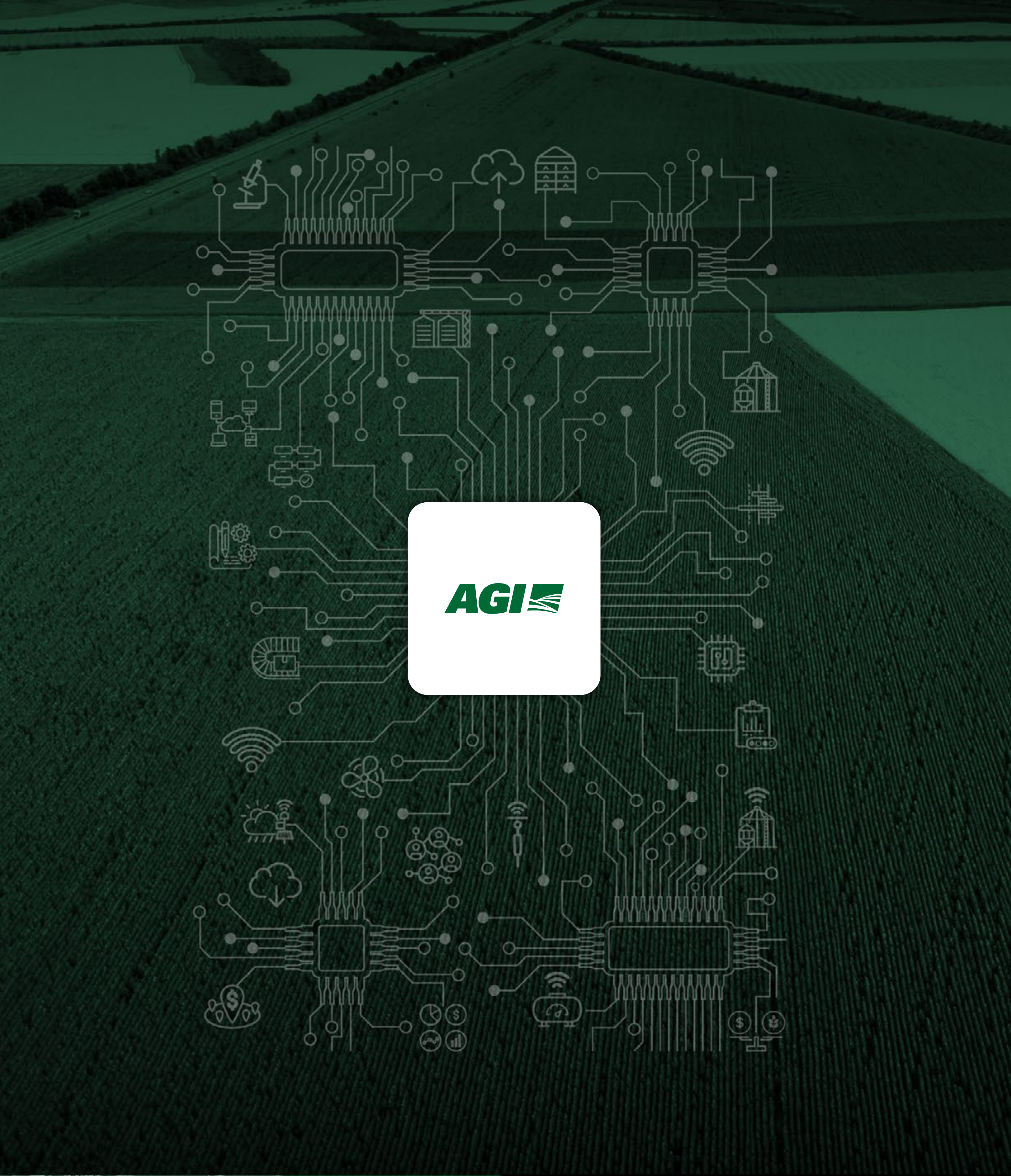


Annual Information Form

FOR THE YEAR-ENDED DECEMBER 31, 2019

DATED
MARCH 30, 2020

TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION	1
CORPORATE STRUCTURE	2
Ag Growth International Inc.	2
Intercorporate Relationships	2
DEVELOPMENT OF AGI'S BUSINESS	4
Overview	4
5-6-7 Strategy	5
Significant Developments	10
DESCRIPTION OF AGI'S BUSINESS	13
FARM	13
Portable Grain Handling Equipment	13
Stationary Grain Handling Equipment	13
Storage and Conditioning Equipment	14
Grain Storage Management Solutions	14
Liquid Storage	14
COMMERCIAL	15
Stationary Grain Handling Equipment	15
Storage and Conditioning Equipment	15
Fertilizer and Material Handling Equipment	16
Hazard Monitoring Systems and Sensors	16
Food Platform	16
Rice Milling and Processing Equipment	16
Liquid Storage	16
OPERATING DIVISIONS	17
PRODUCT OVERVIEW	18
DRIVERS OF DEMAND	26
OPERATIONS AND PRODUCTION	31
OTHER	32
Production Activities	32
Employees	33
Production Costs	33
Sales, Marketing and Distribution	33
Marketing	33
Research and Development	34
Intellectual Property	34
ENVIRONMENTAL, SOCIAL AND GOVERNANCE	34
ENVIRONMENTAL MATTERS	35
COMPETITION	35
RISKS AND UNCERTAINTIES	36
DIRECTORS AND EXECUTIVE OFFICERS	50
AUDIT COMMITTEE INFORMATION	52
DIVIDENDS	54
CAPITAL STRUCTURE	54
MARKET FOR SECURITIES	59
TRANSFER AGENT AND REGISTRAR	61
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	61
MATERIAL CONTRACTS	61
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	61
INTERESTS OF EXPERTS	62
ADDITIONAL INFORMATION	62
AUDIT COMMITTEE TERMS OF REFERENCE	62

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This Annual Information Form ("AIF") contains forward-looking statements and information ("forward-looking information") within the meaning of applicable securities laws that reflect the expectations of Ag Growth International Inc. ("AGI", the "Company", "we", "our" or "us") regarding the future growth, results of operations, performance, business prospects and opportunities of the Company. Forward-looking information may contain such words as "anticipate", "believe", "continue", "could", "expects", "intend", "plans", "will" or similar expressions suggesting future conditions or events. In particular, the forward-looking information in this AIF includes information relating to our business and strategy, including our outlook for our financial and operating performance, industry demand and market conditions and with respect to our ability to achieve the expected benefits of our acquisitions. Such forward-looking information reflects our current beliefs and is based on information currently available to us, including certain key expectations and assumptions concerning, among other things, anticipated crop yields in our market areas, financial performance, business prospects, strategies, product pricing, regulatory developments, tax laws, the sufficiency of budgeted capital expenditures in carrying out planned activities, the impact of competition, political events and the general stability of the economic and regulatory environments in which we operate, currency exchange and interest rates, the cost of materials, labour and services including our ability to obtain qualified staff and services in a timely and cost efficient manner, the value of the businesses and their respective assets and liabilities acquired by us, our ability to successfully market our products and services and the impact of the recent coronavirus (COVID-19) pandemic. Forward-looking information is subject to significant risks and uncertainties. A number of risks and other factors could cause actual results to differ materially from results discussed in the forward-looking information, including without limitation:

- general economic and business conditions and changes in such conditions locally, in North America, South America, EMEA, South Asia and globally;
- the effects of global outbreaks of pandemics or contagious diseases or the fear of such outbreaks, such as the recent coronavirus (COVID-19) pandemic, including on our operations, our personnel, our supply chain, the demand for our products, our ability to expand and produce in new geographic markets or the timing of such expansion efforts and on overall economic conditions and customer confidence and spending levels;
- the ability of management to execute the Company's business plan;
- fluctuations in agricultural and other commodity prices and interest and currency exchange rates;
- crop planting, crop conditions and crop yields;
- weather patterns, the timing of harvest and conditions during harvest;
- volatility of production costs;
- governmental regulation of the agriculture and manufacturing industries, including environmental regulation;
- actions taken by governmental authorities, including increases in taxes and changes in government regulations and incentive programs and in connection with the COVID-19 pandemic;
- risks inherent in marketing operations;
- credit risk;
- seasonality and industry cyclicality;
- potential delays or changes in plans with respect to capital expenditures;
- the cost and availability of sufficient financial resources to fund the Company's capital expenditures;
- incorrect assessments of the value of acquisitions and failure of the Company to realize the anticipated benefits of acquisitions;
- volatility in the stock markets including the market price of the common shares ("Common Shares") of the Company and in market valuations;
- competition for, among other things, customers, supplies, acquisitions, capital and skilled personnel;
- the availability of capital on acceptable terms;
- dependence on suppliers;
- changes in labour costs and the labour market;
- climate change and related laws and regulations; and
- the other factors described under "Risks and Uncertainties" in this AIF.

These risks and uncertainties and others are described under "Risks and Uncertainties" in this AIF. These factors should be considered carefully and readers should not place undue reliance on the forward-looking Information.

With respect to forward-looking information contained in this AIF, the Company has made certain key assumptions concerning, among other things: anticipated crop production in its market areas; the financial and operating attributes of recent acquisitions and the future performance thereof; anticipated contributions from recent acquisitions, including the extent to which such recent acquisitions are or will be, accretive; the value of recent acquisitions and the liabilities assumed by AGI in connection therewith; anticipated financial performance; business prospects and strategies; product pricing; regulatory developments; political events; tax laws; the sufficiency of budgeted capital expenditures in carrying out planned activities; currency exchange and interest rates and the cost of materials, labour and services; the impact of competition; the general stability of the economic and regulatory environment in which the Company operates; the timely receipt of any required regulatory and third party approvals; the ability of the Company to obtain and retain qualified staff and services in a timely and cost efficient manner; the timing and payment of dividends; the ability of the Company to obtain financing on acceptable terms; the regulatory framework in the jurisdictions in which the Company operates; the ability of the Company to successfully market its products and services and the impact of the recent coronavirus (COVID-19) pandemic.

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

Corporate Structure

Ag Growth International Inc.

AGI is a corporation existing under the *Canada Business Corporations Act* ("CBCA").

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

Intercorporate Relationships

AGI owns 100% of the issued shares of AGI EMEA S.R.L. (Italy), CMC Industrial Electronics Ltd. (British Columbia), Danmare Group Inc. (Ontario), Affinity Management Ltd. (Ontario), AGI Solutions Inc. (Alberta), Ag Growth International (Thailand) Ltd. (Thailand), SABE S.A.S. (France), AGI France Agricultural Equipment S.A.S. (France), Improtech Ltd. (Ontario), AGI Agricultural Equipment Proprietary Limited (South Africa), Ag Growth International Australia PTY Ltd. (Australia) and Euro-Tramco B.V. (Netherlands), which owns 100% of the issued shares of AGI Netherlands B.V. (Netherlands) and Z-AGI Agricultural Equipment (India) Private Limited (India) ("AGI India") and 30.93% of the issued shares of Milltec Machinery Limited (India) ("Milltec"). AGI India owns 69.07% of the issued shares of Milltec. AGI also indirectly owns 100% of the issued shares of AGI Brasil Comércio de Equipamentos e Montagens Ltda. (Brazil) which owns 100% of the shares of AGI Brasil Industria e Commercio S.A. (Brazil).

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

AGI is a leading global food infrastructure company, providing products, systems and solutions to the agriculture and food processing industries. The Company's core products and services include handling and storage systems for grain, fertilizer, feed, seed, as well as food. AGI is also an emerging provider of technology solutions for farmers, grain buyers, agriculture retailers and food processors.

AGI was established in 1996 to pursue the acquisition of manufacturers of grain handling, storage and conditioning equipment. With the strategic objectives of geographic and business line diversification, as well as the development of a wide-ranging offering of complementary products, AGI has become a preferred provider of these products and solutions to the marketplace.

AGI has grown into adjacent markets in pursuit of its 5-6-7 strategy ("5-6-7"), which summarizes the Company's plan to leverage its core manufacturing, engineering, design and project management capabilities, as well as enter new markets, deliver long-term growth and provide diversification of demand drivers, seasonality and cyclicality.

AGI'S 5-6-7 STRATEGY

At its Annual General Meeting in May of 2018, AGI introduced "5-6-7", representing a succinct overview of the Company's global vision. 5-6-7 defines AGI's expanded vision of having five platforms, operating across six continents, bringing together seven components, to evolve from an equipment supplier to an infrastructure partner in each of the five platforms.

The goal of 5-6-7 is for AGI to provide a comprehensive solution to its customers, tailored to each region.

Five Platforms

AGI's five platforms are Fertilizer, Seed, Grain, Feed and Food.

Grain continues to be AGI's core platform, including handling, storage and conditioning equipment for on-farm use by individual growers, as well as bulk and high-capacity applications for grain handlers and marketers. AGI grain equipment includes storage bins, portable and stationary handling equipment, fans and dryers, hazard monitoring equipment, bin monitoring equipment as well as complete technology solutions for grain production and farm management. The acquisition of Milltec in 2019 added grain and pulse processing equipment and systems, primarily used in rice applications.

Farm products are typically sold through dealers, while commercial systems are mainly sold directly by AGI to contractors or end users.

AGI's expansion into **Fertilizer, Seed and Feed** began with the acquisition of Westeel in 2015. This provided AGI with a smoothwall bin product line, which is frequently used for fertilizer, seed and feed storage. These platforms were substantially expanded in subsequent years with the acquisitions of Vis, NuVision, MMS, Yargus and Junge, which provide material and liquid handling systems, equipment, design and engineering services primarily to agricultural retailers and co-ops. The product offering for seed, fertilizer and feed includes elevators, conveyors, blenders, distributors, storage bins and control systems. AGI also offers its STORM® seed treatment equipment, which provides a precision seed treatment application in an efficient, integrated system.

Large fertilizer, seed and feed systems and their related design services are sold directly by AGI to its customers, while individual pieces of equipment are either sold directly by AGI or through dealers.

The acquisition of MMS in 2016 established AGI's **Food** platform. It provided AGI with products, expertise and customer relationships to expand into new and attractive product lines and markets. MMS manufactures material handling equipment used in several applications, including processed food and pet food. Its design and custom manufacturing expertise was augmented by the acquisition of Danmare in early 2018, which provides highly-specialized engineering and system design services to large food manufacturers. AGI's Food platform was again expanded with the acquisition of SABE in mid-2018, adding specialized food processing solutions and expanding AGI's global reach. The acquisition of Improtech in 2019 further broadened AGI's engineering and system design services with its expertise in liquid ingredient handling. With these capabilities in place, AGI is able to provide a turnkey service offering to multinational and regional food processors that includes engineering, design, project management, equipment manufacturing and installation. These products and services are sold directly by AGI to its customers, who primarily operate in the processed food, beverage and pet food segments.

