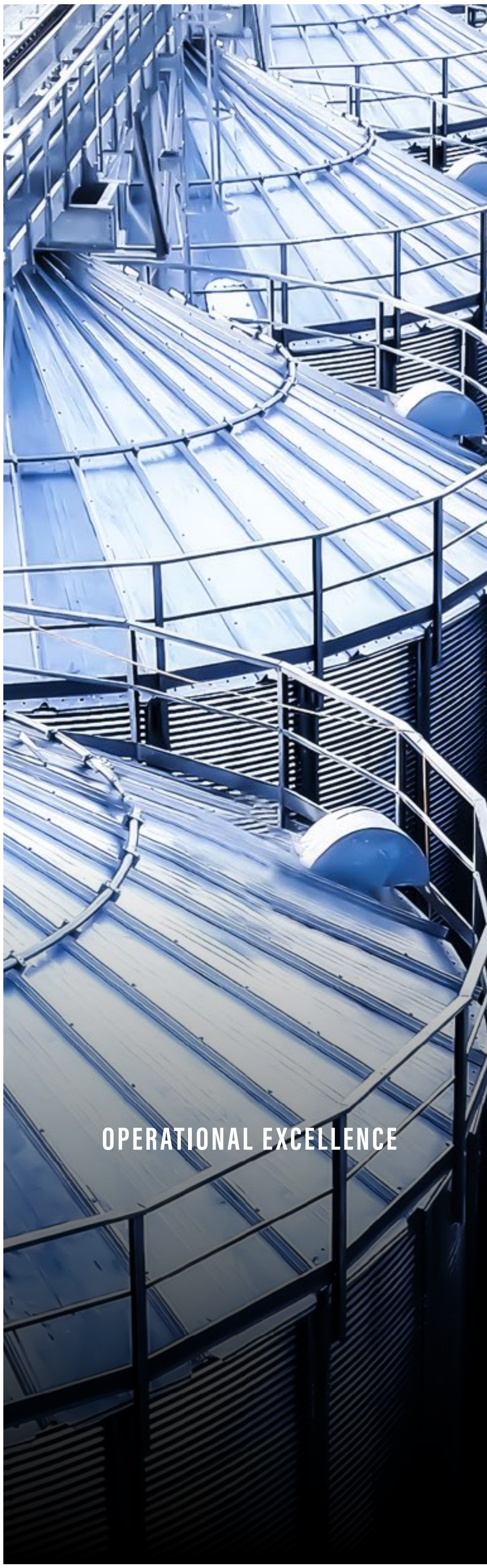
AGI



2023

ANNUAL INFORMATION FORM

DATED MARCH 28, 2024
FOR THE YEAR-END
DECEMBER 31, 2023

PROFITABLE ORGANIC GROWTH

BALANCE SHEET DISCIPLINE

2023 ANNUAL INFORMATION FORM


AGI
AGI WESTFIELD

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Annual Information Form ("AIF") contains forward-looking statements and information ("forward-looking information") within the meaning of applicable securities laws that reflect the expectations of Ag Growth International Inc. ("AGI", the "Company", "we", "our" or "us") regarding the future growth, results of operations, performance, business prospects, and opportunities of the Company. All information and statements contained herein that are not clearly historical in nature constitute forward-looking information. Forward-looking information may contain such words as "anticipate", "believe", "continue", "could", "expects", "intend", "trend", "plans", "will", "may", "should", "estimate", "propose", "predict", "potential" or the negative of these terms or similar expressions suggesting future conditions or events. In addition, this AIF may contain forward-looking information attributed to third party industry sources. In particular, the forward-looking information in this AIF includes information relating to, among other things: our business and strategy, including our current strategic priorities of profitable organic growth, operational excellence and balance sheet discipline; our heightened focus on steadily lowering debt levels and leverage ratios, and that progress in lowering overall debt has resulted in AGI being well positioned to consider attractive strategic growth investments; our outlook for our financial and operating performance, including by segment, product type and geographic region; that we will be able to sustain our high growth trajectory; our progress with respect to integration activities across AGI and that looking ahead we see significant opportunities to further extend the "One AGI" model across other areas of the business; our expectations for industry demand and market conditions, including by specific region; the long-term fundamentals and drivers of demand for our products and services, including that these factors enable the Company to continue a consistent and stable pace of growth despite regional economic or weather-related challenges; rebranding select heritage brand names to become exclusively AGI branded; our lean manufacturing practices and the benefits that may be derived therefrom; expectations and plans related to our production costs, sales and distribution, marketing and research and development programs; our competitive position amongst industry participants, including that we are well positioned to compete with larger industry participants; our ability to pass through price increases to customers; our environmental, social and governance plans, objectives and goals, including with respect to safety, energy and water consumption, diversity and inclusion, community engagement, sustainable manufacturing, reduction of GHG emissions, opportunities for responsible procurement and future sustainability disclosure; matters relating to ongoing litigation, including the availability of insurance coverage to partially offset any financial impact; the estimated costs to the Company that may result from remediation work, including the costs of remediation and the availability of insurance coverage to offset such costs; and future payment of dividends and the timing and amount thereof. Forward-looking information is subject to significant risks and uncertainties.

A number of risks and other factors could cause actual results to differ materially from results discussed in the forward-looking information, including without limitation:

- general economic and business conditions and changes in international, national and local macroeconomic and business conditions, as well as sociopolitical conditions in certain local or regional markets, including as a result of conflicts in the Middle East and the conflict between Russia and Ukraine and the response thereto from other countries and institutions (including trade sanctions and financial controls), which has created volatility in the global economy and could continue to adversely impact economic and trade activity;
- the effects of local or global outbreaks of pandemics or contagious diseases or the fear of such outbreaks, including the effects on our operations, our personnel, our supply chain, the demand for our products and services, our ability to expand and produce in new geographic markets or the timing of such expansion efforts and on overall economic conditions and customer confidence and spending levels;
- the ability of management to execute the Company's business plan;
- fluctuations in agricultural and other commodity prices, interest rates, inflation rates, and currency exchange rates;
- crop planting, crop conditions, and crop yields;
- weather patterns, the timing of and conditions during harvest;
- volatility of production costs, including the risk of production cost increases that may arise as a result of ongoing high inflation rates and/or supply chain disruptions and/or labour actions, and the risk that we may not be able to pass along all or any portion of increased costs to customers;
- governmental regulation of the agriculture and manufacturing industries, including environmental regulation and climate change regulation;
- actions taken by governmental authorities, including increases in taxes, changes in government regulations and incentive programs, and actions taken in connection with local or global outbreaks of pandemics or contagious diseases or the fear of such outbreaks;
- risks inherent in marketing operations;
- credit risk;
- the availability of credit for customers;
- industry conditions including seasonality and cyclicality;
- potential delays or changes in plans with respect to capital expenditures;
- failure of the Company to realize the benefits of its operational excellence initiatives;
- the cost and availability of sufficient financial resources to fund the Company's capital expenditures;

- incorrect assessments of the value of acquisitions, failure of the Company to realize the anticipated benefits of acquisitions, including to realize anticipated synergies and margin improvements, and the assumption of liabilities associated with acquisitions and/or the provision of indemnities to vendors in respect of any such assumed liabilities or otherwise;
- volatility in the stock markets including the market price of the common shares ("Common Shares") and other publicly traded securities of the Company and in market valuations;
- competition for, among other things, customers, supplies, acquisitions, capital, and skilled personnel;
- the availability of capital on acceptable terms;
- dependence on suppliers;
- changes in labour costs and the labour market, including the risk of labour cost increases that may arise as a result of ongoing high inflation rates and/or a scarcity of labour and/or labour activities;
- the impact of climate change and related laws and regulations;
- changes in trade relations between the countries in which the Company does business, including between Canada and the United States;
- cyber security risks;
- adjustments to and delays or cancellation of one or more orders comprising our order book;
- the requirement to resupply equipment or recomplete work previously supplied or completed at the Company's cost, and the risk that AGI's assumptions and estimates made in respect of such costs and underlying the provisions for warranty accrual and remediation in our financial statements related thereto and insurance coverage therefor will prove to be incorrect as further information becomes available to the Company; and
- the risk of litigation or unsuccessful defense of litigation in respect of equipment or work previously supplied or completed or in respect of other matters and the risk that the Company incurs material liabilities in connection with such litigation that are not covered by insurance in whole or in part.

Further, AGI cannot guarantee that the anticipated revenue from its order book will be realized or, if realized, will result in profits or adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA). Delays, cancellations, and scope adjustments occur from time to time with respect to contracts reflected in AGI's order book, which can adversely affect the revenue and profit that AGI actually receives from its order book. Readers are further cautioned that the preparation of financial statements in accordance with International Financial Reporting Standards requires management to make certain judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and the disclosure of contingent liabilities. These estimates and related assumptions may change, having either a negative or positive effect on profit, as further information becomes available and as the economic environment changes. Without limitation of the foregoing, the provisions for remediation and equipment rework disclosed in our financial statements and management's discussion and analysis for the year ended December 31, 2023 required significant estimates, judgments and assumptions about the scope, nature, timing and cost of work that will be required. It is based on management's judgments, assumptions and estimates at the date thereof and is subject to revision in the future as further information becomes available to AGI.

These risks and uncertainties and others are described under "Risks and Uncertainties" in this AIF. These factors should be considered carefully, and readers should not place undue reliance on the forward-looking information as there can be no assurance that the plans, intentions, or expectations on which it is based will occur.

The forward-looking information contained herein reflects our current projections, estimates and beliefs and is based on information currently available to us, including certain key expectations and assumptions concerning, among other things: the scope, nature, timing and cost of resupplying certain equipment and recompleting certain work that has previously been supplied or completed pursuant to warranty obligations or otherwise; anticipated crop yields and production in our market areas; the financial and operating attributes of acquired businesses and the anticipated future performance thereof; anticipated contributions from acquired businesses, including the extent to which such acquired businesses are or will be, accretive; the value of acquired businesses and the liabilities assumed (and indemnities provided) by AGI in connection therewith; anticipated financial performance; future debt levels; business prospects and strategies, including the success of our operational excellence initiatives; product and input pricing; regulatory developments; political events; tax laws; the sufficiency of budgeted capital expenditures in carrying out planned activities; currency exchange rates, inflation rates, and interest rates; the cost of materials, labour and services and the impact of high inflation rates and/or supply chain disruptions and/or labour activity thereon; the impact of competition; the general stability of the economic and regulatory environment in which the Company operates; the timely receipt of any required regulatory and third-party approvals; the ability of the Company to obtain and retain qualified staff and services in a timely and cost-efficient manner; the amount and timing of the dividends that we expect to pay; the ability of the Company to obtain financing on acceptable terms; the regulatory framework in the jurisdictions in which the Company operates; the ability of the Company to successfully market its products and services; and that a local, regional or global pandemic or other public health emergency will not have a material impact on our business, operations, and financial results going forward.

We cannot assure readers that actual results will be consistent with this forward-looking information. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. The forward-looking information included in this AIF is made as of the date of this AIF and we undertake no obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise except as expressly required by law.


OPERATIONAL
EXCELLENCE

CORPORATE STRUCTURE

AGI is a corporation existing under the Canada Business Corporations Act ("CBCA") and was formed by way of a statutory plan of arrangement involving various predecessor entities on June 3, 2009, following which AGI restated its articles on August 21, 2009. On December 31, 2009, AGI amalgamated with its wholly owned subsidiaries Westfield Distributing Ltd. and Ag Growth Industries Inc. AGI amended its articles on August 27, 2014 to create the First Preferred Shares and Second Preferred Shares. See "Capital Structure – Preferred Shares". On December 31, 2016, the Company amalgamated with several of its wholly owned subsidiaries (AGX Holdings Inc., Mitchell Mill Systems Canada Ltd., NuVision Industries Inc., G.J. Vis Holdings Inc. and Westeel Canada Inc.). On March 31, 2023, AGI amalgamated with several of its wholly owned subsidiaries (CMC Industrial Electronics Ltd., Eastern Fabricators Inc., 14887042 Canada Inc., Danmare Group Inc. and Improtech Ltd.). On January 1, 2024, AGI amalgamated with AGI Suretrack Ltd., which was a wholly owned subsidiary of AGI.

The head and registered office of the Company is located at 198 Commerce Drive, Winnipeg, Manitoba, R3P 0Z6.

Intercorporate Relationships

AGI owns 100% of the issued shares of AGI EMEA S.R.L. (Italy), Ag Growth International (Thailand) Ltd. (Thailand), SABE S.A.S. (France), AGI Agricultural Equipment Proprietary Limited (South Africa), Ag Growth International Australia PTY Ltd. (Australia), AGI Agricultural Equipment (Nigeria) Limited (Nigeria), and Euro- Tramco B.V. (Netherlands), which owns 100% of the issued shares of AGI Netherlands B.V. (Netherlands) and 99.99% of the issued shares of Milltec Machinery Private Limited (India). AGI also indirectly owns 100% of the issued shares of AGI Brasil Industria e Commercio S.A. (Brazil).

AGI also owns 100% of the issued shares of Ag Growth Holdings Corp. (CBCA) which owns 100% of the issued shares of Westfield Distributing (North Dakota) Inc. (North Dakota) ("WD"). WD owns 100% of the issued shares of Hansen Manufacturing Corp. (South Dakota), Airlanco Inc. (Nebraska), Global Industries, Inc. (Nebraska), Mitchell Mill Systems USA, Inc. (Missouri), Yargus Manufacturing, Inc. (Illinois), Junge Control Inc. (Iowa), Danmare, Inc. (Delaware), AGI Suretrack LLC (Missouri) and Tramco, Inc. (Kansas) ("Tramco"). Tramco owns 100% of the issued shares of Tramco Europe Ltd. (United Kingdom).

AGI STRATEGY

History & Overview

AGI is a leading provider of the equipment and solutions required to support the efficient storage, transport, and processing of food globally. AGI has manufacturing facilities in Canada, the United States, Brazil, India, Italy, and France and distributes its product worldwide.

AGI was founded in 1996 with the objective of establishing a business focused on farm grain equipment and solutions. Since that time, AGI has grown into adjacent markets, including fertilizer, food, feed, and seed equipment, entered new customer segments such as commercial-scale projects, and expanded into new geographies. Taken together, this enables the Company to fully support the global food supply chain as well as accelerate our growth ambitions. In addition to driving long-term growth, this strategy also provides meaningful benefits in terms of diversification to demand drivers, geography, regional weather events, seasonality, and cyclicality.

Grain continues to be AGI's core platform including handling, storage, and conditioning equipment for on-farm use by individual growers, as well as bulk and high-capacity applications for grain handlers and marketers. AGI grain equipment includes storage bins, portable and stationary handling equipment, fans and dryers, hazard monitoring equipment, bin monitoring equipment as well as complete technology solutions for grain production and farm management. AGI also provides additional grain and pulse processing equipment and systems, primarily used in rice applications. Farm products are sold both through dealers and directly to end users, while commercial systems are mainly sold by AGI to contractors.

Over time, AGI expanded from grain into fertilizer, seed, and feed equipment and solutions. The acquisition of the Westeel division of Vicwest Inc. ("Westeel") provided AGI with a smoothwall bin product line, which is frequently used for fertilizer, seed, and feed storage. These platforms were substantially expanded in subsequent years with further acquisitions that provided additional products including material and liquid handling systems, equipment, design, engineering services, elevators, conveyors, blenders, distributors, storage bins, and control systems. These products are used by agricultural retailers, co-ops, and individual growers for a variety of seed, fertilizer, and feed applications. Large fertilizer, seed, and feed systems and their related design services are sold directly by AGI to its customers, while individual pieces of equipment are either sold directly by AGI or through dealers.

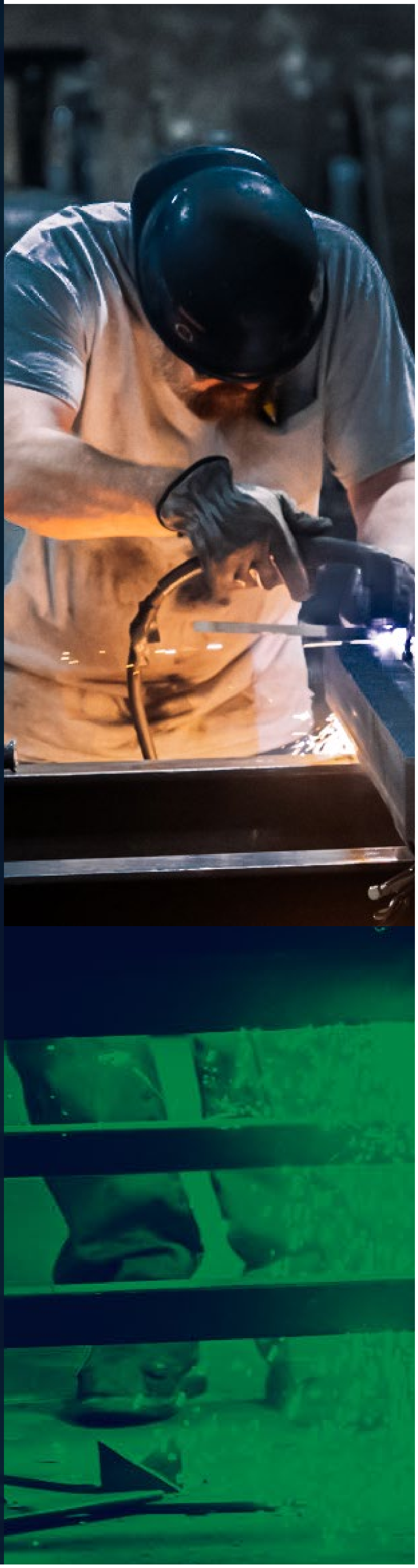
Most recently, AGI entered into the food processing equipment and solutions market. AGI's Food platform provides material handling products, stainless steel equipment, specialized processing equipment, engineering services, and project management. Our Food platform (as described further below) came together through a series of acquisitions, across Canada, the U.S., and France but has since been extended to include other regions where AGI operates including Brazil and India. With extensive capabilities in place, AGI can provide a comprehensive offering to multinational and regional food processors that includes engineering, design, project management, equipment manufacturing, and installation. AGI's Food platform products and services are sold directly by AGI to its customers, who primarily operate in the processed food, beverage, and pet food segments.

In tandem with AGI's product-line diversification strategy, the Company has also expanded geographically over the last several years. By building and operating manufacturing facilities and capabilities outside of North America, AGI can provide comprehensive solutions to its customers that are tailored to the specifications of each region. This is a key strategic advantage for AGI as having installed capacity and teams within attractive markets around the world enables the Company to sustain its high growth trajectory in addition to reducing overall exposure to individual regional conditions.

In 2015, AGI's presence in Europe, Middle East and Africa ("EMEA") was expanded substantially through the acquisition of facilities in Italy. Due to its strategic location, AGI EMEA can service continental Europe, as well as North Africa and the Middle East. Initially, this region focused largely on the grain market. With the addition of further facilities through acquisition in France, AGI EMEA expanded to include a strong focus on food products and services. Most recently, through product transfers from North America, the EMEA region has expanded their product catalogue to also service the fertilizer equipment market in the region.

In 2016, AGI established its presence in the Brazilian market, building a 240,000 square foot manufacturing facility in the state of Sao Paulo to supply a broad range of equipment to the Brazilian and South American markets. With the importance of agriculture to the Brazilian economy and their significant grain infrastructure deficit, the long-term fundamentals of this large and growing market remain very attractive. With a modern facility, deep product catalogue, established team, entrenched supply chain, well-developed sales channels, and leading brand, AGI's market position is well established in this strategically important region.

In 2019, AGI greatly enhanced our market position in India and the surrounding Asia Pacific ("APAC") region through the acquisition of Milltec. While AGI had sales offices and staff within the region prior to 2019, the acquisition of Milltec was a substantial investment in this high growth region. The physical presence and local manufacturing capacity helped AGI build and strengthen customer relationships in the region and develop many long-term opportunities. AGI's pre-existing sales presence in the region has helped to drive exports of Milltec equipment into international markets, as well as create opportunities for AGI to manufacture and sell its storage, handling, and related products and services into India and the broader APAC region.



CURRENT STRATEGIC PRIORITIES

Through much of AGI's history, the Company has been focused on executing an acquisition strategy to buildout a diversified and resilient business across different segments, products, and geographies. In 2020, this strategy began to evolve with a purposeful shift in focus on driving organic growth through a structured integration program designed to optimize our assets.

There are three core tenets to AGI's current strategic priorities: profitable organic growth, operational excellence, and balance sheet discipline.

Profitable Organic Growth

AGI equipment and solutions serve to store, condition, and move grain and other crop outputs around the world. This is a very large and attractive market, underpinned by significant ongoing demand drivers including population growth, global food and feed consumption, rising crop volumes and production, increasing grain exports and trade, urgency to reduce grain spoilage, and improving crop yields, among other factors. These factors combine to create significant ongoing demand for AGI's products which enable the Company to continue a consistent and stable pace of growth despite regional economic or weather-related challenges.

Buoyed by strong overall fundamental demand for our products, AGI has several core components to drive incremental organic growth including **product transfers**, **international markets, and growth platforms**.

Product transfers are an important piece of AGI's growth strategy. AGI has accumulated an extensive product catalogue through the acquisitions completed throughout our history. In many instances, a particular product will have a strong capability or unique differentiators, though it may be limited to a specific geographic region due to its size, reach of its sales team, or logistics. With established facilities around the world and corporate resources to provide support, AGI is steadily extending the product catalogue into each region through the transfer of sales-through-manufacturing knowledge. Oftentimes, products are tailored to local markets or specifications. This strategy opens considerable addressable market opportunities and enables meaningful growth without the need for expensive or risky product development or acquisition strategies. AGI has performed several product transfers from North America to Brazil, India, and Italy, with many other opportunities identified for product transfer in future years.

International markets refers to expansion of our operations in attractive areas outside of North America. Over recent years, AGI has established operating facilities in Brazil, India, Italy, and France which serve high growth geographies outside of the more mature North American market. Due to the high growth and success we've had internationally, the combined contributions of our international businesses has grown as a percentage of our total revenue from the mid-twenties a few years ago, to mid-thirties today. Many international regions are underinvested in the equipment and infrastructure required to store, condition, and move critical grain supplies. As a result, we envision these emerging markets providing a sustained source of growth as they aim to close the infrastructure and capacity gap with more mature markets.

Growth platforms include areas of our business that we have recently formed or restructured to capture additional incremental growth for AGI. These include our Digital, Food, and Feed platforms. Our Digital platform recently underwent a significant reorganization which has improved profitability and set up a strong foundation to expand from. Our Food platform has recently made significant investments in expanding the sales team and customer relationships required to capture additional growth. Finally, our Feed platform is a newly-formed group within AGI that has brought an exciting vision and growth strategy to this large and attractive market.

We measure our success in achieving profitable organic growth through our revenue and adjusted EBITDA growth as key performance indicators (KPIs).

Operational Excellence

Operational excellence is another cornerstone of AGI's go-forward strategic priorities and directly ties into our strategy of deepening the level of integration across AGI. The concept of operational excellence embodies many of the ways AGI is evolving our business practices, organizational structure, ways of working, and culture. One of the core tenets of operational excellence for AGI is migrating from a divisional mindset to a "One AGI" model. For much of our history, AGI was managed with a decentralized model. Over recent years, this has begun to shift as we have steadily deepened the level of integration across AGI by elevating and centralizing key functions across facilities. This helps eliminate cost redundancies, enhances the customer experience, and increases our project execution capabilities. AGI established new functional groups at the corporate-level to drive efficiencies and support growth across the organization. These new groups include global manufacturing, global supply chain, revenue management, global product management, strategic account teams, and customer service, among others.

We have made significant progress in integration activities across the organization, harvesting meaningful margin gains as a result. Looking ahead, we still see significant opportunities to further extend the "One AGI" model across other areas of the business.

We measure our success in achieving operational excellence through our adjusted EBITDA margins as a KPI.

Balance Sheet Discipline

The Company recognizes that while the benefits of our diversified and resilient business model boosts our growth prospects, careful management of cash needs and leverage levels remains a key priority. While AGI undergoes a deep integration exercise to fully harvest and maximize the potential of our existing assets, a heightened focus has been placed on steadily lowering debt levels and leverage ratios. With significant progress in lowering overall debt levels achieved in recent years, AGI is well positioned to consider attractive strategic growth investments which serve to accelerate and reinforce our profitable organic growth and operational excellence strategies.

We measure our success in achieving balance sheet discipline through our net debt leverage ratio as a KPI.

SIGNIFICANT DEVELOPMENTS

2023

Board Changes

In November 2023, AGI announced that Ms. Claudia Roessler had resigned as a Director of AGI.

In May 2023, Mr. Bill Lambert stepped down as Chair of our Board of Directors (the "Board") and Ms. Janet Giesselman, who has served as an independent director of AGI since 2013, was appointed Chair of the Board. Mr. Lambert continued to serve on the Board.

2022

Board Changes

In November 2022, Mr. Paul Householder was appointed to the Board and Mr. Rohit Bhardwaj was appointed to the Board as an independent Director.

