

## OFFER TO PURCHASE AND SOLICITATION OF CONSENT

### AGT FOOD AND INGREDIENTS INC.

#### Offer to Purchase for Cash and Solicitation of Consent in Respect of AGT Food and Ingredients Inc.'s Outstanding 5.875% Senior Notes due December 21, 2021 (CUSIP No. 001264AA8)

AGT Food and Ingredients Inc. (“AGT”) hereby offers to purchase for cash any and all of AGT’s outstanding 5.875% Senior Notes due December 21, 2021 (the “Notes”) from each holder thereof (a “Holder”), upon the terms and subject to the conditions set forth in this offer to purchase and solicitation of consent (the “Offer to Purchase and Solicitation of Consent”) and in the accompanying Consent and Letter of Transmittal (the “Consent and Letter of Transmittal”). The offer to purchase the Notes and the consent solicitation on the terms and subject to the conditions set forth herein and in the Consent and Letter of Transmittal are referred to herein, respectively, as the “Offer” and the “Solicitation”. The Offer to Purchase and Solicitation of Consent and the Consent and Letter of Transmittal are referred to herein collectively as the “Offer and Consent Documents”.

#### **Offer to Purchase and Solicitation of Consent**

The Notes were issued on December 21, 2016 in an aggregate principal amount of \$200 million, all of which remain outstanding as of the date of the Offer to Purchase and Solicitation of Consent. AGT is offering to purchase for cash any and all of the outstanding Notes from each holder thereof. In conjunction with the Offer, AGT also hereby solicits consent (the “Consent”) from Holders to amend and restate provisions (the “Amendments”) contained in the Notes and the trust indenture related thereto dated as of December 21, 2016 (the “Indenture”) between AGT and TSX Trust Company, as trustee (the “Trustee”). The Amendments will amend and restate the provisions of the Indenture to eliminate substantially all of the restrictive and reporting covenants, certain events of default and certain other provisions contained in the Indenture. See the section entitled “The Amendments” herein. **Holders tendering Notes pursuant to the Offer are obligated to consent to the Amendments. The completion, execution and delivery of a Consent and Letter of Transmittal in connection with a tender of Notes will be deemed to constitute the delivery of a Consent to the Amendments with respect to the Notes tendered. Holders may not deliver a Consent without tendering the Notes to which such Consent relates in the Offer, and Holders may not withdraw their Notes or revoke their Consents.** See the sections entitled “Procedures for Tendering Notes and Delivering Consents” and “Irrevocability of Tenders and Consents” herein.

- **Holders** who validly tender their Notes **on or prior to the Early Consideration Time** (as defined herein) will be deemed to have delivered a Consent to the Amendments with respect to such Notes and will receive, for such Notes, an amount in cash equal to **\$1,015.00**, plus accrued and unpaid interest from the last interest payment date to, but not including, the Payment Date (as defined herein), per \$1,000.00 principal amount of the Notes validly tendered and accepted by AGT (the “**Early Consideration**”).
- **Holders** who validly tender their Notes after the Early Consideration Time and **on or prior to the Expiration Time** will be deemed to have delivered a Consent to the Amendments with respect to such Notes and will receive, for such Notes, an amount in cash equal to **\$1,010.00**, plus accrued and unpaid interest from the last interest payment date to, but not including, the Payment Date, per \$1,000.00 principal amount of the Notes validly tendered and accepted by AGT (the “**Regular Consideration**” and, together with the Early Consideration, the “**Offer Consideration**”).

Holders who wish to be eligible to receive the Early Consideration must ensure that their Notes are validly tendered on or prior to 5:00 p.m. (Eastern Time) on January 22, 2019 (the “**Early Consideration Time**”).

All of the outstanding Notes are held in book-entry form through the facilities of CDS Clearing and Depository Services Inc. (“CDS”). Accordingly, Non-Registered Holders (as defined herein) may, through their respective Intermediaries (as defined herein), utilize CDS’ on-line tendering system (referred to herein as “CDSX”) to accept the Offer and to consent to the Solicitation. Non-Registered Holders who utilize CDSX to accept the Offer by book-entry transfer of their holdings into the Depository’s (as defined herein) account with

CDS will be deemed to have completed, executed and delivered a Consent and Letter of Transmittal and to have agreed to be bound by all of the terms and conditions of the Offer and the Solicitation set forth in the Offer and Consent Documents. **Non-Registered Holders should promptly contact their Intermediary with whom they deal in respect of the Notes (such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) and obtain and follow the instructions of their respective Intermediary with respect to the applicable tender procedures and deadlines, which may be earlier than the deadlines that are set out in the Offer to Purchase and Solicitation of Consent.**

Payment of the Offer Consideration will be made on the Payment Date (as defined herein) and is expected to occur within three business days following completion of the Transaction (as defined herein).

The Offer and the Solicitation are subject to the satisfaction of certain conditions as described herein. For more information regarding the conditions, see the section entitled “Conditions to Consummation of the Offer and the Solicitation” herein.

THE OFFER AND THE SOLICITATION WILL BE OPEN FOR ACCEPTANCE UNTIL 5:00 P.M. (EASTERN TIME) ON FEBRUARY 4, 2019, UNLESS EXTENDED BY AGT (SUCH TIME AND DATE AS THE SAME MAY BE EXTENDED, THE “EXPIRATION TIME”).

The Offer to Purchase and Solicitation of Consent contains important information that should be read before a decision is made with respect to the Offer and the Solicitation. NONE OF AGT, ITS BOARD OF DIRECTORS, THE DEALER MANAGER, THE INFORMATION AGENT, THE TRUSTEE OR THE DEPOSITARY (EACH AS DEFINED HEREIN) MAKES ANY RECOMMENDATION IN CONNECTION WITH THE OFFER AND THE SOLICITATION. HOLDERS MUST MAKE THEIR OWN DECISION WITH REGARD TO TENDERING THEIR NOTES AND CONSENTING TO THE AMENDMENTS.

The following table summarizes the material pricing terms of the Offer and Solicitation:

Security Description	Outstanding Aggregate Principal Amount	Early Consideration <sup>(1)(2)</sup>	Regular Consideration <sup>(1)</sup>
5.875% Senior Notes due 2021	\$200 million	\$1,015	\$1,010

- (1) Per \$1,000 principal amount of Notes validly tendered and accepted, excluding accrued but unpaid interest thereon. Holders will also receive accrued and unpaid interest up to, but not including, the Payment Date.
- (2) Per \$1,000 principal amount of Notes validly tendered and accepted on or prior to the Early Consideration Time.

The Dealer Manager and Solicitation Agent (the “**Dealer Manager**”) for the Offer and the Solicitation in Canada is:

**Scotia Capital Inc.**

The “**Depositary**” for the Offer and Solicitation is:

**TSX Trust Company**, in its capacity as depositary for the Offer and the Solicitation

The “**Information Agent**” for the Offer and the Solicitation is:



**January 7, 2018**

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## IMPORTANT INFORMATION

Holders should take note of the following dates in connection with the Offer and the Solicitation:

Date	Calendar Date	Event
Commencement Date	January 7, 2019.	Commencement of the Offer and the Solicitation subject to the applicable terms and conditions set forth herein.
Early Consideration Time	5:00 p.m. (Eastern Time) on January 22, 2019 unless extended by AGT in its sole and absolute discretion.	The last day and time for Holders to tender their Notes in order to be eligible to receive the Early Consideration.  Holders validly tendering Notes <u>after the Early Consideration Time</u> and on or prior to the Expiration Time will be eligible to receive the Regular Consideration.
Expiration Time	5:00 p.m. (Eastern Time) on February 4, 2019, unless extended or earlier terminated by AGT in its sole and absolute discretion.	The last day and time for Holders to tender Notes pursuant to the Offer and the Solicitation.
Acceptance Date	Subject to the satisfaction or waiver of the conditions to the Offer and the Solicitation, a date promptly following the satisfaction of the Transaction Condition.	Subject to the terms and conditions of the Offer and the Solicitation, when AGT accepts for purchase the Notes validly tendered (and related deemed Consents delivered).
Payment Date	A date on which AGT makes the payment for all Notes and Consents accepted for purchase on the Acceptance Date, which is expected to occur within three business days following completion of the Transaction.	Payment of Offer Consideration for all Notes validly tendered pursuant to the Offer and the Solicitation and accepted by AGT.
Outside Time	5:00 p.m. (Eastern Time) on June 4, 2019.	If the Transaction has not been completed by the Outside Time, AGT shall return the Notes to tendering Holders, and Consents will no longer be valid.

NOTES TENDERED ON OR PRIOR TO THE EXPIRATION TIME MAY NOT BE WITHDRAWN AT ANY TIME. CONSENTS ARE IRREVOCABLE ONCE DELIVERED IN ACCORDANCE WITH THE TERMS OF THE SOLICITATION AND MAY NOT BE WITHDRAWN.

IF THE OFFER AND SOLICITATION IS CONSUMMATED:

- (A) HOLDERS WHO VALIDLY TENDER THEIR NOTES ON OR PRIOR TO THE EARLY CONSIDERATION TIME WILL BE DEEMED TO HAVE DELIVERED A CONSENT AND WILL RECEIVE THE **EARLY CONSIDERATION**; AND
- (B) HOLDERS WHO VALIDLY TENDER THEIR NOTES AFTER THE EARLY CONSIDERATION TIME AND ON OR PRIOR TO THE EXPIRATION TIME WILL BE DEEMED TO HAVE DELIVERED A CONSENT AND WILL RECEIVE ONLY THE **REGULAR CONSIDERATION**;

You are a beneficial owner of Notes (a “**Non-Registered Holder**”) if your Notes are registered either:

- (1) in the name of an intermediary (an “**Intermediary**”) with whom you deal in respect of the Notes, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (2) in the name of a clearing agency (such as CDS) of which the Intermediary is a direct or indirect participant.

All of the outstanding Notes are held in book-entry form through the facilities of CDS. Accordingly, Non-Registered Holders may, through their respective CDS participants, utilize CDSX to accept the Offer and deliver Consents. Non-Registered Holders who utilize CDSX to accept the Offer by book-entry transfer of their holdings into the Depository’s account with CDS will be deemed to have completed, executed and delivered a Consent and Letter of Transmittal and to have agreed to be bound by all of the terms and conditions of the Offer and Solicitation set forth in the Offer to Purchase and Solicitation of Consent.

By tendering their Notes, Holders will have agreed to be bound by all of the terms and conditions of the Solicitation set forth in the Offer and Consent Documents, including a waiver of any right a Holder may have to revoke its Consent.

The Amendments constitute a single proposal and a consenting Holder must consent to the Amendments in their entirety and may not consent selectively with respect to certain of the Amendments. Holders may not Consent to the Amendments without tendering their Notes to the Offer.