Six Continents

In addition to establishing and growing its five platforms, AGI is focused on developing a global presence in order to better serve its multi-national customers. AGI's 5-6-7 strategy of establishing regional hubs in these markets is expected to help drive growth through localized service and market expertise. While North America continues to provide the majority of AGI's sales, recent investment and initiatives on the other five continents are expected to provide growth and geographic diversification over the long term.

MANUFACTURING FACILITIES

35 MANUFACTURING FACILITIES AROUND THE WORLD

SALES INTO 95 COUNTRIES

AGI's **EMEA** presence was expanded substantially in 2015 with the addition of FRAME and PTM, manufacturers of grain bins and bulk grain handling equipment respectively, both based in Italy. Due to its strategic location, AGI EMEA is able to service both continental Europe, as well as North Africa and the Middle East. AGI's European presence was further enhanced with the acquisition of SABE. Based in France, it services a global client base in both its core European market, as well as international markets.

After many years of researching the Brazilian agriculture market and its participants, AGI established a foothold in the country via the acquisition of Entringer in 2016. As part of its 'Greenfield Plus' strategy, AGI then built a state-of-the-art 240,000 square foot manufacturing facility in the state of Sao Paulo to supply a broad range of equipment to the **Brazilian** and **South American** markets. With the importance of agriculture to the Brazilian economy and their significant grain infrastructure deficit, the long-term fundamentals of this large and growing market remain very attractive.

With the acquisition of Milltec in early 2019, AGI has established a new platform in **India** and **Southeast Asia**. AGI believes a substantial investment and physical presence will build and strengthen customer relationships and develop long-term opportunities in this high growth region of the world. AGI's expanded presence in the region is expected to drive the sale of Milltec's equipment into international markets, as well as create opportunities for AGI to sell its storage, handling and related products & services into India and Southeast Asia.

Seven Components

AGI delivers systems for farm and commercial applications, which include seven key product and service offerings: **storage, structures, process, handling, technology, engineering and project management**. These seven components are individually valuable products and services, but by bundling these into systems and solutions, AGI is able to combine its diverse product line with its design, engineering and project management capabilities to offer its customers facility-wide solutions on a global scale. Moving from selling individual products and services to providing solutions and full systems is an important shift as AGI aims to become a key strategic partner to its customers.

Throughout most of AGI's history the Company has successfully focused on handling equipment, initially on-farm and later for both farm and commercial applications, with well-known brands including Westfield®, Batco and Hi Roller®. AGI next turned its attention to storage, initially with the acquisition of the Twister line in 2007, then more meaningfully with the acquisitions of Westeel in 2015 and MFS in 2017. In addition to North America, AGI also manufactures **handling, storage and processing equipment** and their related components, in its Brazilian and Italian facilities. AGI storage, handling and processing equipment is used in applications across all five platforms.

Technology, ranging from farm ERP systems to Internet of Things (IoT) and equipment controls are a strategic part of AGI solutions. This area has been bolstered in recent years with the acquisition of Yargus, CMC, Junge, IntelliFarms and Affinity who bring measurement & blending controls, automation, hazard monitoring, sensor technology, embedded electronics, internet-of-things capabilities, Enterprise Resource Planning ("ERP"), farm management, grain marketing and tools for agronomy. These products are available as both standalone offerings, as well as in combination with larger farm or commercial systems from AGI.

A number of these components now form part of a technology platform called AGI SureTrack. AGI SureTrack is a software and hardware platform that brings together data from across the farm to better manage crop production and the overall business as well as let users monitor and market crops based on content and robust traceability. Grain buyers benefit from the AGI SureTrack platform as they utilize the platform to manage their supply chain, including viewing their purchased grain, as well as purchasing grain from growers based on the specific content of that grain. Grain buyers also utilize the AGI SureTrack platform to offer premium programs to growers if they provide some or all of the data layers of traceability across crop production, conditioning and storage. As an example of how controls and technology complement other components within the AGI product catalogue, AGI SureTrack's highly-automated bin monitoring system works with conditioning equipment to efficiently maintain the quality of stored grain and allows for remote monitoring and control. Numerous types of customers benefit from the AGI SureTrack functionality including growers, grain buyers, ag retailers and food processors. A number of features make AGI SureTrack unique:

1.	2.	3.	4.	5.
Independent platform that standardizes and automates the collection and organization of real-time agronomic and machine data across a mixed fleet.	Ability for grain buyers to source, secure and trace the grain based on the specific crop characteristics they require.	Brings together IoT enabled devices and sensor technology across seeding, growing, storage and conditioning to enable complete crop production management.	Offers full accounting and automated bookkeeping functionality which can be securely shared with valued business partners, government and lenders.	Ability for growers to market their grain and grain buyers to secure grain.

Engineering & project management has also become a core part of AGI's complete system approach, enabling the Company to offer highly-specialized services, as well as more turnkey solutions to its customers. These services have quickly become widespread throughout AGI. Danmare and Improtech are engineering-focused and have highly-specialized system design and project management capabilities. SABE offers a complete solution for bulk processing lines, including design, manufacturing, installation and commissioning. AGI's material handling-focused divisions offer custom design and engineering capabilities for existing, greenfield and upgraded ag, food and industrial facilities. To meet the needs of commercial grain handling customers, AGI offers custom design and engineering for bulk and high-capacity handling and storage solutions.

Significant Developments

2020 – Debenture Financing

On March 5, 2020, AGI issued $85 million aggregate principal amount of senior subordinated unsecured debentures (the "Series 3 Senior Debentures") at a price of $1,000 per Series 3 Senior Debenture, the proceeds of which were used to repay indebtedness under AGI's credit facilities, which are available to be redrawn for general corporate purposes. See "Debentures - Series 3 Senior Debentures".

2020 – Affinity

On January 16, 2020, AGI acquired Affinity Management Ltd. ("Affinity"), a provider of software solutions to the agriculture industry under the brand name Compass®, including a comprehensive Enterprise Resource Planning ("ERP") system for growers and ag retailers, as well as an agronomy tool. The ERP system provides full accounting functionality, including management of accounts receivable, accounts payable, payroll and inventory tracking. Compass also acts as a central data repository and portal which allows for the sharing of information with a grower's trusted advisors, including agronomists, accountants, lenders and insurance providers.

2019 – Debenture Financing

On November 22, 2019, AGI issued $86.25 million aggregate principal amount of senior subordinated unsecured debentures, (the "Series 2 Senior Debentures") at a price of $1,000 per Series 2 Senior Debenture, the proceeds of which were used to fund the redemption of the Company's 5.00% convertible unsecured subordinated debentures due December 31, 2020 and to partially repay outstanding indebtedness under our credit facilities, which may be redrawn and for general corporate purposes. See "Debentures – Series 2 Senior Debentures".

2019 – Farmobile

On July 16, 2019, AGI made a minority equity investment of US$15 million in Farmobile, Inc., a provider of hardware and software services for the real-time collection, organization, analysis and storage of farm data. The Farmobile PUC IoT device collects and streams second-by-second geo-tagged agronomic and machine data on every pass of the field from farm equipment of most makes and models. This data is converted into standardized Electronic Field Records which can be viewed via desktop or mobile, shared with trusted advisors and monetized through its digital marketplace, the Farmobile DataStore exchange.

2019 – Debenture Financing

On March 19, 2019, AGI issued $86.25 million aggregate principal amount of an initial series of senior subordinated unsecured debentures (the "Series 1 Senior Debentures") at a price of $1,000 per Series 1 Senior Debenture, the proceeds of which were used to fund the redemption of the Company's 5.25% convertible unsecured subordinated debentures due December 31, 2019, to partially repay outstanding indebtedness under AGI's revolving credit facilities, which may be redrawn and for working capital and general corporate purposes. See "Debentures - Series 1 Senior Debentures".

2019 – Milltec

On March 28, 2019, AGI acquired 100% of the outstanding shares of Milltec Machinery Limited ("Milltec"), a market leading manufacturer of rice milling and processing equipment in India. Milltec manufactures a full line of rice milling equipment including: front-end equipment, milling equipment and end-of-line equipment. In addition to rice processing equipment Milltec offers end-to-end turnkey solutions for rice processing activities; pulse, seed, maize and wheat processing equipment as well as ancillary products including silica extraction and co-generation plants.

2019 – Improtech

On January 18, 2019, AGI acquired Improtech Ltd. ("Improtech"), a provider of engineering solutions to the food and beverage industry. Improtech is a professional engineering services firm specializing in providing engineering design, project management and integration of new machinery and processes within the food and beverage industry. Improtech specializes in liquid ingredient handling, design of fully automated clean-in-place systems, process utilities design, commissioning of new equipment and machine safety and guarding design. Improtech also offers turnkey solutions which include design, equipment supply, installation and commissioning.

2019 – IntelliFarms

On March 5, 2019, AGI acquired IntelliFarms LLC ("IntelliFarms"), a provider of hardware and software solutions that benefit grain growers, processors and other participants in the agriculture market. IntelliFarms offers innovative technology solutions to farmers including BinManager, a highly- automated system that works with conditioning equipment to efficiently maintain the quality of stored grain that also allows for remote monitoring and control of the systems; and SureTrack Farm, a portal which offers farmers multiple tools including seed trait data, field management and bin management.

2018 – SABE

On July 26, 2018, AGI acquired the SABE Group Companies (collectively, "SABE") a provider of processing solutions to the food, pet food, animal feed, fertilizer and biomass industries. SABE serves a global client base and has a turnkey approach that typically involves engineering, project management, manufacturing of equipment and installation.

2018 – Danmare

On February 22, 2018, AGI acquired Danmare Group Inc. and Danmare, Inc. (collectively, "Danmare"), an Ontario-based provider of engineering solutions and project management services to the food industry, with a specialization in automated systems for pet food, rice and pasta, confectionery, ready-to-eat foods, sauces and meat processing. The acquisition was a significant step in the development of AGI's Food platform.

2018 – Financings

On October 25, 2018, AGI completed a public offering of 1,874,500 Common Shares at a price of $61.50 per share for gross proceeds of $115 million, the proceeds of which were used to partially repay outstanding indebtedness under its credit facilities, to pursue potential acquisition opportunities and for working capital and general corporate purposes.

On January 3, 2018, AGI issued $86.25 million aggregate principal amount of convertible unsecured subordinated debentures (the "2018 Debentures") at a price of $1,000 per 2018 Debenture, the proceeds of which were used to redeem AGI's 2013 Debentures (as hereinafter defined) and for general corporate purposes. See "Debentures - 2018 Debentures".

2017 – Junge Control Inc.

On December 28, 2017, AGI acquired Junge Control Inc. ("Junge"), an Iowa-based manufacturer of automation, measurement and blending systems for the agricultural and fuel industries. Junge's precision blending and measurement systems, focused primarily on liquid fertilizer blending, are highly complementary to AGI's existing fertilizer product offering and further broadens AGI's fertilizer and material handling platform.

2017 – CMC Industrial Electronics

On December 22, 2017, AGI acquired CMC Industrial Electronics Ltd. and CMC Industrial Electronics USA, Inc. (collectively "CMC"), a British Columbia-based supplier of hazard monitoring sensors and systems used in agricultural material handling and storage applications. The acquisition expands AGI's applied technology platform and expands the Company's portfolio of customer solutions.

2017 – Global Industries

On April 4, 2017, AGI acquired Global Industries, Inc. ("Global") a diversified manufacturer of grain storage bins, portable and stationary grain handling equipment, grain drying and aeration equipment, structural components and steel buildings. Global has four divisions, MFS/York/Stormor/Brownie, Hutchinson/Mayrath, NECO and Sentinel, located in Nebraska and Kansas, and warehouses in the U.S., Europe, Australia and Africa. Global's product catalogue and domestic and offshore geographic sales are highly complementary to AGI's existing footprint and expands AGI's North American and international grain handling, drying and storage platforms in both Farm and Commercial segments.

2017 – Financings

On April 25, 2017, AGI issued $86.25 million aggregate principal amount of convertible unsecured subordinated debentures (the "2017 Debentures") at a price of $1,000 per 2017 Debenture, the proceeds of which were used to partially repay indebtedness incurred to finance the purchase of Global. See "Debentures - 2017 Debentures".

On February 15, 2017, AGI completed a public offering of 1,150,000 Common Shares at a price of $55.10 per share for gross proceeds of $63.4 million, the proceeds of which were used to pursue acquisition opportunities and for working capital and general corporate purposes.

Farm

AGI's Farm business includes the sale of grain and fertilizer handling equipment, aeration products and storage bins, primarily to farmers in North America where on-farm storage practices are conducive to the sale of portable handling equipment and smaller diameter storage bins for grain and fertilizer. Farm product and market characteristics are described more fully below. Key elements of AGI's Farm sector include:

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

Portable Grain Handling Equipment

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

Relative to other classes of farm equipment and in particular larger equipment such as tractors and combines, portable grain handling equipment has some unique characteristics that influence its demand. Compared to the capital cost of other farm equipment, portable grain-handling equipment has a low price point. In addition, portable grain handling equipment is an integral component of the farming process during critical periods (such as seeding and harvesting) and its performance is essential or the entire process can be disrupted. As such, it is promptly replaced if it fails during one of these critical junctures in the process. Finally, relative to other farm equipment, portable grain handling equipment has a shorter replacement cycle, as the abrasion from contact with the commodities being handled and the wear-and-tear of many moving parts, results in a need to replace the equipment regularly. While equipment lifespan varies by volume handled and commodity type (e.g. corn is more abrasive than wheat), a typical replacement cycle could be three to seven years.

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

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

Stationary Grain Handling Equipment

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

Storage and Conditioning Equipment

Storage products include permanent storage structures such as corrugated flat bottom and hopper bottom bins and storage bin unloading equipment for the agricultural storage of grains, seeds and dry fertilizer. The largest market for smaller capacity storage products is for on-farm use, although they are also used in some commercial applications. AGI's storage business in Canada increased significantly with the acquisition of Westeel in 2015. In 2017, AGI acquired Global Industries, substantially increasing its U.S. Farm presence and its grain storage solution offering through the MFS bin line.

Corrugated Storage Bins

AGI is the Canadian market leader in the manufacture, sale and distribution of corrugated steel storage bins and in 2017 substantially increased its presence in the U.S. market through its acquisition of the MFS bin line. Corrugated bins are most often assembled at the farm of the customer and are used primarily to store grains. On-farm storage allows the farmer to avoid selling into trough pricing at harvest time and may also increase profitability as proper conditioning increases the selling price of the grain. Variability in commodity prices may incentivize farmers to time the sale of their crop and store the grain for longer periods of time. Demand for on-farm storage results from a number of other factors including the volume of grains grown, crop differentiation that requires separate storage and the trend towards farm consolidation and larger farms.

