at a Meeting**

At the invitation of the Chair, one or more officers or employees of the Corporation may, and if required by the Committee shall, attend a meeting of the Committee.

13. **<u>Procedure, Records and Reporting</u>**

The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board when the Committee may deem appropriate (but not later than the next meeting of the Board).

14. **<u>Outside Consultants or Advisors</u>**

The Committee, when it considers it necessary or advisable, may retain, at the Corporation's expense, outside consultants or advisors to assist or advise the Committee independently on any matter within its mandate including, but not limited to, the External Auditor. The Committee shall have the sole authority to retain and terminate any such consultants or advisors or any search firm to be used to identify director candidates, including sole authority to approve the fees and other retention terms for such persons. The Committee shall consider the following independence factors before it retains or receives advice from any external advisor:

(a) other services that the advisor provides to the Corporation;

(b) fees paid by the Corporation to the advisor as a percentage of the advisor's total revenue;

(c) the advisor's policies respecting conflicts of interest;

(d) the advisor's business or personal relationships with the Corporation's officers and members of the Committee; and

(e) the advisor's ownership of shares of the Corporation.

PART III
MANDATE OF COMMITTEE

The Committee is directed and empowered by the Board to perform the following duties and responsibilities:

1. **<u>Financial Reporting</u>**

(a) **Consolidated Financial Statements**. Recommend to the Board the approval of the interim and annual consolidated financial statements of the Corporation (the "**Consolidated Financial Statements**"). In this regard, the Committee shall first review, among other things:

(i) the report of the External Auditor on the Consolidated Financial Statements;

(ii) the accounting policies selected by Management in preparing the Consolidated Financial Statements;

(iii) the reasonableness of all significant estimates, accruals and reserves employed by Management in preparing the Consolidated Financial Statements;

(iv) any unadjusted differences noted by the External Auditor in its review or audit of the Consolidated Financial Statements;

(v) any disagreements between the External Auditor and Management with respect to the Consolidated Financial Statements; and

(vi) the certificates to be executed and filed by the Chief Executive Officer and the Chief Financial Officer in accordance with the requirements of *National*

Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings.

(b) **MD&A**. Recommend to the Board the approval of Management's Discussion and Analysis (the "**MD&A**") relating to the annual or interim Consolidated Financial Statements upon gaining reasonable assurance that the MD&A has been prepared in accordance with applicable legal requirements.

(c) **Earnings News Release**. Recommend to the Board the approval of the earnings news release (the "**Earnings Release**") relating to the annual or interim Consolidated Financial Statements.

(d) **Accounting Choices**. Review, as required, with Management and the External Auditor any significant developments or choices that may impact the Corporation's financial reporting.

2. <u>**External Audit**</u>

(a) **External Auditor Appointment**. Recommend to the Board a firm of chartered professional accountants to be nominated by the Board for appointment by the Corporation's shareholders as the External Auditor.

(b) **Audit Fees**. Recommend to the Board for approval the fees to be charged by the External Auditor for the audit of the annual Consolidated Financial Statements and the review of the interim Consolidated Financial Statements (the "**Audit Fees**").

(c) **External Auditor Oversight**. In order to ensure appropriate oversight of the External Auditor's work:

(i) approve the External Auditor's engagement letter;

(ii) review the External Auditor's written disclosure of all relationships between it and the Corporation and its related entities that may reasonably be thought to bear on the External Auditor's independence, as well as the External Auditor's written confirmation to the Committee that, in the External Auditor's professional judgment, it is independent of the Corporation;

(iii) approve the scope, focus areas and materiality thresholds for the audit of the annual Consolidated Financial Statements;

(iv) oversee the work of the External Auditor in preparing and issuing an auditor's report or performing other audit, review or attest services for the Corporation;

(v) confirm with the External Auditor that Management has not placed any restrictions on the External Auditor with respect to the scope of its activities, its access to any required information or the reporting of its findings to the Committee;

(vi) attempt to resolve any disagreements that may arise between the External Auditor and Management;

(vii) discuss any observations by the External Auditor with respect to any matters that could reasonably be thought to bear on the reliability of the Consolidated Financial Statements, including, among other things:

(A) the reasonableness and consistency from one year to the next of the accounting principles, polices, practices, estimates, judgments or disclosure practices employed by the Corporation;

(B) any significant deficiencies or weaknesses in the Corporation's control environment;

(C) any significant deviations from the annual audit plan approved by the Board; and

(D) any significant adjustments that have been made by Management to the Consolidated Financial Statements as a result of the External Auditor's audit or review activities; and

(viii) review the performance of the External Auditor.