In accordance with the Indenture, in order to be adopted, the Amendments require the delivery of consents from Holders of not less than a majority of the aggregate principal amount of the Notes (the “**Requisite Consents**”) then outstanding. AGT will publicly announce by press release whether or not the Requisite Consents have been received and will post a copy of such press release under AGT’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on its website at [www.agtfoods.com](http://www.agtfoods.com). Such announcement will be made as promptly as practicable after the Expiration Time but in any event prior to 9:00 a.m. (Eastern Time) on the first business day after the Expiration Time.

If the Requisite Consents are obtained, AGT expects to execute a supplemental indenture (the “**Supplemental Indenture**”) providing for the Amendments at such time prior to 5:00 p.m. (Eastern Time) on June 4, 2019 (the “**Outside Time**”) as the conditions to the Offer and Solicitation have been satisfied or waived by AGT (in its sole and absolute discretion) and AGT has accepted for purchase all Notes validly tendered on or prior to the Expiration Time and such Amendments will be effective at the time of completion of the Transaction. The Supplemental Indenture will set forth, and give effect to, the Amendments by amending and restating the Indenture (the “**Amended and Restated Indenture**”) to give effect to the Revised Terms (as defined herein). Payment for the Notes validly tendered on or prior to the Expiration Time and accepted by AGT will be made on the Payment Date. See the section entitled “The Amendments – When Amendments Become Operative”.

Only Holders who tender their Notes on or prior to the Expiration Time will be eligible to receive the Offer Consideration. All other Holders will not be eligible to receive the Offer Consideration, but will be bound by the Amendments if such amendments become effective.

Subject to the terms and conditions of the Offer being satisfied or waived, AGT will, promptly after the satisfaction of the Transaction Condition, accept for purchase all Notes validly tendered on or before the Expiration Time (the “**Acceptance Date**”). AGT will cause to be paid the applicable Offer Consideration for Notes accepted for purchase at the Acceptance Date. The date of any such payment is referred to as the “**Payment Date**.” Also, on the Payment Date, AGT will cause to be paid accrued and unpaid interest, if any, from the last interest payment date to, but not including, the Payment Date, on the Notes accepted for purchase at the Acceptance Date. The Payment Date is expected to occur within three business days after completion of the Transaction.

All Notes accepted for payment pursuant to the Offer will cease to accrue interest on the Payment Date unless AGT defaults on the payment of amounts payable pursuant to the Offer and the Solicitation. All Notes not tendered and accepted for payment shall continue to accrue interest.

AGT will pay for the Notes that it has accepted for purchase on the Payment Date by depositing the aggregate Offer Consideration in immediately available funds with the Depositary for transmittal to tendering Holders through CDS in accordance with CDS’ procedures.

**AGT’s acceptance for purchase, and obligation to pay for, any Notes validly tendered pursuant to the Offer is subject to the satisfaction of, and conditioned upon, the Supplemental Indenture Condition, the Minimum Tender Condition, the Transaction Condition, and the General Conditions**, each of which are defined and described in more detail herein. See the section entitled “Conditions to the Consummation of the Offer and the Solicitation” herein.

All references to \$ herein mean Canadian dollars unless otherwise provided.

## AGT FOOD AND INGREDIENTS INC.

AGT, a corporation incorporated under the laws of Ontario, is a processor of value-added pulses, staple foods and ingredients for export and domestic markets as well as a supplier of retail packaged and canned foods to retail and food service sectors. Through its offices and processing facilities located in Canada, the U.S., Turkey, China, Australia and South Africa, merchandising and sales offices in the U.K., the Netherlands, Spain, Switzerland and India and origination offices in Russia, AGT produces a full range of pulses and specialty crops including lentils, peas, chickpeas, beans and canary seed as well as food ingredients such as pulse flours, proteins, starches and fibres. Through its subsidiaries in Turkey, the Arbel Group, AGT also produces staple foods such as Arbella Pasta, rice, and milled wheat products, including bulgur and semolina. The common shares of AGT are listed on the Toronto Stock Exchange, trading under the symbol “AGT”. Information regarding AGT’s business and operations is available electronically under AGT’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### FINANCIAL INFORMATION

Audited consolidated financial statements of AGT as at and for the fiscal years ended December 31, 2017 and 2016 (the “**2017 Annual Financial Statements**”) and the unaudited condensed consolidated interim financial statements of AGT and the notes thereto for the three and nine months ended September 30, 2018 and 2017 (together with the 2017 Annual Financial Statements, the “**Financial Statements**”) are available electronically under AGT’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### NOTICE TO HOLDERS

You should rely only upon the information contained in the Offer and Consent Documents. None of AGT, the Dealer Manager, the Information Agent, the Depositary or the Trustee has authorized any other person to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it.

The Offer to Purchase and Solicitation of Consent is based on information provided by AGT and other sources AGT believes are reliable. AGT has summarized certain documents and other information in a manner believed to be accurate, but it refers you to the actual documents for a more complete understanding of what is discussed in the Offer to Purchase and Solicitation of Consent. In making a decision as to whether or not to participate in the Offer and the Solicitation, you must rely on your own examination of AGT’s business and the terms of the Offer and the Solicitation as well as the Supplemental Indenture and Amended and Restated Indenture and the Notes, including the merits and risks involved.

You should contact the Dealer Manager, the Information Agent or the Depositary with any questions about the Offer or the Solicitation. The contact information for the Dealer Manager, the Information Agent and the Depositary appears on the back cover page of the Offer to Purchase and Solicitation of Consent. You may also consult your Intermediary for assistance.

Subject to the terms of the Offer and the Solicitation set forth in the Offer and Consent Documents, AGT reserves the right, in its sole and absolute discretion, at any time to (i) terminate the Offer and/or the Solicitation, (ii) waive, in whole or in part, any and all of the conditions to the Offer and the Solicitation (other than the Transaction Condition and, for greater certainty, receipt of the Requisite Consents is required for the adoption of the Amendments), (iii) extend the Offer and/or the Solicitation, or (iv) amend the Offer and/or the Solicitation in any respect. If AGT terminates, extends or amends the Offer and/or the Solicitation, it will give Holders of the Notes notice of such termination, extension or amendment by issuing a press release and by posting such press release under AGT’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on AGT’s website at [www.agtfoods.com](http://www.agtfoods.com). In the event that the Offer and/or the Solicitation are terminated, withdrawn or otherwise not completed, (i) the Offer Consideration will not be paid or be payable to Holders of the Notes who have validly tendered their Notes pursuant to such Offer; (ii) all Notes tendered pursuant to the Offer will be promptly returned to the tendering Holders via a credit to the appropriate account at CDS; and (iii) the Indenture and the Notes will remain in effect in their current form and the Amendments will not become operative.

The Offer to Purchase and Solicitation of Consent and the related documents constitute neither offers to purchase Notes nor a solicitation of consents in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities laws. With the exception of information incorporated by reference herein after the date hereof, neither the delivery of the Offer to Purchase and Solicitation of Consent nor any purchase of Notes and acceptance of Consents hereunder shall under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or in the affairs of AGT or any of its subsidiaries or affiliates since the date hereof.

THE OFFER TO PURCHASE AND SOLICITATION OF CONSENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES COMMISSION OR SIMILAR REGULATORY AUTHORITY OF ANY PROVINCE OR TERRITORY OF CANADA OR ANY OTHER SECURITIES REGULATORY AUTHORITY NOR HAS THE SECURITIES COMMISSION OR SIMILAR REGULATORY AUTHORITY OF ANY PROVINCE OR TERRITORY OF CANADA OR ANY OTHER SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF THE OFFER OR THE SOLICITATION NOR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THE OFFER TO PURCHASE. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

#### **NOTICE TO HOLDERS IN THE UNITED STATES**

AGT is a foreign private issuer and permitted to prepare this Offer to Purchase and Solicitation of Consent and related documents in accordance with Canadian disclosure requirements, which are different from those of the United States. Holders in the United States should be aware that the financial statements and financial information of AGT are prepared in accordance with IFRS and are subject to Canadian auditing and auditor independence standards, each of which differ in certain material respects from U.S. generally accepted accounting principles and auditing and auditor independence standards and thus may not be comparable in all respects to financial statements and information of U.S. companies.

Holders should be aware that, during the period of the offer described in this Offer to Purchase and Solicitation of Consent, AGT or its affiliates, directly or indirectly, may bid for or make purchases of the securities described herein, as permitted by applicable laws or regulations of Canada or its provinces or territories.

The Offer to Purchase and Solicitation of Consent described herein is being made for the securities of a Canadian company that does not have securities registered under Section 12 of the U.S. Securities Exchange Act of 1934, as amended.

The securities referred to herein have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered, sold or delivered in the United States except pursuant to an exemption from or a transaction not subject to, the registration requirements of the Securities Act.

**NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES REGULATOR HAS OR WILL HAVE APPROVED OR DISAPPROVED OF THE SECURITIES DESCRIBED IN THIS OFFER TO PURCHASE AND SOLICITATION OF CONSENT, OR HAS OR WILL HAVE DETERMINED IF THIS OFFER TO PURCHASE AND SOLICITATION OF CONSENT OR ANY RELATED DOCUMENTS ARE TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

## **FORWARD-LOOKING INFORMATION**

The Offer to Purchase and Solicitation of Consent contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the Offer and the Solicitation and matters related thereto, including the expected timing of completion of the Transaction. Often, but not always, forward-looking information can be identified by the use of forward-looking words like “plans”, “expects”, or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “does not anticipate”, or “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, or “will be taken”, “occur”, or “be achieved”. Forward-looking information is based on the opinions and estimates of management of AGT as of the date such information is provided and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different from those expressed or implied by such forward-looking information, including risks that AGT will not satisfy each of the conditions to the Offer and Solicitation, including completion of the Transaction. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. AGT does not undertake to update any forward-looking information, except as may be required by applicable securities laws.

## PART I – THE OFFER AND THE SOLICITATION

### SUMMARY

The following summary highlights selected information as it pertains to the Offer and the Solicitation and may not contain all of the information that is important to you. For a more complete understanding of the Offer and the Solicitation, you should read this entire document and any other documents to which you are referred. Capitalized terms have the meanings assigned to them elsewhere in the Offer to Purchase and Solicitation of Consent.