Smoothwall Storage Bins

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

Conditioning Equipment

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

Grain Storage Management Solutions

Grain storage management solutions use advanced sensors, cables and controls to maintain stored grain in ideal condition. The highly-automated system works with conditioning equipment to efficiently maintain the quality of stored grain and allows for remote monitoring and control of the systems. These systems are integrated with AGI's storage bins, conditioning equipment and mobile apps.

Liquid Storage

Westeel's business includes the manufacture and sale of portable and stationary liquid fuel containment tanks. These products are used both in farm and industrial settings and are sold primarily through a dealer network that in some cases overlaps with Westeel's Farm distribution network.

Commercial

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

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

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

Stationary Grain Handling Equipment

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

Storage and Conditioning Equipment

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

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

Fertilizer and Material Handling Equipment

The acquisitions of VIS, NuVision, MMS, Yargus and Junge have provided AGI with new capabilities and expertise in the planning, design and manufacturing of fertilizer and material storage and handling systems. These systems have design and manufacturing similarities with AGI's permanent handling products and are often sold along with commercial smoothwall storage bins such as those produced by Westeel. Both Junge and Yargus offer automated blending, measurement and control systems for material handling applications, specifically for bulk fertilizer blending. As fertilizer retailers, grain processors and food and feed processors expand and upgrade their facilities, larger more sophisticated material handling systems and equipment are required. As well, there is a growing preference toward providers of complete systems and solutions, which AGI is able to provide through its broad product offering.

Hazard Monitoring Systems and Sensors

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

Food Platform

Through the acquisitions of MMS, Danmare, SABE and Improtech, AGI is able to offer specialized engineering, design, project management, planning, manufacturing and installation services to the food processing and beverage industries, specifically in meat processing, bakery, confectionary, rice and pasta, sauces, ready-to-eat foods, pet food, fish feed, packaged beverages and many other products and applications. In addition to providing a new platform for growth, these capabilities broaden both AGI's product and service offering, provide the Company with additional exposure to the large food processing industry and expand its relationships with large multinational food industry customers. As with fertilizer handling, AGI's broad service offering meets food industry customers' growing preference toward turnkey products and services.

Rice Milling and Processing Equipment

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

Liquid Storage

Westeel's business includes the manufacture and sale of portable and stationary liquid fuel containment tanks. These tanks are used on the farm and in industrial settings including at the fuel distribution sites of Westeel's Farm distributors. These products are sold through retail distribution and directly to the end user.

Operating Divisions

Because of the historical development of the Company being largely driven by acquisitions, as well as the breadth of product offering, AGI has multiple operating entities and divisions through which it carries on its business. As of March 30, 2020, AGI had 28 operating divisions, as detailed below.

DIVISION	PRIMARY LOCATION(S)	FOUNDED	ACQUIRED	PRIMARY PRODUCTS
AGI BATCO	SWIFT CURRENT, SK	1992	1997	Grain handling
AGI REM	SWIFT CURRENT, SK	1985	2014	Grain handling
AGI WHEATHEART	WINNIPEG, MB	1973	1998	Grain handling and fencing equipment
AGI WESTFIELD	ROSENORT, MB	1950	2000	Grain handling
AGI NOBLEFORD	NOBLEFORD, AB	1991	2005	Grain conditioning and storage
AGI HI ROLLER	SIOUX FALLS, SD	1982	2006	Grain handling
AGI UNION IRON	DECATUR, IL	1852	2007	Grain handling
AGI TRAMCO	WICHITA, KS	1967	2010	Grain handling
AGI AIRLANCO	FALLS CITY, NE	2000	2011	Grain conditioning and filtration
AGI WESTEEL	WINNIPEG, MB SASKATOON, SK TISDALE, SK OLDS, AB	1905	2015	Storage
AGI PTM	ESTE, IT	1994	2015	Grain handling
AGI FRAME	OZZANO, IT	1988	2015	Storage
AGI VIS	WINNIPEG, MB	2000	2015	Fertilizer, grain, food, feed handling and storage
AGI BRASIL	SAO PAULO, BR ASSIS, BR	1988	2016	Grain handling, conditioning and storage
AGI SOLUTIONS	CALGARY, AB REGINA, SK	2007	2016	Fertilizer and material handling
AGI MMS	NEWTON, ON JOPLIN, MO	1978	2016	Fertilizer, grain, food, feed handling and storage
AGI YARGUS	MARSHALL, IL	1968	2016	Fertilizer and material handling
AGI MFS EZEE-DRY YORK BROWNIE	GRAND ISLAND, NE	1996	2017	Grain storage, stationary handling equipment, structural components
AGI HUTCHINSON MAYRATH	CLAY CENTER, KS	1943	2017	Portable and stationary handling equipment, bin unloading systems
AGI NECO	NORTH OMAHA, NE	1959	2017	Grain dryers and aeration equipment
AGI SENTINEL	ALBION, NE	1987	2017	Steel agricultural buildings
AGI CMC	BURNABY, BC	1997	2017	Hazard monitoring systems and sensors
AGI JUNGE CONTROL	CEDAR RAPIDS, IA	1979	2017	Blending and control systems
AGI DANMARE	VAUGHAN, ON	2004	2018	Engineering solutions for packaged food industry
AGI SABE	CHAUCHE, FR	1971	2018	Processing solutions to the food, pet food, animal feed, fertilizer and biomass industries
AGI IMPROTECH	TORONTO, ON	1987	2019	Engineering solutions to the food and beverage industry
AGI SURETRACK	ARCHIE, MO	2001	2019	Hardware and software for farm and grain storage management
AGI MILLTEC	BANGALORE, IN	1998	2019	Rice milling and processing equipment

Product Overview

AGI's product offering includes a wide range of Fertilizer, Seed, Grain, Feed and Food handling, storage and conditioning equipment, and related technology solutions that are sold into markets spanning the agricultural commodity production and processing continuum. To meet the needs of its customer base, AGI has acquired or has organically developed products that service a range of capacity requirements. Smaller farms generally handle lower volumes of grain and have relatively low storage requirements. As farms become larger or commercial in nature, more grain storage capacity is required and higher capacity handling and conditioning equipment is used. Growing farm sizes have also driven the need for larger farm retail facilities, which in turn have required upgraded fertilizer handling and storage systems. Commercial operations, including grain elevators and port facilities, as well as agricultural commodity processing operations, generally have the highest capacity requirements.

AGI's sales are reasonably diversified by product type, end market and geography. The table below describes the principal products manufactured by AGI.

PRODUCT GROUP | DESCRIPTION | BRANDS

Grain Augers

Augers are a critical piece of farm equipment used to move grain during and after the harvest season. Typical capacity: 89 - 584 MT.

WESTFIELD
GRAINMAXX
HUTCHINSON
MAYRATH
AGI

Stationary Conveyors

Designed for installation in grain handling facilities, corn and soy processing facilities and industrial operations. Typical capacity: 100 - 4,800 MT.

HI ROLLER
TRAMCO
PTM
AGI

Portable Belt Conveyors

A low-maintenance, durable solution for gentle handling of delicate commodities. Typical capacity: 40 - 380 MT

BATCO
WESTFIELD
HUTCHINSON
GRAINMAXX

GrainVacs

Used primarily to unload grain from storage bins post-harvest. Typical capacity: 200 - 250 MT.

REM

Permanent Handling

Designed for installation in grain handling facilities, corn and soy processing facilities, large farms and industrial operations. Typical capacity: 25 - 2,000 MT.

UNION IRON
TRAMCO
HUTCHINSON
PTM
AGI
YARGUS

Temporary Grain Storage

Low cost re-locatable bulk grain storage systems, consisting of modular perforated panels that are typically used for short term storage of grain (less than one year) at commercial handling facilities. Typical capacity: 2,000 - 95,000 MT.

UNION IRON
AGI

Permanent Grain Storage

Corrugated flat bottom and hopper bottom grain storage bins / silos, welded hopper bottoms and smoothwall bins. Typical capacity: 45 - 10,210 MT.

WESTEEL
FRAME
MFS
TWISTER
STORMOR
AGI

Post Pounders

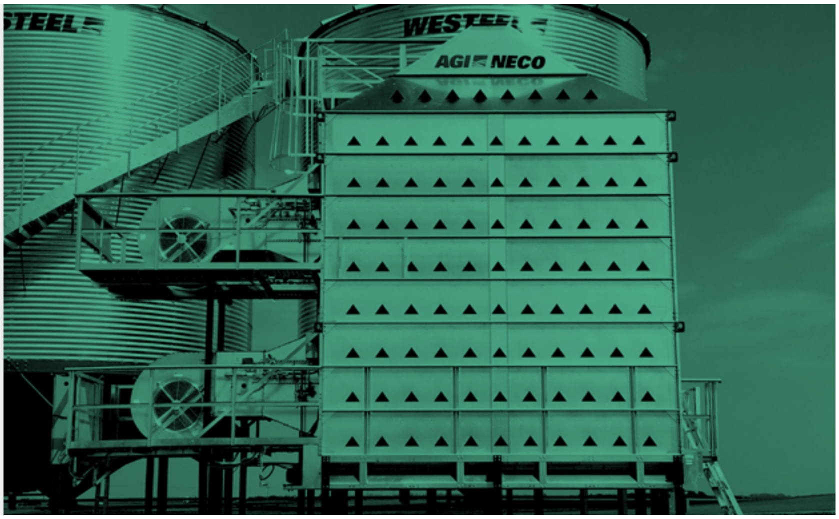
Line of fencing equipment, including post hole augers and fence post drivers.

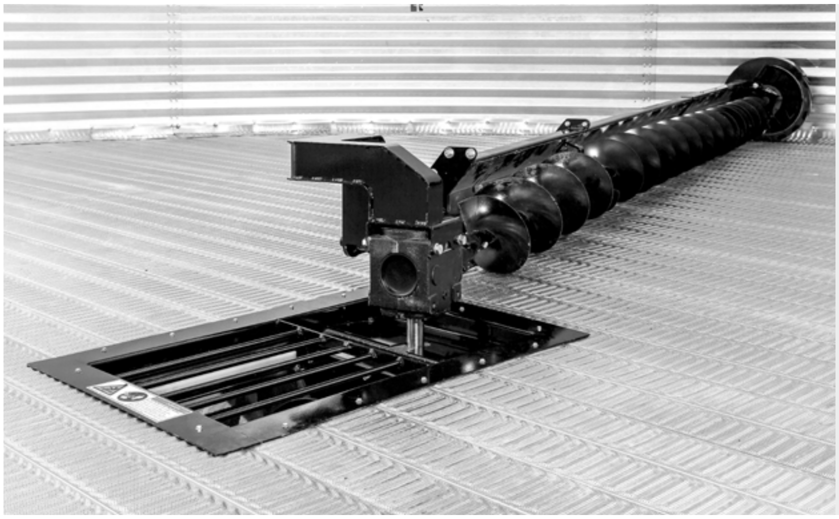
WHEATHEART

Drying, Aeration and Conditioning

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

NECO
GRAIN GUARD
AIRLANCO
AGI





Bin Unloads

Used to move grain out of the storage bin. Typical capacity: 65 - 450 MT.

WESTEEL
HUTCHINSON
FRAME

Fuel Tanks

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

WESTEEL

Seed Treaters

Portable seed treatment applicator that uses seed metering technology.

STORM

Liquid and Dry Fertilizer Blending and Conveying

Liquid and dry fertilizer blending and conveying, designed for receiving, blending and load out of port, rail or truck facilities. Typical Capacity: up to 650 TPH load out

VIS
JUNGE
YARGUS
MMS

AGI Service and Solutions

Turnkey design and build construction solutions for seed and fertilizer facilities, with service for on-site preventative maintenance and equipment repair.

AGI SERVICE
AGI SOLUTIONS

Blending and Control Systems

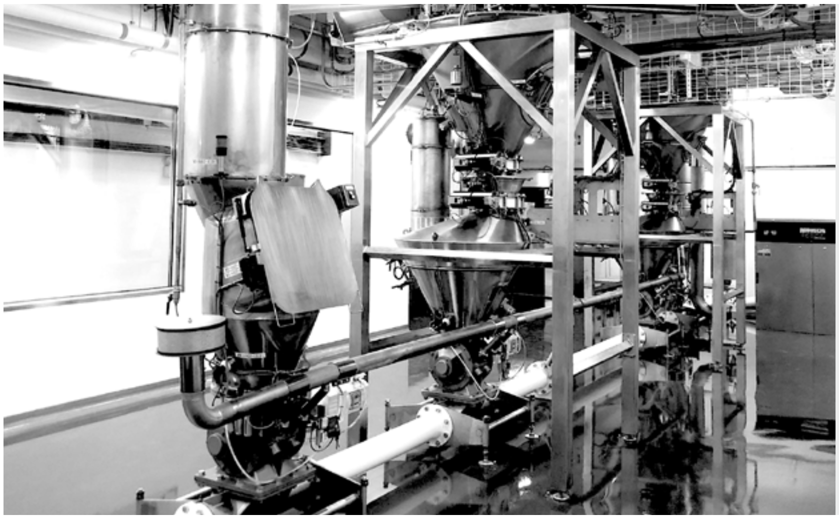
Automated precision blending and measuring systems for both dry and liquid fertilizer applications.

YARGUS
JUNGE
VIS

Grain Storage and Hazard Monitoring Solutions

Hazard monitoring systems and sensors used in agricultural material handling and storage applications.

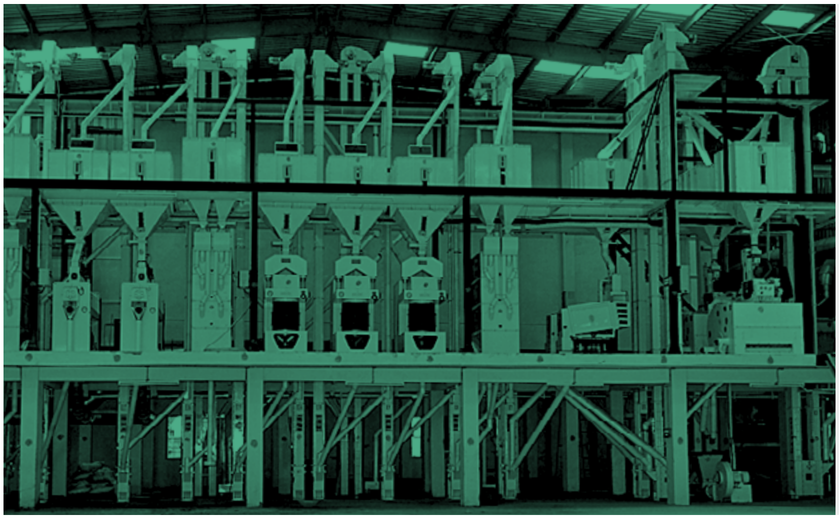
CMC
SURETRACK



Food Processing

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

DANMARE
MMS
SABE
IMPROTECH
MILLTEC



Rice Milling and Processing

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

MILLTEC

Farm Management Software

Central portal which offers farmers, processors, seed companies and cooperatives multiple tools including seed trait data, field management, bin management and day-to-day business management, including bookkeeping solutions.