CEO Transition

In September 2022, AGI announced that Paul Householder had accepted the position of President & CEO and that our former President & CEO was stepping down from AGI. Paul joined AGI in 2019 as EVP, International with responsibility for leading all aspects of AGI's businesses outside of North America. In 2020, Paul was promoted to EVP, Global Operations with expanded responsibility including coverage of AGI's North American businesses. In 2021, Paul was promoted to Chief Operating Officer, providing strategic, organizational, and administrative leadership to the day-to-day operations of AGI's business.

Credit Facility Amendment, Extension and Expansion

In May 2022, AGI announced the upsizing and amendment of the Company's revolving credit facilities

(the "Credit Facility"). The Credit Facility was increased by approximately $150 million Canadian dollar equivalent. As part of the agreement, our previously outstanding Series B and C Notes, with a principal amount owing of approximately $57 million Canadian dollar equivalent, were concurrently retired through the expanded Credit Facility. At closing, the Credit Facility totaled approximately $694 million in Canadian dollar equivalent. In addition, several amendments to the terms of the agreement governing the Credit Facility (as amended and restated on May 9, 2022) (the "Credit Agreement"), were made to increase the support the Credit Facility provides to AGI, particularly in areas outside of North America. See "Capital Structure - Credit Facility".

Debenture Financing

On April 19, 2022 and May 6, 2022, AGI issued $104 million aggregate principal amount of convertible unsecured subordinated debentures (the "2022 Debentures") at a price of $1,000 per 2022 Debenture, the proceeds of which were used to fund the redemption of the Company's 4.50% convertible unsecured subordinated debentures due December 31, 2022 and for general corporate purposes. See "Capital Structure – Debentures – 2022 Debentures".

Acquisition of Eastern Fabricators

In January 2022, AGI announced the acquisition of Eastern Fabricators ("Eastern"). Eastern specializes in the engineering, design, fabrication, and installation of high-quality stainless-steel equipment and systems for food processors.

2021

Debenture Financing

On November 3 and 9, 2021, AGI issued $115 million aggregate principal amount of convertible unsecured subordinated debentures (the "2021 Debentures") at a price of $1,000 per 2021 Debenture, the proceeds of which were used to fund the redemption of the Company's 4.85% convertible unsecured subordinated debentures due June 30, 2022 and for general corporate purposes. See "Capital Structure – Debentures – 2021 Debentures".

Acquisition of Remaining Interest in Farmobile

In April 2021, AGI announced it had reached an agreement that facilitated AGI's acquisition of all remaining outstanding shares of Farmobile, building on AGI's initial minority equity investment in Farmobile from 2019. The acquisition was fully completed on February 1, 2022.

BUSINESS SEGMENT OVERVIEW

Farm

AGI's farm business ("Farm") includes the sale of grain and fertilizer handling equipment, aeration products, and storage bins primarily to farmers in North America where on-farm storage practices are conducive to the sale of portable handling equipment and storage bins for grain and fertilizer. Key elements of AGI's Farm sector include:

- AGI is the world's largest manufacturer of portable grain handling equipment and the Canadian leader in grain storage bins;
- Demand for Farm equipment is driven primarily by the volume of grain grown;
- The replacement cycle for portable grain handling equipment is approximately three to seven years;
- Portable grain auger products typically have a low price point and are less sensitive to commodity prices and farmer net income, relative to larger pieces of equipment used by farmers;
- Farm products are sold through a dealer network; and,
- A strong dealer network and an extensive warehousing system to supply product at crucial points in the growing season are important considerations to the end user.

Portable Grain Handling Equipment

Portable grain handling equipment is used by farmers to move grain and other agricultural commodities (oilseeds, lentils, etc.) into and out of storage on the farm, as part of seeding, harvesting, conditioning, or shipping activities. Portable grain handling equipment includes augers, grain vacuums, and belt conveyors, which are used as an alternative to augers for commodities that require gentler handling, as well as a variety of smaller grain handling accessories.

Relative to other classes of farm equipment, and in particular larger equipment such as tractors and combines, portable grain handling equipment has certain unique characteristics that influence demand. Compared to the capital cost of other farm equipment, portable grain-handling equipment has a low price point. In addition, portable grain handling equipment is an integral component of the farming process during critical periods (such as seeding and harvesting) and performance is essential, or the entire process can be disrupted. As such, it must be promptly replaced if it fails during one of these critical junctures in the grain growing process.

Finally, relative to other farm equipment, portable grain handling equipment has a shorter replacement cycle, as the abrasion from contact with the commodities being handled and the wear-and-tear of many moving parts results in a need to replace the equipment regularly. While equipment lifespan varies by volume handled and commodity type (e.g. corn is more abrasive than wheat), a typical replacement cycle is three to seven years.

Due to the factors outlined above, portable grain handling equipment is often viewed as a farm 'consumable' and the dynamics for the purchase of portable grain handling equipment are quite different than those for other pieces of farm equipment. More specifically, sales of portable grain handling equipment tend not to be impacted to the same degree by agricultural cycles as compared to sales of larger, more expensive agricultural equipment. Furthermore, the demand for portable grain handling equipment can be somewhat seasonal, with higher demand corresponding to the harvesting period for agricultural production.

Portable grain handling equipment is sold primarily in North America due to the widespread use of on-farm storage. The U.S. market is most significant due to the total number of bushels grown compared to Canada and other regions of the world. A small percentage of portable grain handling equipment is sold to offshore markets, including Western Europe and Australia.

Stationary Grain Handling Equipment

AGI added stationary grain handling equipment to its Farm product offering as part of the Global Industries acquisition in 2017. Stationary grain handling equipment in farming applications most often forms part of a grain storage system that includes larger diameter grain storage bins and grain dryers. Grain storage systems with stationary handling equipment are primarily used in large-scale farming operations and are often used in conjunction with portable handling equipment.

Storage and Conditioning Equipment

Storage products include permanent storage structures such as corrugated flat bottom and hopper bottom bins and storage bin unloading equipment for the agricultural storage of grains, seeds, and dry fertilizer. The largest market for smaller capacity storage products is for on-farm use, although they are used in some commercial applications. AGI's storage business in Canada increased significantly with the acquisition of Westeel. Subsequently, AGI acquired Global Industries, substantially increasing its U.S. Farm presence and grain storage solution offering.

Corrugated Storage Bins

Corrugated bins are most often assembled at the farm of the customer and are used primarily to store grain. On-farm storage allows the farmer to avoid selling into trough pricing at harvest time and may also increase profitability as proper conditioning increases the selling price of the grain. Variability in commodity prices may incentivize farmers to time the sale of their crop and store the grain for longer periods of time. Demand for on-farm storage results from several factors including the volume of grains grown, crop differentiation that requires separate storage, and the trend towards farm consolidation and larger farms.

Smoothwall Storage Bins

Smoothwall storage bins are used primarily to store fertilizer as they are manufactured to withstand its corrosive nature and need to be cleaned completely when emptied. Smoothwall bins may also be used to store grains and seed. These bins are shipped in final form from the factory and, as a result, transportation costs create a geographic limitation for delivery within a certain distance of the manufacturing facility. On-farm storage of fertilizer allows farmers to purchase well in advance thereby ensuring supply when the fertilizer is needed and avoiding the peak sales period at the retail network. Fertilizing practices continue to grow in sophistication as farming practices evolve.

Conditioning Equipment

Conditioning products include equipment that is used in aeration, heating, and drying. They include furnaces, heaters, and fans. Similar to storage products, the mix of conditioning products sold for on-farm or commercial applications varies depending on the site design, configuration, and capacity requirements. Conditioning equipment is often sold with a bin at the point of sale but may also be added to existing storage on growing operations. Demand for conditioning equipment increases when crops are harvested at higher than optimal moisture levels. AGI added grain dryers to its product offering through the acquisition of Global Industries and through AGI's expansion in Brazil.

Liquid Storage

In addition to corrugated and smoothwall bins, AGI manufactures portable and stationary liquid fuel containment tanks. These products are used both in farm and commercial settings and are sold primarily through a dealer network. AGI offers an automated level monitoring system for tanks, complete with alerts and mobile access.

Grain Bin and Machine Monitoring Technologies

Grain storage monitoring enhances safety by avoiding physical bin-entry and provides remote visibility to grain conditions including automated alerts, remote control of aeration equipment, and automated in-bin conditioning capabilities. Machine monitoring hardware and software supports verification of field activities, collecting both machine and agronomic data in order to enhance traceability and sustainability practices.

Commercial

AGI's commercial business ("Commercial") includes the sale of larger diameter storage bins, high-capacity stationary grain handling equipment, fertilizer storage and handling systems, feed handling and storage equipment, aeration products, hazard monitoring systems, automated blending systems, and control systems. AGI's Commercial customers include large multi-national agri-businesses, grain handlers, regional co-operatives, contractors, food and animal feed manufacturers, and fertilizer blenders and distributors. Commercial equipment is used at port facilities for both the import and export of grains, inland grain terminals, corporate farms, fertilizer distribution sites, ethanol production, oilseed crushing, commercial feed mills, rice mills, and flour mills.

Commercial product and market characteristics are described more fully below. Key elements of AGI's Commercial sector include:

- AGI's Commercial business is global in nature:
    - North America – demand is driven largely by capacity and efficiency initiatives in this mature market and by a trend towards higher volumes of grains grown;
    - International – a significant infrastructure gap exists in many key grain-growing regions including Brazil and parts of EMEA due to historical underinvestment and increasing crop volumes. Infrastructure requirements in importing countries result from increasing populations and food security considerations;
- The continued evolution of fertilizer distribution in North America and around the world is leading to increased demand for regional fertilizer handling and storage distribution sites;
- International Commercial business is quoted on a project basis allowing AGI to bundle products from several locations and be a single-source supplier to the end user;
- Commercial products in North America are most often sold through a contractor but it is not unusual to sell directly to the end user. Sales made directly to end users are more common internationally; and,
- Through acquisition, AGI gained complementary design and manufacturing capabilities and new platforms in the fertilizer and feed processing industries.

Stationary Grain Handling Equipment

Stationary grain handling equipment performs the same core function of handling grain and other agricultural commodities as portable equipment is designed to do but at much higher volumes. Stationary grain handling equipment is used in a variety of applications, including on large farms, at grain gathering points such as grain elevators and port facilities, and in food, feed, and other industrial processing plants where grains and other commodities are used as inputs. Stationary grain handling equipment is installed in these facilities as a permanent part of the infrastructure. Stationary equipment encompasses a wide range of products, including enclosed belt conveyors, open conveyors, drag conveyors, bucket elevators, and bin unload equipment.

Storage and Conditioning Equipment

Storage products include permanent storage structures such as corrugated flat bottom and hopper bottom bins, temporary structures that typically consist of relocatable, modular perforated panels used to configure short-term storage areas, and storage bin unloading equipment. Larger capacity storage products are geared towards higher capacity farms and commercial applications, including grain and feed-based projects. Conditioning products include fans for aeration and dryers to remove excessive moisture from the grain. Similar to storage products, the mix of conditioning products sold for on-farm or commercial applications also varies depending on the site design and configuration as well as capacity requirements.

Several acquisitions provided AGI with a new product line of square storage tanks most often used in processing facilities such as feed mills as well as seed processing and cleaning facilities. These tanks can hold a wide variety of materials including whole grains, processed grains, and by-products from many ag-processing facilities. The acquisition of FRAME in Italy increased AGI's international presence in commercial grain storage.

Fertilizer and Material Handling Equipment

Through acquisition, AGI gained new capabilities and expertise in the planning, design, and manufacturing of fertilizer storage and handling systems. These systems have design and manufacturing similarities with AGI's permanent handling products and are often sold along with commercial smoothwall storage bins such as those produced by Westeel. AGI offers automated blending, measurement, and control systems for material handling applications, specifically for bulk fertilizer blending. As fertilizer retailers and grain processors expand and upgrade their facilities, larger more sophisticated material handling systems and equipment are required. In addition, there is a growing preference toward providers of complete systems and solutions, which AGI can provide through its broad product offering.

Hazard Monitoring Systems and Sensors

AGI produces hazard monitoring systems and sensors for commercial agricultural material handling applications, which can be bundled with AGI's existing high-capacity handling and storage product offering. These systems continuously monitor hazardous work environments that may lead to fires, explosions, or safety-related incidents by monitoring shaft speed, bearing temperature, belt misalignment, vibration, and grain bin temperature.

Rice Milling and Processing Equipment

With the acquisition of Milltec in 2019, AGI expanded its product offering to include grain milling and processing equipment, primarily for rice applications. The full line of equipment includes cleaners, boilers, parboilers, dryers, specialized colour sorters, graders, and bagging equipment. Rice is a staple food for much of the world and adding exposure to this grain provided both growth opportunities and diversification. Milltec provided AGI with a new product line, larger-scale entry into rice processing, and an established presence in the high-growth Indian and Southeast Asian markets.

Liquid Storage

In addition to corrugated and smoothwall bins, AGI manufactures portable and stationary liquid fuel containment tanks. These products are used both in farm and industrial settings and are sold primarily through a dealer network. AGI offers an automated level monitoring system for tanks, complete with alerts and mobile access.

Food Processing Solutions

AGI's Food platform provides a unique combination of full process design engineering, project management services, and equipment supply. Our process design services result in close partnerships with our customers as we become involved early in the project formation stage. Our project management services mean we lead the project from conception to commissioning and work with our customers to manage all dynamics of the project throughout design and execution. In addition, we also manufacture and supply many of the equipment components required by these projects.

PROFITABLE ORGANIC GROWTH

PRODUCT OVERVIEW

AGI manufactures storage, material handling, and conditioning equipment for a range of grain, fertilizer, seed, feed, and food applications. Solutions and services are sold into markets spanning the agricultural commodity production and processing continuum. To meet the needs of its customer base, AGI has acquired or organically developed products that service a range of capacity requirements. Smaller farms generally handle lower volumes of grain and have relatively low storage requirements. As farms become larger or commercial in nature, more grain storage capacity is required and higher capacity handling and conditioning equipment is used.

Growing farm sizes have also driven the need for larger farm retail facilities, which in turn have required upgraded fertilizer handling and grain storage systems. Commercial operations including grain elevators and port facilities, as well as agricultural commodity processing operations, generally have the highest capacity requirements.

AGI's sales are reasonably diversified by product type, end market, and geography. The table below describes the principal products manufactured by AGI. Select products and product lines are no longer being referred to by their heritage brand names and are now being exclusively AGI branded, with a view to creating a more cohesive AGI presence.

Portable Grain Augers

Augers are a critical piece of farm equipment used to move grain during and after the harvest season.

Typical capacity: 90 - 580 MT.

AGI | AGI GRAINMAXX | AGI HUTCHINSON | AGI MAYRATH | AGI WESTFIELD

Stationary Conveyors

Designed for installation in grain handling facilities, corn and soy processing facilities and industrial operations.

Typical capacity: 100 - 4,800 MT.

AGI | AGI HI ROLLER | AGI PTM | AGI TRAMCO

Portable Belt Conveyors

A low-maintenance, durable solution for gentle handling of delicate commodities.

Typical capacity: 40 - 380 MT.

AGI BATCO | AGI HUTCHINSON | AGI GRAINMAXX | AGI WESTFIELD

Permanent Grain Storage

Corrugated flat bottom and hopper bottom grain storage bins / silos, welded hopper bottoms and smoothwall bins.

Typical capacity: 45 - 10,210 MT.

AGI | AGI FRAME | AGI WESTEEL | TWISTER

Permanent Handling

Designed for installation in grain handling facilities, corn and soy processing facilities, large farms and industrial operations.

Typical capacity: 25 - 2,000 MT.

AGI | AGI HUTCHINSON | AGI PTM | AGI TRAMCO

Drying, Aeration and Conditioning

Used for grain storage management, aeration, drying and conditioning of grain while in the bin.

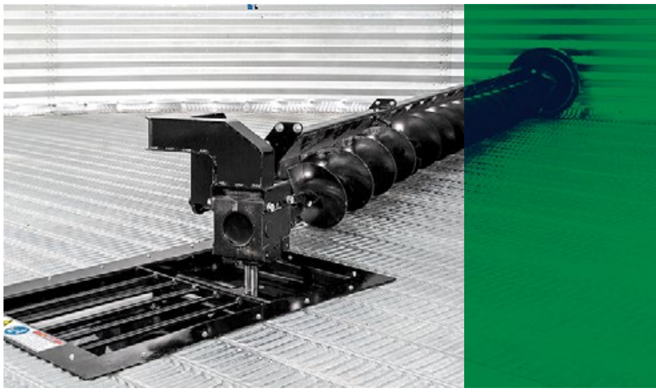
AGI | AGI AIRLANCO | AGI FRAME | AGI NECO

Bin Unloads

Used to move grain out of the storage bin.

Typical capacity: 65 - 450 MT.

AGI HUTCHINSON | AGI WESTEEL



Grain Vacs

Used primarily to unload grain from storage bins post-harvest.

Typical capacity: 200 - 250 MT.

AGI

Temporary Grain Storage

Low-cost relocatable bulk grain storage systems, consisting of modular perforated panels that are typically used for short-term storage of grain (less than one year) at commercial handling facilities.

Typical capacity: 2,000 - 95,000 MT.

AGI

Rice Milling and Processing

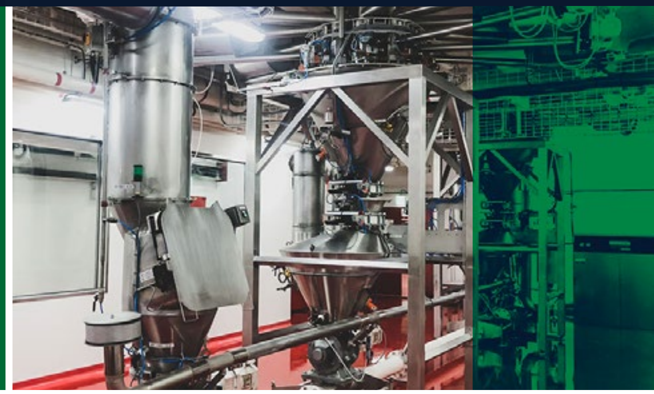
Full end-to-end turnkey solutions for rice milling, pulses, seeds and multi-commodity processing.

AGI MILLTEC

Food Processing

Engineering, project management, system design, fabrication and installation for food processing applications.

AGI | AGI MILLTEC



Grain Bin and Machine Monitoring Technologies

Integrated hardware and software solutions for both grain storage and machine monitoring.

AGI | AGI BINMANAGER | AGI FARMOBILE | AGI SURETRACK

Liquid and Dry Fertilizer Blending and Conveying

Liquid and dry fertilizer blending and conveying, designed for receiving, blending and load-out of port, rail or truck facilities.

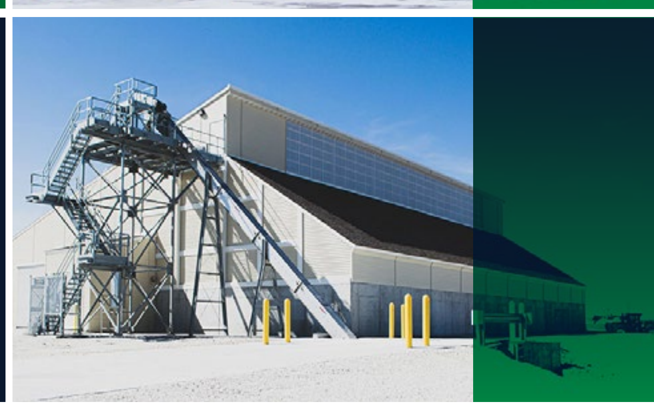
Typical capacity: up to 650 TPH load out.

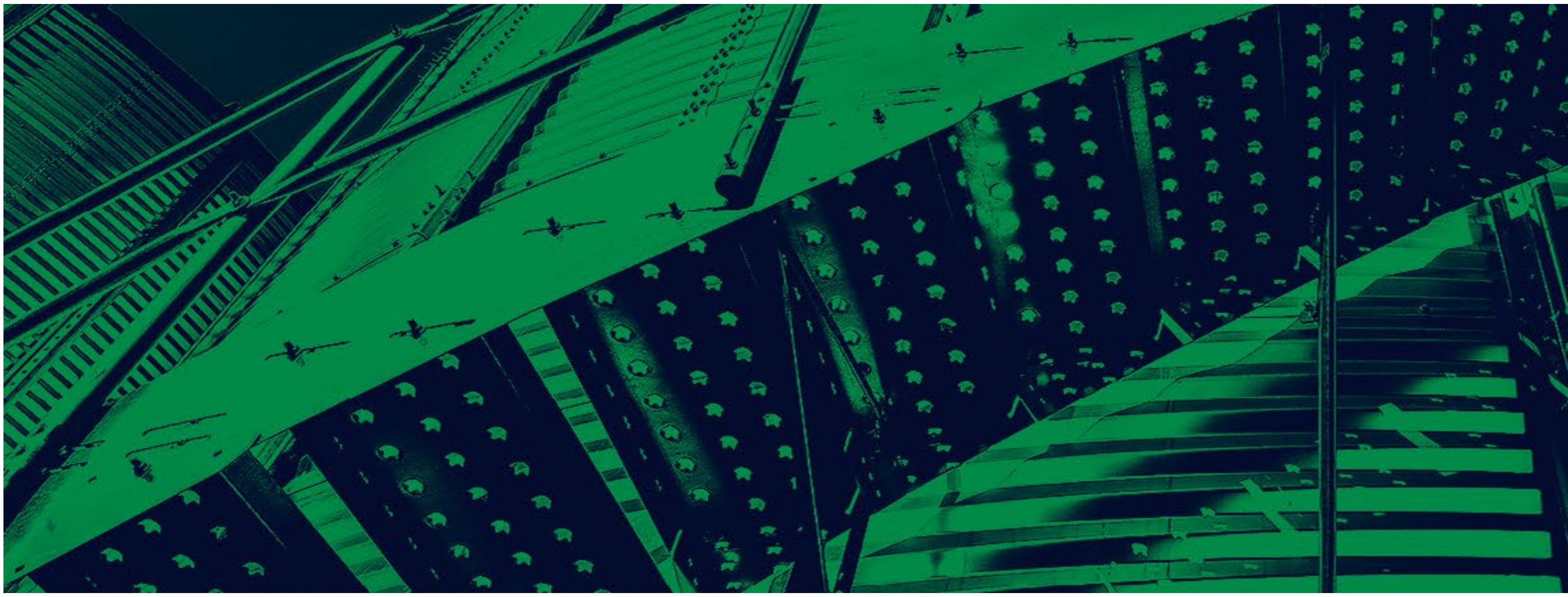
AGI

Blending Control Systems

Automated precision blending and measuring systems for both dry and liquid fertilizer applications.

AGI





Fuel Tanks

Fuel tanks from 290 L to over 235,000 L.

AGI WESTEEL

Feed Milling

Equipment and solutions for on-farm applications as well as commercial-scale operations.

AGI

Seed Treaters

Portable seed treatment applicator that uses seed metering technology.

AGI

All Steel Buildings

Heavy-gauge steel buildings made with weather resistant galvalume roofing panels and rugged steel beam frames. Flat grain, dairy, cattle, milling and industrial buildings.

AGI SENTINEL

Water Storage

For rainwater collection and wastewater management and customizable for a variety of other applications.

AGI | AGI WESTEEL

Post Pounders

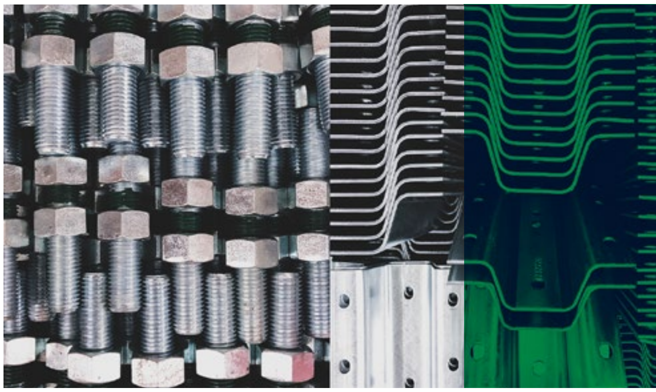
Line of fencing equipment, including post hole augers and fence post drivers.

AGI

Other Equipment and Parts

Replacement parts and grain handling accessories.

ALL AGI LOCATIONS



DRIVERS OF DEMAND

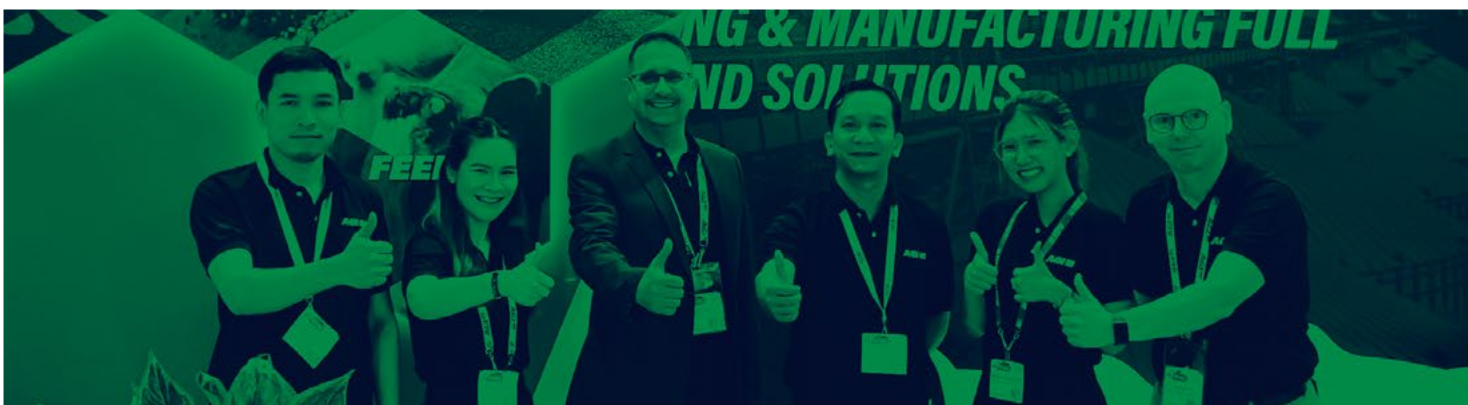
The demand for feed, seed, grain, and fertilizer handling, storage, and conditioning equipment is impacted, directly or indirectly, by factors such as crop production volumes and crop mix, commodity prices, agricultural practices, and demand for products manufactured from agricultural commodities.