<b>The Issuer</b>	AGT Food and Ingredients Inc.
<b>The Notes</b>	5.875% Senior Notes due December 21, 2021.
<b>Purpose of the Offer and the Solicitation</b>	AGT is making the Offer and the Solicitation to: (i) acquire all of the outstanding Notes; and (ii) amend and restate the provisions of the Indenture to give effect to the Amendments.
<b>The Offer</b>	Upon the terms and subject to the conditions set forth in the Offer and Consent Documents, AGT is offering to purchase for cash all of the outstanding Notes.
<b>The Minimum Tender Condition</b>	The Offer will be conditional on Notes being validly tendered pursuant to the Offer that represent not less than a majority of the total principal amount of the Notes outstanding.
<b>The Transaction Condition</b>	The Offer will be conditional on all conditions precedent to the consummation of the Transaction having been satisfied or waived (other than the condition for the Offer and Solicitation to be consummated) on or prior to the Outside Time.
<b>The Solicitation</b>	Upon the terms and subject to the conditions set forth in the Offer and Consent Documents, AGT is soliciting Consents from the Holders of Notes to the Amendments. A Holder may not deliver a Consent pursuant to the Solicitation without tendering its Notes to which such Consent relates.
<b>The Amendments</b>	The Amendments amend the terms and conditions attaching to the Notes, by way of the Supplemental Indenture, which will amend and restate the provisions of the Indenture to eliminate substantially all of the restrictive and reporting covenants, certain events of default and certain other provisions contained in the Indenture. A full description of the Revised Terms is set out under the section entitled “The Amendments” herein. Notwithstanding the description of the Revised Terms, AGT expressly reserves the right, at any time prior to the execution of the Supplemental Indenture and without further consent from the Holders of Notes, to change any provision of the Revised Terms, provided that each such provision so changed is no less favourable to the Holders. If AGT changes the Revised Terms prior to the execution of the Supplemental Indenture, it will give Holders notice of such change by issuing a press release and by posting such press release under AGT’s profile on SEDAR at <a href="http://www.sedar.com">www.sedar.com</a> and on AGT’s website at <a href="http://www.agtfoods.com">www.agtfoods.com</a> .

<b>Early Consideration</b>	\$1,015.00 for each \$1,000.00 principal amount of Notes validly tendered prior to the Early Consideration Time and accepted for payment pursuant to the Offer.
<b>Regular Consideration</b>	\$1,010.00 for each \$1,000.00 principal amount of Notes validly tendered after the Early Consideration Time and on or prior to the Expiration Time and accepted for payment pursuant to the Offer.
<b>Interest</b>	Holders who validly tender their Notes will also receive accrued and unpaid interest up to, but not including, the Payment Date.
<b>Requisite Consents</b>	The Holders of not less than a majority of the principal amount of the Notes then outstanding must have validly tendered their Notes and validly delivered their Consents prior to the Expiration Time in order for the Amendments to be approved.
<b>Effectiveness of the Amendments</b>	If AGT receives sufficient Consents to satisfy the Requisite Consents before the Expiration Time, AGT expects to execute the Supplemental Indenture at such time prior to the Outside Time as the conditions to the Offer and the Solicitation have been satisfied or waived by AGT and AGT has accepted for purchase all Notes validly tendered pursuant to the Offer such that all Consents validly delivered pursuant to the Solicitation are deemed to be effective. Such Amendments will be effective at the time of completion of the Transaction. In the event that AGT does not accept for purchase the Notes validly tendered pursuant the Offer, the Indenture will remain in effect in its current form and the Amendments will not become operative. See the section entitled “The Amendments – When the Amendments Become Operative” herein.
<b>Early Consideration Time</b>	5:00 p.m. (Eastern Time) on January 22, 2019, unless extended by AGT in its sole and absolute discretion.
<b>Expiration Time</b>	The Offer and the Solicitation will be open for acceptance until 5:00 p.m. (Eastern Time) on February 4, 2019, unless extended or earlier terminated by AGT in its sole and absolute discretion.
<b>Acceptance Date</b>	The Acceptance Date will be a date promptly following the satisfaction of the Transaction Condition.
<b>Payment Date</b>	The Payment Date is expected to occur within three business days following completion of the Transaction.
<b>Conditions to the Offer and the Solicitation</b>	The Offer and the Solicitation are conditioned upon satisfaction of the Supplemental Indenture Condition (following receipt of the Consents), the Minimum Tender Condition, the Transaction Condition and the General Conditions, which AGT may waive in its sole and absolute discretion (other than the Transaction Condition), in whole or in part, at any time and from time to time. Receipt of the Requisite Consents is required by the Indenture for the adoption of the Amendments. See the section entitled “Conditions to Consummation of the Offer and the Solicitation” herein.
<b>Effect of the Offer</b>	Any Notes not validly tendered prior to the Expiration Time and purchased pursuant to the Offer will remain outstanding. As a result of the consummation of the Offer, the aggregate principal amount of the

Notes that remain outstanding is expected to be significantly reduced, which may adversely affect the liquidity of the Notes that remain outstanding after consummation of the Offer.

**Source of Funds**

AGT intends to consummate the Transaction, refinance existing indebtedness, including the Existing Notes repurchased pursuant to the Offer and the Solicitation, and pay related transaction fees and expenses with debt financing consisting of the Sponsor Financing and the APP Debt Facilities (each as defined herein). For more information, see the section entitled “Source of Funds” herein.

**How to Tender Notes and Deliver Consents**

If you wish to accept the Offer and deliver Consents, you must comply with the procedures for tendering Notes and delivering Consents described under the section entitled “Procedures for Tendering Notes” herein. For further information, contact the Depositary or the Information Agent at the addresses, e-mails or telephone numbers set forth on the back cover page of the Offer to Purchase and Solicitation of Consent or consult your Intermediary for assistance.

**Irrevocability of Tenders and Consents**

Once Notes are delivered to the Depositary, such Notes and Consents shall be irrevocable, subject to a material change in accordance with the terms hereof.

Holder, by validly tendering their Notes on or prior to the Expiration Time, thereby agree that the Notes tendered and Consents delivered may not be withdrawn at any time.

See the section entitled “Irrevocability of Tenders and Consents” herein.

**Certain Income Tax Considerations**

For a discussion of certain Canadian federal income tax considerations applicable to Holders in respect of the Offer and the Solicitation, see the section entitled “Certain Canadian Federal Income Tax Considerations”. For a discussion of certain United States federal income tax considerations applicable to Holders in respect of the Offer and the Solicitation, see the section entitled “Certain United States Federal Income Tax Considerations”. Holders are advised to consult their own tax advisors regarding the tax consequences related to the Offer and the Solicitation.

**Certain Significant Considerations**

See the section entitled “Certain Significant Considerations” herein for a discussion of certain additional factors that you should consider in evaluating the Offer and the Solicitation.

**The Transaction**

On December 4, 2018, AGT entered into an arrangement agreement (the “**Arrangement Agreement**”) pursuant to which a group of investors led by AGT’s President and Chief Executive Officer, Murad Al-Katib, and including Fairfax Financial Holdings Limited (“**Fairfax**”), and Point North Capital Inc. (collectively, the “**Buyer Group**”), will, indirectly, acquire all of the issued and outstanding common shares of AGT not already held by the Buyer Group for \$18.00 per share in cash by way of a plan of arrangement in accordance with the *Business Corporations Act* (Ontario). Consummation of the Offer and the Solicitation is a condition (the “**Completion Condition**”) to the Buyer Group’s obligation to complete the Transaction.

<b>Brokerage Commissions</b>	No brokerage fees or commissions are payable by tendering Holders to AGT, the Information Agent or the Depositary. The Dealer Manager will receive a customary fee in respect of Notes tendered and accepted under the Offer and in respect of Consents delivered pursuant to the Solicitation. Holders who tender their Notes through a custodian bank, the Depositary or an Intermediary should consult such institution as to whether it charges any service fees.
<b>Dealer Manager and Solicitation Agent in Canada</b>	Scotia Capital Inc.
<b>Depositary</b>	TSX Trust Company, in its capacity as depositary for the Offer and the Solicitation.
<b>Information Agent</b>	D.F. King
<b>Trustee</b>	TSX Trust Company, in its capacity as trustee under the Indenture.

### **PURPOSE OF THE OFFER AND THE SOLICITATION**

On December 4, 2018, AGT entered into the Arrangement Agreement with 2667980 Ontario Inc. (the “**Purchaser**”) pursuant to which the Buyer Group will, through the Purchaser, acquire all of the issued and outstanding common shares of AGT not already held by the Buyer Group for \$18.00 per share in cash by way of a plan of arrangement in accordance with the *Business Corporations Act* (Ontario) (the “**Transaction**”). The completion of the Transaction would constitute a Change of Control as such term is defined in the Indenture. Consummation of this Offer and the Solicitation is a condition to the Transaction.

The purpose of the Offer is to acquire all of the outstanding Notes. The purpose of the Solicitation is to eliminate substantially all of the restrictive and reporting covenants, certain events of default and certain other provisions contained in the Indenture.

Following consummation of the Offer and the Solicitation, if any Notes remain outstanding, AGT may, from time to time, acquire Notes through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as it may determine, which may be more or less than the price paid pursuant to the Offer and may involve cash or other consideration.

None of AGT, the Dealer Manager, the Information Agent, the Depositary or the Trustee is making any recommendation to Holders as to whether to tender or refrain from tendering all or any portion of their Notes. You must decide whether to tender all or any portion of your Notes.

### **THE OFFER AND SOLICITATION OF CONSENT**

You should carefully consider the risks and uncertainties described below and other information included in the Offer to Purchase and Solicitation of Consent before you decide to tender your Notes in the Offer and consent to the Amendments in the Solicitation.

#### **The Offer and the Solicitation**

AGT hereby offers, upon the terms and subject to the conditions set forth in the Offer and Consent Documents (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), to purchase for cash all of the outstanding Notes that are validly tendered to the Depositary on or prior to the Expiration Time, for the consideration described below. In addition, upon the terms and subject to the conditions set forth in the Offer and Consent Documents (including, if the Solicitation is extended or amended, the terms and conditions of any such extension or amendment), AGT is soliciting Consents to the Amendments to the

Indenture and the Notes. Holders may not deliver a Consent without tendering the Notes to which such Consent relates in the Offer, and may not revoke a Consent.

If the Notes are accepted for payment pursuant to the Offer, Holders who validly tender their Notes on or prior to the Early Consideration Time will receive, for such Notes, consideration equal to the Early Consideration. Holders who validly tender their Notes after the Early Consideration Time and on or prior to the Expiration Time will receive, for such Notes, consideration equal to the Regular Consideration.

Holders that validly tender their Notes on or prior to the Early Consideration Time or the Expiration Time, as the case may be, will receive the accrued and unpaid interest up to, but not including, the Payment Date. AGT will calculate the accrued and unpaid interest and its calculations will be final and binding, absent manifest error.

For the avoidance of doubt, the Early Consideration and the Regular Consideration will be paid only if AGT elects to accept for purchase the Notes and the Consents are deemed to be effective at the Acceptance Date and on the other terms and conditions set forth herein.