SURETRACK FARM
SURETRACK PRO

Cleaning and Destoners

AGI's Pre-Cleaning and Post-Cleaning units are flexible, easy to maintain and repair and are designed for safe use during filter changes. Designed to cater to the pre-cleaning requirements of all types of grain processing (paddy, wheat, maize, soya, pulses and seeds etc.) and serve to remove foreign particles, mud, lumps from infeed products and stones.

AGI
MILLTEC

All Steel Buildings

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

SENTINEL

Water Storage

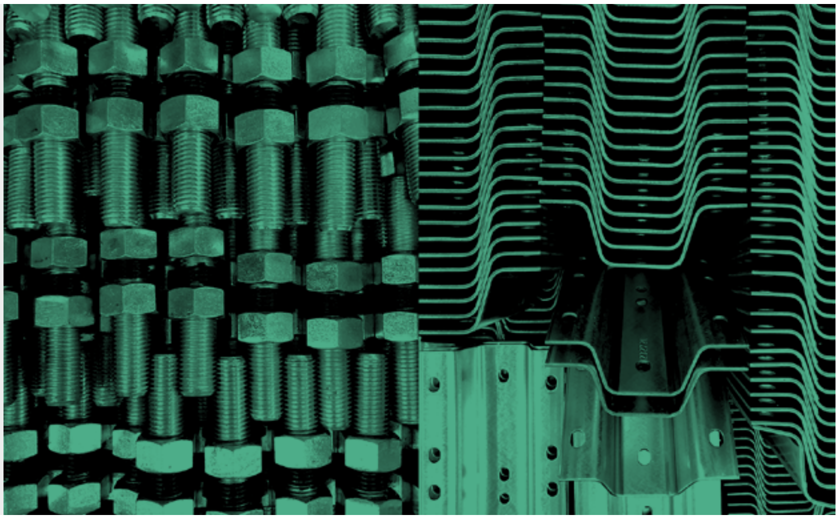
For rainwater collection and waste water management and customizable for a variety of other applications.

WESTEEL
MFS

Other Equipment and Parts

Replacement parts and grain handling accessories.

ALL AGI DIVISIONS



Drivers of Demand

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

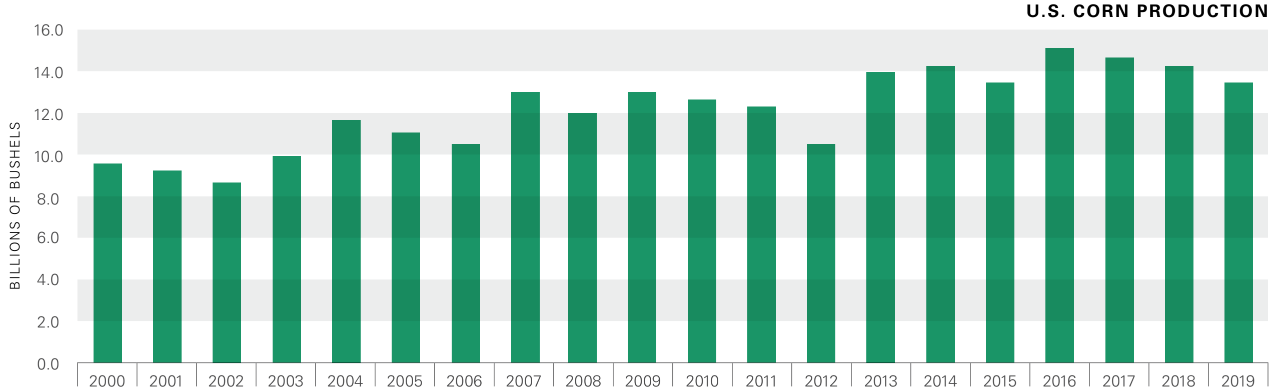
Crop Production Volumes and Crop Mix

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

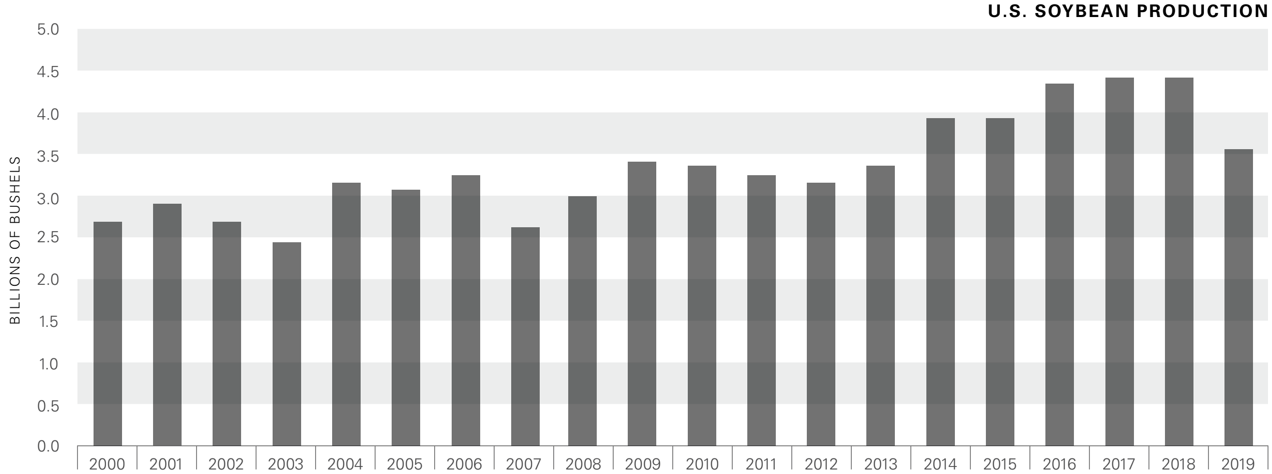
In addition to production volumes, crop mix can have a significant impact on demand. Different crops have different yield characteristics and fertilizer requirements, therefore resulting in different total production volumes for a given area of land, hence influencing the aggregate amount of grain or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

As the chart below indicates, corn and soybean production in the United States has trended upwards over the last 20 years. While production in any given year will fluctuate due to a variety of factors, the data reflects the trend of increased production, which is positive for the grain handling, storage and conditioning market in the United States.

U.S. CORN PRODUCTION



U.S. SOYBEAN PRODUCTION



SOURCE: USDA/NASS

Commodity Prices

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

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

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

Crop Growing Conditions

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

Global Agricultural Infrastructure Requirements

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

The North American market is relatively mature however, the long-term trend towards higher levels of crop production and a continued industry focus on handling efficiency has contributed to increased investment in the commercial grain handling sector.

Farming Practices

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

End-Product Demand

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

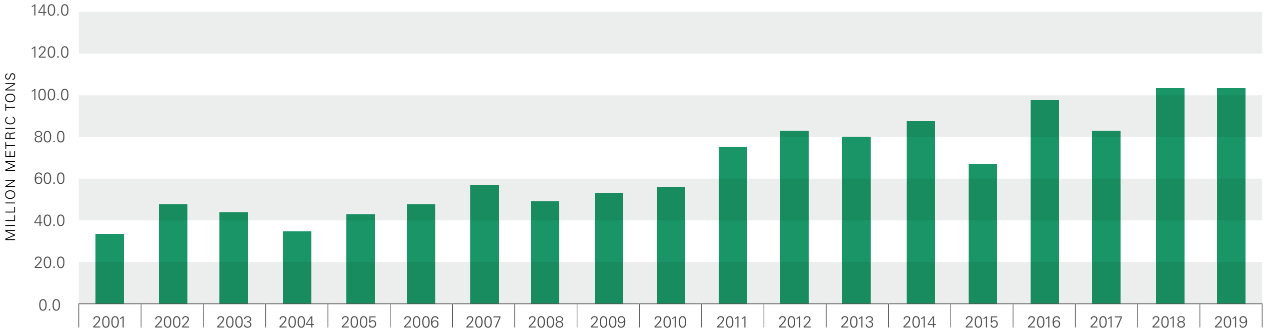
Fertilizer Handling, Material Handling and Storage

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

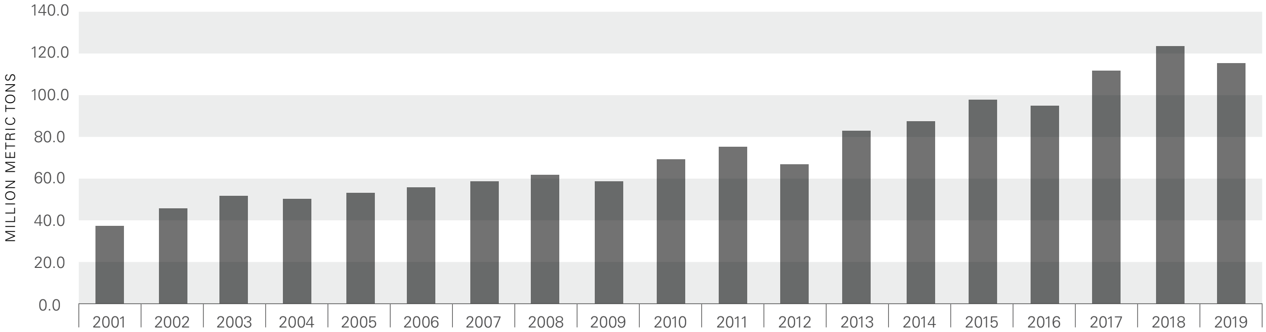
Agricultural Demand in Brazil

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

BRAZIL CORN PRODUCTION



BRAZIL SOYBEAN PRODUCTION



SOURCE: USDA/NASS

Macroeconomic Factors and Market Trends

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

Population Growth and Demographic Trends

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

Non-Food Uses of Agricultural Commodities

The demand for agricultural commodities for non-food based uses has been augmented in recent years by the demand for corn and other commodities for other types of industrial production. For example, demand for alternatives to fossil fuels has increased dramatically in recent years due to environmental, health and political concerns and agricultural-based products such as ethanol, have benefited. As the production of ethanol in the United States has increased, driven by government-legislated mandates and demand from consumers, the amount of corn used for fuel-based production has increased. In recent years nearly 40% of the United States corn crop was consumed for ethanol. As ethanol plants do not typically have storage for the feedstock corn at their facilities, corn for ethanol production is typically stored on-farm, which increases handling and storage requirements in the on-farm market.

Evolution of Farming Practices and Productivity Gains

Advances in farming practices and technology over the past number of decades particularly in North America and other industrialized countries, have been significant. Farms are becoming increasingly sophisticated operations, utilizing the newest technology to generate the highest returns per acre of land, through a combination of increased volumes per acre and higher-value crops. Factors that have driven these gains in productivity include advances in seed technology, continuous cropping and crop diversification. The increase in production volumes resulting from these advances in farming practices has had a positive impact for grain handling, storage and conditioning equipment.

In addition to becoming more sophisticated in the production of crops, farmers have also become more sophisticated in attempting to maximize the profits from the crops they produce. This can include using on-farm storage to strategically 'time the market' to obtain the maximum price for their crops, as well as conditioning the crops after harvest to obtain better quality grading (i.e. moisture levels, dockage, etc.) of the product when it is delivered to the purchaser. As a result, demand for on-farm handling, storage and conditioning activities has increased.

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

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

Modernization of Grain Handling and Storage Infrastructure

The United Nations has estimated that up to 15% of the global harvested crop is destroyed post-harvest due to pests, moisture and other losses. The Food and Agricultural Organization of the United Nations estimates the grain lost in transfer from harvest to the consumer totals at least 48 million tons globally, in large part due to inadequate handling and storage infrastructure. According to the US Agency for International Development, grain storage and processing practices remain primitive in many developing countries. In these countries, the emerging potential for grain storage and handling is driven by the high degree of spoilage from traditional farming practices. Accordingly, many developing markets are embarking on programs to modernize their grain handling, storage and conditioning infrastructure.

Agricultural Subsidies and Support

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

In the United States, the Agriculture Improvement Act of 2018 (the "2018 Farm Bill") was signed into law on December 20, 2018. The 2018 Farm Bill is comprehensive legislation to be in effect for the next five years which is intended, among other things, to expand markets for agricultural products in the United States and abroad, strengthen conservation efforts, create new opportunities for local and regional food systems and grow the bio-based economy. The 2018 Farm Bill may strengthen the US agricultural industry and have a positive impact on the financial health of US farmers, which in turn may positively impact crop production volumes, leading to an increased demand for agricultural equipment in both on-farm and commercial applications.

In addition to the 2018 Farm Bill, U.S. Secretary of Agriculture Sonny Perdue announced on July 25, 2018 the details of a $16 billion package aimed at supporting American agricultural producers while the Administration continues to work on free, fair and reciprocal trade deals.