Crop Production Volumes and Crop Mix

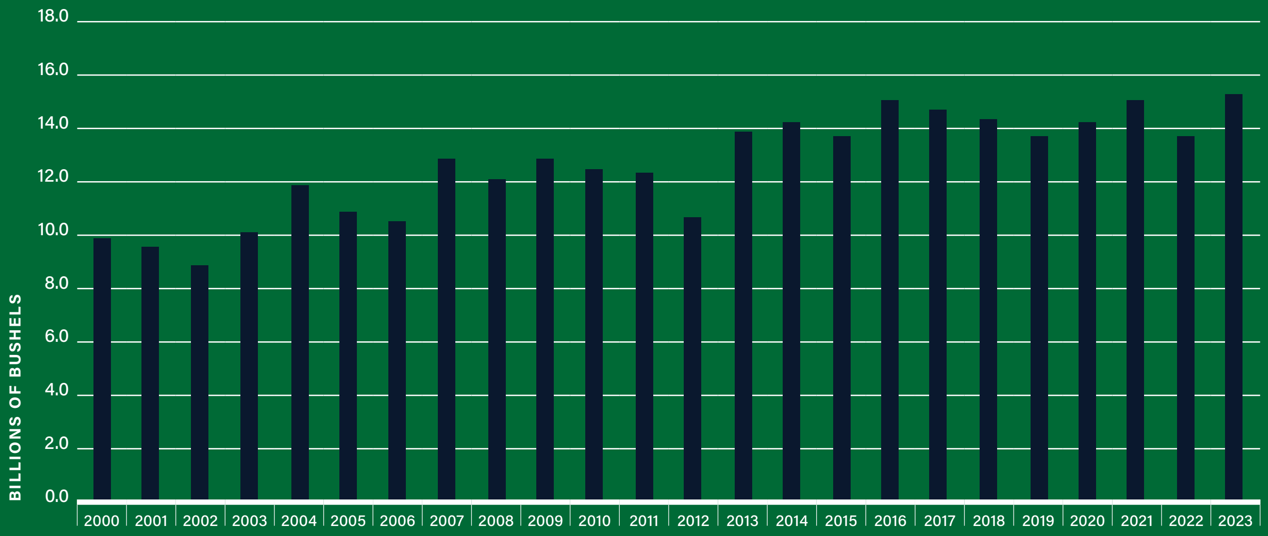
The production volume of grain and other agricultural commodities is the primary driver of demand for grain and fertilizer handling, storage, and conditioning equipment. Higher production volumes not only influence demand on the farm (both for new and replacement equipment), but also at every point along the distribution chain that moves crops from the farm to their end markets. Higher volumes flowing through grain elevators and port facilities influence replacement cycles of grain handling equipment at existing facilities as well as the construction of new facilities or the expansion of existing facilities that will require new installations of grain handling, storage, and conditioning equipment.

In addition to production volumes, crop mix can have a significant impact on demand. Different crops have different yield characteristics and fertilizer requirements resulting in different total production volumes for a given area of land. This influences the aggregate amount of grain or other commodities to be handled, stored, and conditioned. In addition, different commodities have different abrasiveness characteristics which impacts the replacement cycle for grain handling equipment. Given these factors, corn is the key commodity influencing demand in the United States due to the sheer volume of production as well as the fact that it is highly abrasive, followed by soybeans and then cereals other commodities such as wheat.

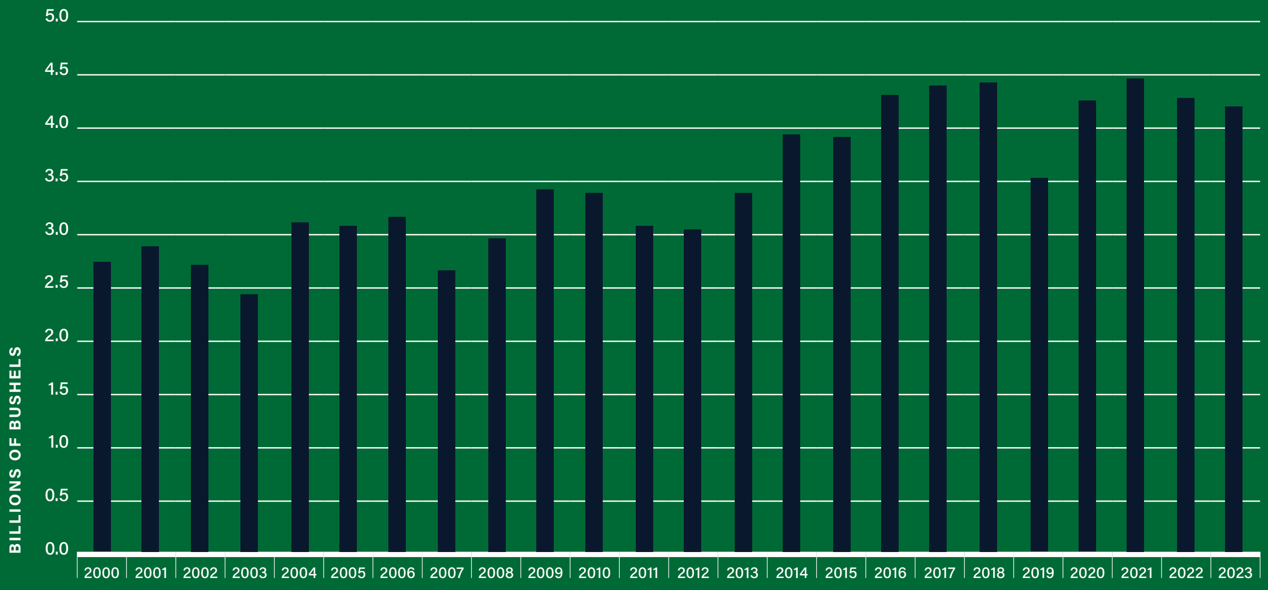
As the charts indicate, corn and soybean production in the United States has trended upwards since the year 2000, establishing a clear secular growth trend. While production in any given year will fluctuate due to a variety of factors, the data reflects the trend of increased production which is positive for the grain handling, storage, and conditioning market in the United States.



U.S. Corn Production



U.S. Soybean Production



Source: USDA/NASS

Global Agricultural Infrastructure Requirements

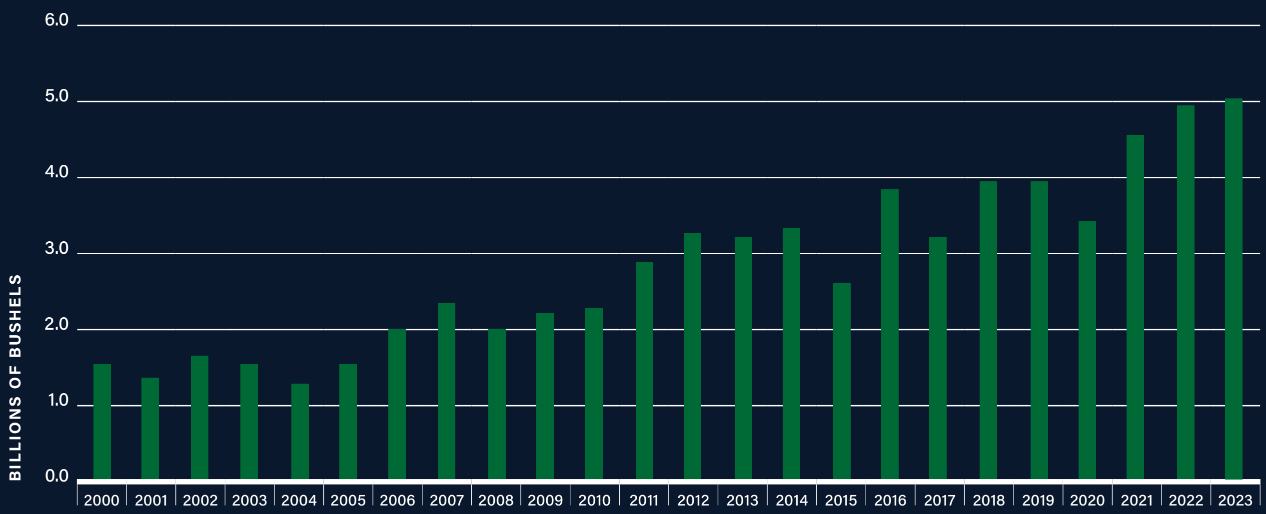
Crop production has increased significantly in many regions outside of North America and major crop producing countries are increasingly placing emphasis on the export market as opposed to production for internal consumption. Much of the grain storage, handling, and conditioning infrastructure in many grain growing regions outside of North America is generally considered to be inadequate in terms of both capacity and efficiency. As a result, crop loss through spoilage in many of these regions significantly exceeds North American standards and logistical issues in bringing the crop to market results in transportation delays and higher costs, resulting in reduced profitability domestically and a competitive disadvantage in the global market. Investment in agricultural infrastructure to address capacity and efficiency issues presents opportunities for sales of AGI grain handling, storage, and conditioning equipment. While the North American market is relatively mature, the long-term trend towards higher levels of crop production and a continued industry focus on handling efficiency has contributed to increased investment in the commercial grain handling sector.

Agricultural Demand in Brazil

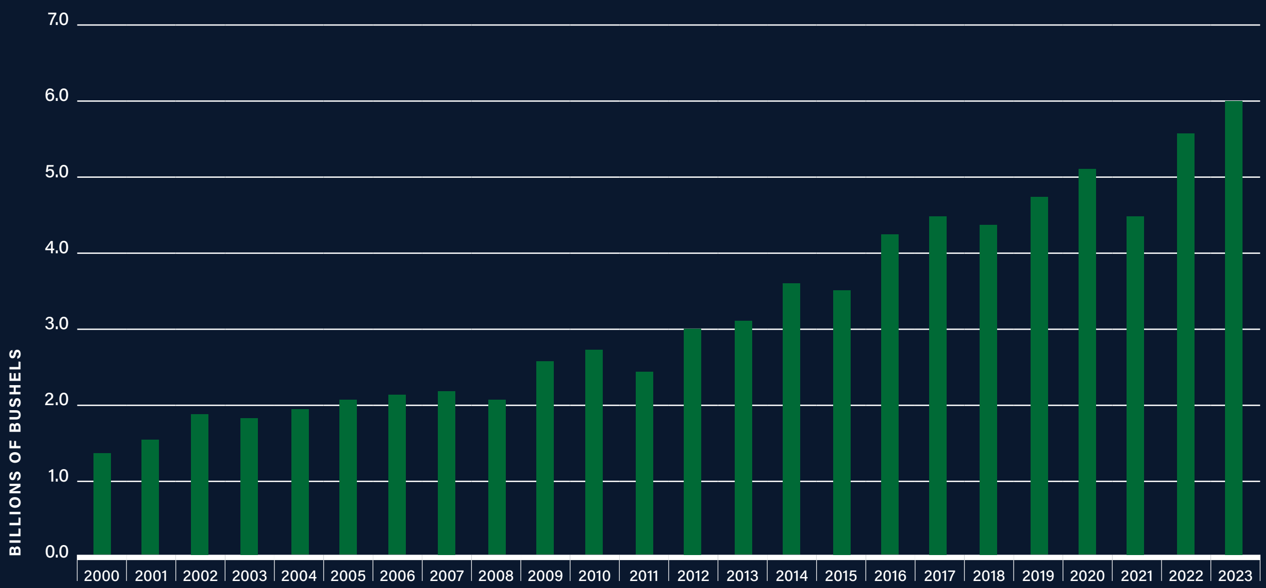
Brazil is a leading producer of several key agricultural commodities including sugar cane, corn, and soybeans. Corn and soybean production has increased substantially over the past decade driven by expanded acreage, improving farming practices, and Brazil's two annual harvests. While production has increased, storage and handling solutions have not kept pace, with limited on-farm storage and commercial storage capacity. As a result, significant investment is required to meet handling and export requirements.

The agricultural sector is generally cyclical in nature, with cycles typically influenced by the impact of demographic, macroeconomic and other factors on the supply and demand for agricultural commodities. However, AGI believes that current macroeconomic factors, a clear trend in rising overall grain output, and market trends point to positive performance for the agricultural sector over the long term.

Brazil Corn Production



Brazil Soybean Production



Source: USDA/NASS

Food Security

Food shortages are a significant concern in many countries. As a result, having secure sources of food has become of increasing concern to governments, particularly for those countries that are significant importers of grains and are in areas of the world with political instability. In some of these markets, the notion of having 'food reserves' has led to increased storage capacity requirements, which in turn has led to an increase in demand for grain storage and handling equipment. Similarly, food security issues are also driving more domestic production in countries that were historically importers, which has the potential to drive demand for on-farm storage and handling equipment.

Modernization of Grain Handling and Storage Infrastructure

The United Nations has estimated that up to 14% of the global harvested crop is destroyed post-harvest due to pests, moisture, and other losses. According to the US Agency for International Development, grain storage and processing practices remain rudimentary in many developing countries. In these countries, the emerging potential for grain storage and handling is driven by the high degree of spoilage from traditional farming practices. Accordingly, many developing markets are embarking on programs to modernize their grain handling, storage, and conditioning infrastructure.

Farming Practices

Over the longer term, the demand for grain handling, storage, and conditioning equipment is influenced by changes in agricultural practices, both as it relates to on-farm activities as well as the storage and distribution infrastructure to move crops from the farm to end markets. A broad range of factors can influence changes in agricultural practices including increased sophistication in management and operating practices, the use of technology and automation, farm sizes, dynamics in the grain transportation system, and regulatory influences.

Crop Growing Conditions

Local and regional crop growing conditions including weather, disease, and pest infestations can have a significant impact on crop production volumes. This, in turn, can have a significant impact on the demand for grain handling, storage, and conditioning equipment. Weather can also have a more direct impact on the demand for certain types of conditioning equipment, especially in the short-term. For example, when crops are harvested with high moisture content, which may be the case with a late harvest or one occurring during wet weather conditions, portable grain handling equipment is used more often as farmers will generally dry the grain prior to storage or shipment. Similarly, demand for aeration equipment may also increase in wet conditions. In addition, demand for certain portable grain handling equipment increases with a late harvest or one occurring during wet weather conditions as the in-season sales period is extended. Also, a late harvest is often associated with a higher crop moisture content which increases the wear and tear on certain portable equipment, resulting in an increased need for replacement.

Evolution of Farming Practices and Productivity Gains

Advances in farming practices and technology over the past number of decades, particularly in North America and other industrialized countries, have been significant. Farms are becoming increasingly sophisticated operations, utilizing the newest technology to generate the highest returns per acre of land, through a combination of increased volumes per acre and higher-value crops. Factors that have driven these gains in productivity include advances in seed technology, continuous cropping, and crop diversification. The increase in production volumes resulting from these advances in farming practices has had a positive impact on the demand for grain handling, storage, and conditioning equipment. In addition to becoming more sophisticated in the production of crops, farmers have also become more sophisticated in attempting to maximize the profits from the crops they produce. This can include using on-farm storage to strategically 'time the market' to obtain the maximum price for their crops, as well as conditioning the crops after harvest to obtain better quality grading (moisture levels, dockage, etc.) of the product when it is delivered to the purchaser. As a result, demand for on-farm handling, storage, and conditioning equipment has increased.

As farming practices have become more sophisticated and the use of technology has increased, an accompanying trend has been an evolution towards larger, more capital-intensive farms. As the number of people actively involved in farming decreases, manual labour is replaced through the increased use of equipment and automation. In the case of grain handling equipment, bigger farms require larger, higher capacity augers and conveyors. To prevent potential costly downtime and to avoid taking the time to move such equipment around the farm, larger farms will often acquire multiple pieces of the same type of grain handling equipment.

The evolution of farming practices in North America has been cited for years as a positive fundamental for the grain storage, handling, and conditioning market. Other areas of the world continue to evolve toward western farming practices, including major grain growing regions such as Eastern Europe and South America. Many of the same trends apparent in the North American market have emerged in these markets and there has been a major effort to modernize infrastructure and utilize more sophisticated farming practices. The evolution of farming practices in these markets is expected to have a positive influence on the demand for grain handling, storage, and conditioning equipment.

End-Product Demand

Demand for the end products for which agricultural commodities are a primary input is also a driver of demand for grain handling, storage, and conditioning equipment. For example, for commercial handling equipment used in food processing facilities, demand is directly related to new construction, expansion, and replacement of these types of facilities, which in turn is influenced by the demand for the food products produced at these facilities. In a similar manner, demand for commercial equipment used in other industrial processing facilities, such as ethanol production plants, is directly related to the demand for the products produced at those facilities, as it will drive new construction, expansion, and replacement activities.

Population Growth and Demographic Trends

The global population continues to increase and grain production is expected to play a significant role in addressing the nutritional requirements of the expanding population. Population growth rates vary from country to country, with rates in developing countries generally exceeding those in developed countries. The impact of the growth in population is amplified by other demographic trends including a rising level of income, which has led to a change in diet to include more protein. As a result, demand for grains, particularly corn which is used in the production of protein, continues to rise.

Fertilizer Handling, Material Handling, and Storage

Increased use of fertilizer, combined with growing grain, oilseed and food processing needs, are creating demand for new or upgraded fertilizer and material handling facilities. In fertilizer handling and storage, stable nutrient demand growth combined with small retailers being replaced by larger ones is stimulating demand for new handling equipment and systems. Demand for material handling and storage systems used in grain, oilseed, and food processing are being driven primarily by growing demand from oilseed processing in crushing facilities, ethanol and biofuel production, food processing, and animal feed and pet food production. In addition to the demand created by new and upgraded processing and handling facilities, normal equipment replacement cycles due to wear and tear are also a steady source of demand.

Non-Food Uses of Agricultural Commodities

The demand for agricultural commodities has been augmented by the demand for corn and other commodities for use in industrial production unrelated to food. For example, demand for alternatives to fossil fuels has increased dramatically in recent years due to environmental, health, and political concerns and agricultural-based products such as ethanol have benefited. As the production of ethanol in the United States has increased, driven by government-legislated mandates and demand from consumers, the amount of corn used for fuel-based production has risen significantly. As ethanol plants do not typically have storage for the feedstock corn at their facilities, corn for ethanol production is typically stored on-farm, which increases handling and storage requirements in the on-farm market.

Commodity Prices

Commodity prices impact farmer planting intentions including seeded acres and crop mix as well as the propensity to use fertilizers and other crop inputs to boost yields per acre. This, in turn, impacts crop production volumes on an aggregate basis and therefore has an impact on the demand for grain handling, storage, and conditioning equipment. However, as the impact tends to be more indirect in nature, commodity prices are generally not considered to be a primary driver of demand, but rather a secondary driver.

Commodity price impact impact the financial position of farmers and in particular farm incomes. Because of the unique demand characteristics of portable grain handling equipment as previously described, the financial position of farmers does not have the same degree of impact on demand for portable grain handling equipment as it does for larger, more expensive, pieces of farm equipment such as tractors or combines. Nevertheless, farmer net income and financial position does influence farmer buying decisions.

Commodity prices also impact farmer decisions regarding on-farm storage of crop post-harvest. AGI's grain handling, storage, and conditioning equipment is used more often when farmers store their grain on-farm for a period of time prior to sale. During periods of high commodity prices farmers are more likely to sell their crop rather than store it on the farm resulting in lower demand for AGI storage equipment. During periods of lower and/or volatile commodity prices it is more likely farmers will store grain on the farm with the intention of capitalizing on higher commodity prices in the future, resulting in higher demand for AGI storage equipment.

Agricultural Subsidies and Support

Approaches to agriculture subsidies, taxes, and support differ by country. In developed countries, many governments have or are attempting to reduce support as part of their overall deficit reduction initiatives but face political pressure from farmers to continue aid in some form. Government subsidies, taxes and support can have a significant impact on the financial health of farmers, which can impact crop production volumes, as well as demand for agricultural equipment and other production inputs.

OPERATIONS AND PRODUCTION

Facilities

AGI's facilities for production, warehousing, and other activities are a combination of owned and leased locations.

Owned Facilities

Location	Brand	Primary Activity	Square Footage
ROSENORT, MB	WESTFIELD	PRODUCTION	183,000
SWIFT CURRENT, SK	BATCO-REM	PRODUCTION	114,000
NOBLEFORD, AB	AGI NOBLEFORD	PRODUCTION	186,000
HORACE, ND	VARIOUS	WAREHOUSE	9,600
GRAND ISLAND, NE	VARIOUS	WAREHOUSE	36,700
WYNNE, AK	VARIOUS	WAREHOUSE	15,000
SIOUX FALLS, SD	HI ROLLER	PRODUCTION	120,000
FALLS CITY, NE	AIRLANCO	PRODUCTION	100,292
WINNIPEG, MB	WESTEEL	PRODUCTION	145,000
SASKATOON, SK	WESTEEL	PRODUCTION	63,000
OLDS, AB	WESTEEL	PRODUCTION	34,000
ESTE, ITALY	PTM	PRODUCTION	38,000
OAKBLUFF, MB	VIS	PRODUCTION	30,000
NEWTON, ON	MMS	PRODUCTION	50,000
JOPLIN, MO	MMS	PRODUCTION	87,500
MARSHALL, IL	YARGUS	PRODUCTION	150,000
ASSIS, BRAZIL	AGI BRASIL	PRODUCTION	240,000
FIESSO, ITALY	FRAME	PRODUCTION	228,625
GRAND ISLAND, NE	MFS/ YORK/STORMOR/ BROWNIE	PRODUCTION	268,955
CLAY CENTER, KS	HUTCHINSON/MAYRATH	PRODUCTION	300,000
NORTH OMAHA, NE	NECO	PRODUCTION	120,000
ALBION, NE	SENTINEL	PRODUCTION	65,000
CHAUCHE, FRANCE	SABE	PRODUCTION	72,200
NAIZIN, FRANCE	SABE	PRODUCTION	11,600
BANGALORE, INDIA	MILLTEC	PRODUCTION	47,195
BANGALORE, INDIA	MILLTEC	PRODUCTION	67,768
BANGALORE, INDIA	MILLTEC	PRODUCTION	25,750
OZZANO, ITALY	FRAME	ENGINEERING SALES AND PROJECT MANAGEMENT	35,521

Leased Facilities

Location	Brand	Primary Activity	Square Footage
EXETER, ON	VARIOUS	WAREHOUSE	17,000
SASKATOON, SK	VARIOUS	WAREHOUSE	12,700
BOONE, IA	VARIOUS	WAREHOUSE	16,000
DECATUR, IL	VARIOUS	WAREHOUSE	16,000
RYCROFT, AB	VARIOUS	WAREHOUSE	3,900
WATERTOWN, SD	VARIOUS	WAREHOUSE	18,900
TORONTO, ON	IMPROTECH	ENGINEERING AND PROJECT MANAGEMENT	2,272
LENEXA, KS	AGI SURETRACK	PRODUCTION	55,120
GEORGETOWN, PEI	EASTERN FABRICATORS	PRODUCTION	44,800
WOODSTOCK, ON	EASTERN FABRICATORS	PRODUCTION	20,000
BANGALORE, INDIA	MILLTEC	PRODUCTION	97,344
BANGALORE, INDIA	MILLTEC	PRODUCTION	45,000

Production Activities

The majority of AGI's production facilities undertake similar manufacturing activities including metal fabrication, welding, painting, sub-assembly, packaging, warehousing, and shipping. As such, AGI can leverage interdivisional manufacturing in order to optimize capacity and minimize production costs. AGI's emphasis is on continuous improvement to deliver increased safety, quality, and productivity. AGI has successfully commissioned fully automated roll forming lines, automated bending machines, laser cutting systems, and robotic welding cells. In addition, in larger locations such as AGI Rosenort, we have been able to vertically integrate to reduce production costs and enhance gross margins. This also maximizes control over supply by reducing the risk of shipment delays and quality defects that can interrupt production.

AGI utilizes lean manufacturing practices, a manufacturing philosophy that endeavors to increase labour efficiency and production flexibility through the elimination of waste, a reduction in set-up and change-over times, and the empowerment of those on the shop floor to drive continuous improvement. In support of AGI's lean strategy, AGI utilizes the Green Belt training program, which focuses on continuous improvements and other lean activities. The program is offered to supervisors, managers, and other essential personnel.