Notes tendered and Consents provided on or prior to the Early Consideration Time or the Expiration Time, as applicable, pursuant to the Offer and the Solicitation may not be withdrawn at any time. If tendered Notes are not purchased pursuant to the Offer for any reason, they will be returned, without expense, to the tendering Holder by crediting the account maintained at CDS from which such Notes were delivered, promptly following the Expiration Time or termination of the Offer, as applicable.

You will not be required to pay brokerage commissions or fees to AGT, the Information Agent or the Depository or transfer taxes with respect to the Offer and the Solicitation. The Dealer Manager will receive a customary fee for in respect of Notes tendered and accepted under the Offer and in respect of which Consents are delivered pursuant to the Solicitation. Holders who tender their Notes through a custodian bank, the Depository, or an Intermediary should consult such institution as to whether it charges any service fees.

If the Requisite Consents are obtained, then pursuant to Section 11.1 of the Indenture, the Amendments and the entering into of the Supplemental Indenture for the purpose of giving effect to the Amendments will have been authorized.

If the Requisite Consents are obtained, AGT and the Trustee under the Indenture expect to execute the Supplemental Indenture providing for the Amendments prior to the Outside Time and have the Amendments become operative at the time of completion of the Transaction if the conditions to the Offer and the Solicitation are satisfied or waived by AGT (in its sole and absolute discretion) and the Notes are accepted for purchase by AGT pursuant to the Offer. Payment for the Notes will be made on the Payment Date. Holders may not deliver Consents in the Solicitation without tendering the related Notes in the Offer and may not withdraw their Notes or revoke such Consents. Holders who validly tender their Notes prior to the Expiration Time will receive the Offer Consideration and may not withdraw their Notes or revoke their Consents. Holders who desire to tender their Notes must consent to the Amendments.

Following the Expiration Time, AGT will publicly announce by press release whether or not the Requisite Consents have been received. A copy of such press release will also be posted under AGT's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on AGT's website at [www.agtfoods.com](http://www.agtfoods.com). Such announcement will be made as promptly as practicable after the Expiration Time but in any event prior to 9:00 a.m. (Eastern Time) on the first business day after the Expiration Time. If the Offer or the Solicitation is terminated or withdrawn, or the conditions to the Offer and the Solicitation are not satisfied or waived by AGT, the Consents are not accepted or the Transaction is not completed prior to the Outside Time, the Amendments will not become operative.

If the Requisite Consents are received and the Amendments have become operative with respect to the Notes, such Amendments will be binding on all Notes not validly tendered pursuant to the Offer on or prior to the Expiration Time and which remain outstanding following the consummation of the Offer. Accordingly, consummation of the Offer and the Solicitation and the adoption of the Amendments may have adverse

consequences for Holders who elect not to tender in the Offer. See the section entitled “Certain Significant Considerations”.

### **Expiration Time; Extensions; Termination**

The Offer and the Solicitation will be open for acceptance until 5:00 p.m. (Eastern Time) on February 4, 2019, unless AGT extends the Expiration Time in its sole and absolute discretion. In the event that AGT extends the Offer and/or the Solicitation, the term “Expiration Time” with respect to such extended Offer and/or the Solicitation shall mean the time and date on which the Offer and/or the Solicitation, as so extended, shall cease to be open for acceptance.

Notwithstanding any other provisions of the Offer and the Solicitation, to the extent AGT is legally permitted to do so, AGT expressly reserves the right, at any time or from time to time, regardless of whether or not any of the events set forth in “Conditions to the Consummation of the Offer and the Solicitation” shall have occurred, to (i) terminate the Offer and/or the Solicitation and not accept for payment or purchase the tendered Notes, (ii) waive, in whole or in part, any and all of the conditions to the Offer and/or the Solicitation (other than the Transaction Condition and for greater certainty, receipt of the Requisite Consents is required by the Indenture for the adoption of the Amendments), (iii) extend the Offer and/or the Solicitation, or (iv) amend any of the terms of the Offer and/or the Solicitation, in each case by giving written notice thereof to the Depositary and the Trustee. Any extension, amendment or termination of the Offer and/or the Solicitation will be followed as promptly as practicable by a press release, which will, in the case of an extension, be issued no later than 9:00 a.m. (Eastern Time) on the next business day after the previously scheduled Early Consideration Time or Expiration Time, as the case may be, and which will be posted under AGT’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on AGT’s website at [www.agtfoods.com](http://www.agtfoods.com). AGT will have no obligation to publish, advertise or otherwise communicate any such event in connection with the Offer and the Solicitation other than by issuing a press release.

During any extension of the Offer or the Solicitation, all Notes previously tendered and not accepted for purchase, together with all Consents previously delivered will remain subject to the Offer and the Solicitation and may, subject to the terms and conditions of the Offer and Solicitation, be accepted for purchase by AGT; provided that Notes validly tendered on or prior to the Early Consideration Time or the Expiration Time, as the case may be, may not be withdrawn, and the Holders of such tendered Notes will be deemed to have waived any rights they may have under the Indenture or otherwise to withdraw their Notes. Any amendment or modification of the Offer or the Solicitation will apply to all Notes tendered pursuant to the Offer or Consents delivered pursuant to the Solicitation.

If AGT makes a material change to the terms of the Offer or Solicitation or waives a material condition of the Offer, it will give written notice of such amendment or such waiver to the Depositary or the Trustee, as applicable, and will, if necessary, disseminate additional offer documents and extend the Offer or, if applicable, the Solicitation, for a period that AGT deems to be adequate to permit Holders to tender or withdraw their Notes and deliver or revoke their Consent. Notwithstanding the description of the Revised Terms, AGT expressly reserves the right, at any time prior to the execution of the Supplemental Indenture and without further consent from the Holders of Notes, to change any provision of the Revised Terms provided that each such provision so changed is no less favourable to the Holders.

In the event that the Offer and/or the Solicitation are terminated, withdrawn or otherwise not completed, the Offer Consideration will not be paid or become payable to the Holders of the Notes and the Amendments will not become operative notwithstanding any prior execution of the Supplemental Indenture, as applicable. All Notes validly tendered and not accepted for payment will be returned to the tendering Holders as promptly as practicable following the Expiration Time or termination of the Offer, as applicable, via a credit to the appropriate account at CDS.

### **No Appraisal or Similar Rights**

Neither the Indenture nor applicable law gives the Holders any appraisal or similar rights to request a court or other person to value their outstanding Notes in connection with the Offer.

## SOURCE OF FUNDS

AGT intends to consummate the Transaction, refinance existing indebtedness, including the Existing Notes repurchased pursuant to the Offer and the Solicitation, and pay related transaction fees and expenses with debt financing to be provided by (i) Fairfax, which has committed to provide the Purchaser with the funds necessary to allow the Buyer Group to acquire all of the issued and outstanding common shares of AGT, other than common shares held by the Buyer Group, and which may also provide additional loans or credit facilities to certain of AGT's wholly-owned subsidiaries (the "**Sponsor Financing**") and (ii) a syndicate of senior Canadian financial institutions arranged by a Schedule 1 Canadian bank, which has committed to provide credit facilities (the "**APP Debt Facilities**") to Alliance Pulse Processors Inc. ("**APP**"), a wholly-owned subsidiary of AGT.

If the Offer and Solicitation is consummated and the Amendments are effective, AGT's pro-forma consolidated capitalization is expected to include (amongst other things, including any debt that remains under any Existing Notes that are not repurchased in the Offer and Solicitation): (a) up to \$525 million of debt under the APP Debt Facilities, to be secured by a first-priority security interest over the assets of APP, as well as a second-priority security interest over the assets of the Arbel Group and AGT India (each as defined below), and (b) up to \$350 million of debt under the Sponsor Financing, to be secured by a first-priority security interest over the assets each of Arbel Bakliyat Hububat Sanayi ve Ticaret A.S., Durum Gida Sanayi ve Ticaret A.S. and Turkpulse Dis Ticaret A.S. (the "**Arbel Group**"), and AGT Foods (India) Private Ltd. ("**AGT India**"), and a second-priority security interest over the assets of APP (collectively the "**Financing Package**"). If the Offer and Solicitation is not consummated, and the Buyer Group determines to waive the Completion Condition and to proceed with the closing of the Transaction, AGT intends to modify the Financing Package to conform with the terms of the Indenture, as necessary.

## CONDITIONS TO CONSUMMATION OF THE OFFER AND THE SOLICITATION

Notwithstanding any other provision of the Offer or the Solicitation, AGT's acceptance for purchase, and obligation to pay for, any Notes validly tendered pursuant to the Offer on or prior to the Expiration Time pursuant to the Solicitation is conditioned upon the following having occurred, been satisfied or having been waived by AGT:

- (a) the execution by the Trustee and AGT of the Supplemental Indenture giving effect to the Amendments following receipt of the Requisite Consents (the "**Supplemental Indenture Condition**");
- (b) the tender of not less than a majority of the aggregate outstanding principal amount of Notes pursuant to the Offer (the "**Minimum Tender Condition**");
- (c) all conditions precedent to the consummation of the Transaction having been satisfied or waived (other than the condition for the Offer and Solicitation to be consummated) on or prior to the Outside Time (the "**Transaction Condition**"); and
- (d) the following not having occurred, or if AGT shall have become aware of any of the following or if any of the following exists, AGT shall not have become aware of a material worsening thereof (the "**General Conditions**"):
  - any statute, rule, regulation, judgment, order, stay, decree, executive order or injunction is promulgated, proposed, entered, enforced, enacted, issued or deemed applicable to the Offer or the Solicitation by any governmental authority or court, or regulatory or administrative agency or instrumentality, or any third person, which directly or indirectly (i) would or might prohibit, or make illegal the acceptance for purchase, payment for or purchase of some or all of the outstanding Notes or the consummation of the Offer or the Solicitation, (ii) would or might result in a delay in or restrict the ability of AGT or render AGT unable to accept for purchase, pay for or purchase some or all of the outstanding Notes, (iii) would or might impose or confirm material limitations on the scope, validity or effectiveness of the ability of AGT to acquire or hold or to exercise full rights of

ownership of the Notes, or (iv) is, or in the sole judgment of AGT is likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of AGT and its subsidiaries or affiliates, taken as a whole;