Food Security

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

Operations and Production

Facilities

AGI's facilities for manufacturing, warehousing and distribution are a combination of owned and leased locations

OWNED FACILITIES

LOCATION	OPERATING DIVISION	PRIMARY ACTIVITY	SQUARE FOOTAGE
ROSENORT, MB	WESTFIELD	PRODUCTION	183,000
SWIFT CURRENT, SK	BATCO-REM	PRODUCTION	114,000
NOBLEFORD, AB	AGI NOBLEFORD	PRODUCTION	186,000
HORACE, ND	VARIOUS	WAREHOUSE	9,600
GRAND ISLAND, NE	VARIOUS	WAREHOUSE	36,700
MONMOUTH, IL	VARIOUS	WAREHOUSE	6,800
WYNNE, AK	VARIOUS	WAREHOUSE	15,000
SIOUX FALLS, SD	HI ROLLER	PRODUCTION	120,000
DECATUR, IL	UNION IRON	PRODUCTION	135,000
WICHITA, KS	TRAMCO	PRODUCTION	124,500
FALLS CITY, NE	AIRLANCO	PRODUCTION	100,292
WINNIPEG, MB	WESTEEL	PRODUCTION	145,000
SASKATOON, SK	WESTEEL	PRODUCTION	63,000
OLDS, AB	WESTEEL	PRODUCTION	34,000
TISDALE, AB	WESTEEL	PRODUCTION	72,000
ESTE, ITALY	PTM	PRODUCTION	38,000
OAKBLUFF, MB	VIS	PRODUCTION	30,000
NEWTON, ON	MMS	PRODUCTION	50,000
JOPLIN, MO	MMS	PRODUCTION	87,500
MARSHALL, IL	YARGUS	PRODUCTION	150,000
ASSIS, BRAZIL	AGI BRASIL	PRODUCTION	240,000
FIESSO, ITALY	FRAME	PRODUCTION	228,625
GRAND ISLAND, NE	MFS/YORK/STORMOR/ BROWNIE	PRODUCTION	268,955
CLAY CENTER, KS	HUTCHINSON/MAYRATH	PRODUCTION	300,000
NORTH OMAHA, NE	NECO	PRODUCTION	120,000
ALBION, NE	SENTINEL	PRODUCTION	65,000
CEDAR RAPIDS, IA	JUNGE CONTROL	PRODUCTION	31,000
CHAUCHE, FRANCE	SABE	PRODUCTION	72,200
NAIZIN, FRANCE	SABE	PRODUCTION	11,600
BANGALORE, INDIA	MILLTEC	PRODUCTION	47,195

LOCATION	OPERATING DIVISION	PRIMARY ACTIVITY	SQUARE FOOTAGE
BANGALORE, INDIA	MILLTEC	PRODUCTION	67,768
BANGALORE, INDIA	MILLTEC	PRODUCTION	25,750
OZZANO, ITALY	FRAME	PRODUCTION	35,521

LEASED FACILITIES

LOCATION	OPERATING DIVISION	PRIMARY ACTIVITY	SQUARE FOOTAGE
EXETER, ON	VARIOUS	WAREHOUSE	17,000
SASKATOON, SK	VARIOUS	WAREHOUSE	12,700
CALGARY, AB	AGI SOLUTIONS	WAREHOUSE	7,000
BOONE, IA	VARIOUS	WAREHOUSE	16,000
DECATUR, IL	VARIOUS	WAREHOUSE	16,000
RYCROFT, AB	VARIOUS	WAREHOUSE	3,900
WATERTOWN, SD	VARIOUS	WAREHOUSE	18,900
DECATUR, IL	UNION IRON	PRODUCTION	55,200
HULL, ENGLAND	TRAMCO	PRODUCTION	21,000
BURNABY, BC	CMC	PRODUCTION	10,400
VAUGHAN, ON	DANMARE	ENGINEERING AND PROJECT MANAGEMENT	3,420
TORONTO, ON	IMPROTECH	ENGINEERING AND PROJECT MANAGEMENT	2,272
ARCHIE, MO	AGI SURETRACK	PRODUCTION	23,742
CHENNAI	MILLTEC	PRODUCTION	27,000
LENEXA, KS	AGI SURETRACK	PRODUCTION	55,120
OAKVILLE, ON	AGI SURETRACK	SOFTWARE DEVELOPMENT	8,717

Other

Production Activities

The majority of AGI's production facilities undertake similar manufacturing activities, including metal fabrication, welding, painting, sub-assembly, packaging, warehousing and shipping. As such, AGI is able to leverage inter-divisional manufacturing in order to optimize capacity and minimize production costs. AGI's current emphasis is on automation and increased productivity and safety. AGI has successfully commissioned fully automated roll forming lines, laser cutting systems and robotic welding cells. In addition, in larger divisions such as Westfield, AGI has been able to vertically-integrate to reduce production costs and enhance gross margins, while also maximizing control over supply, reducing the risks of shipment delays and quality defects that can interrupt production.

AGI utilizes lean manufacturing practices, a manufacturing philosophy that endeavors to increase labour efficiency and production flexibility through the elimination of waste, a reduction in set-up and change-over times and the empowerment of those on the shop floor to drive continuous improvement. In support of AGI's lean strategy, AGI has launched the Greenbelt program, which is offered to supervisors and managers across different divisions.

Employees

As of December 31, 2019, AGI had 3,679 employees.

Production Costs

AGI's production costs are reasonably diversified. In 2019, steel purchases totaled 27% of production costs, with significant volumes purchased from several different suppliers based on specific tendering requirements. Other major components such as drivelines, gearboxes, hydraulic motors, valves, winches, gasoline engines and belting represented 49% of production costs and production labour represented 24% of production costs.

Steel and other inputs may be subject to wide price variations. The high volume of steel and major components purchased provides an opportunity for purchasing efficiencies. AGI manages its exposure to material and component price volatility by planning and negotiating significant purchases on an annual basis and through the alignment of material input pricing with the terms of contractual sales commitments. AGI endeavors to pass through to customers, most, if not all, of the price volatility. However, there can be no assurance that industry dynamics will allow AGI to continue to reduce its exposure to volatility of production costs by passing through price increases.

Sales, Marketing and Distribution

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

Through its network of independent dealers and distributors, AGI's products are distributed throughout North America and overseas. AGI has nine warehouses in North America, as well as inventory stocking points at 28 strategic locations throughout its market areas to ensure ready supply across its geographically diversified distribution networks.

AGI's divisions have been selling products internationally for a number of years. As international sales are a large part of AGI's business and are expected to be a key driver of future growth, AGI has a dedicated international sales and business teams group based in Canada as well as sales teams across several geographies including USA, Brazil, France, UK, Italy, Romania, Ukraine, Russia, Africa, Australia, Netherlands and Southeast Asia. Sales in international markets may be a single product type sold from one of AGI's manufacturing locations, or a 'bundled' product offering that includes different products sold from several AGI manufacturing locations. AGI insures a portion of its accounts receivable from customers outside of North America through Export Development Canada.

Marketing

AGI's marketing and advertising strategy builds and maintains awareness of AGI as a leading provider of equipment and technology solutions for agricultural commodities including Fertilizer, Seed, Grain, Feed and Food systems.

To achieve this objective, AGI uses various mediums to advertise its brands, project its product portfolio and engage consumers, dealers and other customers. Advertising mediums include print, radio, outdoor, digital/online, point-of-sale, social media, events and tradeshows.

AGI's marketing and advertising efforts are used to build global and local brand and product awareness, increase both direct and channel sales and support key partnerships.

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

Research and Development

AGI has a history of conceiving, designing and introducing attractive new products and enhancements to existing products and has the capability to move new product concepts from the design phase to commercial implementation on a timely basis. AGI is continually improving its product development process to further improve concept-to-delivery time. By locating product development resources at the business unit locations and collaborating with AGI's global engineering group, the Company has moved the process closer to both the customer and manufacturing. With a renewed focus on innovation and development of new technology, AGI expects to sustain the increased level of product development needed to meet growth targets and capture engineering synergies, within both existing product lines and newly acquired companies.

Intellectual Property

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

Environmental, Social and Governance

Governance

AGI's Environmental, Health, Safety & Sustainability (EHS&S) Board Committee was formed in March of 2019. The EHS&S Committee is focused on plant and employee health and safety, along with environmental and sustainability initiatives. The Committee members are Ms. De Greef-Safft (Chair) and Messrs. Anderson and Moore. The key management contact for the EHS&S Committee is Gurcan Kocdag, Senior Vice President, Manufacturing and Supply.

Environmental

AGI has tracking systems at divisional levels to manage and monitor environmental performance in accordance with governing laws. AGI's divisions keep track of all regulatory requirements and ensure that our operations comply with all applicable national, state and provincial regulations and standards. AGI promotes environmental stewardship programs across its divisions to encourage and maintain appropriate disposal, recycling and environmental protection programs.

Safety

AGI has a comprehensive Safety Management and Audit System, that proactively monitors and guides safety performance at the divisional level. This system also promotes continuous improvement over and above local, state, provincial and federal rules & regulations. Our safety performance is monitored and assessed based on leading and lagging indicators, allowing each division to work towards improving their own performance whilst making sure that all rules and regulations are met or exceeded. The system also allows for the development and timely implementation of best practices across our divisions. This encourages significant collaboration among our divisions and helps to develop a safety-first culture across AGI.

Social

AGI has always had a strong philanthropic vision and it is a key aspect of AGI's mission and values. As a leader in its field, AGI is continuously striving to support and improve the communities in which it is located. Through charitable donations, as well as countless hours of volunteering, AGI believes every action taken will make a difference.

Sustainability

In September 2015, the General Assembly of the United Nations adopted the 2030 Agenda for Sustainable Development that includes 17 Sustainable Development Goals (SDGs) to achieve by 2030. AGI makes a direct contribution to SDG #2 (Zero Hunger) and #12 (Responsible Consumption and Production) by working with its stakeholders to supply food infrastructure that improves food security and therefore reduces hunger globally.

Environmental Matters

AGI's operations are subject to a broad range of laws and regulations governing, among other things, emissions, the management of contaminants and wastes (including the generation, handling, storage, transportation, treatment and disposal of contaminants and wastes), discharges to water and the remediation of environmental impacts (such as the contamination of soil and water, including groundwater). AGI may, for example, attract liability by operation of law, pursuant to an administrative proceeding or other regulatory control, or from a third-party claim (such as from a neighbour) in the event that contaminants have been or are released into the environment, whether on AGI's own property, or on other property where AGI has caused or permitted such release. AGI may also incur liability as a former owner, operator or person in control or management (such as a tenant) of a property or business operation after the sale or abandonment of the property or operation, for contaminants or wastes transported from, disposed of, deposited or released at, on or from a property or operation during the time that AGI operated or was in management or control of the property or operation. To date, expenditures for environmental matters have not had a material effect upon the business, financial condition, or results of operations of AGI. However, no assurance can be given that all environmental liabilities have been determined or accurately quantified, that AGI is not responsible for a material environmental condition not known to it, or that environmental laws and regulations will not change or be enforced in the future in a manner that will have an adverse effect on the business, financial conditions, or results of operations of AGI.

Competition

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

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

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

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

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

To date, AGI believes that its focus on its core business and its entrepreneurial nature have positioned it well to compete with larger industry participants, while its large scale, geographic diversification, strong manufacturing and distribution capabilities and strategic technology offerings have provided it with a competitive advantage over smaller participants.

Risks and Uncertainties

Risks Related to AGI's Business

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

Industry Cyclicality and General Economic Conditions

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

To the extent that the agricultural industry declines or experiences a downturn, this is likely to have a negative impact on the grain handling, storage and conditioning business and the business of AGI. Among other things, the agricultural sector has in recent years benefited from an increase in crop production and investment in agricultural infrastructure including outside of North America. To the extent crop production declines, economic conditions or sociopolitical factors result in a decrease in agricultural investment including in offshore markets, this is likely to have a negative impact on the agricultural industry in those markets and the business of AGI. In addition, if the ethanol industry declines or experiences a downturn, due to changes in governmental policies or otherwise, this is may have a negative impact on the demand for and prices of certain crops which may have a negative impact on the grain handling, storage and conditioning industry and the business of AGI.

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

The COVID-19 pandemic could have a material adverse impact on our business, results of operations and financial condition

In December 2019, a novel strain of coronavirus disease ("COVID-19") was reported in Wuhan, China. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The outbreak has reached more than 160 countries, resulting in the implementation of significant governmental measures, including lockdowns, closures, quarantines and travel bans, intended to control the spread of the virus. The COVID-19 outbreak has already caused severe global disruptions. In response to the virus, China and Italy placed tens of millions of people under lockdown, and several other countries and state and local governments, including where we manufacture and distribute our products and services, have implemented similar measures and policies. In addition, several countries have instituted travel bans, in some cases closing their borders to all but non-essential traffic. Companies are also taking precautions, such as requiring employees to work remotely, imposing additional travel restrictions and temporarily closing businesses. These restrictions and future prevention and mitigation measures are likely to have an adverse impact on global economic conditions and consumer confidence and spending, which could materially adversely affect the production of as well as the demand for our products and services. Uncertainties regarding the economic impact of COVID-19 are resulting in market turmoil, which could be sustained and could also negatively impact our business, financial condition and cash flows.

At this point in time, it is difficult to predict the duration and extent of the pandemic and its overall impact on our business. The extent of COVID-19's effect on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the outbreak and the nature and extent of governmental measures taken to contain the COVID-19 pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving circumstances. The impact of COVID-19 on any of our employees, suppliers, distributors or transportation or logistics providers, may negatively affect the price and availability of our products and services and impact our supply chain. If the disruptions caused by COVID-19 continue for an extended period of time, our ability to meet the demands of our customers may be materially impacted - as could the level of demand from our customers. At the date of this AIF, AGI has temporarily suspended manufacturing at its plants in Italy, India, France and Brazil in response to government mandated shutdowns and/or regional requirements. If such production suspensions are prolonged and/or if we are required to or voluntarily scale back hours of production or close additional facilities (including our plants in North America) in response to the pandemic, or the pandemic otherwise continues as a severe worldwide health crisis, our business, financial condition, cash flows and results of operations are likely to be materially adversely affected, which would have an adverse impact on the trading price of our Common Shares and Debentures.

Risk of Decreased Crop Yields

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

Potential Volatility of Production Costs

Our products include various materials and components purchased from others, some or all of which may be subject to wide price variation. Consistent with industry practice, AGI seeks to manage its exposure to material and component price volatility by planning and negotiating significant purchases on an annual basis and through the alignment of material input pricing with the terms of contractual sales commitments. AGI endeavours to pass through to customers, most, if not all, material and component price volatility. There can be no assurance, however, that industry conditions will allow AGI to continue to reduce its exposure to volatility of production costs by passing through price increases to its customers. A significant increase in the price of any component or material, such as steel, could adversely affect our profitability.

Currency Exchange Risk

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

Acquisition and Expansion Risk

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

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

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

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

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

International Sales and Operations

A portion of AGI's sales are generated in overseas markets the majority of which are in emerging markets such as countries in Eastern Europe, including most significantly Ukraine and also Russia and Romania, as well as countries in Central and South

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

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

There have also been instances of political turmoil and other instability in some of the countries in which AGI operates, including most recently in Ukraine, which has and is currently experiencing political changes, civil unrest and military action, which are contributing to significant economic uncertainty and volatility. AGI continues to closely monitor the political, economic and military situation in Ukraine and will seek to take actions to mitigate its exposure to potential risk events. However, AGI has no way to predict outcome of the situation in Ukraine. Continued unrest, military activities, or broader-based trade sanctions or embargoes, should they be implemented, could have a material adverse effect on our sales in Ukraine and Russia and other countries in the region and a material adverse effect on our sales, growth, results of operations and financial condition.