Employees

As of December 31, 2023, AGI had 4,996 employees.

Production Costs

AGI's production costs are reasonably diversified. In 2023, steel purchases totaled 29% of production costs, with significant volumes purchased from several different suppliers based on specific tendering requirements. Other components such as drivelines, gearboxes, hydraulic motors, valves, winches, gasoline engines, and belting represented 49% of production costs. Production labour represented 22% of total production costs.

Steel and other inputs may be subject to wide price variations. The high volume of steel and major components purchased provides an opportunity for purchasing efficiencies. AGI manages its exposure to material and component price volatility by planning and negotiating strategic purchases on an annual and as-required basis as well as through the alignment of material input pricing with the terms of contractual sales commitments.

However, there can be no assurance that industry dynamics will allow AGI to continue to mitigate its exposure to volatility of production costs by passing through price increases to customers, including in periods of high inflation and/or supply chain disruptions.

Sales and Distribution

AGI's products are distributed through dealers or directly to end customers. Lower capacity products that are applicable to individual, smaller farms are most often distributed through a dealer network. Higher capacity equipment is often supplied directly by AGI or through an independent contractor, who is most often sourcing several products from AGI, including portable and stationary grain handling equipment, conditioning equipment, and storage bins.

Through its network of third-party dealers and distributors, AGI's products are distributed throughout North America and overseas. AGI has ten warehouses in North America, as well as inventory stocking points at strategic locations throughout its market areas to ensure ready supply across its geographically diversified distribution networks.

AGI's business units have been selling products internationally for many years. As international sales are a large part of AGI's business and are expected to be a key driver of future growth, AGI employs several strategies to achieve global market coverage including dedicated product line experts, embedded regional sales teams, and international key account coverage.

Sales in international markets may be a single product type sold from one of AGI's manufacturing locations, or a 'bundled' product offering that includes different products sold from several AGI manufacturing locations. AGI insures a portion of its accounts receivable from customers through Export Development Canada.

Marketing

AGI's marketing, advertising and public relations strategy builds and maintains awareness of AGI as a leading provider of equipment and technology solutions for agricultural commodities including fertilizer, seed, grain, feed, and food systems.

To achieve this objective, AGI uses various mediums to advertise its brands, promote its product portfolio, and engage consumers, dealers and other stakeholders. Advertising mediums include digital/online, social media, tradeshows, events, sponsorships, print, and point-of-sale and are executed in multiple languages.

AGI employs marketing, advertising, and public relations efforts to enhance global and local brand visibility, boost direct and channel sales, and support key partnerships. Collaboration between the marketing and product management functions ensures that sales teams are equipped with appropriate tools and resources.

Digital marketing plays a central role in building brand awareness and engaging current and new customers. From a leading digital web platform, geo-configured globally, to an advanced dealer support portal, AGI provides product-first content experiences that have won numerous awards for excellence and effectiveness. These digital experiences are complemented by AGI's significant participation in events and tradeshows throughout the world. From digital to event-based strategies, AGI's marketing generates targeted business leads, gathers valuable feedback and ideas from customers (especially on new products), obtains an understanding of industry trends, and strengthens AGI's brand awareness.

Research and Development

AGI has a successful history of conceiving, designing, and introducing new products and product enhancements. AGI is continually improving its product development process to further improve concept-to-delivery time. The Company has established a Global Product Management team in order to further focus our efforts and leverage our resources into strategic product roadmapping, product development, as well as product rationalization. This Global Product Management team collects 'voice of customer' data across all regions to develop and launch market leading products that address customer needs. This team also develops global product platforms to reduce complexity, improve cost position, and enhance manufacturing flexibility.

Our Global Product Management organization, coupled with our significant investment in value added technologies, will drive global product transfers, simplify and streamline AGI's portfolio, and provide a strong product offering well into the future.

Intellectual Property

AGI regards certain aspects of its products and technology as proprietary. AGI relies on a combination of patents, trademarks, and confidentiality agreements to protect its intellectual property. AGI has also entered into non-competition, non-solicitation, intellectual property ownership, and confidentiality agreements with certain key employees and vendors from whom it has acquired businesses or product lines.

Competition

AGI faces competition in all aspects of its business, on dimensions that include scope of product offerings, distribution, quality, and pricing. Competitive conditions, primary competitors, and AGI's relative position vary along product lines and by geography.

AGI's market for portable grain handling equipment is mostly domestic with key markets and competitors being primarily in North America, particularly in the United States and Western Canada. AGI's competition includes a relatively small number of companies, most of which are small and privately-owned. AGI is the largest manufacturer of portable grain handling equipment in the world and management believes its large-scale, geographic diversification, and strong manufacturing and distribution capabilities have provided the Company with a competitive advantage over smaller participants.

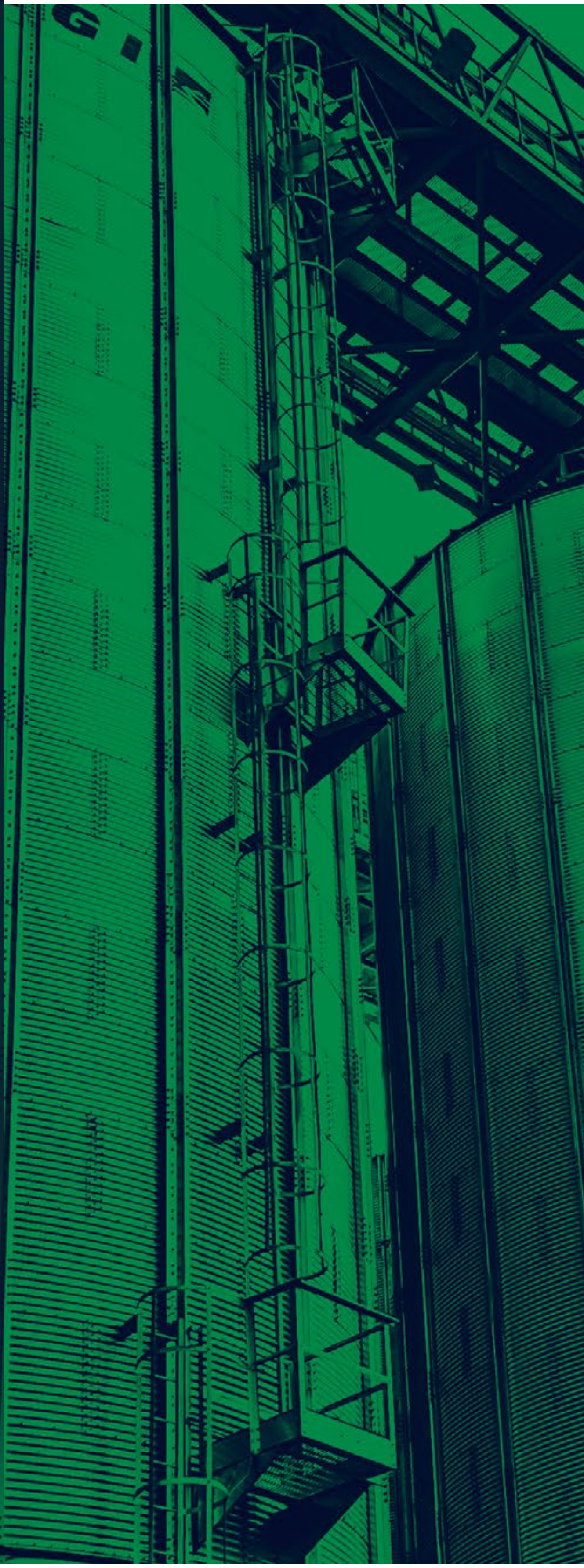
Competition in the domestic grain storage and conditioning market, like the portable grain handling market, is primarily North American based and includes both large and small companies that are generally privately-owned. While the North American market is mature, there is potential for significant demand in emerging markets such as Eastern Europe, the Middle East and Africa, and South America as farming practices in these regions evolve to be more similar to North American practices, including the use of on-farm storage. These areas represent a significant area of opportunity, particularly for companies that can leverage their manufacturing experience from the North American market. Competition in international markets includes the same North American companies as well as a number of regionally based competitors.

The market for commercial grain handling equipment includes 'commercial' grain handling operations (e.g. grain elevators and port terminals) as well as food processing operations and other industrial processors. Serving commercial grain handling operations is viewed as a logical extension for companies in the on-farm storage, handling, and conditioning business. As a result, a number of companies in the portable grain handling business modify their product offerings or introduce new product offerings aimed at these customers. Commercial grain handling operations are also served by larger, multinational companies and the competition between these companies is generally more global in nature. Within each global geographic region, there are also many small- to medium-sized competitors that are more regionally focused.

Within the North American fertilizer and material handling market, competition comes from several domestically owned companies. In addition, there are many smaller privately-owned manufacturers that operate throughout the North American market. The storage, distribution, and retail blending of fertilizer products are being concentrated into a few multinational companies, many of whom are also commercial grain handlers and AGI customers. Similar to the commercial grain handling market, much of the material handling equipment goes to market through general contractors. These general contractors range from small regional contractors to those that serve the entire North American market. Globally, there are regional fertilizer equipment manufacturers in many regions.

AGI believes that the focus on its core business and recent adoption of more disciplined business planning and strategy development cycles have positioned it well to compete with larger industry participants. In addition, AGI's large scale, geographic diversification, strong manufacturing presence, extensive distribution capabilities, and strategic technology offerings provide a competitive advantage over smaller industry participants.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE



Summary of current initiatives

AGI's sustainability efforts are driven by our sustainability strategy and roadmap, developed in 2020, and comprise four focus areas (People Well-Being, Sustainable Manufacturing, Responsible Conduct, and Compelling Solutions) and 15 material topics that enable us to deliver on our corporate mission. Through these focus areas, we remain committed to contributing to the United Nations Sustainable Development Goals where we can have the greatest impact.

In January 2023, AGI published its Sustainability Progress Update which highlighted our progress on priority Environmental, Social, and Governance ("ESG") topics across AGI's global operations. Following the release of this update, we continued to advance our global sustainability function and reporting capabilities, including through the participation in external sustainability questionnaires. We intend to continue to highlight our sustainability performance in future disclosures.

We have been advancing towards our sustainability objectives through a multi-year effort to ensure effectiveness and success. Throughout 2023, AGI made tangible progress across our focus areas and material topics. Highlights include:

- Continued to prioritize a safety-first culture, leading to an improvement in overall safety performance, including a decrease in our total recordable incident rate and lost time injury metrics and improvement in leading safety indicators,
- Conducted our first ever Employee Engagement Survey, with participation from AGI employees globally,
- Updated several policies including AGI's Supplier Ethics Policy to align with the International Labour Organization (ILO) conventions around child and forced labour,
- Continue to track energy and water consumption across our global facilities and identify areas for reduction,
- Formalized internal data collection capabilities to track AGI's Scope 1 and 2 greenhouse gas ("GHG") emissions data across all our facilities globally, and identified decarbonization opportunities for AGI,
- Established a cross-functional, executive-level climate working group to identify climate-related risks and opportunities most important to AGI,
- Continued to offer quality, reliable, durable solutions to our customers that support global food security outcomes and provided several external training courses for our customers with a focus on product user safety.

People Well-Being

Through our people well-being focus area, we strive to improve the lives of employees, customers, partners, and communities through a safe and inclusive culture.

Safety is a belief that unites our manufacturing facilities. Our goal is that every employee returns home at the end of each day in the exact same working condition in which they arrived at work. We continue to prioritize safety by adding resources, training, tools, and leadership focus. We are very pleased to report that these efforts are paying off – over the last several years, we have consistently reduced the number of recordable incidents and number of lost time injuries. This is an achievement made possible by the high level of engagement across all our facilities and is a testament to AGI's commitment to continuously improving our safety performance. By prioritizing the establishment of near-miss reporting programs and hazard identification, we have also seen an improvement in leading safety indicators, including in the total number of global near miss reports.

AGI's Safety Management System (ASMS) supports the management of safety risks and drives safety performance at the site level. Our Health and Safety Policy, which sets out our commitment to providing safe and healthy working conditions and to prevent injury and ill-health, is endorsed by our President & CEO and applies to AGI workers, contractors, customers, suppliers, and visitors. We continue to formalize our safety procedures and advance safety protocols in several critical areas. In April 2023, we held our third annual AGI Safety Week to strengthen the safety culture across AGI globally. The week is comprised of training and awareness building activities on safe work practices related to an identified theme, with this year's theme being hand safety. Each of AGI's facilities participates and develops safety priorities. We also continued the AGI Safety Standout Awards Program to recognize exemplary safety performance across AGI facilities and individuals. In 2023, we introduced a new award category for Safety at a Customer Site or Project. We continue to track both lagging and leading safety performance through the AGI Safety Incident App, which provides a centralized and standardized method for our facilities to enter data related to safety incidents, ensuring that leaders are made aware of incidents in a timely fashion, and allowing for analysis of future opportunities and targeted safety incidents.

With global operations, AGI has a diverse workforce that we see as a key driver for successful collaboration and innovation. This is core to our diversity and inclusion (D&I) mission statement - we strive to build to a culture that enables everyone to belong – which drives our D&I efforts. We prioritize providing our employees with

a supportive, safe, and collaborative environment to generate the best outcomes for AGI and our workforce. We are committed to providing equal employment opportunities regardless of race, sexual orientation, religion, age, gender, disability status, or any other dimension of diversity.

AGI's enterprise-wide leadership working group provides oversight, leadership, and support to progress D&I objectives. In 2023, we offered training and education on critical D&I topics such as unconscious bias to our next generation of leaders and AGI Directors, and plan to organize more education on a variety of D&I topics in 2024 across all levels of the organization. In 2023, we also conducted our inaugural global employee engagement survey to obtain feedback on culture and level of engagement at AGI. We intend to continue to obtain employee feedback through regular ongoing engagement surveys.

Across AGI, we routinely engage and contribute to the local communities in which we operate in a variety of ways including corporate sponsorships, employee volunteerism, donations, charity drives and fundraising activities. These community engagement initiatives are often sponsored and led by the teams at our facilities – showcasing the incredible initiative, compassion, and spirit of the AGI employee base globally. We have developed internal processes to track outcomes from these initiatives and measure our community impact on a global scale.

Sustainable Manufacturing

AGI operates all over the globe and we strive to minimize the environmental impact from our manufacturing facilities, in the near-term and over the long-run. Our sustainable manufacturing focus area seeks to first measure, then manage, and ultimately reduce, AGI's use of natural resources through continuous measurement and improvement at our global facilities.

AGI recognizes our obligation to the natural environment and is taking the necessary steps to identify, manage, and mitigate any potential environmental-related risks and opportunities from and within our operations. Our environmental policy describes our approach on energy management, water use, product innovation, and supplier development. AGI's locations keep track of all regulatory requirements and ensure that our operations comply with all applicable national, federal, state, and provincial regulations and standards. We have developed repeatable and reliable processes and controls to measure and monitor environmental performance in accordance with governing laws. This includes measuring our monthly energy and water consumption at the facility level. With accurate resource consumption data in hand, we can identify opportunities for improvement and reduction.

We have also increased our focus on understanding the climate impact of our operations, as well as the climate-related risks and opportunities facing AGI. Since measuring our baseline GHG emissions for the 2021 year, we have implemented an ongoing data collection process to calculate and report on our carbon footprint on an annual basis. With this data, we are identifying opportunities for the reduction of GHG emissions across our operations. In 2023, we also established a cross-functional, executive-level climate working group to identify climate-related risks and opportunities most important to AGI.

Responsible Conduct

Through our responsible conduct focus area, AGI seeks to enable our people and partners with policies, processes, training, and leading practices that govern our business interactions.

Our approach to sustainability oversight at AGI is aligned with best practices of other TSX-listed peers. The Governance and Sustainability (G&S) Committee of the Board serves as the lead for sustainability and ESG oversight, with other Board committees providing support on certain topics where they have specific skills, expertise, and experience that can help steward progress on those areas most efficiently. This approach ensures that we are maximizing the skill set of our Board, promotes visibility across the full Board, and helps position AGI to effectively manage our sustainability program in the years ahead.

We strive to empower our workforce with policies and resources to ensure ethical business practices. Our Code of Business Ethics sets out the basic rules, standards, and behaviours that all AGI employees and contractors must follow, and our Annual Ethics Questionnaire helps to confirm that employees have read and understood the Code. We have made an effort to update, document, and formalize several key policies to manage ethical conduct risks. They include the Harassment and Violence Prevention, Anti-Bribery and Anti-Corruption, and Supplier Ethics Policies. In 2023, we updated our Supplier Ethics Policy to address international standards that address child and forced labour and working conditions as defined in the UN International Labour Organization (ILO) conventions. In addition, we updated our corporate whistleblower policy.

AGI has measures in place to assess and monitor ESG-related risks and opportunities within our supply chain to create a positive operational impact, improve environmental stewardship, and ensure ethical labour practices. We continue to formalize our supply chain standard operating procedures and to formally embed these ESG processes and are working with our suppliers to identify opportunities for responsible procurement.

Compelling Solutions

AGI equipment, solutions, and technologies contribute to reducing post-harvest losses and increase food security. We are innovating every day to offer advanced solutions for customers and end-users that address quality and durability, energy efficiency, safety, and environmental considerations. We have made progress in several areas to ensure that AGI stays on the cutting-edge of what our customers require. This includes continuing to offer training to our customers and employees on the safe use of AGI products, advancing lean/green belt training for AGI employees, Quality Manufacturing Systems (QMS) certification, our Product Integrity Program (PIP), and the development of standard operating procedures for our Global Engineering and Global Product Management (GPM) departments, among many other initiatives.

RISKS AND UNCERTAINTIES

Risks Related to AGI's Business

The risks and uncertainties described below are not the only risks and uncertainties we face. Additional risks and uncertainties not currently known to us or that we currently consider immaterial also may impair our operations. If any of the following risks actually occur, our business, results of operations, financial condition, and the amount of cash available for dividends could be materially adversely affected. In that case, the trading price of the Common Shares and/or Debentures could decline, and investors could lose all or part of their investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described in this AIF or other unforeseen risks. See also "Risks and Uncertainties" in AGI's most recent Management's Discussion & Analysis, which is available on SEDAR+ (www. sedarplus.ca).

Industry and General Economic Conditions

Our success depends substantially on the health of the agricultural industry. The performance of the agricultural industry, including the grain handling, storage, and conditioning business, can be subject to economic conditions and seasonal as well as cyclical conditions. The performance of the agricultural industry, including the grain handling, storage, and conditioning business, is cyclical. Sales of agricultural equipment generally are related to the health of the agricultural industry, which is affected by farm income, farm input costs, debt levels and land values, all of which reflect levels of agricultural commodity prices, acreage planted, crop yields, agricultural product demand, including crops used as renewable energy sources such as ethanol, government policies and government subsidies. Sales are also influenced by economic conditions, interest rate, inflation rate and exchange rate levels and the availability of distributor and customer financing. Trends in the agricultural industry, such as farm consolidations, may affect the agricultural equipment market. In addition, weather conditions, such as floods, heat waves or droughts, can affect farmers' buying decisions. Downturns in the agricultural industry due to these or other factors could vary by market and are likely to result in decreases in demand for agricultural equipment, which would adversely affect our sales, growth, results of operations, and financial condition.

To the extent that the agricultural industry declines or experiences a downturn, this is likely to have a negative impact on the grain handling, storage, and conditioning business and the business of AGI. Among other things, the agricultural sector has in recent years benefited from an increase in crop production and investment in agricultural infrastructure including outside of North America. To the extent that crop production declines, or economic conditions or sociopolitical factors result in a decrease in agricultural investment including in offshore markets, this is likely to have a negative impact on the agricultural industry in those markets and the business of AGI.

In addition, if the ethanol industry declines or experiences a downturn, due to changes in governmental policies or otherwise, this may have a negative impact on the demand for and prices of certain crops which may have a negative impact on the grain handling, storage, and conditioning industry and the business of AGI.

Future developments in the North American and global economies may negatively affect the demand for our products. Management cannot estimate the level of growth or contraction of the economy as a whole or of the economy of any particular region or market that we serve. Adverse changes in our financial condition and results of operations may occur as a result of negative economic conditions, declines in stock markets, contraction of credit availability, political instability, local, regional or global pandemics or other health related emergencies and government and consumer reactions thereto, or other factors affecting economic conditions generally.

Business Interruption

The operation of AGI's manufacturing facilities are subject to a number of business interruption risks, including delays in obtaining production materials, plant shutdowns, labour disruptions, and weather conditions/natural disasters. AGI may suffer damages associated with such events that it cannot insure against or which it may elect not to insure against because of high premium costs or other reasons. For instance, AGI's Rosenort facility is located in an area that is often subject to widespread flooding and insurance coverage for this type of business interruption is limited. AGI is not able to predict the occurrence of business interruptions.

Risk of Decreased Crop Yields

Decreased crop yields due to poor or unusual weather conditions, natural disasters or other factors are a significant risk affecting AGI. Both reduced crop volumes and the accompanying decline in farm incomes can negatively affect demand for grain handling, storage, and conditioning equipment. Poor, unusual, or extreme weather conditions and natural disasters may be exacerbated by the effects of climate change.

Potential Volatility of Production Costs

Our products include various materials and components purchased from others, some or all of which may be subject to wide price variation, including in periods of high inflation. Consistent with industry practice, AGI seeks to manage its exposure to material and component price volatility by planning and negotiating significant purchases on an annual basis and through the alignment of material input pricing with the terms of contractual sales commitments. There can be no assurance that industry conditions will allow AGI to reduce its exposure to volatility of production costs by passing through price increases (in whole or in part) to its customers, particularly in periods of high inflation. A significant increase in the price of any component or material, such as steel, or in AGI's labour costs, could adversely affect our profitability.

Currency Exchange Risk

AGI's consolidated financial statements are presented in Canadian dollars. AGI generates the majority of its sales in U.S. dollars and the remainder in Canadian dollars and other currencies. In addition, AGI denominates a portion of its long-term borrowings in U.S. dollars as part of its foreign currency hedging strategy. Accordingly, fluctuations in the rate of exchange between the Canadian dollar and principally the U.S. dollar may significantly affect the Company's financial results. If the Canadian dollar strengthens relative to the U.S. dollar, profit and adjusted EBITDA would decline whereas a weakening of the Canadian dollar relative to the U.S. dollar would increase profit and adjusted EBITDA. The Company may enter into hedging arrangements as part of its currency hedging strategy to partially mitigate the potential effect of fluctuating exchange rates. To the extent AGI enters into such hedging arrangements, it potentially foregoes the benefits that might result from a weakening of the Canadian dollar relative to the U.S. dollar or other currencies in which it generates sales and in addition may realize a loss on its forward foreign exchange contracts to the extent that the relevant exchange rates are above the contract rates at the date of maturity of the contracts. Conversely, to the extent that AGI does not fully hedge its currency exchange exposure, it remains subject to the risk that a strengthening Canadian dollar relative to the U.S. dollar or other currencies in which it generates sales will adversely affect its financial results, which effects could be material to its business, prospects, and financial condition.

Acquisition and Expansion Risk

AGI has historically expanded its operations by increasing the scope or changing the nature of operations at existing facilities and by acquiring or developing additional businesses, products, and technologies in existing and new markets. We expect to realize strategic and other benefits as a result of our acquisitions and expansions including, among other things, the opportunity to extend our reach in the agricultural industry and provide our customers with a wider range of products and services. However, it is impossible to predict with certainty whether, or to what extent, these benefits will be realized. Further, there can be no assurance that the Company will continue to be able to identify, acquire, develop, or profitably manage additional businesses, or successfully integrate any acquired business, products, or technologies into AGI's business, or increase the scope or change the nature of operations at existing facilities without substantial expenses, delays or other operational or financial difficulties. The Company's ability to increase the scope, or change the nature of, its operations or acquire or develop additional businesses may be impacted by its cost of capital and access to credit.

Acquisitions and expansions, including the acquisition of businesses or the development of manufacturing capabilities outside of North America, may involve a number of special risks including diversion of management's attention, failure to retain key personnel, unanticipated events or circumstances, unanticipated market dynamics in new agricultural markets, added political and economic risk in other jurisdictions, risks associated with new market development outside of North America, and risks associated with the assumption of legal liabilities and the provision of indemnities to vendors in respect of such liabilities or otherwise, some or all of which could have a material adverse effect on AGI's performance. In emerging markets, some of these (and other) risks can be greater than they might be elsewhere. In addition, there can be no assurance that an increase in the scope or a change in the nature of operations at existing facilities or that acquired, or newly developed businesses, products, or technologies will achieve anticipated revenues and income. There is a risk that some or all of the expected benefits will fail to materialize or may not occur within the time periods anticipated by management. The realization of some or all of such benefits may be affected by a number of factors, many of which are beyond the control of AGI. The challenges involved in the integration of acquired businesses may include, among other things, the following:

- the necessity of coordinating both geographically disparate and geographically overlapping organizations;
- integration of information technology systems and resources;
- integrating the acquired business into AGI's accounting system and adjusting AGI's internal control environment to cover the operations of the acquired business;
- performance shortfalls relative to expectations at one or both of the businesses as a result of the diversion of management's attention to the acquisition;
- the existence of undisclosed liabilities of the businesses we acquire and that we did not anticipate;
- unplanned costs required to integrate the businesses and achieve synergies; and
- our ability to successfully carry out our growth strategies for acquired businesses will be affected by, among other things, our ability to maintain and enhance our relationships with their existing customers and suppliers, our ability to provide additional product distribution opportunities through our existing distribution channels, changes in the spending patterns and preferences of customers and potential customers, fluctuating economic and competitive conditions, and our ability to retain their key personnel.