- (i) any general suspension of, or limitation on prices for, trading in securities or financial markets in the United States or Canada, or any setting of minimum prices for trading on such markets, (ii) any banking moratorium or suspension of payments declared by regulatory authorities in the United States or Canada, (iii) any major disruption of settlements of securities or clearance services in the United States or Canada, (iv) any attack on, outbreak or escalation of hostilities or act of terrorism involving or directed at the United States or Canada or their representatives, any declaration of war by the U.S. Congress or Parliament of Canada or any other national or international calamity or emergency if, in the sole judgment of AGT, the effect of any such attack, outbreak, escalation, act, declaration, calamity or emergency makes it impractical or inadvisable to proceed with the Offer or the Solicitation, (v) a material impairment in the trading market for debt securities that could, in the sole judgment of AGT, affect the Offer or the Solicitation, (vi) any limitation (whether or not mandatory) by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, on (or other event that, in the reasonable judgment of AGT, might affect) the extension of credit by banks or other lending institutions, or (vii) in the case of any of the foregoing existing at the time of the commencement of the Offer or the Solicitation, a material acceleration or worsening thereof;
- any threatened or pending action, proceeding or counterclaim brought before any governmental, regulatory or administrative agency or authority, court, legislative body, commission (i) challenging the purchase by AGT of the Notes, challenging the receipt by AGT of the Consents, challenging the ability or authority of AGT to make or consummate the Offer or to make or consummate the Solicitation or to effect the Amendments or otherwise seeking to restrain or prohibit the consummation of the Offer or the Solicitation or otherwise seeking to obtain any damages or other remedies as a result thereof, (ii) otherwise materially adversely affecting AGT's ability to successfully complete the Offer or the Solicitation, or (iii) that is, or in the sole judgment of AGT is likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of AGT and its subsidiaries or affiliates, taken as a whole;
- neither the Trustee nor any third party shall have objected in any respect to, or taken action or failed to take action (including, among other things, with respect to the execution of the Supplemental Indenture) that could, in the reasonable judgment of AGT, adversely affect the consummation of the Offer or the Solicitation or shall have taken any action that challenges the validity or effectiveness of the procedures used by AGT in the making of the Offer or the acceptance of, or payment for, the Notes or the receipt of the Requisite Consents or the execution, delivery or effectiveness of the Supplemental Indenture;
- any change in U.S., Canadian or international financial, political or economic conditions or currency exchange rates or exchange controls that, in the reasonable judgment of AGT, would be likely to impair materially the contemplated benefits of the Offer or the Solicitation or the Amendments to AGT; or
- any change in laws or any event or circumstance affecting the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of AGT or its subsidiaries or affiliates that, in the sole judgment of AGT, would or might (i) prohibit, prevent, restrict or delay the consummation of the Offer and/or the Solicitation, (ii) make it impractical or inadvisable to proceed with the Offer and/or the Solicitation, (iii) be materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of AGT and its subsidiaries or affiliates, taken as a whole, or

(iv) adversely affect the contemplated benefits of the Offer and/or the Solicitation or the Amendments to AGT,

collectively, the “**Conditions**”.

The Conditions are for the sole benefit of AGT. Except as provided below, AGT has the right to waive, in whole or in part, at any time and from time to time, in its sole and absolute discretion, any of the Conditions with respect to the Notes and Consents (other than the Transaction Condition) and to consummate the Offer and the Solicitation. For greater certainty, receipt of the Requisite Consents is required by the Indenture for the adoption of the Amendments. No Holder who validly tenders Notes for purchase and delivers Consents will have the ability to prevent AGT from waiving a condition or will have the ability to withdraw Notes tendered or revoke Consents delivered if AGT waives any of the Conditions. AGT also has the right to determine, in its sole and absolute discretion, whether or not any of the Conditions were satisfied and to terminate, amend or extend the Offer and the Solicitation if any Condition was not satisfied. AGT’s decision as to whether or not a Condition was satisfied will be final and binding, and no Holder will have any right to disagree with its conclusions. The failure by AGT at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right and each right will be deemed an ongoing right which may be asserted at any time and from time to time.

### **CERTAIN SIGNIFICANT CONSIDERATIONS**

The following considerations, in addition to the other information described elsewhere in the Offer to Purchase and Solicitation of Consent, should be carefully considered by each Holder before deciding whether to participate in the Offer or the Solicitation.

#### **Effects of the Amendments on Unpurchased Notes**

If the Offer and Solicitation is consummated and the Amendments become operative, the terms and conditions attaching to the Notes will be replaced with the terms and conditions described in the section entitled “The Amendments – Amendments to the Indenture and the Notes”.

The Amendments will not affect AGT’s obligations to make scheduled payments of principal and accrued interest on the Notes not purchased pursuant to the Offer in accordance with the terms of the Indenture, as amended and restated by the Supplemental Indenture, and the Notes as currently in effect, nor will such Amendments affect AGT’s rights to redeem the Notes not purchased in the Offer.

#### **Effect of the Offer on the Liquidity of the Notes**

Depending on, among other things, the amount of any Notes that remain outstanding after the consummation of the Offer, the liquidity, market value and price volatility of such Notes may be adversely affected by the consummation of the Offer. To the extent that fewer than all of the outstanding Notes are tendered and accepted in the Offer, the trading market for the remaining Notes will likely become more limited. A debt security with a smaller outstanding principal amount available for trading (a smaller “float”) may command a lower price than would a comparable debt security with a greater float. Therefore, market prices for any Notes not tendered by Holders and not purchased by AGT that remain outstanding following the consummation of the Offer may be adversely affected to the extent that the principal amount of Notes purchased pursuant to the Offer reduces the float. The reduced float may also make market prices more volatile. Consequently, the liquidity, market value and price volatility of Notes that remain outstanding following consummation of the Offer may be adversely affected. The Notes are not listed on any national or regional securities exchange or reported on a national quotation system. The extent of the market for the Notes following consummation of the Offer will depend upon, among other things, the remaining outstanding principal amount of Notes after consummation of the Offer, the number of beneficial owners remaining at such time and the interest in maintaining a market in the Notes on the part of securities firms and other factors. Holders of Notes not tendered pursuant to the Offer may attempt to obtain quotations for their Notes from their brokers; however, there can be no assurance that any trading market will exist for the Notes following consummation of the Offer.

## **Future Redemption, Repurchase or Defeasance of Notes**

AGT reserves the right, in its sole and absolute discretion, from time to time after the Expiration Time, to purchase any Notes that are not tendered or accepted pursuant to the Offer through redemptions, open market or privately negotiated transactions, one or more additional tender or exchange offers or otherwise in accordance with the Indenture, as amended and restated by the Supplemental Indenture. Pursuant to the terms of the Indenture, AGT may at any time and from time to time redeem all or part of the Notes at the redemption price determined pursuant to the Indenture, as amended and restated by the Supplemental Indenture (which redemption price will not be affected by the Supplemental Indenture). In addition, AGT reserves the right to make an election for legal defeasance of the Notes in accordance with the terms set forth in the Indenture. Any such purchase, redemption or defeasance will be upon terms that may or may not differ materially from the terms of the Offer.

There can be no assurance as to which, if any, of these alternatives (or combinations thereof) AGT will choose to pursue in the future.

## **Tax Matters**

See the section entitled “Certain Canadian Federal Income Tax Considerations” and “Certain United States Federal Income Tax Considerations” for a discussion of certain Canadian and United States federal income tax consequences of the Offer and the Solicitation. Holders are advised to consult their own tax advisors regarding the tax consequences related to the Offer and the Solicitation.

## **PROCEDURES FOR TENDERING NOTES AND DELIVERING CONSENTS**

### **How to Tender Notes and Deliver Consents**

Holders will not be entitled to receive the Early Consideration with respect to the Notes and accrued and unpaid interest up to, but not including, the Payment Date, unless they **BOTH** tender their Notes pursuant to the Offer **AND** deliver their Consents to the Amendments on or prior to 5:00 p.m., (Eastern Time) on the Early Consideration Time. The tender of Notes pursuant to the Offer and in accordance with the procedures described below will constitute (i) a tender of the Notes, and (ii) the deemed delivery of Consents by such Holder with respect to such Notes. AGT will not accept Consents to the Amendments from Holders who are not tendering their Notes pursuant to the Offer, and will not accept tenders of Notes from Holders who do not deliver their Consents pursuant to the Solicitation. Holders who tender their Notes after the Early Consideration Time and on or before the Expiration Time will receive only the Regular Consideration and accrued and unpaid interest on their Notes up to, but not including, the Payment Date.

All of the Notes were issued in book-entry form, and all of the Notes are currently represented by one or more global certificates held for the account of CDS. Notes must be tendered by the following procedures for book-entry transfer established by CDS. The Depository will establish an account with respect to the Notes with CDS for purposes of the Offer within two business days after the date of the Offer to Purchase and Solicitation of Consent. Using CDS procedures, Holders may, through their respective CDS participants, utilize CDSX to tender Notes and cause CDS to make a book-entry transfer of a Holder’s Notes into the Depository’s account in accordance with CDS procedures for such transfer. Timely book-entry delivery of Notes pursuant to the Offer, however, requires receipt by the Depository at its office set forth on the back cover of the Offer to Purchase and Solicitation of Consent of a book-entry confirmation of the transfer of the Notes into the Depository’s CDS account for the Offer on or prior to the Early Consideration Time or the Expiration Time, as applicable.

Holders who, through their respective CDS participants, utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Depository’s account with CDS shall be deemed to have completed, executed and delivered a Consent and Letter of Transmittal (which includes a waiver by such Holders of any right they may have under the Indenture or otherwise to withdraw their tender from and after the Early Consideration Time or Expiration Time, as applicable) and to agree to be bound by the terms and subject to the conditions set forth in the Offer and Consent Documents and, therefore, such actions are considered a valid tender under the Offer and valid delivery pursuant to the Solicitation.

Payment for the Notes will be made only against deposit of the tendered Notes with the Depository in CDS. Receipt of payment by the Depository will be deemed to constitute receipt of payment by Holders depositing Notes. Under no circumstances will interest be paid by AGT or the Depository by reason of any delay by the Depository, CDS or any other person in making payment to any person.

*Determination of Validity.* AGT will not be required to pay for Notes tendered pursuant to the Offer or Consents delivered pursuant to the Solicitation unless those Notes are validly tendered through CDSX. All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tendered Notes pursuant to the procedures described above will be determined by AGT, in AGT's sole and absolute discretion (which determination shall be final and binding). AGT expressly reserves the absolute right in its sole and absolute discretion, subject to applicable law, to reject any or all tenders of any Notes or delivery of Consents determined by it not to be in proper form or if the acceptance for payment of, or payment for, such Notes and Consents may, in the opinion of AGT's counsel, be unlawful. AGT also reserves the absolute right, in its sole and absolute discretion, to waive or amend any of the conditions of the Offer and the Solicitation (other than the Transaction Condition) or any defect or irregularity in any tender with respect to tender of Notes or delivery of Consents of any particular Holder, whether or not similar defects or irregularities are waived in the case of other Holders. AGT's interpretation of the terms and conditions of the Offer and Solicitation shall be final and binding. No tender of Notes or delivery of Consents will be deemed to have been validly made until all defects or irregularities have been cured or expressly waived. None of AGT, CDS, the Depository, the Trustee, the Dealer Manager, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or will incur any liability for failure to give any such notification. If AGT determines you have not validly tendered your Notes or delivered your Consents and it determines not to waive such defective tender, your Notes will be promptly returned to you following the Offer and Solicitation via a credit to the appropriate CDS account. If AGT waives its right to reject a defective tender of Notes or delivery of Consents, the Holder will be entitled to the Early Consideration or the Regular Consideration, as applicable.