Changes to Trade Agreements

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

The current United States presidential administration has implemented or threatened to implement policies which call into question U.S. support for existing treaty and trade relationships with other countries and which support increased protectionism in the U.S. including through the implementation of tariffs for certain goods and commodities imported into the U.S. The withdrawal of the U.S. from, or changes to, international trade agreements or policies related to international commerce, could adversely affect our financial condition and results of operations as could the continuing uncertainty regarding whether such actions will be taken.

Anti-Corruption Laws

The Company's business practices must comply with the Corruption of Public Foreign Officials Act (Canada) and other applicable similar laws. These anti-corruption laws generally prohibit companies and their intermediaries from making improper payments or providing anything of value to improperly influence government officials or private individuals for the purpose of obtaining or retaining a business advantage regardless of whether those practices are legal or culturally expected in a particular jurisdiction.

These risks can be more acute in emerging markets. Recently, there has been a substantial increase in the global enforcement of anti-corruption laws. If violations of these laws were to occur, they could subject us to fines and other penalties as well as increased compliance costs and could have an adverse effect on AGI's reputation, business and results of operations and financial condition.

Agricultural Commodity Prices, International Trade and Political Uncertainty

Prices of agricultural commodities are influenced by a variety of unpredictable factors that are beyond the control of AGI, including weather, government (Canadian, United States and other) farm programs and policies and changes in global demand or other economic factors. A decrease in agricultural commodity prices could negatively affect the agricultural sector and the business of AGI. New legislation or amendments to existing legislation, including the Energy Independence and Security Act in the U.S. of 2007 or the 2018 Farm Bill, may ultimately affect demand for the Company's products. The world grain market is subject to numerous risks and uncertainties, including risks and uncertainties related to international trade and global political conditions.

Competition

AGI experiences competition in the markets in which it operates. Certain of AGI's competitors have greater financial and capital resources than AGI. AGI could face increased competition from newly formed or emerging entities, as well as from established entities that choose to focus (or increase their existing focus) on AGI's primary markets. As the grain handling, storage and conditioning equipment sector is fragmented, there is also a risk that a larger, formidable competitor may be created through a combination of one or more smaller competitors. AGI may also face potential competition from the emergence of new products or technology.

Seasonality of Business

The agricultural equipment business is highly seasonal, which causes our quarterly results and our cash flow to fluctuate during the year. Farmers generally purchase agricultural equipment in the Spring and Fall in conjunction with the major planting and harvesting seasons. In addition, the fourth quarter typically is a significant period for retail sales because of year-end tax planning considerations, the increase in availability of funds from completed harvests and the timing of dealer incentives. Our sales historically have been higher in the second and third calendar quarters compared with the first and fourth quarters and our cash flow has been lower in the first three quarters of each calendar year, which may affect the ability of the Company to make cash dividends to shareholders, or the quantum of such dividends, if any. No assurance can be given that AGI's credit facility will be sufficient to offset the seasonal variations in AGI's cash flow.

Potential Acquisition, Investment and Disposition Opportunities

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

Forward-Looking Information May Prove Inaccurate

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

Business Interruption

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

Litigation

In the ordinary course of its business, AGI is party to various legal actions, the outcome of which cannot be predicted with certainty. One category of potential legal actions is product liability claims. Farming is an inherently dangerous occupation. Grain handling, storage and conditioning equipment used on farms or in commercial applications may result in product liability claims that require insuring of risk and management of the legal process.

Dependence on Key Personnel

AGI's future business, financial condition and operating results depend on the continued contributions of certain of AGI's executive officers and other key management and personnel, certain of whom would be difficult to replace.

Labour Costs and Shortages

The success of AGI's business depends on a large number of both hourly and salaried employees. Changes in the general conditions of the employment market could affect the ability of AGI to hire or retain staff at current wage levels. The occurrence of either of these events could have an adverse effect on the Company's results of operations.

Distribution, Sales Representative and Supply Contracts

AGI sometimes does not enter into written agreements with its dealers, distributors or suppliers in North America. As a result, such parties may, without notice or penalty, terminate their relationship with AGI at any time. In addition, even if such parties should decide to continue their relationship with AGI, there can be no guarantee that the consideration or other terms of such contracts will continue on the same basis.

AGI often enters into supply agreements with customers outside of North America. These contracts may include penalties for non-performance including in relation to product quality, late delivery and in some cases project assembly services. In addition, contractual commitments negotiated with foreign customers conducted in languages other than English may increase the likelihood of disputes with respect to agreed upon commitments.

In addition, in the event AGI fails to perform to the standards of its contractual commitments, it could suffer a negative financial impact, which in some cases could be material.

Availability of Credit

AGI's credit facilities mature on March 20, 2025 and are renewable at the option of the lenders. There can be no guarantee the Company will be able to obtain alternate financing and no guarantee that future credit facilities will have the same terms and condition as the existing facilities. This may have an adverse effect on the Company, its ability to pay dividends and the market value of its Common Shares and other securities. In addition, the business of the Company may be adversely impacted in the event that the Company's customers do not have access to sufficient financing to purchase AGI's products and services. Sales related to the construction of commercial grain handling facilities, sales to developing markets and sales to North American farmers may be negatively impacted.

Interest Rates

AGI's term and operating credit facilities bear interest at rates that are in part dependent on performance based financial ratios. The Company's cost of borrowing may be impacted to the extent that the ratio calculation results in an increase in the performance based component of the interest rate. To the extent that the Company has term and operating loans where the fluctuations in the cost of borrowing are not mitigated by interest rate swaps, the Company's cost of borrowing may be impacted by fluctuations in market interest rates.

Operating Hazards

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

Uninsured and Underinsured Losses

AGI uses its discretion in determining amounts, coverage limits and deductibility provisions of insurance, with a view to maintaining appropriate insurance coverage on its assets and operations at a commercially reasonable cost and on suitable terms. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full current market value or current replacement cost of its assets or cover the cost of a particular claim.

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

Income Tax Matters

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

Leverage, Restrictive Covenants

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

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

Information Systems, Privacy and Data Protection

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

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

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

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

Labour Relations

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

Environmental

Due to the nature of its operations, AGI is subject to environmental laws relating to, among other things, air emissions, the management of contaminants and wastes (including the generation, handling, storage, transportation, treatment and disposal of contaminants and wastes), discharges to water and the remediation of environmental impacts. No assurance can be given that all environmental liabilities have been determined or accurately quantified, that AGI is not responsible for a material environmental condition not known to it, or that environmental laws and regulations will not change or be enforced in the future in a manner that will have an adverse effect on the business, financial condition or results of operations of AGI.

Intellectual Property

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

Climate Change

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

Additional Risks Related to the Common Shares

Cash Dividends are not Guaranteed

Future dividend payments by AGI and the level thereof is uncertain, as AGI's dividend policy and the funds available for the payment of dividends from time to time are dependent upon, among other things, operating cash flow generated by AGI and its subsidiaries, financial requirements for AGI's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements, the terms of AGI's credit facilities and other factors beyond AGI's control.

AGI May Issue Additional Common Shares Diluting Existing Shareholders' Interests

The Company is authorized to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by the Directors without the approval of shareholders, except as may be required by the TSX. In addition, the Company may, at its option, satisfy its obligations with respect to the interest payable on the Debentures and the repayment of the face value of the Debentures through the issuance of Common Shares. Accordingly, holders of Common Shares may suffer dilution.

Assumption of Liabilities, Survivability of Representations and Warranties and Indemnification

AGI assumed certain liabilities arising out of or related to the Westeel business and agreed to indemnify the counterparties to the Westeel acquisition for, among other matters, such liabilities. There also may be liabilities that AGI failed to discover or was unable to quantify during its due diligence and which could have a material adverse effect on AGI's business, financial condition or future prospects. In addition, other than pursuant to certain limited exceptions, none of the representations and warranties of the counterparties under the Arrangement Agreement or the related asset transfer agreement (the "Asset Transfer Agreement") survived closing of the Westeel acquisition and as such the related indemnifications set forth in the Asset Transfer Agreement may not apply or may be insufficient so as to fully indemnify AGI for a breach of any such representations and warranties. Accordingly, there can be no assurance of adequate recovery by AGI from the counterparties for any breach of their representations, warranties and covenants under the Arrangement Agreement or Asset Transfer Agreement, or that such parties will have the financial ability to satisfy any obligations related to such a breach.

In addition, AGI has agreed to indemnify one of the counterparties to the Westeel acquisition in certain circumstances for certain tax liabilities that may be incurred in the event the transactions contemplated by the Arrangement Agreement do not result in an increase in the cost amount of certain Westeel entities to their fair market value for purposes of the Income Tax Act (Canada) (the

"Tax Act") such that no taxable gain is realized on the sale thereof to AGI in accordance with the Arrangement Agreement as well as for certain potential tax liabilities associated with the Westeel business. Although AGI and the other parties to the Arrangement Agreement have taken measures to mitigate the possibility of such events and taxes occurring, no assurance can be given that these measures will be successful and that AGI will not be required to indemnify the counterparty, as such indemnification could result from actions, omissions or errors of the counterparties or third parties outside of the control of AGI and the other counterparties.

Additional Risks Related to the Debentures

Market for Debentures

The market price of the 2017 Debentures, the 2018 Debentures, the Series 1 Senior Debentures, the Series 2 Senior Debentures and Series 3 Senior Debentures (collectively, the "Debentures") may be volatile and subject to wide fluctuations and is based on a number of factors, including: (i) the prevailing interest rates being paid by companies similar to the Company; (ii) the overall condition of the financial and credit markets; (iii) interest rate volatility; (iv) the markets for similar securities; (v) actual or anticipated fluctuations in the financial condition, results of operations and prospects of the Company; (vi) the publication of earnings estimates or other research reports and speculation in the press or investment community; (vii) the market price and volatility of the Common Shares; (viii) changes in the industry in which the Company operates and competition affecting the Company; and (ix) general market and economic conditions in North America, South America, South Asia and globally. The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the market price of the Debentures.

Prior Ranking Indebtedness

The 2017 and 2018 Debentures (collectively, the "Convertible Debentures") are subordinate to all Senior Indebtedness (as defined in the applicable debenture indenture governing the Convertible Debentures (each a "Convertible Debenture Indenture") of the Company, including the Senior Debentures and to any indebtedness of trade creditors of the Company. The Convertible Debentures are also effectively subordinate to claims of creditors of the Company's subsidiaries for payment of which the Company is responsible or liable, whether absolutely or contingently. Therefore, if the Company becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, the Company's assets will be available to pay its obligations with respect to the Convertible Debentures only after it has paid all of its senior and secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Convertible Debentures then outstanding.

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

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

Absence of Covenant Protection

None of the Convertible Debenture Indentures nor the Senior Debenture Indenture (collectively, the "Debenture Indentures") restrict the Company from incurring additional indebtedness for borrowed money or other obligations, including Senior Secured Indebtedness or other secured obligations (which would rank senior to the Convertible Debentures and, to the extent of the collateral securing such indebtedness, to the Senior Debentures), unsecured and subordinated indebtedness (which would rank senior to the Convertible Debentures and pari passu with the Senior Debentures) and liabilities or obligations that do not constitute indebtedness. Further, the Debenture Indentures do not restrict the Company from mortgaging, pledging or charging its properties to secure any indebtedness or liabilities. Nor do the Debenture Indentures prohibit or limit the ability of the Company to pay dividends, except where an Event of Default (as defined in the applicable Debenture Indentures) has occurred and such default has not been cured or waived, which, if paid, will reduce AGI's available cash flow and assets available to holders of the Debentures upon redemption or maturity of the Debentures. The Debenture Indentures do not contain any provision specifically intended to protect holders of the Debentures in the event of a future leveraged transaction involving the Company. If new debt is added to AGI's current debt levels, the related risks that AGI now faces could intensify.

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

Prevailing Yields on Similar Securities

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

Credit Risk

The ability of the Company to make scheduled payments on or to refinance its debt obligations, including the Debentures, depends on the Company's financial condition and operating performance, which are subject to a number of factors beyond the Company's control.

AGI conducts its operations, directly and indirectly, through certain subsidiaries. Accordingly, AGI relies upon distributions and other payments from such subsidiaries to generate a portion of the funds necessary to pay the principal of and interest on, the Debentures. The ability of such subsidiaries to pay distributions and other payments including, but not limited to, dividends to AGI may be restricted by, among other things, the availability of cash flows from operations, contractual restrictions in AGI's debt instruments, applicable corporate laws and other laws and agreements of AGI's subsidiaries.

The Company may be unable to maintain a level of cash flow from operating activities sufficient to permit the Company to pay the principal, premium, if any and interest on its indebtedness, including the Debentures.

If the Company's cash flow and capital resources are insufficient to fund its debt service obligations, the Company could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance its indebtedness, including the Debentures. The Company may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow the Company to meet its scheduled debt service obligations.

The Company's inability to generate sufficient cash flow to satisfy its debt obligations, or to refinance its indebtedness on commercially reasonable terms or at all, would materially and adversely affect the Company's business, results of operations, financial condition and its ability to satisfy its obligations under the Debentures.

The Debentures are not rated by any designated rating organization and AGI has no current plans to apply for a credit rating.

No Assurance Future Financing Will be Available

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

Redemption Prior to Maturity

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

Change of Control

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

In the event that holders of a series of Convertible Debentures or Senior Debentures, as the case may be, holding 90% or more of the Debentures of such series have tendered their Debentures for purchase pursuant to the Debenture Offer (as defined in the applicable Debenture Indenture), the Company may redeem the remaining Debentures of such series on the same terms. In such event, the conversion privilege associated with that series of Debentures would be eliminated.

In addition, in the case of the Senior Debentures, in the event of a Change of Control prior to the date in which the applicable series of Senior Debentures may ordinarily be redeemed, AGI may still redeem such series of Senior Debentures provided that it pays a premium to the redemption price that would otherwise be payable.

Conversion Following Certain Transactions

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

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

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

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

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

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

Holders of Debentures Will Have Only the Rights of an Equity Holder in the Event the Company Redeems the Debentures or Satisfies the Principal on Maturity by Issuing Common Shares

The Company has the right, at its sole discretion, to redeem or repay outstanding principal amounts thereunder at redemption or maturity of the Debentures by issuing Common Shares rather than the payment of cash. If such option is exercised by the Company, holders of Debentures will become holders of equity securities of the Company and will, consequently, be subject to the general risks and uncertainties affecting equity shareholders, including the ability to claim an entitlement only in its capacity as a shareholder of the Company.

The price paid for each Debenture may bear no relationship to the price at which the equity issuable on redemption or maturity of the Debentures may trade. The Company cannot predict at what price the Common Shares may trade and there can be no assurance that an active trading market for the Common Shares will be sustained or what prices may be realized upon the sale of Common Shares.