Further, actual synergies, the expenses required to realize the synergies, and the sources of the synergies anticipated in connection with acquisitions could differ materially from management's estimates. In light of these significant uncertainties, an investor should not place undue reliance on the estimated synergies.

In addition, when AGI acquires a business or asset, it may assume liabilities arising out of or related to such business or asset and may agree to indemnify the counterparties to the acquisition for, among other matters, such liabilities. There also may be liabilities that AGI fails to discover or was unable to quantify during its due diligence and which could have a material adverse effect on AGI's business, financial condition, or future prospects. In addition, although AGI may receive representations and warranties from counterparties under acquisition agreements and receive related indemnities, the indemnifications may not apply or may be insufficient so as to fully indemnity AGI for a breach of any such representations and warranties. Further, AGI may agree to indemnify counterparties in certain circumstances for certain potential tax liabilities associated with the acquired business or asset or the structure of the acquisition.

The failure of the Company to manage its acquisition or expansion strategy successfully could have a material adverse effect on AGI's results of operations and financial condition.

International Sales and Operations

A portion of AGI's sales are generated in overseas markets, inclusive of emerging markets such as countries in Eastern Europe, including, most significantly, Ukraine, Russia and Romania; Central and South America including Brazil; the Middle East; Africa; and Southeast Asia including India. An important component of AGI's strategy is to increase its offshore sales and operations in the future. Sales and operations outside of North America, particularly in emerging markets, are subject to various additional risks, including: currency exchange rate fluctuations; foreign economic conditions; trade barriers; competition with North American and international manufacturers and suppliers; exchange controls; restrictions on dividends and the repatriation of funds; national and regional labour strikes; political risks; limitations on foreign investment; sociopolitical instability; fraud; risk of trade embargoes and sanctions prohibiting sales to specific persons or countries; risks of increases in duties; taxes and changes in tax laws; expropriation of property; currency devaluation; high levels of inflation; cancellation or modification of contract rights; unfavourable legal climate for the enforcement of contractual and other rights, including the collection of unpaid accounts; unfavourable political or economic climate limiting or eliminating support from export credit agencies; changes in laws and policies governing operations of foreign-based companies; and risks of loss due to civil strife and acts of war.

There is no guarantee that one or more of these factors will not materially adversely affect AGI's offshore sales and operations in the future, which could have a material adverse effect on AGI's results of operations and financial condition.

Geopolitical Risks

From time to time there have also been instances of political turmoil and other instability in some of the international countries in which AGI operates, including political changes, civil unrest, war and other military action, which have contributed to significant economic uncertainty and volatility, including most recently in Ukraine and Russia and the Middle East. AGI closely monitors the political, economic, and military situation in these countries and will seek to take actions to mitigate its exposure to potential risk events. However, AGI has no way to predict the outcome of political instability in the countries in which it operates. Continued civil unrest, war or other military activities, or broader-based financial sanctions or trade sanctions or embargoes, should they be implemented, in any such country could have a material adverse effect on our sales in such country and other countries in the region and a material adverse effect on our sales, growth, results of operations, and financial condition.

The ongoing military invasion of Ukraine by Russia and the resulting economic sanctions being imposed on Russia and certain individuals, banks, and companies viewed as allies of the Russian administration by many countries (including Canada, the United States and the countries of the European Union) and counter-measures taken by Russia, exposes AGI to certain risks. These risks include but are not limited to direct risks such as delay or termination of projects and a reduction of resulting sales in the region and impacts on the creditworthiness of customers and suppliers in the region and indirect risks including those relating to the potential impacts on regional and world economic markets and the regional and world economy including impacts on energy, commodity and financial markets, supply disruptions and increases in production costs. AGI's exposure to Russia and Ukraine varies year to year, but prior to 2022 the region generally contributed about 3% of AGI's consolidated revenue annually. AGI has no production facilities in either country. Given the contributions of Brazil, India and the rest of the EMEA region, AGI is more diversified from the region than we were in past years. While the region is important to AGI, any negative impacts have not been material to AGI overall. The near and long-term impacts of the conflict and the associated sanctions and counter-measures including on the world economy remain uncertain.

Changes to Trade Agreements

Our business is global in scope and benefits from the free flow of goods and services between countries and is therefore affected by trade agreements and other government treaties, regulations and policies relating to international commerce. Any changes that increase the cost of or limit international trade or otherwise impact the global economy, including through the increase in prices for inputs, could have a material adverse effect on our business, financial condition, and results of operations.

While in office, the Trump administration in the U.S. implemented and threatened to implement policies which called into question U.S. support for treaty and trade relationships with other countries and which supported increased protectionism in the U.S., including through the implementation of tariffs for certain goods and commodities imported into the U.S., including from Canada. The Biden administration in the U.S. has continued or implemented certain policies which support increased protectionism in the U.S. Any future actions taken by the U.S., including the withdrawal of the U.S. from, or changes to, international trade agreements or policies related to international commerce, could have a negative impact on the Canadian economy and adversely affect our financial condition and results of operations, as could the continuing uncertainty regarding whether such actions will be taken.

Anti-Corruption Laws

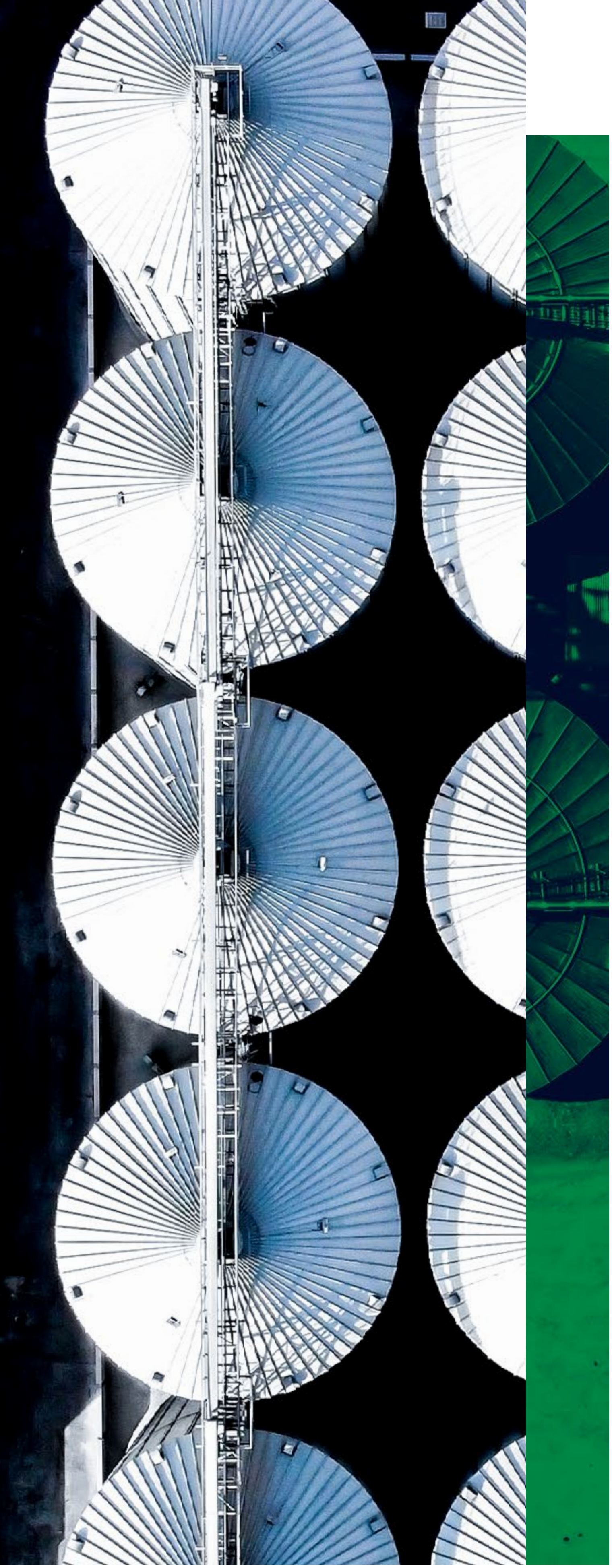
The Company's business practices must comply with the Corruption of Foreign Public Officials Act (Canada) and other applicable similar laws. These anti-corruption laws generally prohibit companies and their intermediaries from making improper payments or providing anything of value to improperly influence government officials or private individuals for the purpose of obtaining or retaining a business advantage regardless of whether those practices are legal or culturally expected in a particular jurisdiction. These risks can be more acute in emerging markets. Recently, there has been a substantial increase in the global enforcement of anti-corruption laws. If violations of these laws were to occur, they could subject us to fines and other penalties as well as increased compliance costs and could have an adverse effect on AGI's reputation, business and results of operations, and financial condition.

Agricultural Commodity Prices, International Trade and Political Uncertainty

Prices of agricultural commodities are influenced by a variety of unpredictable factors that are beyond the control of AGI, including weather, government (Canadian, United States and other) farm programs and policies, and changes in global demand or other economic factors. A decrease in agricultural commodity prices could negatively affect the agricultural sector and the business of AGI. New legislation or amendments to existing legislation may ultimately affect demand for the Company's products. The world grain market is subject to numerous risks and uncertainties, including risks and uncertainties related to international trade and global political conditions.

Competition

AGI experiences competition in the markets in which it operates. Certain of AGI's competitors have greater financial and capital resources than AGI. AGI 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 AGI's primary markets. As the grain handling, storage, and conditioning equipment sector is fragmented, there is also a risk that a larger, formidable competitor may be created through a combination of one or more smaller competitors. AGI may also face potential competition from the emergence of new products or technology. See "Operations and Production – Competition" for further details regarding the competitive landscape affecting AGI and its business.



Seasonality of Business

The agricultural equipment business is highly seasonal, which causes our quarterly results and our cash flow to fluctuate during the year. In North America, farmers generally purchase agricultural equipment in the Spring and Fall in conjunction with the major planting and harvesting seasons. In addition, the fourth quarter typically is a significant period for retail sales because of year-end tax planning considerations, the increase in availability of funds from completed harvests, and the timing of dealer incentives. Our revenue historically has been higher in the second and third calendar quarters compared with the first and fourth quarters and our cash flow has been lower in the first three quarters of each calendar year, which may affect the ability of the Company to pay cash dividends to shareholders, or the quantum of such dividends, if any. In addition, growth in our international business, which typically has longer payment terms than North America, may result in an increase in the number of days accounts receivable remain outstanding and may result in increased usage of working capital in certain quarters. No assurance can be given that our Credit Facility will be sufficient to offset the seasonal variations in AGI's cash flow.

Potential Acquisition, Investment and Disposition Opportunities

In the normal course, AGI regularly evaluates and considers and may be engaged in discussions and negotiations with respect to potential acquisition, investment, and disposition opportunities that it believes may assist it in achieving its business and growth plans and in connection therewith it may at any time have outstanding non-binding letters of intent or conditional agreements which individually or together may be material. There can be no assurance that any such discussions, negotiations, non-binding letters of intent, or conditional agreements will result in a definitive agreement with respect to an acquisition, investment, or disposition and, if they do, what the terms or timing of such would be or that such acquisition, investment, or disposition will be completed. If the Company does complete any such transaction, it cannot assure investors that the transaction will ultimately strengthen AGI's financial or operating results, prospects, or competitive position or that it will not be viewed negatively by customers, securities analysts, or investors. Such transactions may also involve significant commitments of the Company's financial and other resources including the completion of additional financings of equity or debt (which may be convertible into equity). Any such activity may not be successful in generating revenue, income or other returns to the Company and the resources committed to such activities will not be available to the Company for other purposes.

Forward-Looking Information May Prove Inaccurate

Readers are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties can be found in this AIF under the heading "Cautionary Note Regarding Forward-Looking Information".

Impact of Pandemics and Contagious Disease

In the event of a local, regional or global pandemic, local, regional or federal governments around the world may close borders and/or order the closure of institutions and businesses deemed non-essential. This could result in a significant reduction in economic activity in Canada, the United States and internationally along with restrictions on our ability to produce and distribute, and a drop in demand for, our products and services. Any reduction in economic activity in certain countries resulting from a pandemic or contagious disease, government-imposed lockdowns and other restrictions could have a negative effect on the production and distribution of, and the demand for, our products and services and could aggravate the other risk factors identified herein.

Litigation

The Company may be exposed to litigation, claims and other legal proceedings relating to its products, operations and compliance with various laws and regulations, which could have a material adverse effect on the Company's business. In the ordinary course of business, the Company is subject to a variety of product-related claims, lawsuits and legal proceedings, including those relating to product liability, product warranty, product recall, personal injury, and other matters. The Company's design services and turnkey solutions offerings carry additional exposure to product liability, intellectual property infringement, and other claims.

Any such claims, whether with or without merit, could be time consuming and expensive to defend and could divert management's attention and resources. A very large claim or several similar claims asserted by a large class of plaintiffs could have a material adverse effect on the Company's business if the Company is unable to successfully defend against or resolve these matters or if its insurance coverage is insufficient to satisfy any judgments against the Company or settlements relating to these matters. Although the Company has product liability insurance and other types of insurance, the policies may not provide coverage for certain claims against the Company or may not be sufficient to cover all possible liabilities. Further, the Company may not be able to maintain insurance at commercially acceptable premium levels. Adverse publicity arising from claims made against the Company, even if the claims are not successful, could adversely affect the Company's reputation or the reputation and sales of its products. An adverse outcome in any intellectual property litigation could require that AGI, among other things: pay substantial damages and/or cease the development, use or sale of processes that infringe upon other patented intellectual property; expend significant resources to develop or acquire non-infringing intellectual property; discontinue processes incorporating infringing technology; or obtain licenses to the infringing intellectual property and some or all of which could have a material adverse effect on AGI's business and financial results.

In 2021, two legal claims related to the bin collapse described below under "Warranty Obligations" were initiated against AGI. AGI has settled one of the claims and has legal and contractual defenses to the remaining claim, in respect of which AGI has filed its defense, and is defending itself. AGI continues to believe that any financial impact from the remaining claim will be at least partially offset by insurance coverage. AGI is working with insurance providers and external advisors to determine the extent of this cost offset. Insurance recoveries, if any, will be recorded when received. See also "Legal Proceedings and Regulatory Actions". AGI's financial condition, results of operation and business could be materially and adversely affected if AGI is unable to successfully defend against or resolve this claim or if its insurance coverage is insufficient to satisfy any judgments against AGI or settlements relating to this claim or is otherwise not available.

Warranty Obligations

From time to time, AGI may be required to resupply or recomplete equipment or work previously supplied or completed at AGI's cost, which cost may be material. Any such resupply or recompletion of equipment or work may divert a significant amount of management's attention and time and other resources away from the pursuit of AGI's business plan and materially and adversely affect AGI's financial condition, results of operation and business reputation.

Over the period of 2019 to 2020, AGI entered into agreements to supply 35 large hopper bins for installation by third parties on two grain storage projects. In 2020, a bin at one of the customer facilities collapsed during commissioning, and legal claims related to the incident were initiated against AGI. In July 2023, AGI reached a settlement agreement with the customer at the site where the bin collapsed for its claims related to the incident. During the year ended December 31, 2023, the terms of the settlement agreement were finalized and as at December 31, 2023, the warranty provision for remediation costs was $0.1 million, with $16.2 million added in relation to the settlement agreement and $57.6 million of the provision having been utilized during the year ended December 31, 2023. AGI also has a provision for equipment rework that relates to previously identified issues with equipment designed and supplied to one commercial facility. As at December 31, 2023, the warranty provision for the equipment rework is $2.0 million, with $7.9 million added based on revised estimated costs of completion and $18.8 million utilized during the year ended December 31, 2023. Although AGI continues to believe that the remediation costs will be at least partially offset by insurance coverage, there can be no assurance that some of AGI's losses will be covered by insurance. The provisions for remediation and equipment rework costs disclosed in AGI's financial statements required significant estimates, judgments and assumptions about the scope, nature, timing, and cost of work that will be required. It is based on management's assumptions, judgments and estimates at the applicable date and is subject to revision in the future as further information becomes available to AGI. AGI assesses the amount of the accrual each fiscal quarter to determine whether the amount of the accrual continues to be appropriate. Any such assessment may result in an increase in the amount accrued and any such increase may be material. AGI's financial condition, results of operation and business could be materially and adversely affected if the costs of remediation and equipment rework are materially greater than the amount that has been accrued or the remediation costs are not offset in whole or in part by expected insurance coverage.

Dependence on Key Personnel

The operations and management of AGI require the recruitment and retention of a skilled workforce, including engineers, technical personnel, and other professionals. The loss of key members of such workforce, or a substantial portion of the workforce as a whole, could result in the failure to implement AGI's business plans which could have a material adverse effect on AGI's business, financial condition, results of operations, and prospects.

Competition for qualified personnel in the agricultural industry is intense and there can be no assurance that AGI will be able to continue to attract and retain all personnel necessary for the development and operation of its business. AGI does not have any key personnel insurance in effect. Contributions of the existing management team to the immediate and near-term operations of AGI are likely to be of central importance. In addition, certain of AGI's current employees are senior and have significant institutional knowledge that must be transferred to other employees prior to their departure from the workforce. If AGI is unable to: (i) retain current employees; (ii) successfully complete effective knowledge transfers; and/or (iii) recruit new employees with the requisite knowledge and experience, AGI could be negatively impacted. In addition, AGI could experience increased costs to retain and recruit these professionals.

Labour Costs and Shortages

The success of AGI'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 AGI to hire or retain staff at current wage levels, including periods of high inflation and/or labour actions, which could in turn have an adverse effect on the Company's results of operations.

Distribution, Sales Representative and Supply Contracts

AGI sometimes does not enter into written agreements with its dealers, distributors, agents or suppliers. As a result, such parties may, without notice or penalty, terminate their relationship with AGI at any time. In addition, even if such parties should decide to continue their relationship with AGI, there can be no guarantee that the consideration or other terms of such contracts will continue on the same basis. AGI often enters into supply agreements with customers which may include penalties for non-performance including in relation to product quality, late delivery, and in some cases project assembly services. In addition, contractual commitments negotiated with foreign customers conducted in languages other than English may increase the likelihood of disputes with respect to agreed upon commitments. In addition, in the event AGI fails to perform to the standards of its contractual commitments, it could suffer a negative financial impact, which in some cases could be material.

Availability of Credit

Our Credit Facility matures on May 11, 2026 and is renewable at the option of the lenders. There can be no guarantee the Company will be able to obtain alternate financing or that future credit facilities will have the same terms and condition as our existing Credit Facility. This may have an adverse effect on the Company, its ability to pay dividends and the market value of its Common Shares and other securities. In addition, the business of the Company may be adversely impacted in the event that the Company's customers do not have access to sufficient financing to purchase AGI's products and services.

Inflation and Interest Rates

Recently, Canada, the United States and other countries have experienced high levels of inflation, supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs and commodity prices, and additional government intervention through stimulus spending and additional regulations. These factors have increased AGI's costs. The Company's inability to manage costs may impact our profitability and future investment decisions, which could have a material adverse effect on our financial performance and cash flows.

In addition, many central banks including the Bank of Canada and U.S. Federal Reserve have taken steps to raise interest rates in an attempt to combat inflation. The rise in interest rates has impacted AGI's borrowing costs. The increase in borrowing costs may impact our profitability and future investment decisions, which could have a material adverse effect on our financial performance and cash flows. Rising or persistently high interest rates could also result in a recession in Canada, the United States or other countries. A recession may have a negative impact on demand for our products and services, which would adversely impact our revenues and cash flows. We cannot determine the impact (and duration thereof) that elevated levels of inflation and high interest rates will have on the economies of Canada, the United States and other countries in which we operate or on the demand for our products and services.

AGI's Credit Facility bears interest at rates that are in part dependent on performance-based financial ratios. The Company's cost of borrowing may be impacted to the extent that the ratio calculation results in an increase in the performance-based component of the interest rate. To the extent that the Company has term and operating loans where the fluctuations in the cost of borrowing are not mitigated by interest rate swaps, the Company's cost of borrowing may be impacted by fluctuations in market interest rates, which as noted above rose substantially in 2022 and 2023.

Operating Hazards

AGI's revenue is dependent on the continued operation of its facilities. The operation of facilities involves risks, including the failure or substandard performance of equipment, natural disasters (including pandemics), suspension of operations and new governmental statutes, regulations, guidelines, and policies. AGI's operations are also subject to various hazards incidental to the production, use, handling, processing, storage, and transportation of certain hazardous materials. These hazards can cause fatal personal injury, severe damage to and destruction of property and equipment and environmental damage. There can be no assurance that as a result of past or future operations, there will not be claims of injury by employees or members of the public due to exposure, or alleged exposure, to these materials. There can be no assurance as to the actual amount of these liabilities or their timing.

Uninsured and Underinsured Losses

AGI 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.

AGI obtains insurance for certain of its accounts receivables while assuming a percentage of the risk, most often 10% of the insured amount. In the event that AGI is unable to collect on its accounts receivables, the Company will incur financial losses related to the uninsured portion.

AGI's insurance policies are generally renewed on an annual basis and, depending on factors such as market conditions, the premiums, policy limits and/or deductibles for certain insurance policies can vary substantially. In some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. Significantly increased costs could lead AGI to decide to reduce, or possibly eliminate, coverage. In addition, insurance is purchased from a number of third-party insurers, often in layered insurance arrangements, some of which may discontinue providing insurance coverage for their own policy or strategic reasons. Should any of these insurers refuse to continue to provide insurance coverage, AGI's overall risk exposure could be increased and we could incur significant costs.

Income Tax Matters

Income tax provisions, including current and deferred income tax assets and liabilities and income tax filing positions require estimates and interpretations of income tax rules and regulations of the various jurisdictions in which AGI or its subsidiaries operate and judgments as to their interpretation and application to AGI's specific situation. The amount and timing of reversals of temporary differences also depends on AGI's future operating results, acquisitions and dispositions of assets and liabilities. The business and operations of AGI are complex and AGI has executed a number of significant financings, acquisitions, reorganizations, and business combinations over the course of its history. The computation of income taxes payable as a result of these transactions involves many complex factors as well as AGI's interpretation of and compliance with relevant tax legislation and regulations. While AGI believes that its existing and proposed tax filing positions are probable to be sustained, there are a number of existing and proposed tax filing positions that are or may be the subject of review by taxation authorities. Therefore, it is possible that additional taxes could be payable by AGI and the ultimate value of AGI's income tax assets and liabilities could change in the future and that changes to these amounts could have a material adverse effect on AGI and its financial results.

Leverage, Restrictive Covenants

The degree to which AGI is leveraged could have important consequences to shareholders, including: (i) the ability to obtain additional financing for working capital, capital expenditures, or acquisitions in the future may be limited; (ii) a material portion of AGI's cash flow from operations may need to be dedicated to payment of the principal of and interest on indebtedness, thereby reducing funds available for future operations and to pay dividends; (iii) certain of the borrowings under the Company's Credit Facility may be at variable rates of interest, which exposes AGI to the risk of increased interest rates (which increased substantially in 2022 and 2023); and (iv) AGI may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures. AGI's ability to make scheduled payments of principal and interest on, or to refinance, its indebtedness will depend on its future operating performance and cash flow, which are subject to prevailing economic conditions, prevailing interest rate levels and financial, competitive, business and other factors, many of which are beyond its control.

The ability of AGI to pay dividends or make other payments or advances is subject to applicable laws and contractual restrictions contained in the instruments governing its indebtedness, including our Credit Facility. The Credit Agreement contains restrictive covenants customary for agreements of this nature, including covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of AGI to incur additional indebtedness, to pay dividends or make certain other payments and to sell or otherwise dispose of material assets. In addition, the Credit Agreement contains financial covenants that require AGI to meet certain financial ratios and financial tests. A failure to comply with these obligations could result in an event of default, which, if not cured or waived, could permit acceleration of the relevant indebtedness and trigger financial penalties. If the indebtedness under the Credit Facility was to be accelerated, there can be no assurance that the assets of AGI would be sufficient to repay in full that indebtedness. There can also be no assurance that the Credit Facility or any other indebtedness of the Company will be able to be refinanced.

Information Systems, Privacy and Data Protection

Security breaches and other disruptions to AGI's information technology infrastructure could interfere with AGI's operations and could compromise AGI's and its customers' and suppliers' information, exposing AGI to liability that would cause AGI's business and reputation to suffer.

In the ordinary course of business, AGI relies upon information technology networks and systems, some of which are managed by third parties, to process, transmit, and store electronic information and to manage or support a variety of business processes and activities, including supply chain, manufacturing, distribution, invoicing, and collection of payments from dealers or other purchasers of AGI equipment. AGI uses information technology systems to record, process, and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal, and tax requirements.