*No Guaranteed Delivery.* There are no guaranteed delivery procedures provided for by AGT in conjunction with the Offer or Solicitation under the terms of the Offer and Consent Documents. Holders must timely tender their Notes in accordance with the book-entry delivery procedures set forth herein.

Tendering Holders will be deemed to have agreed to be bound by all of the terms and conditions of the Offer and Consent Documents.

In order to participate in the Offer and the Solicitation, you must validly tender your Notes to the Depository using the procedures for book-entry transfer established by CDS as described above. It is your responsibility to validly tender your Notes. Holders who validly tender Notes shall be deemed to have delivered Consents to the Amendments. AGT has the right to waive any defects in the tender of the Notes or the delivery of the Consents. However, AGT is not required to waive defects and is not required to notify you of defects in your tender.

If you have any questions or need help in tendering your Notes, please contact the Depository or the Information Agent, whose respective addresses, e-mails and telephone numbers are listed on the back cover page of the Offer to Purchase and Solicitation of Consent. You may also consult your Intermediary for assistance.

*Power of Attorney.* The tender of the Notes and delivery of the Consents irrevocably constitutes, appoints and authorizes any director or officer of AGT, and any other person designated by AGT in writing, as the true and lawful agents, attorneys and attorneys-in-fact of the Holders with respect to the Notes tendered and Consents delivered pursuant to the Offer and the Solicitation on their behalf with full power of substitution, in the name of and on behalf of the Holder (such power of attorney being deemed to be an irrevocable power coupled with an interest), to execute and deliver any resolutions in writing, in form and on terms satisfactory to AGT in its sole and absolute discretion, evidencing the approval of the Amendments and the execution and delivery of the Supplemental Indenture. The power of attorney granted to AGT in the Consents will only be used and relied upon if the Requisite Consents are received.

## IRREVOCABILITY OF TENDERS AND CONSENTS

Notes tendered and Consents delivered on or prior to the Early Consideration Time or the Expiration Time, as applicable, may not be withdrawn at any time. **Once Notes are delivered to the Depository, such Notes and Consents shall be irrevocable, subject to a material change in accordance with the terms hereof.** Each Holder, by tendering Notes, will be deemed to have provided Consent and such Consent will be irrevocable once delivered, even if the Solicitation is extended or amended in accordance with the terms hereof.

### ACCEPTANCE OF OUTSTANDING NOTES FOR PURCHASE AND PAYMENT FOR NOTES; ACCEPTANCE OF CONSENTS

If the conditions to the Offer and the Solicitation are satisfied, and if AGT waives all of the conditions that have not been satisfied (other than the Transaction Condition) subject to the terms and conditions of the Offer and the Solicitation and applicable laws, AGT intends to accept for purchase and will pay for all Notes validly tendered pursuant to the Offer, upon and promptly following the satisfaction of the Transaction Condition. AGT will accept Notes for purchase by written notice to the Depository notifying the Depository of its acceptance.

Any principal amount of Notes tendered but not purchased pursuant to the Offer will be returned, without expense, to the tendering Holder as promptly as practicable following the earlier of the Expiration Time and the date on which the Offer is terminated, as applicable, by crediting such Notes to the tendering Holder's account maintained with CDS.

All amounts payable under the Offer and the Solicitation will be paid in Canadian dollars.

AGT will pay for the Notes that it has accepted for purchase by depositing the aggregate Offer Consideration in immediately available funds on the Payment Date with the Depository for transmittal to tendering Holders through CDS in accordance with CDS' procedures. AGT will not be responsible for any mistakes and delays made by the Depository and CDS in distributing any Early Consideration and Regular Consideration and no interest will be payable because of any such mistake and delay.

The Depository will act as the agent of Holders who have tendered Notes in acceptance of the Offer for the purposes of receiving payment from AGT and transmitting such payment to such persons through CDS, and receipt of payment by the Depository will be deemed to constitute receipt of payment by persons tendering Notes under the Offer.

AGT reserves the right to transfer and assign, in whole at any time and in part from time to time, to one and more of its affiliates, the right to purchase Notes tendered pursuant to the Offer, but any such transfer and assignment will not relieve AGT of its obligations under the Offer and the Solicitation with respect to such Notes and Consents, respectively, and prejudice the rights of tendering Holders of such Notes to receive the Early Consideration or the Regular Consideration, as applicable.

## THE AMENDMENTS

### Amendments to the Indenture and the Notes

The Amendments will amend and restate the provisions of the Indenture to eliminate substantially all of the restrictive and reporting covenants, certain events of default and certain other provisions contained in the Indenture, the terms and conditions of which are set out in below (the "**Revised Terms**").

*Deletion of Covenants in Article 5 of the Indenture.* The Amendments would eliminate the following restrictive covenants in the Indenture, and would make certain other changes in the Indenture of a technical or conforming nature, including the deletion of certain definitions and the elimination of certain cross-references:

<b>Section Reference</b>	<b>Description of Provision</b>
Section 5.3	Payment of Taxes and Other Claims
Section 5.4	Statement by Officers
Section 5.5	Provision of Reports and Financial Statements
Section 5.6	Future Guarantors
Section 5.7	Designation of Subsidiaries as Restricted or Unrestricted
Section 5.8	Limitation on Liens
Section 5.9	Payments for Consents
Section 5.10	Restricted Payments
Section 5.11	Incurrence of Indebtedness and Issuance of Disqualified Stock
Section 5.12	Limitation on Contractual Restrictions
Section 5.13	Transactions with Affiliates
Section 5.14	Asset Sales
Section 5.16	Limitation on Business Activities
Section 5.18	Compliance with Applicable Laws
Section 5.19	Keeping of Books
Section 5.20	SEC Reporting Covenant

*Amendment to Section 6.1 of the Indenture.* (Events of Default). The Amendments would eliminate all the provisions of Section 6.1 of the Indenture as they apply to the covenants referred to above and the provisions of clauses (c), (d), (e), (f), (g), (h) and (i) of Section 6.1. The only Events of Default that will remain relate to payment defaults (clauses (a) and (b) of Section 6.1).

*Amendment to Section 6.2 of the Indenture.* (Acceleration of Maturity; Rescission, Annulment and Waiver). The Amendments would make conforming changes to Section 6.2 as a result of the changes made to Section 6.1 as described above.

*Amendment to Article 7 of the Indenture.* (Discharge and Defeasance). The Amendments would eliminate certain conditions to the legal defeasance and covenant defeasance provisions of Article 7.

*Amendment to Article 9 of the Indenture.* (Successors to the Issuer and the Restricted Subsidiaries). The Amendments would modify Article 9 of the Indenture to remove all conditions other than the requirement that the Person formed by or surviving any applicable amalgamation, merger or consolidation of AGT or a guarantor or the

Person to which the applicable sale, assignment, transfer, conveyance, lease or other disposition of assets or a guarantor shall have been made assumes all the obligations of AGT or the subsidiary guarantor, as applicable, under the Indenture and the Notes pursuant to a supplemental indenture.

The Amendments will not amend any provision of the Indenture where the amendment of such provision would require unanimous approval. Notwithstanding the description of the Revised Terms, AGT expressly reserves the right, at any time prior to the execution of the Supplemental Indenture and without further consent from the Holders, to change any provision of the Revised Terms provided that each provision so changed is no less favourable to the Holders and Holders will be deemed to consent to the resulting Revised Terms by virtue of having submitted a Consent. If AGT changes the Revised Terms prior to the execution of the Supplemental Indenture, it will give Holders notice of such change by issuing a press release and by posting such press release under AGT's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on AGT's website at [www.agtfoods.com](http://www.agtfoods.com).

#### **To be effective under the Indenture, the Amendments must receive the Requisite Consents.**

If the Requisite Consents are received, the Amendments will have been authorized in accordance with Section 11.1 of the Indenture.

AGT is seeking the consent to all of the Amendments as a single proposal, and a consenting Holder must consent to the Amendments as an entirety and may not consent selectively and conditionally with respect to such Amendments. If the Amendments become operative with respect to the Indenture, the Amendments will be binding on all Notes issued under the Indenture that remain outstanding following consummation of the Offer. If the Amendments are approved, the existing terms of the Indenture will cease to apply.

#### **When the Amendments Become Operative**

If the Requisite Consents to the Amendments are received, and the applicable conditions to the Offer and the Solicitation have been satisfied and waived by AGT and AGT's acceptance for purchase of the tendered Notes, AGT and the Trustee will enter into the Supplemental Indenture and the Amendments will become operative and effective at the time of the completion of the Transaction. The Supplemental Indenture will set forth, and give effect to, the Amendments by amending and restating the Indenture to give effect to the Revised Terms. Payment for the accepted Notes will be made on the Payment Date.

If the Amendments are adopted and the Offer and Solicitation is consummated, Notes that are not tendered, or that are not accepted for payment pursuant to the Offer, will remain outstanding, and will be thereafter governed by the terms and conditions of the Amended and Restated Indenture.

In the event that AGT does not accept the Consents delivered in the Solicitation for any reason, the Indenture will remain in effect in its current form and the Amendments will not become operative.

#### **Consequences of Failure to Participate in the Solicitation**

If you do not tender your Notes in the Offer and the Amendments to the Indenture and the Notes become operative, you will be bound by the Amendments even if you do not consent to them.

### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The following is a summary of the principal Canadian federal income tax considerations generally applicable in connection with the sale of Notes pursuant to the Offer and the delivery of Consents pursuant to the Solicitation by a beneficial owner of Notes (including entitlement to all payments thereunder) who, at all relevant times, for purposes of the application of the *Income Tax Act* (Canada) and the *Income Tax Regulations* (collectively, the "**Tax Act**") deals at arm's length with and is not affiliated with AGT and holds the Notes as capital property (a "**Holder**"). The Notes will generally be considered to be capital property to a Holder for this purpose provided they have not been acquired and have not been held in the course of carrying on a business or as part of an adventure and concern in the nature of trade.

