



ROGERS SUGAR INC.

ANNUAL INFORMATION FORM

For the year ended October 2, 2021

November 24, 2021



Rogers Sugar Inc.

ANNUAL INFORMATION FORM

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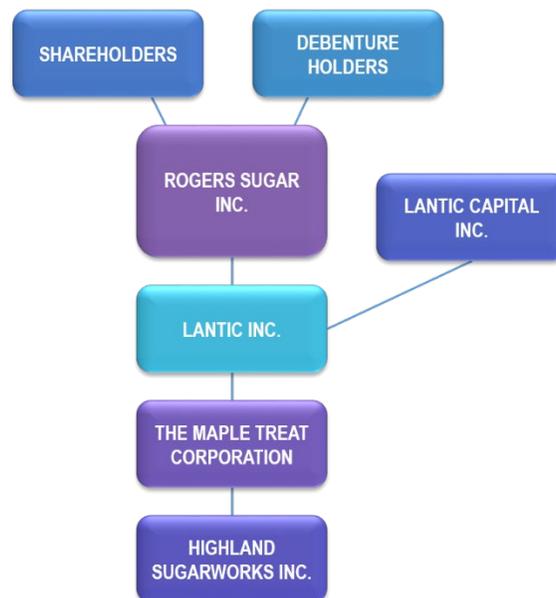
ROGERS SUGAR INC.

The principal and head office of Rogers Sugar Inc. (the “Corporation” or “Rogers”) is located at 123 Rogers Street, Vancouver, British Columbia, V6B 3N2. The administrative offices of the Corporation are located at 4026 Notre-Dame Street East, Montréal, Québec, H1W 2K3. The principal activities of Rogers are to hold all of the common shares of Lantic Inc. (“Lantic”) (the common shares of Lantic, collectively with any other equity securities held by or on behalf of the Corporation from time to time, are referred to as the “Common Shares”) and the subordinated unsecured notes of Lantic (collectively with any other debt securities held by or on behalf of the Corporation from time to time, the “Notes”). To the maximum extent possible, Rogers pays to holders (the “Shareholders”) of common shares of Rogers (the “Shares”) by way of dividends in amounts representing the amounts received by Rogers by way of dividends or return of capital on the Common Shares, and interest and repayments of principal on the Notes after expenses, interest on the Debentures of the Corporation (see “Rogers Sugar Inc. — Debt Instruments”) and any cash redemptions of common shares or convertible debentures, amounts paid or required by the Corporation to purchase Shares (or other securities of Rogers which may be issued and outstanding from time to time), income taxes and amounts required for the operations of the Corporation.

On January 1, 2011, Rogers completed its conversion from an income trust to a corporation pursuant to a Plan of Arrangement (the “Arrangement”) under section 192 of the Canada Business Corporations Act (the “CBCA”). Rogers is governed by the CBCA. Pursuant to the Arrangement, unitholders (the “Unitholders”) of Rogers Sugar Income Fund (the “Fund”) exchanged each trust unit of the Fund for a Share on a one-for-one basis.

Corporate Structure

The following chart illustrates the current primary structural and contractual relations among the Shareholders, Rogers, Lantic, The Maple Treat Corporation (“Maple Treat”), previously named L.B. Maple Treat Corporation) and Highland Sugarworks Inc. (the latter two companies together referred to, collectively, as “TMTC”) and Lantic Capital Inc. (“Lantic Capital”).



For a detailed discussion of the structural and contractual relations among Rogers, Lantic and Lantic Capital, see “Rogers Sugar Inc. — Administration”.

Administration

Administration Agreement

Pursuant to the Arrangement, the then-existing administration agreement (the "Former Administration Agreement") was terminated and replaced by a new administration agreement dated January 1, 2011 and amended on December 8, 2017 (the "Administration Agreement"). The Administration Agreement was on the same terms and conditions as the Former Administration Agreement whereby Lantic acts as administrator of the Corporation. The administrator provides or arranges for the provision of services required in the administration of the Corporation. These services include arranging and paying for annual audit and regulatory public reporting services and costs, arranging for, and paying the costs of, legal counsel, monitoring and coordinating the activities of and paying the fees of the transfer agent and registrar for the Shares, arranging for distributions to the Shareholders, and providing reports to the Shareholders. In consideration for its services under the Administration Agreement, Lantic receives a fee of \$50,000 per annum, plus reimbursement of certain out-of-pocket costs and expenses. The Administration Agreement is terminable on 180 days' notice, the insolvency or receivership of Lantic or default by Lantic in the performance of any material obligation which is not remedied within 30 days.