Additionally, AGI collects and stores sensitive data, including intellectual property, proprietary business information and the proprietary business information of AGI's customers and suppliers, as well as personally identifiable information of AGI's customers and employees, in data centers and on information technology networks. The secure operation of these information technology networks and the processing and maintenance of this information is critical to AGI's business operations and strategy. Despite security measures and business continuity plans, AGI's information technology networks and infrastructure may be vulnerable to damage, disruptions or shutdowns due to attacks by hackers or breaches due to employee error or malfeasance or other disruptions during the process of upgrading or replacing computer software or hardware, power outages, computer viruses, telecommunication or utility failures or natural disasters or other catastrophic events. The occurrence of any of these events could compromise AGI's networks and the information stored there could be accessed, publicly disclosed, lost, or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, disrupt operations and damage AGI's reputation, which could adversely affect AGI's business.

Further, the global regulatory environment surrounding the collection, maintenance and transfer of personal information is increasingly demanding, with laws which impose stringent data protection requirements and significant penalties for non-compliance. Other regulations govern the collection and transfer of data and data security generally. These regulations generally impose penalties in the event of violations. Violating these regulations, or failing to secure personal information, could result in a violation of applicable privacy and other laws, significant legal and financial exposure, which could have an adverse effect on our results of operations and our reputation.

Labour Relations

AGI's workforce is comprised of both unionized and non-unionized employees. With respect to those employees that are covered by collective bargaining agreements, there can be no assurance as to the outcome of any negotiations to renew such agreements on satisfactory terms. Failure to renegotiate collective bargaining agreements could result in strikes, work stoppages, or interruptions and if any of these events were to occur, they could have a material adverse effect on AGI's reputation, operations, and financial performance. If non-unionized employees become subject to collective agreements, the terms of any new collective agreements would have implications for the affected operations and those implications could be material.

Environmental

AGI's operations are subject to a broad range of laws and regulations governing, among other things, emissions, the management of contaminants and wastes (including the generation, handling, storage, transportation, treatment and disposal of contaminants and wastes), discharges to water and the remediation of environmental impacts (such as the contamination of soil and water, including groundwater). AGI may, for example, attract liability by operation of law, pursuant to an administrative proceeding or other regulatory control, or from a third-party claim (such as from a neighbour) in the event that contaminants have been or are released into the environment, whether on AGI's own property, or on other property where AGI has caused or permitted such release. AGI may also incur liability as a former owner, operator or person in control or management (such as a tenant) of a property or business operation after the sale or abandonment of the property or operation, for contaminants or wastes transported from, disposed of, deposited or released at, on or from a property or operation during the time that AGI operated or was in management or control of the property or operation.

To date, expenditures for environmental matters have not had a material effect upon the business, financial condition, or results of operations of AGI. However, no assurance can be given that all environmental liabilities have been determined or accurately quantified, that AGI is not responsible for a material environmental condition not known to it, or that environmental laws and regulations will not change or be enforced in the future in a manner that will have an adverse effect on the business, financial conditions, or results of operations of AGI.

Climate Change

AGI recognizes climate change as an important environmental issue facing society. Accordingly, AGI is committed to responsibly managing the regulatory and physical impacts of climate change on its business. It is impracticable to predict with certainty the impact of climate change or the regulatory responses to it, on our business although we recognize that they could be significant. The most direct impacts are likely to be an increase in energy costs, which would increase our operating costs and an increase in the costs of the products we purchase from others. In addition, increased energy costs for our customers could impact demand for our products. It is too soon for us to predict with any certainty the ultimate impact of additional regulation, either directionally or quantitatively, on our overall business, results of operations or financial condition. Furthermore, the potential physical impacts of climate change (such as extreme weather conditions, including extreme hot and cold weather, heavy snowfall, heavy rainfall, drought and wildfires) on our facilities, suppliers, and customers and therefore on our operations are highly uncertain and will be particular to the circumstances in various geographical regions. These may include long-term changes in temperature levels and water availability. These potential physical effects may adversely impact the demand for our products and the cost, production, sales, and financial performance of our operations.

Intellectual Property

We own and have licenses to the rights under a number of domestic and foreign patents, trademarks, trade names, and brand names relating to our products and businesses. Certain of these patents, trademarks, trade names, and brand names are an important part of our business and their loss could have a material adverse effect on us.

PROFITABLE ORGANIC GROWTH

Third-Party Credit Risk

AGI may be exposed to third-party credit risk through its contractual arrangements with its current or future customers, contractual counterparties and other third parties. In the event such entities fail to meet their contractual obligations to AGI, such failures may have a material adverse effect on AGI's business, financial condition, results of operations, and prospects. To the extent that any of such third parties go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in AGI being unable to collect all or a portion of any money owing from such parties, which could materially and adversely affect AGI's financial and operational results.

Conflicts of Interest

Certain directors or officers of AGI may also be directors or officers of other companies operating in the agricultural or similar industries and as such may, in certain circumstances, have a conflict of interest. Conflicts of interest, if any, will be subject to and governed by procedures prescribed by the CBCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with AGI to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the CBCA.

Cash Dividends are not Guaranteed

Future dividend payments by AGI, if any, and the level thereof are uncertain, as AGI's dividend policy and the funds available for the payment of dividends from time to time are dependent upon, among other things, operating cash flow generated by AGI and its subsidiaries, financial requirements for AGI's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements, operating costs, the terms of our Credit Facility, the satisfaction of the liquidity and solvency tests imposed by the CBCA for the declaration and payment of dividends, and other factors beyond AGI's control. Depending on these and various other factors, many of which will be beyond the control of AGI, future cash dividends could be reduced or suspended entirely. The market value of the Common Shares may decline if cash dividends are reduced or suspended.

AGI May Issue Additional Common Shares Diluting Existing Shareholders' Interests

The Company is authorized to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by the Board without the approval of shareholders, except as may be required by the TSX.

In addition, the Company may, at its option, satisfy its obligations with respect to the interest payable on the Debentures and the repayment of the principal amount of the Debentures through the issuance of Common Shares. AGI may also make future acquisitions and issue securities as consideration. Accordingly, holders of Common Shares may suffer dilution.

ERP Implementation

AGI is undertaking a comprehensive enterprise resource planning (ERP) project that will apply to nearly all areas of the organization. Implementation will be a multi-year process but does carry certain risks, including that our expectations for project costs, project timelines, ERP functionality, expected benefits, and/or other aspects of the ERP implementation plan deviate from the current plan and have an adverse impact on our operations as a result.

ADDITIONAL RISKS RELATED TO THE DEBENTURES

Market for Debentures

The market price of the Series 1 Senior Debentures, the Series 2 Senior Debentures, the Series 3 Senior Debentures, the 2021 Debentures and the 2022 Debentures (collectively, the "Debentures") may be volatile and subject to wide fluctuations and is based on a number of factors, including: (i) the prevailing interest rates being paid by companies similar to the Company; (ii) the overall condition of the financial and credit markets; (iii) interest rate volatility; (iv) the markets for similar securities; (v) actual or anticipated fluctuations in the financial condition, results of operations and prospects of the Company; (vi) the publication of earnings estimates or other research reports and speculation in the press or investment community; (vii) the market price and volatility of the Common Shares; (viii) changes in the industry in which the Company operates and competition affecting the Company; and (ix) general market and economic conditions in North America, South America, EMEA, South Asia and globally. The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the market price of the Debentures.

Prior Ranking Indebtedness

The 2021 Debentures and the 2022 Debentures (collectively, the "Convertible Debentures") are subordinate to all existing and future Senior Indebtedness (as defined in the applicable debenture indenture governing the Convertible Debentures (each a "Convertible Debenture Indenture")) of the Company, including the Senior Debentures and to any indebtedness to trade creditors of the Company. The Convertible Debentures are also effectively subordinate to claims of creditors of the Company's subsidiaries for payment of which the Company is responsible or liable, whether absolutely or contingently. Therefore, if the Company becomes bankrupt, liquidates its assets, reorganizes, or enters into certain other transactions, the Company's assets will be available to pay its obligations with respect to the Convertible Debentures only after it has paid all of its Senior Indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Convertible Debentures then outstanding.

The Series 1 Senior Debentures, Series 2 Senior Debentures, and Series 3 Senior Debentures (collectively, the "Senior Debentures") are subordinate to all existing and future Senior Secured Indebtedness (as defined in the debenture indenture governing the Senior Debentures (the "Senior Debenture Indenture")) of the Company. The Senior Debentures are also effectively subordinate to other secured indebtedness that is not Senior Secured Indebtedness to the extent of the value of the assets securing such secured indebtedness. Therefore, if the Company becomes bankrupt, liquidates its assets, reorganizes, or enters into certain other transactions, the Company's assets will be available to pay its obligations with respect to the Senior Debentures only after it has paid all of its Senior Secured Indebtedness and other secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Senior Debentures then outstanding.

None of the Debentures are guaranteed by the Company's subsidiaries and are therefore effectively structurally subordinated to all of the debt of these subsidiaries and claims of creditors of such subsidiaries except to the extent the Company is a creditor of such subsidiaries ranking at least pari passu with such other creditors. Accordingly, in the event of insolvency, liquidation, reorganization, dissolution or other winding-up of any such subsidiary, all of that subsidiary's creditors (including trade creditors) would be entitled to payment in full out of that subsidiary's assets before the Company would be entitled to any payment. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Debentures then outstanding.

Absence of Covenant Protection

Neither the Convertible Debenture Indenture nor the Senior Debenture Indenture (collectively, the "Debenture Indentures") restrict the Company from incurring additional indebtedness for borrowed money or other obligations, including Senior Secured Indebtedness or other secured obligations (which would rank senior to the Convertible Debentures and, to the extent of the collateral securing such indebtedness, to the Senior Debentures), unsecured and subordinated indebtedness (which would rank senior to the Convertible Debentures and pari passu with the Senior Debentures) and liabilities or obligations that do not constitute indebtedness. Further, the Debenture Indentures do not restrict the Company from mortgaging, pledging, or charging its properties to secure any indebtedness or liabilities. Nor do the Debenture Indentures prohibit or limit the ability of the Company to pay dividends, except where an Event of Default (as defined in the applicable Debenture Indentures) has occurred and such default has not been cured or waived, which, if paid, will reduce AGI's available cash flow and assets available to holders of the Debentures upon redemption or maturity of the Debentures. The Debenture Indentures do not contain any provision specifically intended to protect holders of the Debentures in the event of a future leveraged transaction involving the Company. If new debt is added to AGI's current debt levels, the related risks that AGI now faces could intensify.

If AGI incurs additional indebtedness for borrowed money or other obligations or liabilities, it may have the effect of reducing the amount of proceeds distributed to holders of Debentures in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of or such proceedings involving AGI. Further, in the case of the Senior Debentures, if AGI incurs any additional obligations that rank equally with the Senior Debentures, subject to collateral arrangements, the holders of such obligations will be entitled to share ratably with holders of the Senior Debentures in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of AGI.

Prevailing Yields on Similar Securities

Prevailing yields on similar securities will affect the market value of the Debentures. Assuming all other factors remain unchanged, the market value of the Debentures will decline as prevailing yields for similar securities rise and will increase as prevailing yields for similar securities decline.

Credit Risk

The ability of the Company to make scheduled payments on or to refinance its debt obligations, including the Debentures, depends on the Company's financial condition and operating performance, which are subject to a number of factors beyond the Company's control. AGI conducts its operations, directly and indirectly, through certain subsidiaries. Accordingly, AGI relies upon distributions and other payments from such subsidiaries to generate a portion of the funds necessary to pay the principal of and interest on, the Debentures. The ability of such subsidiaries to pay distributions and other payments including, but not limited to, dividends to AGI may be restricted by, among other things, the availability of cash flows from operations, contractual restrictions in AGI's debt instruments, applicable corporate laws and other laws and agreements of AGI's subsidiaries.

The Company may be unable to maintain a level of cash flow from operating activities sufficient to permit the Company to pay the principal, premium, if any and interest on its indebtedness, including the Debentures. If the Company's cash flow and capital resources are insufficient to fund its debt service obligations, the Company could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance its indebtedness, including the Debentures. The Company may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow the Company to meet its scheduled debt service obligations. The Company's inability to generate sufficient cash flow to satisfy its debt obligations, or to refinance its indebtedness on commercially reasonable terms or at all, would materially and adversely affect the Company's business, results of operations, financial condition, and its ability to satisfy its obligations under the Debentures. The Debentures are not rated by any designated rating organization and AGI has no current plans to apply for a credit rating.

No Assurance Future Financing Will be Available

AGI may need to refinance certain of its existing debt at or prior to its maturity or obtain additional financing in the future. The ability to obtain such additional financing will depend upon a number of factors, including prevailing market conditions and the operating performance of AGI. There can be no assurance that any such financing will be available to AGI on favourable terms or at all. If financing is available through the sale of debt, equity or capital properties, the terms of such financing may not be favourable to AGI. Failure to raise capital when required could have a material adverse effect on AGI's business, financial condition and results of operations.

Redemption Prior to Maturity

The Debentures may be redeemed, at the option of the Company, prior to maturity, subject to certain conditions. Holders of Debentures should understand that this redemption option may be exercised if the Company is able to refinance at a lower interest rate or it is otherwise in the interests of the Company to redeem the Debentures. See also "Change of Control" below.

Change of Control

The Company will be required to make an offer to purchase all of the outstanding Debentures for cash in the event of certain transactions that would constitute a Change of Control (as defined in the applicable Debenture Indenture). The Company cannot assure holders of Debentures that, if required, it would have sufficient cash or other financial resources at that time or would be able to arrange financing to pay the purchase price of the Debentures in cash. The Company's ability to purchase the Debentures in such an event may be limited by law, by the Debenture Indentures governing the Debentures, by the terms of other present or future agreements relating to our Credit Facility and other indebtedness and agreements that the Company may enter into in the future which may replace, supplement, or amend the Company's future debt. The Company's future credit agreements, if any, or other agreements may contain provisions that could prohibit the purchase by the Company of the Debentures without the consent of the lenders or other parties thereunder. If the Company's obligation to offer to purchase the Debentures arises at a time when the Company is prohibited from purchasing or redeeming the Debentures, the Company could seek the consent of lenders to purchase the Debentures or could attempt to refinance the borrowings that contain this prohibition. If the Company does not obtain a consent or refinance these borrowings, the Company could remain prohibited from purchasing the Debentures. The Company's failure to purchase the Debentures would constitute an Event of Default under the Debenture Indentures, which might constitute a default under the terms of the Company's other indebtedness at that time.

In the event that holders of a series of Convertible Debentures or Senior Debentures, as the case may be, holding 90% or more of the Debentures of such series have tendered their Debentures for purchase pursuant to the Debenture Offer (as defined in the applicable Debenture Indenture), the Company may redeem the remaining Debentures of such series on the same terms. In such event, the conversion privilege associated with that series of Debentures would be eliminated. In addition, in the case of the Senior Debentures, in the event of a Change of Control prior to the date in which the applicable series of Senior Debentures may ordinarily be redeemed, AGI may still redeem such series of Senior Debentures provided that it pays a premium to the redemption price that would otherwise be payable.

Conversion Following Certain Transactions

Pursuant to the Convertible Debenture Indenture, in the event of certain transactions each Convertible Debenture will become convertible into securities, cash or property receivable by a shareholder of AGI in accordance with such transactions. This change could substantially reduce or eliminate any potential future value of the conversion privilege associated with the Convertible Debentures. For example, if the Company were acquired in a cash merger, each Convertible Debenture would become convertible solely into cash and would no longer be convertible into securities whose value would vary depending on the Company's future prospects and other factors.

The Debenture Trustee Will Take Instructions From a Majority of Holders Whose Interests May Not Align With Other Holders

Except in certain limited circumstances, the Debentures will be issued and deposited in electronic form with CDS Clearing and Depository Services Inc. ("CDS") or its nominee pursuant to the book-based system administered by CDS. Beneficial holders of the Debentures will have their rights and interests in the Debentures governed by the terms of the applicable Debenture Indenture and will be represented by the trustee (the "Debenture Trustee") appointed thereunder. The Debenture Trustee will take direction from holders of the Debentures in accordance with the terms of the applicable Debenture Indenture, which may require a minimum number of holders of the Debentures to vote on a course of action prior to the implementation thereof. As a result, the Debenture Trustee may take direction from one or more institutional holders of the Debentures to the extent that such holders of the Debentures maintain a significant interest in the Debentures. Such holders of the Debentures may not have the same interests in outcomes as other holders of Debentures.

Alternatively, if the beneficial interest in the Debentures is widely held, the Debenture Trustee may not receive instructions in a timely manner or may not receive instructions at all. In the event the Debenture Trustee is unable to obtain timely instructions from holders of the Debentures, holders of the Debentures may not achieve the outcomes they might have otherwise been able to if the Debenture Trustee had received instructions in a timely manner.

Canadian Bankruptcy and Insolvency Laws May Impair the Debenture Trustee's Ability to Enforce Remedies Under the Debentures

The rights of the Debenture Trustee to enforce remedies could be delayed by the restructuring provisions of applicable Canadian federal bankruptcy, insolvency, and other restructuring legislation if the benefit of such legislation is sought with respect to AGI.

For example, both the Bankruptcy and Insolvency Act (Canada) and the Companies' Creditors Arrangement Act (Canada) contain provisions enabling an insolvent person to obtain a stay of proceedings against its creditors and to file a proposal to be voted on by the various classes of its affected creditors. A restructuring proposal, if accepted by the requisite majorities of each affected class of creditors and if approved by the relevant Canadian court, would be binding on all creditors within each affected class, including those creditors that did not vote to accept the proposal. Moreover, this legislation, in certain instances, permits the insolvent debtor to retain possession and administration of its property, subject to court oversight, even though it may be in default under the applicable debt instrument, during the period that the stay against proceedings remains in place. The powers of the court under the Bankruptcy and Insolvency Act (Canada) and particularly under the Companies' Creditors Arrangement Act (Canada), have been interpreted and exercised broadly so as to protect a restructuring entity from actions taken by creditors and other parties. Accordingly, AGI cannot predict whether payments under the Debentures would be made during any proceedings in bankruptcy, insolvency or other restructuring, whether or when the Debenture Trustee could exercise its rights under a Debenture Indenture or whether and to what extent holders of the Debentures would be compensated for any delays in payment, if any, of principal, interest and costs, including the fees and disbursements of the respective trustees.

Holders Of Debentures Will Only Have the Rights of an Equity Holder in the Event the Holder Exercises Its Conversion Right (if any) or the Company Redeems the Debentures or Satisfies the Principal on Maturity by Issuing Common Shares

Holders of Convertible Debentures have the right to convert their Convertible Debentures into Common Shares at their option in the manner described in the Convertible Debenture Indenture. The Company has the right, at its sole discretion, to redeem or repay outstanding principal amounts thereunder at redemption or maturity of the Debentures by issuing Common Shares rather than the payment of cash. If such right is exercised by a holder of Convertible Debentures, or if such option is exercised by the Company, holders of Debentures will become holders of equity securities of the Company and will, consequently, be subject to the general risks and uncertainties affecting equity shareholders, including the ability to claim an entitlement only in its capacity as a shareholder of the Company. The price paid for each Debenture may bear no relationship to the price at which the equity issuable on conversion (in the case of Convertible Debentures), redemption or maturity of the Debentures may trade. The Company cannot predict at what price the Common Shares may trade and there can be no assurance that an active trading market for the Common Shares will be sustained or what prices may be realized upon the sale of Common Shares.

Volatility of Market Price of Common Shares

The market price of the Common Shares may be volatile. The volatility may affect the ability of holders of Debentures to sell the Debentures at an advantageous price and may result in greater volatility in the market price of the Debentures than would otherwise be expected for debt securities that cannot be repaid with equity or, in the case of the Convertible Debentures, non-convertible securities. Market price fluctuations in the Common Shares may be due to actual or anticipated fluctuations in the financial condition, results of operations and prospects of the Company, the Company's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse changes in general market conditions or economic trends, acquisitions, dispositions, or other material public announcements by the Company or its competitors, litigation commenced against the Company, along with a variety of additional factors, including, without limitation, those set forth in this document under "Cautionary Note Regarding Forward-Looking Information" and under "Risks and Uncertainties". In addition, the market price for securities in the stock markets have at times experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market prices of the Debentures and the Common Shares.

Change in Tax Laws

The Debenture Indentures do not contain a requirement that the Company increase the amount of interest or other payments to holders of Debentures in the event that the Company is required to withhold amounts in respect of income or similar taxes on payment of interest or other amounts on the Debentures. At present, no amount is required to be withheld from such payments to holders of Debentures resident in Canada or in the United States who deal at arm's length with the Company, but no assurance can be given that applicable income tax laws or treaties will not be changed in a manner that may require the Company to withhold amounts in respect of tax payable on such amounts.

Investment Eligibility

No assurance can be given the Debentures will continue to be qualified investments for trusts governed by a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan (other than a deferred profit sharing plan to which contributions are made by the Company or by an employer with which the Company does not deal at arm's length for the purposes of the Income Tax Act (Canada) (the "Tax Act"), registered education savings plan, registered disability savings plan, or a tax-free savings account, each as defined in the Tax Act. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments by such plans.

DIRECTORS AND EXECUTIVE OFFICERS

The name and jurisdiction of residence of each of the Directors and executive officers of the Company (along with their respective positions and offices held with the Company and their respective principal occupation) as of the date hereof, is as follows:

Name	Residence	Office and Principle Occupation
ROHIT BHARDWAJ	ONTARIO, CANADA	Director, Chief Financial Officer of Chemtrade Logistics Income Fund
ANNE DE GREEF-SAFFT	SOUTH CAROLINA, U.S.A.	Director, Corporate Director
MIKE FRANK	LONDON, UNITED KINGDOM	Director, Chief Executive Officer of UPL Corporation
JANET P. GIESSELMAN	FLORIDA, U.S.A.	Chair of the Board, Corporate Director
PAUL HOUSEHOLDER	ARIZONA, U.S.A.	Director, President and Chief Executive Officer of AGI
BILL LAMBERT	ONTARIO, CANADA	Director, Corporate Director
BILL MASLECHKO	ALBERTA, CANADA	Director, Partner, Burnet, Duckworth & Palmer LLP
MALCOLM F. MOORE	FLORIDA, U.S.A.	Director, Corporate Director
DAVID WHITE, CPA, CA, ICD.D	NORTH CAROLINA, U.S.A.	Director, Corporate Director
MARY SHAFER-MALICKI	COLORADO, U.S.A.	Director, Corporate Director
KATE GLASSER	ILLINOIS, U.S.A.	Executive Vice President, Global Operations
PAUL BRISEBOIS	MANITOBA, CANADA	Senior Vice President, Canada Farm
RYAN KIPP	MANITOBA, CANADA	Senior Vice President, Legal, General Counsel and Corporate Secretary
MARIE MCKEEGAN	ONTARIO, CANADA	Senior Vice President, Human Resources
SCOTT MCKERNAN	WISCONSIN, U.S.A.	Senior Vice President, U.S. Farm
NICOLE PARKER	MANITOBA, CANADA	Senior Vice President, Finance
DAVID POSTILL	ONTARIO, CANADA	Senior Vice President, Marketing and Customer Experience
JIM RUDYK, CPA, CA	ONTARIO, CANADA	Chief Financial Officer
NOAM SILBERSTEIN	ONTARIO, CANADA	Senior Vice President, Global Feed and Corporate Development

All of the individuals named above have had the same principal occupations, or other executive positions with the same, predecessor or associated firms or organizations listed opposite their respective names for the last five years, other than: (i) Mr. Frank, who was President and Chief Operating Officer of UPL Corporation from January 2022 to September 2022, and prior thereto was Executive Vice-President and CEO of Nutrien Ag Solutions at Nutrien Ltd. from 2017 to 2021; Mr. Moore, who was Executive Vice President and Chief Operating Officer of Twin Disc, Incorporated from August 2016 to his retirement in May 2019; (iii) Mr. Householder, who prior to his appointment as President and Chief Executive Officer of AGI in September 2022, was Chief Operating Officer of AGI since March 2021, was Executive Vice President Global Operations of AGI since December 2020, was Executive Vice President International of AGI since June 2019, and prior thereto was Vice President, West at Air Products and Chemicals since 2015; (iv) Mr. Rudyk, who was Executive Vice President and CFO, Sofina Foods Inc. from 2019 to 2020, and CFO of Roots Corporation from 2016 to 2019, in addition to his ongoing role as Lead Independent Director and Chair of the Audit Committee for Cronos Group Inc., a position he has held since 2018; (v) Mr. White, who was CEO of American Student Transportation Partners from 2021 to 2023; and (vi) Ms. Glasser, who was Corporate Vice President, Adhesive Electronic Industrials, Henkel AG & Co. from April 2021 to September 2023 and President of IDEX Corporation from January 2019 to April 2021.

Mr. Maslechko was appointed a Director on November 9, 2006; Messrs. Lambert and White were appointed Directors on November 27, 2006; Ms. Giesselman and Mr. Moore were appointed Directors on March 14, 2013; Ms. De Greef-Safft was appointed a Director on December 13, 2018; Mr. Frank was appointed a Director on May 12, 2021; Messrs. Bhardwaj and Householder were appointed Directors on November 8, 2022; and Ms. Shafer-Malicki was appointed a Director on January 1, 2024. The term of office of all Directors expires at the next annual meeting of the Company.