(d) **Non-Audit Services**. Pre-approve, as required, all fees for non-audit services to be provided by the External Auditor to the Corporation or its subsidiaries.

(e) **Hiring Policies**. Approve, and review annually, the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former External Auditor.

3. **<u>Internal Audit and Risk Management</u>**

(a) **Internal Audit Functions Review**. Review, annually, the internal audit functions and processes of the Corporation, and, recommend and approve, as required, existing or new functions and processes, as applicable.

(b) **Mandate and Plan**. Approve the internal audit mandate and plan for each fiscal year of the Corporation.

(c) **Principal Risks**. Review, annually, Management's (i) assessment of the principal financial and other risks to the Corporation, and (ii) procedures for continually identifying, monitoring and managing those risks.

4. **<u>Controls and Compliance</u>**

(a) **Internal Controls over Financial Reporting**. Review (i) quarterly, any material weaknesses identified by Management in relation to the design or operation of the Corporation's internal controls over financial reporting ("**ICFR**") and Management's actions to remediate such weaknesses, and (ii) annually, Management's process for assessing any required updates or changes to the Corporation's ICFR.

(b) **Disclosure Controls and Procedures**. Review (i) quarterly, any material weaknesses identified by Management in relation to the design or operation of the Corporation's disclosure controls or procedures ("**DC&P**") and Management's actions to remediate such weaknesses, and (ii) annually, Management's process for assessing any required updates or changes to the Corporation's DC&P. In connection therewith, approve the Corporation's Public Disclosure Policy.

(c) **Accounting, Control or Auditing Concerns**. Approve, and review annually, procedures for the receipt, retention and treatment of complaints received by the Corporation and its subsidiaries regarding accounting, internal accounting controls, or auditing matters.

(d) **Confidential Submission of Wrongdoing**. Approve, and review annually, procedures for the confidential, anonymous submission by employees of the Corporation or its subsidiaries of concerns regarding questionable accounting or auditing matters.

(e) **Confidential Reports**. Review, quarterly, a summary of all complaints and reports submitted pursuant to the procedures referenced in paragraphs (c) and (d) above.

(f) **Tax Compliance**. Review, quarterly, a certificate from Management confirming compliance by the Corporation and its subsidiaries with all material tax withholding and remittance obligations.

(g) **Covenant Compliance**. Review, quarterly, a report from Management confirming compliance by the Corporation and its subsidiaries with all debt covenants and providing a forecast of future compliance.

(h) **Legal Compliance**. Review, as required, reports from counsel concerning material violations of applicable law by the Corporation or any of its subsidiaries.

(i) **Trade and Sanctions Policies**. Review, as required, the trade and sanctions policies of the Corporation and oversee compliance with the *Corruption of Foreign Public Officials Act* (Canada) and similar applicable law, including a quarterly report from Management confirming compliance by the Corporation and its subsidiaries with such policies and legislation or where violations or claims in respect of trade policies, sanctions or other similar legislation have arisen.

(j) **Litigation**. Review, as required, all legal claims or proceedings involving the Corporation or its subsidiaries that Management reasonably expects could have a significant effect on the financial position, results of operations or cash flows of the Corporation.

5. **Environment, Health and Safety**

(a) **EHS Monitoring**. Review, quarterly, the performance of the Corporation's operating subsidiaries in relation to their environmental, health and safety ("**EHS**") obligations by reviewing:

(i) all EHS incidents involving a serious injury or fatality, significant harm to the natural environment, or significant loss or damage to property ("**Significant Incidents**");

(ii) all EHS incidents (whether or not Significant Incidents) that required reporting to regulatory authorities;

(iii) performance against each operating subsidiary's EHS performance targets; and

(iv) the results of EHS compliance audits and the corrective actions taken by the Corporation's operating subsidiaries.