Volatility of Market Price of Common Shares

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

Change in Tax Laws

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

Investment Eligibility

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

Directors and Executive Officers

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

NAME	RESIDENCE	OFFICE AND PRINCIPAL OCCUPATION
GARY ANDERSON	MANITOBA, CANADA	Director President, Clean Seed Capital Group Ltd. (agricultural equipment)
TIM CLOSE	ONTARIO, CANADA	Director President and Chief Executive Officer of AGI
ANNE DE GREEF-SAFFT	SOUTH CAROLINA, U.S.A.	Director Corporate Director
JANET P. GIESSELMAN	FLORIDA, U.S.A.	Director Corporate Director
BILL LAMBERT	ONTARIO, CANADA	Director Chair of the Board | Corporate Director
BILL MASLECHKO	ALBERTA, CANADA	Director Partner, Burnet Duckworth & Palmer LLP (law firm)
MALCOLM F. MOORE	FLORIDA, U.S.A.	Director Corporate Director
DAVID WHITE, CPA, CA, ICD.D	NORTH CAROLINA, U.S.A.	Director Corporate Director
CLAUDIA ROESSLER	WASHINGTON STATE, U.S.A.	Director Director, Agriculture Strategic Partnerships, Azure Global Engineering, Microsoft Corporation
STEVE SOMMERFELD, CPA, CA	SASKATCHEWAN, CANADA	Executive Vice President, Chief Financial Officer and Corporate Secretary of AGI
PAUL HOUSEHOLDER	ARIZONA, U.S.A.	Executive Vice President, International of AGI
GEORGE VIS	MANITOBA, CANADA	Executive Vice President, North America of AGI
JIM VIS	MANITOBA, CANADA	Executive Vice President, Global Engineering of AGI
RYAN KIPP	MANITOBA, CANADA	Senior Vice President, Legal and General Counsel of AGI

All of the individuals named above have had the same principal occupations, or other executive positions with the same, predecessor or associated firms or organizations listed opposite their respective names for the last five years, other than: (i) Ms. De Greef-Safft, who since January 2018 has been a Strategic Consultant for Windjammer Capital Investors, a middle-market private equity firm; from January 2015 to September 2017 was Group President, Food Service Equipment, of Standex International Corporation, a diversified global manufacturing company; and from April 2002 to December 2014, held various positions with Danaher Corporation, a global science and technology innovator, first as President – Anderson Companies, then as President – Hach Lange Europe, then as President – Leica Biosystems and finally as President – Gems, Setra, Sonix and Anderson Companies; (ii) Mr. Close, who was appointed Chief Executive Officer of the Company on January 1, 2016 and has been President of the Company since March 2015 and was Vice President, Strategic Development of the Company from August 2012 to March 2015; (iii) Mr. Anderson, who was appointed President of Clean Seed Capital Group Ltd. in October 2018 and prior thereto was a special advisor to AGI following his retirement as Chief Executive Officer of the Company effective January 1, 2016; (iv) Mr. Moore, who was Chief Executive Officer of Digi-Star Investments LLC from June 2013 to May 2015, Executive Vice President, Operations of Twin Disc, Incorporated from July 2015 to August 2016 and Executive Vice President and Chief Operating Officer of Twin Disc, Incorporated from August 2016 to his retirement in May 2019; (v) Ms. Roessler, who was Director, Industry Solutions, Strategic Business Development, Chemical & Agriculture, at Microsoft Corporation from 2012 to 2018; (vi) Mr. Householder, who prior to his appointment as Executive Vice President International in June 2019 was a Vice President, West at Air Products and Chemicals from 2015; (vii) Mr. G. Vis, who prior to his appointment as Executive Vice President, North America of AGI in 2019, was Vice President, Commercial Operations of AGI from 2017 and prior thereto was President & Owner at G.J. Vis Enterprises Inc. from 2000 to 2015; (viii) Mr. J. Vis, who prior to his appointment as Executive Vice President, Global Engineering of AGI in 2019, was Vice President, Global Engineering of AGI from 2016 and prior thereto was Vice President & Owner at G.J. Vis Enterprises Inc. from 2000 to 2015; and (ix) Mr. Kipp, who prior to his appointment as Vice President, Legal and General Counsel of AGI on January 5, 2016, was Counsel at Imperial Oil Limited/ExxonMobil Canada from 2008.

Mr. Anderson was appointed as a Director on May 9, 2006; Mr. Maslechko was appointed a Director on November 9, 2006; Messrs. Lambert and White were appointed Directors on November 27, 2006; Ms. Giesselman and Mr. Moore were appointed Directors on March 14, 2013; Mr. Close was appointed a Director on March 9, 2016; Ms. De Greef-Safft was appointed a Director on December 13, 2018; and Ms. Roessler was appointed a Director on March 24, 2020. The term of office of all Directors expires at the next annual meeting of the Company.

The Directors of the Company have established an Audit Committee (Ms. Giesselman and Messrs. Lambert, Moore and White (Chair)), a Corporate Governance Committee (Ms. Giesselman and Messrs. Moore (Chair) and White), an Environmental, Health, Safety and Sustainability Committee (Ms. De Greef-Safft (Chair) and Messrs. Anderson and Moore) and a Compensation and Human Resources Committee (Ms. Giesselman (Chair) and Ms. De Greef-Safft and Messrs. Moore and White).

As at March 30, 2020, the Directors and executive officers of AGI beneficially owned or exercised control or direction over, directly or indirectly, 406,928 Common Shares or approximately 2.2% of the issued and outstanding Common Shares.

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

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

Audit Committee Information

Audit Committee Charter

The Company's Audit Committee charter is at the end of the AIF.

Composition of the Audit Committee

The Company's Audit Committee is comprised of four Directors, Ms. Giesselman and Messrs. Lambert, Moore and White.

Each member of the Audit Committee is "independent" and "financially literate" for the purposes of National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110").

Education and Experience of the Members of the Audit Committee

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

Ms. Giesselman has over 30 years of U.S. and international agriculture, energy and specialty and commodity chemicals industry experience, having led businesses in the United States, Europe, Latin America, the Middle East and Asia. From 2001 to 2010, Ms. Giesselman held numerous senior leadership positions with The Dow Chemical Company ("Dow") including President and General Manager of Dow Oil & Gas, Vice President, Dow AgroSciences and Vice President, Dow Latex (Switzerland). She is currently a director of Avicanna Inc. (a public Ontario based cannabis biopharmaceutical company) ("Avicanna"), Omnova Solutions Inc. (a public Ohio based specialty chemicals and engineered surfaces company), Twin Disc, Incorporated (a Wisconsin based power transmission equipment public company) ("Twin Disc"), where she is, among other committees, a member of the Audit Committee and McCain Foods Limited (a private New Brunswick based frozen food, produce and transportation company) where she is, among other committees, a member of the Audit Committee.

Mr. Lambert retired as a Special Partner to Birch Hill Equity, a Canadian private equity investment firm, in December 2009 and serves or has served on the board and/or the audit committee of several other public and private entities. He has over 25 years of experience in the private equity and merchant banking industries. Mr. Lambert has an extensive financial background including a number of years in the banking sector prior to his involvement in private equity.

Mr. Moore is the retired Executive Vice President and Chief Operating Officer of Twin Disc. He has also served as the President and Chief Executive Officer of Gehl Company, a manufacturer and distributor of construction and agricultural equipment. In his 11 years with Gehl Company, Mr. Moore held a series of senior positions including President since 2003 and culminating with his appointment as Chief Executive Officer in 2009. Mr. Moore is also the former President and Chief Executive Officer of Digi-Star Investments LLC, a provider of specialized monitoring and electronic control systems for precision agriculture. Mr. Moore serves on the board of directors of FreightCar America, Inc. (a public Illinois based railroad car manufacturing company), where he is a member of the Compensation and Nominating and Governance committees. Mr. Moore holds a B.S., International Business, from American University and an M.B.A. from the J. L. Kellogg Graduate School of Management-Northwestern University.

Mr. White has been a chartered accountant since 1978 and received his ICD.D designation from the Institute of Corporate Directors in 2013. He has held a number of senior financial and operating positions in the packaging, transportation and healthcare industries. He is General Partner of First Call Services LLC, a private holding company and advisory firm. He also serves on the board and/or as an advisor to several other public and private entities. He is currently a director of Art's Way Manufacturing Company Inc., a public Iowa based diversified, international manufacturer and distributor of equipment serving agricultural, research and steel cutting needs, where he serves on the Audit Committee and of Avicanna, where he serves as Chair of the Audit Committee. Prior to First Call Service he was CEO of TransCare Inc., a medical transportation company. Prior to TransCare he was President and Chief Operating officer and a director of Student Transportation of America, formerly a TSX listed company where prior to becoming President he was an independent director and served on its audit committee.

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

- an understanding of the accounting principles used by the Company to prepare its financial statements,
- the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves,
- experience in analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements and
- an understanding of internal controls and procedures for financial reporting.

Reliance on Certain Exemptions

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

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

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

External Audit Service Fees

The following summarizes the fees charged by the Company's auditors, Ernst & Young LLP, for external audit and other services in 2019 and 2018. The fees for 2019 are estimates as final invoices have not yet been rendered.

Audit Fees

The aggregate audit fees charged by the Company's external auditor during the fiscal year ended December 31, 2019 were $1,200,300 (2018 - $968,000). The charges in both years relate to audit fees for the Company's December 31 financial statements, the review of the March 31, June 30 and September 30 interim quarterly financial statements and services performed related to acquisitions.

Audit Related Fees

The aggregate fees charged for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the issuer's financial statements and not reported under "Audit Fees" above during the fiscal year ended December 31, 2019 were $133,620 (2018- $243,000). The fees for services performed in 2019 and 2018 related to prospectus procedures in connection with AGI's equity and debenture offerings and statutory audits of Frame and AGI Brazil.

Tax Fees

The aggregate fees charged for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning during the fiscal year ended December 31, 2019 were $827,000 (2018 - $267,000). The services performed related to tax planning, the preparation of tax filings and due diligence related to the Company's acquisitions.

All Other Fees

No fees were charged for any other services provided by the Company's external auditor during either of the fiscal years ended December 31, 2019 and 2018.

Dividends

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

For the year ended December 31, 2019, AGI declared aggregate dividends of $2.40 per Common Share (2018 - $2.40; 2017 - $2.40).

There are restrictions limiting the amount of dividends that can be paid under the Credit Facility (defined below) and the Secured Notes (defined below). Specifically, the Company is restricted from declaring dividends if the financial covenants with its lenders are in default. As at the date hereof, the Company is not in default of any of its financial covenants. The most significant financial covenants include the requirement to maintain debt service coverage (within the meaning of the agreements) of a minimum of 1.0 and to maintain a debt to earnings before interest, taxes, depreciation and amortization (EBITDA) ratio of 3.75 or less (excluding the Debentures in such calculation) for fiscal 2020 and 3.25 thereafter. The Credit Facility provides that in the event of an acquisition by AGI for aggregate consideration of $75 million or greater, in fiscal 2020 or in subsequent years, the debt to EBITDA ratio requirement increases to 3.75 or less for the financial quarter and the three following financial quarters in which the acquisition occurred (provided that the debt to EBITDA ratio would not have exceeded 3.25 but for such acquisition) before dropping to 3.50 or less for the next following financial quarter and reverting to 3.25 or less for financial quarters subsequent to that.

Capital Structure

Share Capital

The authorized share capital of AGI consists of an unlimited number of Common Shares, an unlimited number of First Preferred Shares, issuable in series and an unlimited number of Second Preferred Shares, issuable in series.

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

Common Shares

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

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

Preferred Shares

First Preferred Shares

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

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

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

Second Preferred Shares

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

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

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

Debentures

Series 3 Senior Debentures

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

The Series 3 Senior Debentures are not redeemable by the Company before December 31, 2022, except upon the occurrence of a change of control of the Company in accordance with the terms of the Senior Debenture Indenture governing the Series 3 Senior Debentures. On and after December 31, 2022 and prior to December 31, 2023, the Series 3 Senior Debentures may be redeemed at the Company's option at a price equal to 103.9375% of their principal amount plus accrued and unpaid interest. On and after December 31, 2023 and prior to December 31, 2024, the Series 3 Senior Debentures may be redeemed at the Company's option at a price equal to 102.625% of their principal amount plus accrued and unpaid interest. On and after December 31, 2024 and prior to December 31, 2025, the Series 3 Senior Debentures may be redeemed at the Company's option at a price equal to 101.3125% of their principal amount plus accrued and unpaid interest. On or after December 31, 2025, the Series 3 Senior Debentures may be redeemed at the Company's option at a price equal to their principal amount plus accrued and unpaid interest.

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

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

Series 2 Senior Debentures

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

The Series 2 Senior Debentures are not redeemable by the Company before December 31, 2022, except upon the occurrence of a change of control of the Company in accordance with the terms of the Senior Debenture Indenture governing the Series 2 Senior Debentures. On and after December 31, 2022 and prior to December 31, 2023, the Series 2 Senior Debentures may be redeemed at the Company's option at a price equal to 102.625% of their principal amount plus accrued and unpaid interest. On or after December 31, 2023, the Series 2 Senior Debentures may be redeemed at the Company's option at a price equal to their principal amount plus accrued and unpaid interest.

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

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

Series 1 Senior Debentures

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

The Series 1 Senior Debentures are not redeemable by the Company before June 30, 2022, except upon the occurrence of a change of control of the Company in accordance with the terms of the Senior Debenture Indenture governing the Series 1 Senior Debentures. On and after June 30, 2022 and prior to June 30, 2023, the Series 1 Senior Debentures may be redeemed at the Company's option at a price equal to 102.70% of their principal amount plus accrued and unpaid interest. On or after June 30, 2023, the Series 1 Senior Debentures may be redeemed at the Company's option at a price equal to their principal amount plus accrued and unpaid interest.

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

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

2018 Debentures

In January 2018, the Company issued $86.25 million aggregate principal amount of convertible unsecured subordinated debentures (the "2018 Debentures") at a price of $1,000 per 2018 Debenture. The 2018 Debentures bear interest at an annual rate of 4.50% payable semi-annually on June 30 and December 31. Each 2018 Debenture is convertible into Common Shares at the option of the holder at a conversion price of $88.15 per share. The maturity date of the 2018 Debentures is December 31, 2022.

On and after December 31, 2020 and prior to December 31, 2021, the 2018 Debentures may be redeemed, in whole or in part, at the option of the Company at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares during the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of redemption is given is not less than 125% of the conversion price. On and after December 31, 2021, the 2018 Debentures may be redeemed, in whole or in part, at the option of the Company at a price equal to their principal amount plus accrued and unpaid interest.