On May 10 2023, Mr. Lambert stepped down as Chair of the Board after many years of service and the Board appointed Ms. Giesselman as Chair of the Board.

The Directors of the Company have established an Audit Committee (Ms. Giesselman and Messrs. Bhardwaj, Lambert, and White (Chair)), a Governance and Sustainability (G&S) Committee (Ms. Giesselman, Ms. De Greef-Safft, and Messrs. Moore (Chair), Bhardwaj, and White), and a Human Resources and Compensation (HRC) Committee (Ms. De Greef-Safft (Chair) and Ms. Giesselman and Messrs. Frank, Moore, and White).

As at March 20, 2024, the Directors and executive officers of AGI beneficially owned or exercised control or direction over, directly or indirectly, 202,882 Common Shares or approximately 1.1% of the issued and outstanding Common Shares.

To the knowledge of the Company, except as set forth below, none of the individuals named above (a) is, as at the date hereof, or has been, within the 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an "Order") that was issued while the person was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, (b) is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company that, while that 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 proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (c) has, within the 10 years before the date of this AIF, 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 that person.

Mr. White and Ms. Giesselman were each directors of Avicanna Inc. ("Avicanna") when, on March 29, 2021, Avicanna announced that it would miss the deadline to file its audited financial statements for the year ended December 31, 2020 and related annual filings (collectively, the "Annual Filings"). Avicanna applied for a management cease trade order ("MCTO") pending the filing of the

Annual Filings, which MCTO was issued by the Ontario Securities Commission (the "OSC") on April 9, 2021. On May 7, 2021, Ms. Giesselman resigned from Avicanna's board of directors. On May 10, 2021, Avicanna announced that it would miss the deadline to file its interim financial statements for the three-month period ended March 31, 2021 and related quarterly filings (collectively, the "Interim Filings", and together with the Annual Filings, the "Required Filings"). On June 11, 2021, the OSC issued a cease trade order ("CTO") in respect of Avicanna as a result of its default in filing the Required Filings and the MCTO was revoked. Mr. White did not stand for re-election to Avicanna's board of directors at its annual general meeting and ceased to be a director of Avicanna on June 24, 2021. The CTO was revoked on September 10, 2021 following Avicanna's filing of the Required Filings.

To the knowledge of the Company, none of the individuals named above nor any personal holding company owned or controlled by any of them (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Company's Audit Committee charter is at the end of this Annual Information Form.

Composition of the Audit Committee

The Company's Audit Committee is comprised of four Directors, Ms. Giesselman and Messrs. Bhardwaj, Lambert, and White (Chair). Each member of the Audit Committee is "independent" and "financially literate" for the purposes of National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110").

Education and Experience of the Members of the Audit Committee

The following is a summary of the relevant education and experience of each of the Directors who are members of the Audit Committee.

Ms. Giesselman is an independent director and was appointed as Chair of the Board of AGI on May 10, 2023. She has served on the Board since March of 2013 and previously served as Chair of the HRC since May of 2013. Janet has extensive experience in agriculture and agricultural businesses from her more than 30 years in the field and extensive public and private company board service. She currently serves on the Board of Directors of Corteva Inc. (a NYSE listed Indiana based agricultural chemical and seed company) where she chairs the Governance and Compliance Committee and sits on the Science and Sustainability Committee. She also serves on the Board of Directors of McCain Foods Limited (a private New Brunswick based frozen food produce and transportation company) where she serves as Chair of the Safety and Sustainability and the Management Resources committees and is a member of the Audit and Human Resources Committees. She also is a member of the Board of Directors of Twin Disc, Inc. (a NASDAQ listed Wisconsin based marine and heavy duty, off highway power transmission equipment company), where she is Chair of the Compensation and Executive Development Committee and is a member of the Audit and the Nominating and Governance committees. Ms. Giesselman previously served on the Board of Directors of: GCP Applied Technologies, Inc. (a Massachusetts based construction, chemicals and materials products company), where she served as Chair of the Compensation Committee and as a member of the Governance Committee, until it was acquired by Saint-Gobain in September 2022; and Omnova Solutions Inc. (a NYSE listed Ohio based global provider of emulsion chemicals and decorative and functional surfaces) until it was acquired by Synthomer plc in April 2020. Ms. Giesselman has over 30 years of U.S. and international agriculture, energy and specialty and commodity chemicals industry experience, having led multiple global businesses. From 2001 to 2010, she held numerous senior leadership positions with the Dow Chemical Company including Business Vice President Dow Latex, President and General Manager Dow Oil and Gas and Vice President Dow AgroSciences. Before joining Dow, Ms. Giesselman held various business leadership positions with the Rohm and Haas Company. She holds a B.Sc., Biology from Pennsylvania State University and a M.Sc in Plant Pathology from the University of Florida.

Mr. Bhardwaj has more than 25 years of business experience in publicly traded international organizations across multiple industries. He is currently the Chief Financial Officer of Chemtrade Logistics Income Fund (January 2006 to present), a TSX-listed diversified industrial chemicals and services company. Rohit oversees the finance, information technology, investor relations, corporate development, and legal departments at Chemtrade. He was previously Chief Financial Officer, Corporate Secretary and Executive Vice President, Operations of Inscape Corporation, a TSX-listed office furniture manufacturer. Rohit is a Certified Management Accountant (U.K.), a fellow of the Chartered Association of Certified Accountants (U.K.) and a Certified Public Accountant (CGA). He also has an MBA from the Kellogg School of Management (Northwestern University) and the Schulich School of Business (York University).

Mr. Lambert retired from Birch Hill Equity Partners Management Inc. in 2010. He has over thirty-five years of experience in the private equity and merchant banking industries and ten years in consulting engineering. From 1980 to 1985 he was Plant Electrical Engineer at North Star Steel Monroe Division. From 1989 to 2005, he was a Managing Director at TD Capital and a Partner at its successor Birch Hill. During this period, he was responsible for many of the firm's private equity investments. He holds an MBA from York University and a SB in Electrical Engineering from the Massachusetts Institute of Technology.

Mr. White is a corporate director and currently the General Partner of First Call Services LLC, a private holding company and advisory firm. David has held a number of senior financial and operating positions with John Labatt Limited, Lawson Mardon Group Inc., and Laidlaw Inc., and was Chief Executive Officer of TransCare

Inc., a medical transportation company, President and Chief Operating Officer of Student Transportation of America, formerly a TSX-listed company, and Chief Executive Officer of American Student Transportation Partners. David is a member of the board of directors of Art's Way Manufacturing Company, Inc. (a public Iowa based diversified, international manufacturer and distributor of equipment serving agricultural, research and steel cutting needs), where he serves on the Audit Committee and chairs the Compensation Committee. David has been a Canadian Chartered Accountant since 1978 and holds a BA from the University of Western Ontario and an MBA from the University of Toronto. In 2013, David received the ICD.D designation from the Institute of Corporate Directors.

The Directors of the Company believe that the education and experience of each of the members of the Audit Committee provide such members with:

- an understanding of the accounting principles used by the Company to prepare its financial statements,
- the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves,
- experience in analyzing and evaluating financial statements that present a 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 Company's financial statements, and
- an understanding of internal controls and procedures for financial reporting.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in Section 2.4 of NI 52-110 (De Minimis Non-Audit Services), Section 3.2 of NI 52-110 (Initial Public Offerings), Section 3.3(2) of NI 52-110 (Controlled Companies), Section 3.4 of NI 52-110 (Events Outside Control of Member), Section 3.5 of NI 52-110 (Death, Disability or Resignation of Audit Committee Member), Section 3.6 of NI 52-110 (Temporary Exemption for Limited and Exceptional Circumstances), an exemption from NI 52-110 granted under Part 8 of NI 52-110 (Exemptions) or Section 3.8 of NI 52- 110 (Acquisition of Financial Literacy).

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has been no recommendation of the Audit Committee to nominate or compensate the external auditor of the Company that was not adopted by the Directors of the Company.

Pre-Approval Policies and Procedures

The Company's policy regarding the pre-approval of non-audit engagements performed by its external auditor is set out in the Company's Audit Committee charter, which is at the end of this Annual Information Form.

External Audit Service Fees

The following summarizes the fees charged by the Company's auditors, Ernst & Young LLP, for external audit and other services in 2023 and 2022.

Audit Fees

The aggregate audit fees charged by the Company's external auditor during the fiscal year ended December 31, 2023 were $1,487,850 (2022 - $1,530,600). The charges in both years relate to audit fees for the Company's December 31 financial statements, the review of the March 31, June 30, and September 30 interim quarterly financial statements and services performed related to acquisitions and prospectus procedures in connection with debentures offerings.

Audit-Related Fees

The aggregate fees charged for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the issuer's financial statements and not reported under "Audit Fees" above during the fiscal year ended December 31, 2023 were $286,400 (2022- $167,700). The fees for services performed in 2023 and 2022 related to statutory audits of AGI Brazil, AGI EMEA, AGI Thailand, and Milltec.

Tax Fees

The aggregate fees charged for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning during the fiscal year ended December 31, 2023 were $380,300 (2022 - $1,013,000). The services performed related to tax planning and the preparation of tax filings.

All Other Fees

No fees were charged for any other services provided by the Company's external auditor during either of the fiscal years ended December 31, 2023 and 2022.

DIVIDENDS

AGI's current dividend policy is to declare cash dividends payable to shareholders of record on the last business day of each quarter and to pay such dividends on or about the 15th day of the following month. The Board reviews financial performance and other factors including profitability, adjusted EBITDA, capital requirements, and other business needs when assessing dividend levels. An adjustment to dividend levels may be made when the Board determines an adjustment to be in the best interest of the Company. AGI's dividend policy is at the discretion of the Board. There can be no guarantee that AGI will maintain its current dividend policy. As a CBCA corporation, the Company's dividend policy and any payment of dividends must comply with the requirements of the CBCA, including the satisfaction of the liquidity and solvency tests contained therein.

For the year ended December 31, 2023, AGI declared aggregate dividends of $0.60 per Common Share (2022 - $0.60; 2021 - $0.60).

There are restrictions limiting the amount of dividends that can be paid under the Credit Facility. Specifically, the Company is restricted from declaring dividends if it is in default of the financial covenants contained in the Credit Agreement. As at the date hereof, the Company is not in default of any of such financial covenants. The most significant financial covenants include the requirement to maintain debt service coverage (within the meaning of the Credit Agreement) of a minimum of 1.0 and to maintain a debt to earnings before interest, taxes, depreciation, and amortization (EBITDA) ratio of 3.75 or less (excluding the Debentures in such calculation). The Credit Facility provides that in the event of an acquisition by AGI for aggregate consideration of $75 million or greater, the debt to EBITDA ratio requirement increases to 4.25 or less for the financial quarter and the three following financial quarters in which the acquisition occurred (provided that the debt to EBITDA ratio would not have exceeded 3.75 but for such acquisition) before dropping to 4.00 or less for the next following financial quarter and reverting to 3.75 or less for financial quarters subsequent to that. See "Capital Structure - Credit Facility".

CAPITAL STRUCTURE

Share Capital

The authorized share capital of AGI consists of an unlimited number of Common Shares, an unlimited number of first preferred shares ("First Preferred Shares"), issuable in series and an unlimited number of second preferred shares ("Second Preferred Shares"), issuable in series.

The following is a summary of the rights, privileges, restrictions, and conditions attaching to the Common Shares, the First Preferred Shares and the Second Preferred Shares.

Common Shares

Each Common Share entitles the holder to receive notice of, to attend and to one vote at, all meetings of the shareholders of AGI, except meetings of holders of another class of shares. The holders of Common Shares are, at the discretion of the Board and subject to the preferences accorded to any shares of AGI ranking senior to the Common Shares from time to time with respect to the payment of dividends, entitled to receive any dividends declared by the Board on the Common Shares. The holders of Common Shares are also entitled, subject to the preferences accorded to holders of any shares of AGI ranking senior to the Common Shares from time to time, to share equally, share for share, in any distribution of the assets of AGI upon the liquidation, dissolution, bankruptcy or winding-up of AGI or other distribution of its assets among its shareholders for the purpose of winding-up its affairs (a "Distribution").

The Common Shares are listed for trading on the TSX under the symbol "AFN".

Preferred Shares

First Preferred Shares

Subject to certain limitations described below, the Board may at any time and from time to time issue the First Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board.

The Board may from time-to-time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of First Preferred Shares including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series on a Distribution; the extent, if any, of further participation on a Distribution; voting rights, if any; and dividend rights (including whether such dividends be preferential, or cumulative or non-cumulative), if any. No First Preferred Shares of any series shall be issued at any time if, as a result of such issuance: (i) the aggregate number of First Preferred Shares and Second Preferred Shares that would then be outstanding would exceed 50% of the aggregate number of Common Shares then outstanding; or (ii) the maximum aggregate number of Common Shares into which all of the First Preferred Shares and Second Preferred Shares that would then be outstanding could be converted in accordance with their terms (regardless of any restrictions on the time of conversion and regardless of any conditions to the conversion) would exceed 20% of the aggregate number of Common Shares then outstanding; or (iii) the aggregate number of votes which the holders of all of the First Preferred Shares and the holders of all of the Second Preferred Shares that would then be outstanding would be entitled to cast (regardless of any conditions) at any meeting of the shareholders of the Company (other than a meeting at which only holders of the First Preferred Shares and/or Second Preferred Shares or any series thereof are entitled to vote) would exceed 20% of the aggregate number of votes which the holders of all of the Common Shares then outstanding would be entitled to cast at any such meeting.

In the event of a Distribution, holders of each series of First Preferred Shares shall be entitled, in priority to holders of Common Shares, Second Preferred Shares and any other shares of the Company ranking junior to the First Preferred Shares from time to time with respect to payment on a Distribution, to be paid rateably with holders of each other series of First Preferred Shares the amount, if any, specified as being payable preferentially to the holders of such series on a Distribution.

The holders of each series of First Preferred Shares shall be entitled, in priority to holders of Common Shares, Second Preferred Shares and any other shares of the Company ranking junior to the First Preferred Shares from time to time with respect to the payment of dividends, to be paid rateably with holders of each other series of First Preferred Shares, the amount of accumulated dividends, if any, specified as being payable preferentially to the holders of such series.

Second Preferred Shares

Subject to certain limitations described below, the Board may at any time and from time to time issue the Second Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board. The Board may from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of Second Preferred Shares including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series on a Distribution; the extent, if any, of further participation on a Distribution; voting rights, if any; and dividend rights (including whether such dividends be preferential, or cumulative or non-cumulative), if any. No Second Preferred Shares of any series shall be issued at any time if, as a result of such issuance: (i) the aggregate number of First Preferred Shares and Second Preferred Shares that would then be outstanding would exceed 50% of the aggregate number of Common Shares then outstanding; or (ii) the maximum aggregate number of Common Shares into which all of the First Preferred Shares and Second Preferred Shares that would then be outstanding could be converted in accordance with their terms (regardless of any restrictions on the time of conversion and regardless of any conditions to the conversion) would exceed 20% of the aggregate number of Common Shares then outstanding; or (iii) the aggregate number of votes which the holders of all of the First Preferred Shares and the holders of all of the Second Preferred Shares that would then be outstanding would be entitled to cast (regardless of any conditions) at any meeting of the shareholders of the Company (other than a meeting at which only holders of the Second Preferred Shares and/or First Preferred Shares or any series thereof are entitled to vote) would exceed 20% of the aggregate number of votes which the holders of all of the Common Shares then outstanding would be entitled to cast at any such meeting.

In the event of a Distribution, holders of each series of Second Preferred Shares shall be entitled, subject to the preference accorded to holders of First Preferred Shares but in priority to holders of Common Shares and any other shares of the Company ranking junior to the Second Preferred Shares from time to time with respect to payment on a Distribution, to be paid rateably with holders of each other series of Second Preferred Shares the amount, if any, specified as being payable preferentially to the holders of such series on a Distribution.

The holders of each series of Second Preferred Shares shall be entitled, subject to the preference accorded to the holders of First Preferred Shares but in priority to holders of Common Shares and any other shares of the Company ranking junior to the Second Preferred Shares from time to time with respect to the payment of dividends, to be paid rateably with holders of each other series of Second Preferred Shares, the amount of accumulated dividends, if any, specified as being payable preferentially to the holders of such series.

Debentures

Series 3 Senior Debentures

In March 2020, the Company issued $85.0 million aggregate principal amount of senior subordinated unsecured debentures (the "Series 3 Senior Debentures") at a price of $1,000 per Series 3 Senior Debenture. The Series 3 Senior Debentures bear interest at an annual rate of 5.25%, payable semi-annually on June 30 and December 31. The maturity date of the Series 3 Senior Debentures is December 31, 2026.

Prior to December 31, 2024, the Series 3 Senior Debentures may be redeemed at the Company's option at a price equal to 102.625% of their principal amount plus accrued and unpaid interest. On and after December 31, 2024 and prior to December 31, 2025, the Series 3 Senior Debentures may be redeemed at the Company's option at a price equal to 101.3125% of their principal amount plus accrued and unpaid interest. On or after December 31, 2025, the Series 3 Senior Debentures may be redeemed at the Company's option at a price equal to their principal amount plus accrued and unpaid interest.

On redemption or at maturity, the Company may, at its option, subject to regulatory approval and provided that no event of default has occurred, elect to satisfy its obligation to pay the principal amount of the Series 3 Senior Debentures, in whole or in part, by issuing and delivering that number of freely tradeable Common Shares obtained by dividing the principal amount due by 95% of the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date fixed for redemption or the maturity date, as the case may be. Any accrued and unpaid interest thereon will be paid in cash. The Company may also elect, subject to any required regulatory approval and provided that no event of default has occurred, to satisfy all or part of its obligation to pay interest on the Series 3 Senior Debentures by delivering to the Debenture Trustee for sale that number of freely tradeable Common Shares the proceeds of which are sufficient to satisfy its interest obligation.

The Series 3 Senior Debentures are not convertible into Common Shares at the option of the holders at any time. The Series 3 Senior Debentures trade on the TSX under the symbol AFN.DB.H.

Series 2 Senior Debenture

In November 2019, the Company issued $86.25 million aggregate principal amount of senior subordinated unsecured debentures (the "Series 2 Senior Debentures") at a price of $1,000 per Series 2 Senior Debenture. The Series 2 Senior Debentures bear interest at an annual rate of 5.25%, payable semi-annually on June 30 and December 31. The maturity date of the Series 2 Senior Debentures is December 31, 2024.

The Series 2 Senior Debentures may be redeemed at the Company's option at a price equal to their principal amount plus accrued and unpaid interest.

On redemption or at maturity, the Company may, at its option, subject to regulatory approval and provided that no event of default has occurred, elect to satisfy its obligation to pay the principal amount of the Series 2 Senior Debentures, in whole or in part, by issuing and delivering that number of freely tradeable Common Shares obtained by dividing the principal amount due by 95% of the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date fixed for redemption or the maturity date, as the case may be. Any accrued and unpaid interest thereon will be paid in cash. The Company may also elect, subject to any required regulatory approval and provided that no event of default has occurred, to satisfy all or part of its obligation to pay interest on the Series 2 Senior Debentures by delivering to the Debenture Trustee for sale that number of freely tradeable Common Shares the proceeds of which are sufficient to satisfy its interest obligation.

The Series 2 Senior Debentures are not convertible into Common Shares at the option of the holders at any time. The Series 2 Senior Debentures trade on the TSX under the symbol AFN.DB.G.

Series 1 Senior Debentures

In March 2019, the Company issued $86.25 million aggregate principal amount of senior subordinated unsecured debentures (the "Series 1 Senior Debentures") at a price of $1,000 per Series 1 Senior Debenture. The Series 1 Senior Debentures bear interest at an annual rate of 5.40%, payable semi-annually on June 30 and December 31. The maturity date of the Series 1 Senior Debentures is June 30, 2024.

The Series 1 Senior Debentures may be redeemed at the Company's option at a price equal to their principal amount plus accrued and unpaid interest.

On redemption or at maturity, the Company may, at its option, subject to regulatory approval and provided that no event of default has occurred, elect to satisfy its obligation to pay the principal amount of the Series 1 Senior Debentures, in whole or in part, by issuing and delivering that number of freely tradeable Common Shares obtained by dividing the principal amount due by 95% of the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date fixed for redemption or the maturity date, as the case may be. Any accrued and unpaid interest thereon will be paid in cash. The Company may also elect, subject to any required regulatory approval and provided that no event of default has occurred, to satisfy all or part of its obligation to pay interest on the Series 1 Senior Debentures by delivering to the Debenture Trustee for sale that number of freely tradeable Common Shares the proceeds of which are sufficient to satisfy its interest obligation.

The Series 1 Senior Debentures are not convertible into Common Shares at the option of the holders at any time. The Series 1 Senior Debentures trade on the TSX under the symbol AFN.DB.F.

2021 Debentures

In November 2021, the Company issued $115 million aggregate principal amount of convertible unsecured subordinated debentures (the "2021 Debentures") at a price of $1,000 per 2021 Debenture. The 2021 Debentures bear interest at an annual rate of 5.00% payable semi-annually on June 30 and December 31.

Each 2021 Debenture is convertible into Common Shares at the option of the holder at a conversion price of $45.14 per share. The maturity date of the 2021 Debentures is June 30, 2027.

The 2021 Debentures are not redeemable by the Company before June 30, 2025 except in limited circumstances after a change of control has occurred. On and after June 30, 2025 and prior to June 30, 2026, the 2021 Debentures may be redeemed in whole or in part from time to time at the Company's option at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange for the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of the redemption is given is not less than 125% of the conversion price. On and after June 30, 2026, the 2021 Debentures may be redeemed in whole or in part from time to time at the Company's option at a price equal to their principal amount, plus accrued and unpaid interest, regardless of the trading price of the Common Shares.

On redemption or at maturity, the Company may, at its option, subject to regulatory approval and provided that no event of default has occurred, elect to satisfy its obligation to pay the principal amount of the 2021 Debentures, in whole or in part, by issuing and delivering for each $100 due that number of freely tradeable Common Shares obtained by dividing $100 by 95% of the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date fixed for redemption or the maturity

date, as the case may be. Any accrued and unpaid interest thereon will be paid in cash. The Company may also elect, subject to any required regulatory approval and provided that no event of default has occurred, to satisfy all or part of its obligation to pay interest on the 2021 Debentures by delivering sufficient freely tradeable Common Shares to satisfy its interest obligation.

The 2021 Debentures trade on the TSX under the symbol AFN.DB.I.

2022 Debentures

In April and May 2022, the Company issued $103.9 million aggregate principal amount of convertible unsecured subordinated debentures (the "2022 Debentures") at a price of $1,000 per 2022 Debenture. The 2022 Debentures bear interest at an annual rate of 5.20% payable semi- annually on June 30 and December 31. Each 2022 Debenture is convertible into Common Shares at the option of the holder at a conversion price of $70.50 per share. The maturity date of the 2022 Debentures is December 31, 2027.

The 2022 Debentures are not redeemable by the Company before December 31, 2025 except in limited circumstances after a change of control has occurred. On and after December 31, 2025 and prior to December 31, 2026, the 2022 Debentures may be redeemed in whole or in part from time to time at the Company's option at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange for the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of the redemption is given is not less than 125% of the conversion price. On and after December 31,

2026, the 2022 Debentures may be redeemed in whole or in part from time to time at the Company's option at a price equal to their principal amount, plus accrued and unpaid interest, regardless of the trading price of the Common Shares.

On redemption or at maturity, the Company may, at its option, subject to regulatory approval and provided that no event of default has occurred, elect to satisfy its obligation to pay the principal amount of the 2022 Debentures, in whole or in part, by issuing and delivering for each $100 due that number of freely tradeable Common Shares obtained by dividing $100 by 95% of the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date fixed for redemption or the maturity date, as the case may be. Any accrued and unpaid interest thereon will be paid in cash. The Company may also elect, subject to any required regulatory approval and provided that no event of default has occurred, to satisfy all or part of its obligation to pay interest on the 2022 Debentures by delivering sufficient freely tradeable Common Shares to satisfy its interest obligation.

The 2022 Debentures trade on the TSX under the symbol AFN.DB.J.

Credit Facility

The Company has a credit facility (the "Credit Facility") with a syndicate of banks pursuant to an amended and restated credit agreement (the "Credit Agreement") dated May 9, 2022, that includes revolving facilities of $350 million and US$275 million. The revolving facilities bear interest at a rate of BA/SOFR plus 1.20% - 2.75% or Canadian/U.S. prime plus 0.20% - 1.75% per annum, in each case based on certain performance calculations. As at December 31, 2023, $150 million and US$206 million were outstanding under the Credit Facility. The Credit Facility matures May 11, 2026. Collateral for the Credit Facility includes a general security agreement over all assets, first position collateral mortgages on land and buildings and security agreements for patents and trademarks. See "Dividends" for certain of the financial covenants of the Company under the Credit Facility.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares and the Debentures are listed for trading on the TSX. The following tables set out the high and low trading price and total number of Common Shares or Debentures, as applicable, traded, during each month in 2023, as reported by the TSX.