This summary is not applicable to a Holder (i) an interest in which is a “tax shelter investment”, (ii) that is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to financial institutions, a “financial institution”, (iii) that is a “specified financial institution”, (iv) that reports its “Canadian tax results” in a currency other than Canadian currency, or (v) that enters into a “derivative forward arrangement” in respect of the Notes, each as defined in the Tax Act. Such Holders should consult their own tax advisors. This summary assumes that no interest paid on the Notes has been in respect of a debt and other obligation to pay an amount to a person with whom AGT does not deal at arm’s length, within the meaning of the Tax Act.

This summary is based on the current provisions of the Tax Act and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency made publicly available prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Tax Amendments**”) and assumes that all Proposed Tax Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Tax Amendments will be enacted in the form proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by judicial, governmental or legislative decision or action, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdictions, which may differ from those described herein.

**This summary is not exhaustive of all Canadian federal income tax consequences that may be relevant to a particular Holder. This summary is of a general nature only and is not, and is not intended to be legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors having regard to their own circumstances.**

#### **Allocation of Early Consideration Payment**

Each Holder who receives the Early Consideration may be required to determine on a reasonable basis what portion of the amount so received relates to the Holder selling its Notes pursuant to the Offer and what portion relates to the Holder being deemed to deliver a Consent. This summary assumes that the entire amount of Early Consideration received by a Holder relates to such Holder’s sale of Notes and that no portion of such amount relates to the deemed delivery of a Consent. However, this allocation is not binding on the CRA or any Holder. Should the CRA or a Holder allocate the Early Consideration differently, the tax consequences described below may be different. **Holders should consult their own tax advisors with respect to the tax consequences of this allocation.**

#### **Residents of Canada**

The following portion of the summary is applicable to a Holder that, at all relevant times and for the purposes of the Tax Act and any applicable income tax treaty or convention, is or is deemed to be resident in Canada (a “**Canadian Holder**”). Certain Canadian Holders that might not otherwise be considered to hold their Notes as capital property may, in certain circumstances, be entitled to have their Notes, and all other “Canadian securities” (as defined in the Tax Act) owned in the taxation year of the election and all subsequent taxation years, deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Holders should consult their own tax advisors for advice with respect to whether an election under subsection 39(4) of the Tax Act is available or advisable having regard to their particular circumstances.

#### *Amendments to the Indenture*

AGT is soliciting Consents to the Amendments. Under general principles of Canadian federal income tax law, the amendment of the terms of a debt obligation will result in a disposition (upon which a capital gain or loss may be realized) if such Amendments result in a novation and rescission of the debt obligation or the Amendments are considered so fundamental so as to result in the substitution of a new debt instrument.

Although not free from doubt, the adoption of the Amendments should not result in a novation and rescission of the Notes or changes to the terms of the Notes so fundamental so as to be considered to be a substitution of new debt obligation for Canadian federal income tax purposes. Accordingly, the Amendments should not result in a disposition of the Notes for purposes of the Tax Act and, accordingly, Canadian Holders should not be subject to any tax under the Tax Act solely by reason of the adoption of the Amendments. Canadian

Holders should consult their own tax advisors with respect to the Canadian federal income tax consequences to the Canadian Holders as a result of the Amendments.

#### *Sale of Notes Pursuant to Offer*

A Canadian Holder will generally be required to include in computing such Canadian Holder's income for the taxation year in which AGT purchases the Notes the amount paid to the Canadian Holder in respect of accrued interest, except to the extent that such interest has otherwise been included in such Canadian Holder's income for a preceding taxation year.

Any portion of the Early Consideration or the Regular Consideration, as the case may be, that is considered to be a penalty or bonus payable by AGT to a Canadian Holder of a Note because the Note is repaid on the purchase of the Note before the maturity thereof generally will be deemed to be interest received at that time by the Canadian Holder and generally will be required to be included in computing the Canadian Holder's income as described above, to the extent that such amount can reasonably be considered to relate to, and does not exceed the value at the time of the repayment of, the interest that, but for the purchase, would have been paid or payable by AGT on the Note for a taxation year of AGT ending after the purchase.

In addition, the purchase of the Note by AGT will result in the disposition of the Note by the Canadian Holder. Generally, on a disposition of a Note, a Canadian Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount included in the Canadian Holder's income as interest (as discussed above) and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Note to the Canadian Holder immediately before such disposition. In certain circumstances, such as where (a) a Canadian Holder that is a corporation, partnership or trust or (b) a person affiliated with such Canadian Holder for purposes of the Tax Act acquires Notes that are identical to the Notes being disposed of by the Canadian Holder under the Offer (the "**Substituted Notes**") during the period that begins 30 days before and ends 30 days after the disposition and at the end of that period owns such Substituted Notes, the Canadian Holder's loss from the disposition is generally deemed to be nil. In general, such a loss may be recognized at the time the Substituted Notes are no longer owned by the Canadian Holder or a person affiliated with the Canadian Holder.

Generally, a Canadian Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by a Canadian Holder in the year and a Canadian Holder is required to deduct one-half of the amount of any capital loss (an "allowable capital loss") realized in a taxation year from taxable capital gains realized by the Canadian Holder in that taxation year. Subject to and in accordance with the provisions of the Tax Act, allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year generally may be carried back and deducted in any of the three preceding taxation years and carried forward and deducted in any subsequent taxation year, against net taxable capital gains realized in such taxation years.

#### *Other Considerations*

A Canadian Holder that is an individual or a trust (except certain trusts) may be liable for alternative minimum tax as a result of realizing a capital gain.

A Canadian Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable for an additional refundable tax on investment income. For this purpose, investment income will generally include taxable capital gains, interest income and other property income derived from a Note.

#### **Non-Residents of Canada**

The following portion of the summary is applicable to a Holder that, at all relevant times and for purposes of the Tax Act, (i) is not resident and not deemed to be resident in Canada (including as a consequence of an applicable income tax treaty or convention), (ii) does not use or hold, and is not deemed to use or hold, the Notes in the course of carrying on business in Canada, (iii) is not an insurer who carries on an insurance business or is deemed to carry on an insurance business in Canada or elsewhere, and (iv) is not an "authorized foreign bank", all for the purpose of the Tax Act (a "**Non-Resident Holder**").

In addition, the following portion of this summary is not applicable to a Non-Resident Holder that is a “specified shareholder” (as defined in subsection 18(5) the Tax Act) of AGT or that does not deal at arm’s length for purposes of the Tax Act with a “specified shareholder” of AGT. Generally, for this purpose, a “specified shareholder” is a shareholder that owns or is deemed to own, either alone or together with persons with which the shareholder does not deal at arm’s length for purposes of the Tax Act, shares of the capital stock of AGT that either (i) give the holders of such shares 25% or more of the votes that could be cast at an annual meeting of the shareholders or (ii) have a fair market value of 25% or more of the fair market value of all of the issued and outstanding shares of AGT. Such Non-Resident Holders should consult their own tax advisors.

#### *Tendering Non-Resident Holders*

The payment by AGT of the Early Consideration and the Regular Consideration, as applicable, pursuant to the Offer, and any amount in respect of accrued interest, to a Non-Resident Holder that tenders Notes pursuant to the Offer will not be subject to Canadian withholding tax. No other taxes on income (including taxable capital gains) will be payable under the Tax Act in respect of the receipt of the Early Consideration or the Regular Consideration, as applicable, and any amount in respect of accrued interest, received by a Non-Resident Holder.

#### *Non-Tendering Non-Resident Holders*

AGT is soliciting consents to the Amendments. A Non-Resident Holder will not be subject to any tax under the Tax Act solely by reason of the adoption of the Amendments.

Following the adoption of the Amendments, amounts paid or credited, or deemed to be paid or credited, as, on account or in lieu of payment of or in satisfaction of the principal of the Notes or premium or interest on the Notes, will continue to not be subject to Canadian withholding tax.

### **CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

#### **General**

The following is a general discussion of certain U.S. federal income tax considerations relating to the Offer and Solicitation of Consent to U.S. Holders, as defined below. This discussion is a summary for general information purposes only and does not consider all aspects of U.S. federal income taxation that may be relevant to particular U.S. Holders in light of their individual circumstances or to certain types of U.S. Holders subject to special tax rules (e.g., financial institutions, broker-dealers, insurance companies, tax-exempt organizations, dealers in securities or currencies, traders in securities who elect to apply a mark-to-market method of accounting, persons that hold Notes as part of a “straddle,” a “hedge,” a “conversion transaction,” or other “integrated transaction,” persons that acquire Notes in connection with employment or other performance of services, persons that have a functional currency other than the U.S. dollar, persons subject to the alternative minimum tax, and partnerships and other pass-through entities), nor does it address state, local or foreign tax considerations or U.S. federal tax considerations other than income taxation. This summary assumes that Holders have held their Notes as “capital assets” within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”).

If a partnership holds a Note, the U.S. federal income tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Any partners of a partnership holding the Notes are urged to consult their tax advisors. This disclosure does not address the tax treatment of partnerships or persons who hold their Notes through a partnership or other pass-through entity.

This summary is based on the Code and applicable Treasury regulations, rulings, administrative pronouncements and decisions as of the date hereof, all of which are subject to change or differing interpretations at any time with possible retroactive effect. There can be no assurance that the Internal Revenue Service (“IRS”) will not challenge one or more of the tax consequences described herein, and AGT has not obtained, and does not intend to obtain, a ruling from the IRS with respect to the U.S. federal income tax consequences of the Offer and Solicitation of Consent.

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of Notes that for U.S. federal income tax purposes is: (i) an individual citizen or resident of the United States; (ii) a corporation, or other entity treated as a

corporation for U.S. federal income tax purposes, that is created or organized in or under the laws of the United States, any State thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust, or that has a valid election in effect to be treated as a United States person.

### **Tendering U.S. Holders**

*Sale of a Note.* The receipt of cash by a U.S. Holder in exchange for a Note pursuant to the Offer will be a taxable transaction for U.S. federal income tax purposes. Subject to the discussion below under the heading “Early Consideration – US,” a U.S. Holder tendering a Note will generally recognize gain or loss in an amount equal to the difference between (i) the amount of cash received in exchange for such Note (other than any amount attributable to accrued and unpaid interest on the Note) and (ii) the U.S. Holder’s adjusted tax basis in the Note. Subject to the market discount rules discussed below, such gain or loss will generally be capital gain or loss and will generally be U.S.-source gain or loss for foreign tax credit purposes. Generally, a U.S. Holder’s adjusted tax basis in a Note will be equal to the amount paid for the Note, increased by any market discount previously included in the U.S. Holder’s income, and decreased (but not below zero) by any cash payments on the Note other than payments of qualified stated interest (stated interest on the Notes) and by any amortized bond premium in respect of the Note which has been previously taken into account. Except as described below regarding market discount, such capital gain or loss will be long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of such sale. Non-corporate taxpayers are generally subject to reduced rates of U.S. federal income taxation on net long-term capital gains. The deductibility of capital losses is subject to certain limitations.