Governance Agreements

Under the terms of the Fund governance agreement (the "Fund Governance Agreement") dated March 8, 2002 among the Fund, Onex Corporation and Belkin Enterprises Ltd. (now Belcorp Industries Inc.) ("Belcorp"), the Fund was required to nominate for election as trustees at each annual meeting of the Fund one nominee of Onex Corporation and one nominee of Belcorp, provided that they each beneficially own or exercise control or direction over at least five percent (5%) of the outstanding Units of the Fund, directly or indirectly. As a consequence of the closing of a secondary offering of Units as at July 4, 2003, Onex Corporation's direct and indirect ownership of Units dropped below five percent (5%) of the outstanding Units on a fully-diluted basis. As a result, the Fund was no longer obligated to nominate for election as a trustee at each annual meeting of the Fund one nominee of Onex Corporation. However, Belcorp continued to hold more than five percent (5%) of the outstanding Units on a fully-diluted basis and, therefore, the Fund continued to be obligated to nominate for appointment as a trustee at each annual meeting of the Fund one nominee of Belcorp Industries Inc. In connection with the completion of the Arrangement and the subsequent termination of the Fund, the Fund Governance Agreement was replaced by an amended and restated governance agreement dated January 1, 2011 (the "Governance Agreement"), which includes substantially the same terms as the Fund Governance Agreement, with the necessary adaptations, as applicable. Therefore, Belcorp continues to have the right to nominate one director of the Corporation for election at the annual meetings of the Shareholders, for so long as it continues to hold more than five percent (5%) of the outstanding Shares.

The Fund, Lantic and Lantic Capital entered into a corporate governance agreement (the "Former Lantic Governance Agreement") on June 30, 2008. In connection with the completion of the Arrangement and the subsequent termination of the Fund, the Former Lantic Governance Agreement was replaced by an amended and restated corporate governance agreement dated January 1, 2011 (the "Lantic Governance Agreement"), which includes substantially the same terms as the Former Lantic Governance Agreement, with the necessary adaptations, as applicable. Lantic Capital, as holder of two Class C shares of Lantic, is entitled to elect five (5) of seven (7) members of the board of directors of Lantic. The Corporation has the right to terminate Lantic Capital's right to elect a majority of the directors of Lantic if a take-over bid is made for all of the issued and outstanding Shares and, on completion thereof, the offeror thereunder holds more than sixty percent (60%) of the issued and outstanding Shares. The Lantic Governance Agreement also terminates upon the earliest to occur of (i) the date on which Lantic Capital and its affiliates collectively beneficially own, directly or indirectly, or exercise control or direction over less than five percent (5%) of the outstanding Shares (calculated on a fully-diluted basis), (ii) the date on which the agreement is terminated by agreement of the parties to that effect and (iii) the date on which all of the obligations of the Corporation thereunder relating to certain restrictions on the ability of the Corporation to make changes to the articles of Lantic and the election of Lantic Capital's nominees to the board of directors of Lantic expire or terminate. The Lantic Governance Agreement provides that the Corporation will not vote for any amendment to Lantic's articles or by-laws, including an amendment with respect to the number of directors of Lantic, without Lantic Capital's approval.

The Lantic Governance Agreement also provides that, in the event that a bona fide take-over bid has been made for all of the issued and outstanding Shares and the Board of Directors of the Corporation has publicly recommended that holders of Shares accept such take-over bid, the boards of directors of Lantic, Lantic Capital and the Corporation will consent to a reorganization of the Corporation and Lantic in the manner determined by the Corporation, including

an amalgamation of the Corporation and Lantic, provided that (i) such reorganization has been approved, if required by law, by the requisite number of Shareholders of the Corporation; (ii) such reorganization is necessary and advisable, in the sole discretion of the Board of Directors of the Corporation, in order to avoid adverse tax consequences for the Corporation or the Shareholders; and (iii) such reorganization is effected in a manner in which it is certain that, immediately after the reorganization is effective, the offeror under the take-over bid will acquire more than 60% of the issued and outstanding Shares and any support agreement relating to the take-over bid contains a covenant to complete the reorganization and take-over bid in such a manner. Such reorganization will be made effective immediately prior to the taking-up and payment of Shares by the offeror under the take-over bid described above.

Capital Structure

The authorized capital of the Corporation consists of: (i) an unlimited number of Shares; and (ii) a number of preferred shares issuable in series, at all times limited to fifty percent (50%) of the Shares outstanding at the relevant time, provided that no such preferred shares shall be used to block any takeover. The following is a summary of the rights, privileges, restrictions and conditions attaching to the securities of the Corporation which comprise the share capital of the Corporation, and its convertible debt instruments.

Shares

Holders of Shares are entitled to one vote per Share at meetings of Shareholders of the Corporation, to receive dividends if, as and when declared by the Board of Directors of the Corporation and to receive on a pro rata basis the remaining property and assets of the Corporation upon its dissolution or winding-up, subject to the rights of any other class of shares having priority over the Shares.