On redemption or at maturity, the Company may, at its option, subject to regulatory approval and provided that no event of default has occurred, elect to satisfy its obligation to pay the principal amount of the 2018 Debentures, in whole or in part, by issuing and delivering for each $100 due that number of freely tradeable Common Shares obtained by dividing $100 by 95% of the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date fixed for redemption or the maturity date, as the case may be. Any accrued and unpaid interest thereon will be paid in cash. The Company may also elect, subject to any required regulatory approval and provided that no event of default has occurred, to satisfy all or part of its obligation to pay interest on the 2018 Debentures by delivering sufficient freely tradeable Common Shares to satisfy its interest obligation.

The 2018 Debentures trade on the TSX under the symbol AFN.DB.E.

2017 Debentures

In April 2017, the Company issued $86.25 million aggregate principal amount of convertible unsecured subordinated debentures (the "2017 Debentures") at a price of $1,000 per 2017 Debenture. The 2017 Debentures bear interest at an annual rate of 4.85% payable semi-annually on June 30 and December 31. Each 2017 Debenture is convertible into Common Shares at the option of the holder at a conversion price of $83.45 per share. The maturity date of the 2017 Debentures is June 30, 2022.

On and after June 30, 2020 and prior to June 30, 2021, the 2017 Debentures may be redeemed, in whole or in part, at the option of the Company at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares during the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of redemption is given is not less than 125% of the conversion price. On and after June 30, 2021, the 2017 Debentures may be redeemed, in whole or in part, at the option of the Company at a price equal to their principal amount plus accrued and unpaid interest.

On redemption or at maturity, the Company may, at its option, subject to regulatory approval and provided that no event of default has occurred, elect to satisfy its obligation to pay the principal amount of the 2017 Debentures, in whole or in part, by issuing and delivering for each $100 due that number of freely tradeable Common Shares obtained by dividing $100 by 95% of the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date fixed for redemption or the maturity date, as the case may be. Any accrued and unpaid interest thereon will be paid in cash. The Company may also elect, subject to any required regulatory approval and provided that no event of default has occurred, to satisfy all or part of its obligation to pay interest on the 2017 Debentures by delivering sufficient freely tradeable Common Shares to satisfy its interest obligation.

The 2017 Debentures trade on the TSX under the symbol AFN.DB.D.

Secured Notes

The Company has issued CAD $25.0 million and US $25.0 million aggregate principal amount of secured notes through a note purchase and private shelf agreement (the "Secured Notes"). The Series B Secured Notes were issued on May 22, 2015, are non-amortizing, bear interest at 4.4% payable quarterly and mature on May 22, 2025. The Series C Secured Notes were issued on October 29, 2016, are non-amortizing, bear interest at 3.7% payable quarterly and mature on October 29, 2026. AGI is subject certain financial covenants in respect of the Secured Notes, including a maximum leverage ratio and a minimum debt service ratio and is in compliance with all financial covenants. Collateral for the Secured Notes and the Credit Facility (defined below) rank pari passu and include a general security agreement over all assets, first position collateral mortgages on land and buildings, assignments of rents and leases and security agreements for patents and trademarks.

Credit Facility

The Company has a credit facility (the "Credit Facility") with a syndicate of banks pursuant to a credit agreement (the "Credit Agreement") dated November 14, 2018, and amended March 20, 2020, that includes Canadian revolving facilities of $175.0 million and USD$40.0 million and a U.S. revolving facility of USD$175.0 million, inclusive of Canadian and U.S. swing lines of $40.0 million and up to USD$20.0 million, respectively. The revolving facilities bear interest at bankers' acceptance (BA) or London Interbank Offered Rate (LIBOR) plus 1.20% to BA or LIBOR plus 2.50% and the swing lines bear interest at prime plus 0.20% to prime plus 1.5% per annum, in each case based on certain performance calculations. As at December 31, 2019, $113.8 million and USD$171.8 million were outstanding under the revolver facilities and $345,000 was outstanding under the swing line facilities. The Credit

Facility matures March 20, 2025. Collateral for the Credit Facility ranks pari passu with the collateral for the Secured Notes and includes a general security agreement over all assets, first position collateral mortgages on land and buildings, assignments of rents and leases and security agreements for patents and trademarks. See "Dividends" for certain of the financial covenants of the Company under the Credit Facility.'

Market for Securities

Trading Price and Volume

The Common Shares and the Debentures are listed for trading on the TSX. The following tables set out the high and low trading price and total number of Common Shares or Debentures, as applicable, traded, during each month in 2019, as reported by the TSX.

COMMON SHARES

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
HIGH	52.22	59.78	63.11	62.915	59.3	57
LOW	45.61	50.21	55.77	58.26	52.25	51.95
VOLUME	939,362	1,147,803	2,507,251	976,721	1,237,106	1,045,490

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
HIGH	55.25	53.94	45.68	45.04	47.49	47.12
LOW	52.35	41.46	41.3	37.84	41.68	42.75
VOLUME	1,041,551	1,828,786	1,340,998	1,996,565	1,464,930	1,159,855

2017 DEBENTURES

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
HIGH	101.19	101.61	102.5	103	102.11	105.11
LOW	100	100.7	100	101.5	101.25	101.5
VOLUME	6,230	10,550	10,790	8,410	10,500	5,510

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
HIGH	102.67	103	102.2	102.9	102.49	102
LOW	101.75	98.5	100	100.62	100.01	100.6
VOLUME	4,960	10,140	4,700	4,790	11,340	8,030

2018 DEBENTURES

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
HIGH	101.43	100.74	101.11	102.88	102.99	102.5
LOW	98.1	99.32	98.62	100.25	101.5	100
VOLUME	28,670	16,450	17,700	7,690	6,670	24,190

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
HIGH	102.44	101.98	101.5	102.63	101.5	101.5
LOW	100.5	98.5	100	100.15	98.51	100.02
VOLUME	6,870	11,290	28,700	13,910	18,540	19,200

SERIES 1 SENIOR DEBENTURES

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
HIGH	—	—	101.99	105.31	105	103.98
LOW	—	—	98.99	100.25	102	101.75
VOLUME	—	—	91,910	38,420	7,353	15,010

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
HIGH	104.99	103	105.6	102	105.99	105
LOW	102	100	100.11	98.51	100.5	100
VOLUME	8,000	19,540	14,570	15,630	16,800	7,50

SERIES 2 SENIOR DEBENTURES

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
HIGH	—	—	—	—	—	—
LOW	—	—	—	—	—	—
VOLUME	—	—	—	—	—	—

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
HIGH	—	—	—	—	100.5	105
LOW	—	—	—	—	99.5	99.6
VOLUME	—	—	—	—	78,440	65,820

Prior Sales

No securities of AGI were issued during the last completed financial year that are not traded or quoted on a marketplace other than the following awards ("Awards") under AGI's equity incentive award plan ("EIAP") and deferred grants of Common Shares ("Deferred Shares") under AGI's directors' deferred compensation plan: 46,500 Awards and 1,929 Deferred Shares in March 2019; 28,500 Awards and 2,131 Deferred Shares in June 2019; 14,744 Awards in July 2019; 2,924 Deferred Shares in September 2019; 5,070 Awards in October 2019, 2,810 Deferred Shares in December 2019 and 1,000 awards in January 2020. Each Award and Deferred Share entitles the grantee to one Common Share, or in the case of certain Awards an amount equivalent in value to one Common Share (subject to adjustment) in accordance with the terms of the Award or Deferred Share, as the case may be.

Transfer Agent and Registrar

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

Legal Proceedings and Regulatory Actions

From time to time AGI is involved in claims or litigation in the ordinary course of business. Currently, AGI is not involved in any material legal proceedings.

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

Material Contracts

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

- The Convertible Debenture Indenture (See "Capital Structure – Debentures").
- The Senior Debenture Indenture (See "Capital Structure – Debentures").
- Credit Agreement (See "Capital Structure – Credit Facility").

Interest of Management and Others in Material Transactions

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

Audit Committee Terms of Reference

ESTABLISHMENT OF THE COMMITTEE

1. PURPOSE

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

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

2. COMPOSITION OF COMMITTEE

The Committee shall consist of as many members as the Board shall determine, but in any event not fewer than three Directors.

Except to the extent that the Board determines that an exemption contained in National Instrument 52-110 issued by the Canadian Securities Administrators or its successor instrument ("NI 52-110") is available and determines to rely thereon, all Committee members will be independent within the meaning of NI 52-110.

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

Interest of Experts

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

Additional Information

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issue under equity compensation plans is contained in the Company's Information Circular for the Company's most recent Annual Meeting.

Additional financial information is contained in the comparative financial statements and related management's discussion and analysis for the year ended December 31, 2019.

The foregoing documents and additional information relating to the Company are available electronically on SEDAR at www.sedar.com.

3. APPOINTMENT OF COMMITTEE MEMBERS

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

4. VACANCIES

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

5. COMMITTEE CHAIR

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

6. ABSENCE OF CHAIR

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

7. SECRETARY OF COMMITTEE

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

8. REGULAR MEETINGS

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

9. SPECIAL MEETINGS

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

10. QUORUM

A majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and hear each other, shall constitute a quorum.

11. NOTICE OF MEETINGS

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

12. AGENDA

The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

13. DELEGATION

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

14. ACCESS

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

15. ATTENDANCE OF OFFICERS AT A MEETING

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

16. PROCEDURE, RECORDS AND REPORTING

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

17. OUTSIDE CONSULTANTS OR ADVISORS

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

Roles and Responsibilities

1. OVERALL DUTIES AND RESPONSIBILITIES

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

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

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

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

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

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

2. INDEPENDENT AUDITORS

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

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

b) to recommend to the Board:

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

ii) the compensation of such auditors;

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

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

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

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

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

i) contents of their report;

ii) scope and quality of the audit work performed;

iii) adequacy of the Corporation's financial personnel;

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

v) internal resources used;

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

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

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

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

x) the effect of accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements;

and report to the Board in respect of the foregoing;

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

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

i) if:

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

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

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

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

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

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

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

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

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

3. INTERNAL AUDIT PROCEDURES

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

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

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

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

4. INTERNAL CONTROL PROCEDURES

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

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

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

c) review compliance with the Corporation's Code of Business Ethics;

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

e) when required by applicable securities laws:

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

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

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

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

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

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

5. ENTERPRISE RISK MANAGEMENT

The duties and responsibilities of the Committee as they relate to the Corporation's enterprise risk management:

a) discuss with management the Corporation's policies with respect to risk identification, assessment and management; and

b) review and comment on management's periodic risk assessment.

6. PUBLIC FILINGS, POLICIES AND PROCEDURES

The Committee is charged with the responsibility to:

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

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

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

iii) earnings press releases;

iv) annual information form;

v) prospectuses; and

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

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

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

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

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

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

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

h) establish procedures for:

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

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

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

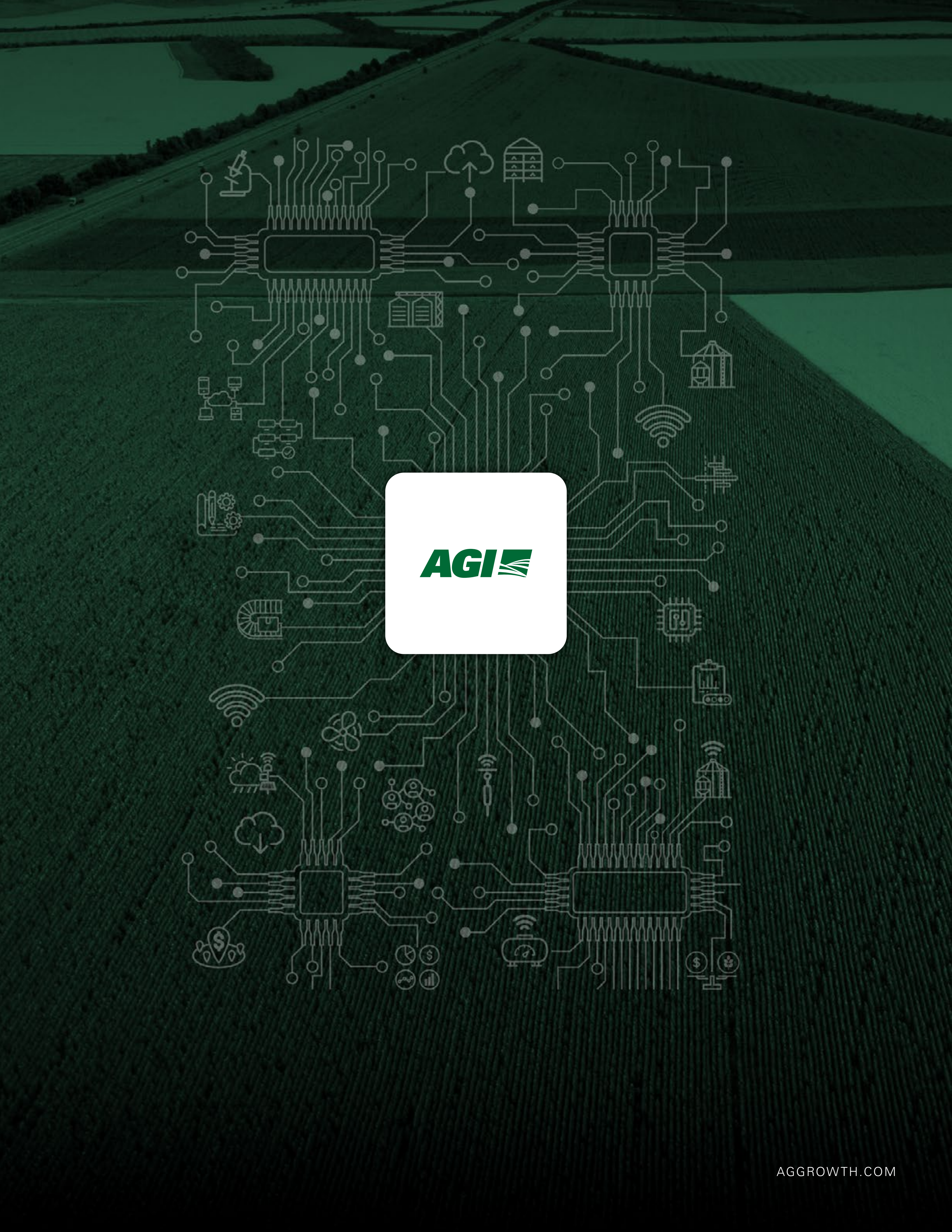
j) review and approve related party transactions.

STANDARDS OF LIABILITY

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

TERMS OF REFERENCE AND CALENDAR

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



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