Amounts received by a U.S. Holder in respect of accrued and unpaid interest on a Note will generally be taxed as ordinary interest income for U.S. federal income tax purposes to the extent not previously included in income.

*Market Discount.* A Note has “market discount” if its stated redemption price at maturity exceeds its tax basis in the hands of a U.S. Holder immediately after its acquisition, unless a statutorily defined *de minimis* exception applies. Gain recognized by a U.S. Holder with respect to a Note acquired with market discount will generally be subject to tax as ordinary income to the extent of the lesser of (i) the gain recognized or (ii) the market discount accrued during the period the Note was held by such U.S. Holder. This rule will not apply to a U.S. Holder who previously had elected to include market discount in income as it accrued for U.S. federal income tax purposes.

*Early Consideration – US.* The U.S. federal income tax treatment of a U.S. Holder’s receipt of Early Consideration is unclear. The receipt of Early Consideration by a U.S. Holder may be treated for U.S. federal income tax purposes either as (a) part of the consideration received in exchange for the Notes, in which case such amount would be taken into account in determining the amount of gain or loss on the exchange in the manner described above, or (b) separate consideration for consenting to the Amendments, in which case such amount would constitute ordinary income to the U.S. Holder. U.S. Holders are encouraged to consult their tax advisors regarding the U.S. federal income tax treatment of Early Consideration.

### **Non-Tendering U.S. Holders**

The tax treatment of a U.S. Holder that does not tender its Notes will depend upon whether the modification to the Notes results in a “deemed” exchange of such Notes for U.S. federal income tax purposes. Generally, the modification of a debt instrument will be treated as a “deemed” exchange of an “old” debt instrument for a “new” debt instrument if such modification is “significant” within the meaning of the Treasury regulations promulgated under Section 1001 of the Code (the “**Regulations**”). Under the Regulations, the modification of a debt instrument is a “significant” modification if, based on all the facts and circumstances and taking into account all modifications of the debt instrument collectively, the legal rights or obligations that are altered and the degree to which they are altered are “economically significant.” The Regulations provide that a modification of a debt instrument that adds, deletes or alters customary accounting or financial covenants is not a significant modification. However, whether the adoption of the Amendments would be considered solely to be a modification that adds, deletes or alters customary accounting or financial covenants, or would otherwise be considered to not constitute a significant modification, is not entirely clear.

AGT intends to take the position that the adoption of the Amendments will not cause a significant modification of the Notes under the Regulations, and therefore will not result in a deemed exchange of the Notes for U.S. federal income tax purposes. If such position is respected, a U.S. Holder will not realize gain or loss solely as a result of the adoption of the Amendments. It is possible, however, that the IRS could treat the adoption of the Amendments as a significant modification of the Notes for U.S. federal income tax purposes, resulting in a deemed exchange of a U.S. Holder's "old" Notes for "new" Notes for U.S. federal income tax purposes. If the IRS were to take this position and prevail, then the tax consequences of the Amendments may differ materially from the tax consequences described above. Among other things, a U.S. Holder could be treated as realizing a taxable gain on the exchange of the "old" Notes for the "new" Notes. In addition, the U.S. Holder could be treated as acquiring the "new" Notes with original issue discount, which, regardless of the U.S. Holder's regular method of tax accounting, would have to be taken into income as it accrued, regardless of when it was actually received. Even if the IRS's assertion were successful, if both the "old" Notes and the "new" Notes are treated as "securities" for U.S. federal income tax purposes, a U.S. Holder that does not tender its Notes would be treated as having exchanged its "old" Notes for "new" Notes in a tax-free recapitalization and such U.S. Holder would generally not recognize any gain or loss (although the "new" Notes issued in the deemed exchange might still be treated as having been issued with original issue discount). U.S. Holders are encouraged to consult their tax advisors regarding the potential tax consequences of not tendering their Notes pursuant to the Offer.

#### *Information Reporting and Backup Withholding*

A U.S. Holder whose Notes are tendered and accepted for payment by AGT pursuant to the Offer will be subject to certain information reporting requirements (unless the U.S. Holder is a corporation or other exempt recipient). In addition, a U.S. Holder may be subject to backup withholding with respect to the receipt of cash in exchange for a Note unless the U.S. Holder provides AGT with a correct taxpayer identification number ("TIN") and certifies that the U.S. Holder is a United States person, the TIN is correct (or that the U.S. Holder is awaiting a TIN) and the U.S. Holder either (a) is exempt from backup withholding, (b) has not been informed by the IRS that backup withholding is required due to underreporting of interest or dividends or (c) has been informed by the IRS that backup withholding is no longer required. U.S. Holders are encouraged to consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining such exemption. Any amount paid as backup withholding would be creditable against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the requisite information is properly provided to the IRS.

THE U.S. FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION PURPOSES ONLY. ALL HOLDERS ARE ENCOURAGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE OFFER AND THE CONSENT SOLICITATION.

## **PART II – ADDITIONAL INFORMATION**

### **DEALER MANAGER; INFORMATION AGENT; DEPOSITARY**

AGT has retained Scotia Capital Inc. (“**Scotia Capital**”) to act as the dealer manager and solicitation agent in connection with the Offer and the Solicitation in Canada. In its capacity as dealer manager and solicitation agent, Scotia Capital, as well as a member of any soliciting dealer group that may be formed by Scotia Capital, may contact Holders regarding the Offer and the Solicitation and may request Intermediaries to forward the Offer and Consent Documents and related materials to beneficial owners of Notes.

The Dealer Manager, in the ordinary course of its business, may make a market in the Notes, for its own account and for the accounts of its customers. As a result, from time to time, the Dealer Manager may own the Notes. The Dealer Manager and its affiliates may tender Notes to the Offer and participate in the Solicitation.

The Dealer Manager has provided, and may provide in the future, financial, advisory, investment banking and other services to AGT and its affiliates for which they have received and would receive customary compensation. The Dealer Manager currently serves as financial advisor to AGT and as a proposed lender for which it may receive customary compensation in connection with such services. AGT has agreed to reimburse Scotia Capital for its reasonable out-of-pocket expenses for its services as Dealer Manager in connection with the Offer and the Solicitation in Canada.

AGT has also agreed to indemnify the Dealer Manager against certain liabilities in connection with its services, including liabilities under Canadian federal and provincial law and otherwise arising out of, relating to and in connection with the Offer and the Solicitation.

D.F. King has been appointed the Information Agent with respect to the Offer and the Solicitation. AGT will pay the Information Agent customary fees for its services and reimburse the Information Agent for its reasonable out of pocket expenses in connection therewith. AGT has also agreed to indemnify the Information Agent for certain liabilities. Requests for additional copies of the Offer to Purchase and Solicitation of Consent, the Consent and Letters of Transmittal and related materials may be directed to the Information Agent at the e-mail address and telephone number set out on the back cover of the Offer to Purchase and Solicitation of Consent.

TSX Trust Company has been appointed as Depositary for the Offer and the Solicitation. All correspondence in connection with the Offer should be sent by each Holder and a Non-Registered Holder’s Intermediary to the Information Agent or the Depositary at their respective addresses, e-mails and telephone numbers set forth on the back cover of the Offer to Purchase and Solicitation of Consent. Any Holder that has questions concerning the procedures for tendering Notes should contact the Information Agent or the Depositary at their addresses, e-mails and telephone numbers appearing on the back cover of the Offer to Purchase and Solicitation of Consent.

### **FEES AND EXPENSES**

In connection with the Offer and the Consent Solicitation, directors, officers and employees of AGT may solicit tenders and Consents by use of the mail, personally and by telephone, facsimile, telegram, electronic communication and other similar methods. These directors, officers and employees will not be specifically compensated for these services.

No brokerage commissions will be payable by tendering Holders of the Notes to the Depositary, the Information Agent, the Trustee and AGT. The Dealer Manager will receive a customary fee in respect of Notes tendered and accepted under the Offer and Consents that are delivered pursuant to the Solicitation. Any member of any soliciting dealer group that may be formed by Scotia Capital may also receive a customary fee in respect of Notes that are tendered and Consents that are delivered.

Holders who tender their Notes through an Intermediary should contact such Intermediary as to whether it charges any service fees.

AGT will pay all transfer taxes, if any, applicable to the purchase and transfer of the Notes pursuant to the Offer.

### **MISCELLANEOUS**

The Offer and the Solicitation are being made to all Holders. AGT is not aware of any jurisdiction in which making the Offer and the Solicitation is not in compliance with applicable law. If AGT becomes aware of any jurisdiction in which the making of the Offer and the Solicitation would not be in compliance with applicable law, AGT will make a good faith effort to comply with any such law. If, after such good faith effort, AGT cannot comply with any such law, the Offer and the Solicitation will not be made to (nor will tenders of Notes and deliveries of Consents be accepted from and on behalf of) the Holders residing in such jurisdiction.

No person has been authorized to give any information and make any representation on behalf of AGT not contained in the Offer to Purchase and Solicitation of Consent and, if given and made, such information and representation must not be relied upon as having been authorized.

Any questions regarding procedures for tendering Notes and delivering Consents should be directed to the Depository at the address, e-mail and telephone number set out below. Requests for additional copies of this Offer to Purchase and the Consent and Letter of Transmittal should be directed to the Information Agent at the e-mail and telephone number set forth below. Any questions regarding the terms of the Offer and the Solicitation should be directed to the Dealer Manager at the address, e-mail and telephone number set out below.

The Financial Statements are available electronically under AGT's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Holders may also request copies of the Financial Statements from the Information Agent, at the e-mail and telephone number set out below.

*The Depository for the Offer and the Solicitation is:*

### **TSX TRUST COMPANY**

*By Registered Mail, Hand or by Courier*

100 Adelaide St W, Suite 301  
Toronto, ON M5H 4H1  
Attention: Corporate Actions

#### ***Inquiries:***

North American Toll Free: (866) 600-5869

Telephone: (416) 342-1091

Facsimile: (416) 361-0470

Email: [TMXEInvestorServices@tmx.com](mailto:TMXEInvestorServices@tmx.com)

*The Information Agent for the Offer and the Solicitation is:*

### **D.F. KING**

Attention: Marcus Campbell  
Direct: 647-351-3085 x3  
E-mail: [mcampbell@dfking.com](mailto:mcampbell@dfking.com)

*The Dealer Manager and Solicitation Agent for the Offer and the Solicitation in Canada is:*

**SCOTIA CAPITAL INC.**

Scotia Plaza, 68th Floor  
40 King Street West  
Toronto, ON M5W 2X6  
Attention: Murray Neal

Telephone: 416-863-7438  
E-mail: [murray.neal@scotiabank.com](mailto:murray.neal@scotiabank.com)