Common Shares

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
HIGH	50.27	55.12	63.40	60.94	61.15	52.62
LOW	42.61	49.07	54.32	56.67	49.49	47.50
VOLUME	1,356,294	1,652,470	2,392,177	1,175,366	1,684,994	1,266,854

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
HIGH	57.22	61.84	61.12	54.32	54.54	52.84
LOW	49.23	51.72	52.33	47.07	47.90	49.65
VOLUME	1,314,323	1,070,163	840,921	833,378	832,111	637,658

2021 Debentures

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
HIGH	123.45	133.00	147.50	143.13	145.00	125.61
LOW	111.00	123.99	133.00	136.01	126.33	119.84
VOLUME	91,430	21,820	61,380	10,960	4,470	9,570

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
HIGH	136.00	146.00	143.00	129.98	128.55	126.48
LOW	125.50	131.95	127.00	118.76	120.19	124.00
VOLUME	95,090	10,510	3,760	3,720	16,870	1,610

2021 Debentures

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
HIGH	123.45	133.00	147.50	143.13	145.00	125.61
LOW	111.00	123.99	133.00	136.01	126.33	119.84
VOLUME	91,430	21,820	61,380	10,960	4,470	9,570

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
HIGH	136.00	146.00	143.00	129.98	128.55	126.48
LOW	125.50	131.95	127.00	118.76	120.19	124.00
VOLUME	95,090	10,510	3,760	3,720	16,870	1,610

2022 Debentures

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
HIGH	100.00	103.00	109.40	107.95	107.80	100.75
LOW	95.00	100.00	102.00	102.03	99.00	97.00
VOLUME	32,220	49,070	92,020	32,470	11,460	15,300

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
HIGH	103.30	106.03	106.50	99.00	98.00	98.99
LOW	99.01	100.30	98.07	94.10	94.00	95.02
VOLUME	9,220	21,200	14,960	7,470	7,700	6,410

Series 1 Senior Debentures

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
HIGH	99.00	100.00	99.65	99.99	99.68	99.19
LOW	96.18	98.50	97.50	98.75	98.00	97.11
VOLUME	9,250	5,610	10,210	5,350	9,510	8,100

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
HIGH	98.75	99.39	99.00	98.50	99.25	99.60
LOW	97.42	98.20	97.93	97.01	97.01	97.75
VOLUME	6,720	4,090	4,960	8,010	8,520	10,070

Series 2 Senior Debentures

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
HIGH	99.00	100.98	99.94	98.50	99.93	98.99
LOW	95.37	98.26	96.86	97.15	97.50	94.50
VOLUME	5,330	6,720	8,360	6,220	6,070	5,880

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
HIGH	98.50	99.28	99.88	98.26	98.00	98.05
LOW	95.07	97.11	96.57	95.27	95.25	96.75
VOLUME	7,060	5,740	3,260	5,990	6,690	6,430

Series 3 Senior Debentures

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
HIGH	98.50	99.99	98.24	100.25	99.94	98.49
LOW	93.42	96.16	94.00	96.26	95.80	94.29
VOLUME	13,070	5,000	13,920	5,950	8,150	6,680

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
HIGH	97.08	97.25	97.00	94.88	96.99	97.01
LOW	95.26	95.25	93.00	90.60	91.00	94.00
VOLUME	2,920	4,400	4,530	2,600	6,480	9,320

Prior Sales

No securities of AGI were issued during the last completed financial year that are not listed or quoted on a marketplace other than the following awards issued under AGI's equity incentive award plan ("EIAP") and deferred share units ("DSUs") issued under AGI's Deferred Share Unit Plan ("DSU Plan"):

1. the following DSUs were issued under the DSU Plan: 10,267 in March 2023; 8,722 in June 2023; 8,341 in September 2023; and 7,799 in December 2023. Each DSU is redeemable for a cash amount equal to the fair market value of a Common Share as at the date immediately preceding the redemption date; and

2. the following grants of restricted awards and performance awards were made under the EIAP, each restricted award being exchangeable for one Common Share upon vesting, and each performance award being exchangeable for zero to two Common Shares upon vesting subject to the satisfaction of certain performance targets: 5,451 performance awards in January 2023; 148,923 restricted awards and 65,309 performance awards in March 2023; 4,115 restricted awards in April 2023; 21,433 restricted awards in October 2023; and 52,002 performance awards in December 2023.

Transfer Agent and Registrar

Computershare Investor Services Inc. at its principal office in Toronto, Ontario, is the transfer agent and registrar for the Common Shares. Computershare Trust Company of Canada is the transfer agent, registrar, and trustee in respect of the Debentures.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

From time-to-time AGI is involved in claims or litigation in the ordinary course of business. Other than the proceedings set out below, there are and were no material legal proceedings that AGI is or was a party to, or that any of its property is or was the subject of, during the year ended December 31, 2023.

There were no: (i) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the Company's most recently completed financial year; (ii) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements entered into by the Company before a court relating to securities legislation or with a securities regulatory authority during the Company's most recently completed financial year.

Fibreco Export Ltd. Claim

On June 4, 2021, Fibreco Export Inc. ("Fibreco") filed a Notice of Civil Claim with the Supreme Court of British Columbia (the "Fibreco Claim"). AGI and Union Iron, Inc. (an AGI subsidiary), as both do business through various trade names, were named as defendants in the action. The Fibreco Claim alleged design and manufacturing defects in equipment supplied by AGI to a project in Vancouver. The equipment supplied by AGI included a large hopper bin which collapsed during commissioning. The Fibreco Claim sought damages of at least $80 million. AGI filed its Response to Civil Claim on July 6, 2021.

On July 27, 2023, AGI reached a settlement agreement with Fibreco in respect of the Fibreco Claim. During the year ended December 31, 2023, the terms of the settlement agreement were finalized and as at December 31, 2023, the warranty provision for remediation costs was $0.1 million, with $16.2 million added in relation to the settlement agreement and $57.6 million of the provision having been utilized during the year ended December 31, 2023.

AGT Foods Claim

On July 26, 2021, AGT Food and Ingredients Inc., AGT Foods Switzerland SA and Alliance Pulse Processors Inc. (collectively "AGT Foods") filed a Notice of Civil Claim with the Supreme Court of British Columbia (the "AGT Claim"). AGI and Union Iron, Inc., as both do business through various trade names, are named as defendants in the action.

The AGT Claim alleges design and manufacturing defects in equipment supplied by AGI to AGI's customer, Fibreco for installation at Fibreco's project in Vancouver. AGT Foods is a customer of Fibreco's project and is litigating against AGI under the tort of negligence. AGT Foods' alleged damages relate to loss of agriproduct and for pure economic loss. The AGT Claim seeks damages in excess of $110 million. AGI had no contractual relationship with AGT Foods and is defending the AGT Claim as being remote, not proximate and without merit.

AGI has legal and contractual defenses to the AGT Claim, filed its Response to Civil Claim on October 13, 2021 and is fully and vigorously defending itself. Due to the inherent uncertainties of litigation, it is not possible to predict the final outcome of the AGT Claim or determine the amount of any potential losses resulting therefrom, if any.

Interest of Experts

Ernst & Young LLP are the Company's external auditors. Ernst & Young LLP has confirmed that it is independent of the Company within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Manitoba.

Material Contracts

Other than contracts entered into in the ordinary course of business of the Company, AGI has not entered into any material contract in the most recently completed financial year or in the current financial year and there are no material contracts entered into before the most recently completed financial year which are still in effect, other than the following contracts, all of which are on our SEDAR+ profile at www.sedarplus.ca:

- The Convertible Debenture Indenture governing the 2021 Debentures and 2022 Debentures between AGI and Computershare Trust Company of Canada dated October 27, 2009 and as supplemented by the seventh and eight supplemental indentures thereto, dated November 3, 2021 and April 19, 2022, respectively (See "Capital Structure – Debentures").
- The Senior Debenture Indenture governing the Series 1 Senior Debentures, the Series 2 Senior Debentures and the Series 3 Senior Debentures between AGI and Computershare Trust Company of Canada dated March 19, 2019 and as supplemented by the first and second supplemental indentures thereto, dated November 19, 2019 and March 5, 2020, respectively (See "Capital Structure – Debentures").
- Credit Agreement with respect to the Credit Facility between AGI, Westfield Distributing (North Dakota) Inc. and certain lenders as amended and restated on May 9, 2022 (See "Capital Structure – Credit Facility").

Interest of Management and Others in Material Transactions

No director or executive officer of the Company, no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the outstanding Common Shares and no associate or affiliate of any of the foregoing persons or companies, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company, other than as described in this AIF.

Additional Information

Additional information relating to AGI can be found on our SEDAR+ profile at www.sedarplus.ca. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities and securities issued and authorized for issuance under our equity compensation plans, is contained in our proxy materials relating to our most recent annual shareholders' meeting. Additional financial information is provided in our consolidated financial statements for the year ended December 31, 2023 and the related management's discussion and analysis.

AUDIT COMMITTEE TERMS OF REFERENCE

Establishment of the Committee

1. Purpose

The purpose of the Audit Committee is to assist the Board of Directors (the "Board") of Ag Growth International Inc. (the "Corporation") in fulfilling its oversight responsibilities by reviewing the financial information provided to the Corporation's shareholders and others, identifying and monitoring the management of the principal risks that could impact the financial reporting of the Corporation, reviewing the "disclosure controls and procedures" and "internal control over financial reporting" (as such terms are defined in National Instrument 52-109 issued by the Canadian Securities Administrators or its successor instrument) that management has established and monitoring auditor independence and the audit process. The Committee also provides an avenue of communication among the independent auditors, management, and the Board.

Management of the Corporation is responsible for preparing the quarterly and annual financial statements of the Corporation and for maintaining a system of risk assessment and internal controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded and reported properly. The Committee is responsible for reviewing management's actions and has the authority to investigate any activity of the Corporation.

2. Composition of Committee

The Committee shall consist of as many members as the Board shall determine, but in any event not fewer than three Directors. Except to the extent that the Board determines that an exemption contained in National Instrument 52-110 issued by the Canadian Securities Administrators or its successor instrument ("NI 52-110") is available and determines to rely thereon, all Committee members will be independent within the meaning of NI 52-110.

All Committee members will be "financially literate" (as defined in NI 52-110) unless the Board determines that an exemption under NI 52-110 from such requirement in respect of any particular member is available and determines to rely thereon.

3. Appointment of Committee Members

The members of the Committee shall be appointed by the Board annually at the time of each annual meeting of shareholders, and shall hold office until the next annual meeting, or until they are removed by the Board or until they cease to be Directors of the Corporation.

Committee Procedures

4. Vacancies

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

5. Committee Chair

The Board shall appoint a Chair for the Committee. The Chair may be removed and replaced by the Board.

6. Absence of Chair

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.

7. Secretary of Committee

The Committee shall appoint a Secretary who need not be a Director of the Corporation.

8. Regular Meetings

The Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least four times per year.

9. Special Meetings

The Chair, any two members of the Committee, or the President or Chief Executive Officer of the Corporation may call a special meeting of the Committee.

10. Quorum

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 and hear each other, shall constitute a quorum.

11. 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 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.

12. Agenda

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.

13. 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.

14. Access

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

15. 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.

16. Procedure, Records and Reporting

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).

17. Outside Consultants or Advisors

When it considers it necessary or advisable to carry out its duties or mandate, the Committee may engage independent counsel and other consultants or advisors. The Committee shall have the sole authority to set and pay, at the Corporation's expense, the compensation of any such counsel, consultants or advisors.

Mandate of the Committee

1. Overall Duties and Responsibilities

The overall duties and responsibilities of the Committee shall be as follows:

a. to assist the Board in the discharge of its responsibilities relating to the quality, acceptability and integrity of the Corporation's accounting principles, reporting practices and internal controls, including disclosure controls and procedures and internal control over financial reporting;

b. to assist the Board in the discharge of its responsibilities relating to compliance with disclosure requirements under applicable securities laws, including approval of the Corporation's annual and quarterly financial statements together with the Management's Discussion and Analysis related thereto;

c. to establish and maintain a direct line of communication with the Corporation's independent auditors and assess their performance;

d. to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal controls, including disclosure controls and procedures and internal control over financial reporting; and

e. to report regularly to the Board on the fulfillment of its duties and responsibilities.

2. Independent Auditors

The duties and responsibilities of the Committee as they relate to the independent auditors shall be as follows:

a. to have a clear understanding with the independent auditors that they must maintain an open and transparent relationship with the Committee, and that the ultimate accountability of the independent auditors is to the Committee, as representatives of the shareholders of the Corporation;

b. to recommend to the Board

    i. the firm of independent auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and

    ii. the compensation of such auditors;

c. if there is a plan to change the independent auditors, to review all issues related to the change and the steps planned for an orderly transition;

d. to review, at least annually, with the independent auditors their independence from management, including a review of all other significant relationships the auditors may have with the Corporation and to satisfy itself of the auditors' independence, the experience and the qualifications of the senior members of the independent auditor team and the quality control procedures of the independent auditor;

e. to review and approve the fee, scope, staffing and timing of the audit and other related services rendered by the independent auditors and ensure the rotation of the lead audit partner as required by applicable securities laws;

f. to oversee the work of the independent auditors, including reviewing the audit plan prior to the commencement of the audit;

g. to review the engagement reports of the independent auditors on unaudited financial statements of the Corporation and to review with the independent auditors, upon completion of their audit:

    i. contents of their report;

    ii. scope and quality of the audit work performed;

    iii. adequacy of the Corporation's financial personnel;

    iv. co-operation received from the Corporation's personnel during the audit;

v. internal resources used;

vi. significant transactions outside of the normal business of the Corporation;

vii. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles and management systems;

viii. the quality, acceptability and integrity of the Corporation's accounting policies and principles;

ix. the non-audit services provided by the independent auditors;

x. the effect of accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements; and report to the Board in respect of the foregoing;

h. to implement structures and procedures to ensure that the Committee meets with the independent auditors on a regular basis in the absence of management in order to review any difficulties encountered by the independent auditors in carrying out the audit and to resolve disagreements between the independent auditors and management; and

i. to pre-approve all non-audit services to be provided to the Corporation or any of its subsidiaries by the independent auditors, including the fee for such services. The Committee may satisfy the pre-approval requirement:

i. if:

i. the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to its independent auditors during the fiscal year in which the services are provided;

ii. the services were not recognized by the Corporation or any of its subsidiaries at the time of the engagement as non-audit services; and

iii. the services are promptly brought to the attention of the Committee and are approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee; or

ii. if it adopts specific policies and procedures for the engagement of the non-audit services, if:

i. the pre-approval policies and procedures are detailed as to the particular service;

ii. the audit committee is informed of each non-audit service; and

iii. the procedures do not include delegation of the audit committee's responsibilities to management.

The Committee may delegate to one or more independent members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2(h) provided that the pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval..

The independent auditors shall be given notice of, and have the right to appear before and be heard at, every meeting of the Committee, and shall appear before the Committee when requested to do so by the Chair. The Committee will meet regularly with the independent auditors without management present.

3. Internal Audit Procedures

The duties and responsibilities of the Committee as they relate to the internal audit function of the Corporation are to:

a. review and assess the scope and objectives of the internal audit function, including the adequacy of staff resources and the appropriateness of audit emphasis;

b. review and approve the internal audit function's annual audit plan; and

c. review status reports, summary of findings from completed projects, and results from post-mortem reviews (where applicable).

4. Internal Control Procedures

The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:

a. review the adequacy, appropriateness and effectiveness of the Corporation's policies and business practices which impact on the integrity, financial or otherwise, of the Corporation, including those relating to disclosure controls and procedures, internal control over financial reporting, internal auditing, insurance, accounting, information services and systems, financial controls, management reporting, and risk management;

b. review reports from management outlining any significant changes in financial risks facing the Corporation and annually, as at the end of the fiscal year, in consultation with management and the independent auditors, evaluate the Corporation's disclosure controls and procedures and internal control over financial reporting, discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures and review significant findings prepared by the independent auditors together with management's responses;

c. review compliance with the Corporation's Code of Business Ethics; provide oversight for ethics issues and incidents;

d. review the Corporation's disclosure controls and procedures, and management's evaluation thereof, to ensure that financial information is recorded, processed, summarized and reported within the time periods required by law;

e. when required by applicable securities laws:

i. reviews reports from independent auditors on the attestation of management's internal control report;

ii. review disclosures made to the Committee by the CEO and the CFO during their certification process for any statutory documents about any significant deficiencies or limitations in the design or operation of the Corporation's disclosure controls and procedures and internal control over financial reporting or material weakness therein, and any fraud involving management or other employees who have a significant role in the Corporation's internal control over financial reporting; and

iii. review with management, including the CEO and the CFO, management's internal control report required to be included in any reporting document;

f. review any issues between management and the independent auditors that could affect the financial reporting or internal controls of the Corporation;

g. periodically review the Corporation's accounting and auditing policies, practises and procedures and the extent to which recommendations made by the independent auditors have been implemented; and

h. ratify membership of the Disclosure Committee, as required.

5. Public Filings, Policies and Procedures

The Committee is charged with the responsibility to:

a. review and approve for recommendation to the Board the Corporation's:

i. annual report to shareholders, including the annual audited financial statements, the report of the independent auditors, the Management's Discussion and Analysis and the impact of unusual items and changes in accounting principles and estimates;

ii. interim report to shareholders, including the unaudited financial statements, the Management's Discussion and Analysis and the impact of unusual items and changes in accounting principles and estimates;

iii. earnings press releases;

iv. annual information form; prospectuses; and

v. other public reports and public filings requiring approval by the Board; and report to the Board with respect thereto;

b. ensure adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure described in subsections 4(a)(i), (ii) and (iii) above, and must periodically assess the adequacy of such procedures;

c. review with management, the independent auditors and if necessary with legal counsel, any litigation, claim or other contingency, including tax assessments, that could have a material affect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;

d. review with management and with the independent auditors any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;

e. review with management and with the independent auditors: (i) all critical accounting policies and practises to be used by the Corporation in preparing its financial statements; (ii) all material alternative treatments of financial information within GAAP or International Financial Reporting Standards, as applicable, that have been discussed with management, ramifications of the use of these alternative disclosures and treatments, and the treatment preferred by the independent auditor, and (iii) other material communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences;

f. review general accounting trends and issues of auditing policy, standards and practices which affect or may affect the Corporation;

g. review the appointment of the CFO and any key financial executives involved in the financial reporting process and pre-approve the hiring of any person previously employed by the Corporation's independent auditors or former independent auditors;

h. establish procedures for:

i. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

ii. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

i. review and approve the Corporation's hiring policies regarding partners and employees and former partners and employees of the present and former independent auditors of the Corporation; and

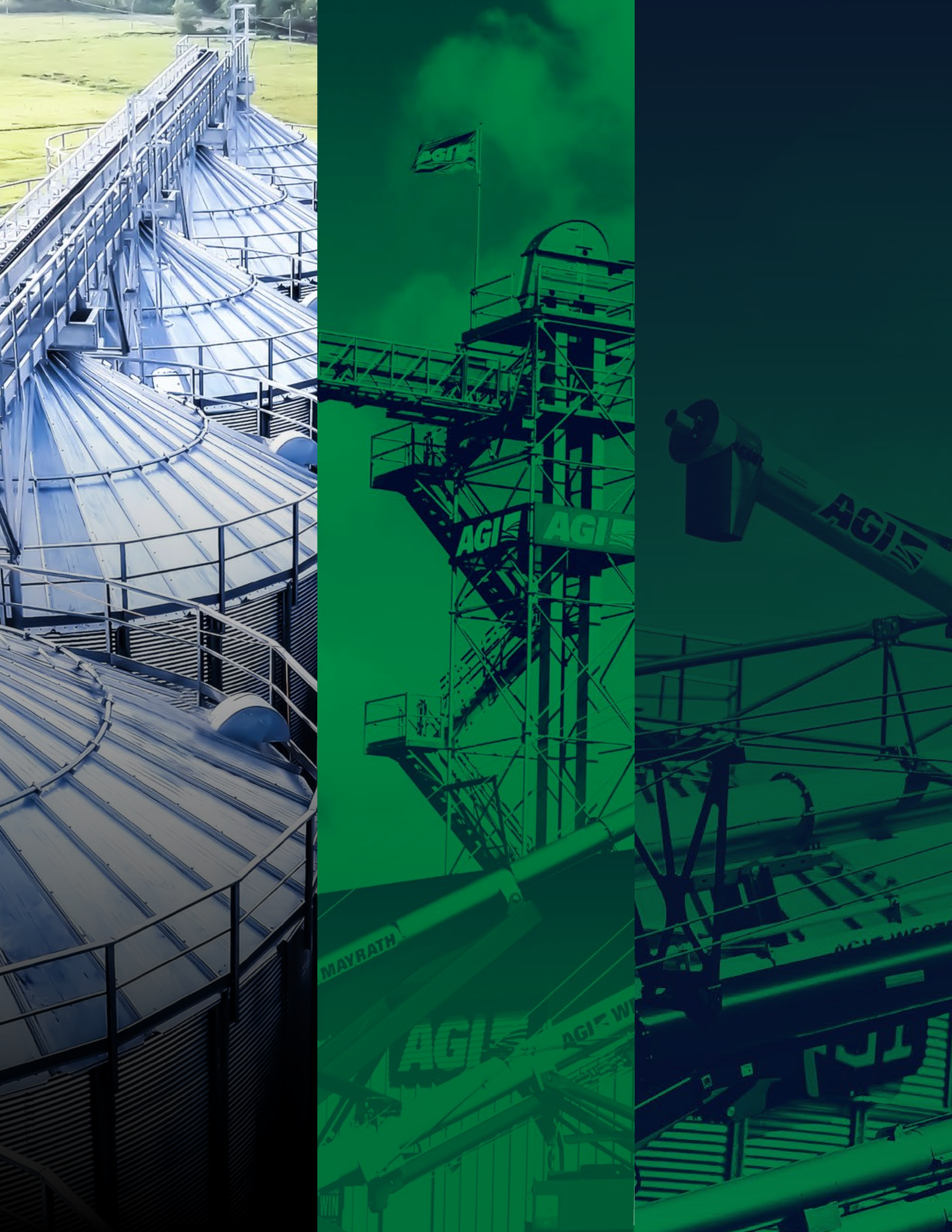
j. review and approve related party transactions.

6. Standards of Liability

Nothing contained in these terms of reference is intended to expand applicable standards of liability under statutory, regulatory or other legal requirements for the Board or members of the Committee. The purposes and responsibilities outlined in these terms of reference are meant to serve as guidelines rather than inflexible rules and, subject to applicable law and the articles and bylaws of the Corporation, the Committee may adopt such additional procedures and standards, as it deems necessary from time to time to fulfill its responsibilities.

7. Terms of Reference and Calendar

The Committee shall review and assess the adequacy of its terms of reference and calendar at least annually and submit any changes to the Board for approval.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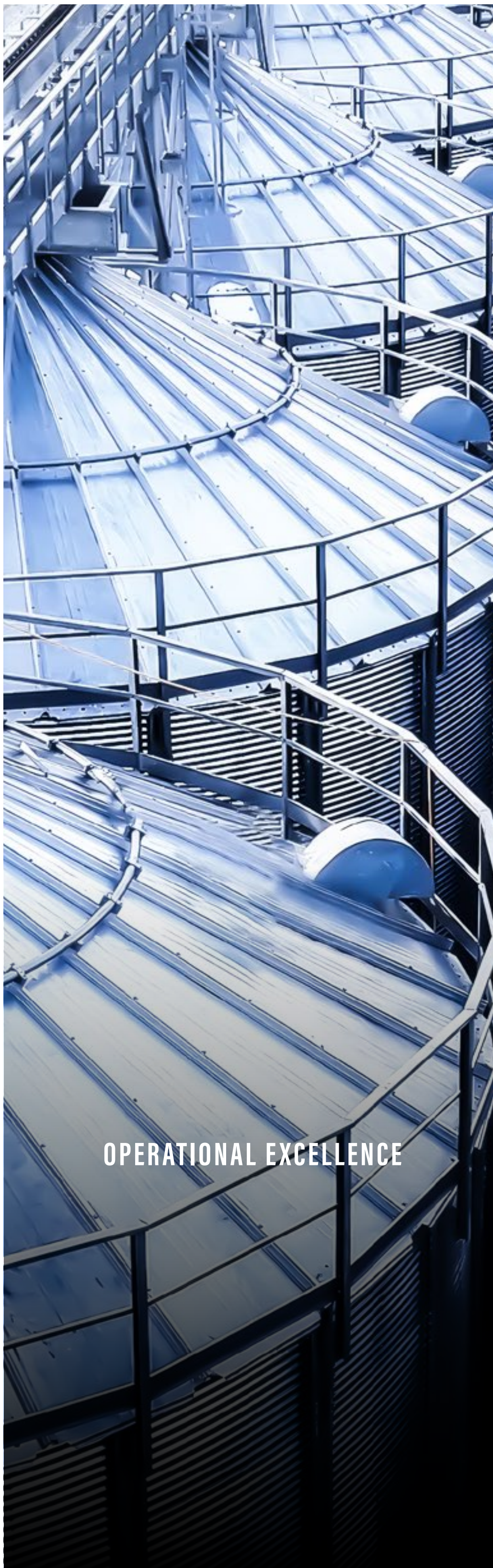
OPERATIONAL EXCELLENCE

PROFITABLE ORGANIC GROWTH

BALANCE SHEET DISCIPLINE