6. **Business Plan and Performance**

(a) **Year-to-Date**. Review, quarterly, the Corporation's consolidated year-to-date financial performance, including any significant variances to the current year business plan and prior year financial performance.

(b) **Balance-of-Year Forecast**. Review, quarterly, Management's most recent financial forecast for the balance of the year, including projected earnings and cash-flows.

(c) **Budget and Capital Budget**. Review and approve, annually, and as required, as updated, the budget and capital budget of the Corporation.

7. **Other Duties**

Without limiting any of the duties set out above, the Committee shall:

(a) recommend to the Board, annually, the approval of the Corporation's delegation of authority policy;

(b) review, annually, the Corporation's procedures for approving the reimbursement of expenses claimed by the Corporation's officers;

(c) approve the Committee's report that is included in the Corporation's annual proxy circular and the information about the Committee that is required to be included in the Corporation's annual information form;

(d) review this charter annually and provide any comments thereon to the Corporate Governance and Nominating Committee of the Board for consideration; and

(e) perform such other duties as from time to time are assigned to the Committee by the Board.

8. **Non-Exhaustive List**

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its responsibilities.

PART IV
MEETINGS

The Committee shall meet regularly and at least on a quarterly basis. The Committee shall hold in camera sessions without the presence of Management after each meeting.

1. **Regular Quarterly Meetings (to be held prior to quarterly director meetings)**

The Committee will be presented with more detailed quarterly financial information than that given to the other directors. Members will have the opportunity to ask questions with respect thereto, to meet with Management and the External Auditor (without Management present).

2. **Pre-Year End Audit/Miscellaneous Meeting**

The purpose of the meeting will be to help ensure the annual audit is conducted in an efficient, cost-effective and objective manner.

The Committee shall:

(a) review with the External Auditor the scope of the current year's audit, including the areas where the External Auditor has identified a risk of potential error in the financial condition and/or results of operations and will review the materiality on which the audit is based;

(b) review the control weaknesses detected in the prior year's audit, and determine whether all practical steps have been taken to overcome them;

(c) review and approve the External Auditor's engagement letter, including the Audit Fees and expenses; and

(d) assess procedures and processes for identifying and dealing with risk Management as necessary or desirable.

3. **<u>Post-Year End Audit Meeting</u>**

It is proposed that this post year-end audit meeting will take the following format:

(a) External Auditor to review proposed report on the financial statements;

(b) Management to review financial statements/disclosure;

(c) The Committee is to question;

(i) the selection of, and changes in accounting policies, particularly those in areas that are controversial or for which there is no authoritative guidance;

(ii) the methods used to account for unusual or particularly significant transactions;

(iii) the issues on which Management has made estimates or judgements that had a significant effect on the financial statements; and

(iv) transactions with related parties;

(d) The Committee to recommend to the Board the approval of the financial statements including the selection of appropriate accounting policies;

(e) The Committee to inquire about changes in professional standards or regulatory requirements and recent accounting pronouncements;

(f) The Committee to inquire into the major financial risks faced by the Corporation, and the appropriateness of related controls to minimize their potential impact;

(g) Review of the External Auditor's "management letter" documenting weaknesses in internal control systems and commenting on other matters;

(h) The Committee to meet privately with the External Auditor (without any member of Management being present) to ascertain whether there are concerns that should be brought to the Committee's attention, such as: lack of cooperation of, or disagreements with, Management; adequacy of staffing in the financial areas; attempts to restrict the scope of the External Auditor's examination; or significant, or potentially significant, misstatements, and any irregularities that the External Auditor has discovered;

(i) The Committee is to meet privately with Management (without the External Auditor being present) to ensure that Management has no concerns about the conduct of the audit and to inquire as to the experience and capabilities of the individuals being proposed to conduct the audit, their objectivity and independence;

(j) External Auditor to present invoice/following year quote; and

(k) Committee to recommend to the Board the appointment of the External Auditor for the following year.

4. **Special Telephone Meetings**

Special Telephone meetings may be scheduled to:

(a) Review all prospectuses, offering memoranda and other offering documents containing audited and unaudited financial information before release;

(b) Review MD&A for consistency with the financial statements; and

(c) Cover other items on an as needed basis.