During fiscal 2021, no Shares were purchased under the 2020 NCIB (as defined herein).

As of the date hereof, 103,686,923 Shares are issued and outstanding. The Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "RSI".

Preferred Shares

Each series of preferred shares shall consist of such number of shares and having such rights, privileges, restrictions and conditions as may be determined by the Board of Directors of the Corporation prior to the issuance thereof. Holders of preferred shares, except as required by law, will not be entitled to vote at meetings of Shareholders of the Corporation. With respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the preferred shares are entitled to preference over the Shares and any other shares ranking junior to the preferred shares from time to time and may also be given such other preferences over the Shares and any other shares ranking junior to the preferred shares as may be determined at the time of creation of such series.

The number of issuable preferred shares shall at all times be limited to fifty percent (50%) of the Shares outstanding at the relevant time. No such preferred shares shall be used to block any takeover.

As of the date hereof, no preferred shares of the Corporation are issued and outstanding.

Debt Instruments

Sixth Series Debentures

On July 28, 2017, Rogers completed the issuance and sale of an aggregate of \$57,500,000 principal amount of Sixth Series 5.0% Convertible Unsecured Subordinated Debentures (the "Sixth Series Debentures"). The gross proceeds of \$57.5 million were used to partly fund the Maple Treat Acquisition.

The Sixth Series Debentures were issued pursuant to a seventh supplemental indenture dated July 28, 2017 between the Corporation and Computershare Trust Company of Canada, supplementing the Indenture. The Sixth

Series Debentures mature on December 31, 2024 and bear interest at an annual rate of 5.0%, payable semi-annually on June 30 and December 31 in each year, commencing on December 31, 2017.

The Sixth Series Debentures are convertible into fully paid and non-assessable Shares at the option of the holder at any time prior to the close of business on the earlier of December 31, 2024 and the business day immediately preceding the date specified by the Corporation for redemption of the Sixth Series Debentures, at a conversion price of \$8.26 per Share (the "Sixth Series Conversion Price"). The Sixth Series Debentures are not redeemable by the Corporation prior to December 31, 2020. On or after December 31, 2020, and prior to December 31, 2022, the Sixth Series Debentures are redeemable at a price equal to the principal amount thereof plus accrued and unpaid interest, provided that the weighted average trading price of the Shares for the 20 consecutive trading days ending on the fifth trading day preceding the date upon which the notice of redemption is given, is at least 125% of the Sixth Series Conversion Price. On or after December 31, 2022, the Sixth Series Debentures are redeemable at a price equal to the principal amount thereof plus accrued and unpaid interest.

During fiscal 2021, holders of the Sixth Series Debentures have not converted any Sixth Series Debentures into shares. As a result, the total amount outstanding under the Sixth Series Debentures is still \$57,425,000.

The Sixth Series Debentures are listed and posted for trading on the TSX under the symbol "RSI.DB.E".

Seventh Series Debentures

On March 28, 2018, Rogers issued an aggregate of \$85,000,000 principal amount of Seventh Series 4.75% Convertible Unsecured Subordinated Debentures (the "Seventh Series Debentures"). Then, on April 3, 2018, Rogers issued an additional \$12,750,000 principal amount of Seventh Series Debentures pursuant to the exercise in full of the over-allotment option granted by Rogers. The gross proceeds of \$97,750,000 were used to repay the Fifth Series 5.75% Convertible Unsecured Subordinated Debentures of Rogers (the "Fifth Series Debentures") and a portion of Lantic's revolving credit facility.

The Seventh Series Debentures were issued pursuant to an eighth supplemental indenture dated March 28, 2018 between the Corporation and Computershare Trust Company of Canada, supplementing the Indenture. The Seventh Series Debentures mature on June 30, 2025 and bear interest at an annual rate of 4.75%, payable semi-annually on June 30 and December 31 in each year, commencing on June 30, 2018.

The Seventh Series Debentures are convertible into fully paid and non-assessable Shares at the option of the holder at any time prior to the close of business on the earlier of June 30, 2025 and the business day immediately preceding the date specified by the Corporation for redemption of the Seventh Series Debentures, at a conversion price of \$8.85 per Share (the "Seventh Series Conversion Price"). The Seventh Series Debentures are not redeemable by the Corporation prior to June 30, 2021. On or after June 30, 2021, and prior to June 30, 2023, the Seventh Series Debentures are redeemable at a price equal to the principal amount thereof plus accrued and unpaid interest, provided that the weighted average trading price of the Shares for the 20 consecutive trading days ending on the fifth trading day preceding the date upon which the notice of redemption is given, is at least 125% of the Seventh Series Conversion Price. On or after June 30, 2023, the Seventh Series Debentures are redeemable at a price equal to the principal amount thereof plus accrued and unpaid interest.

During fiscal 2021, holders of the Seventh Series Debentures have not converted any Seventh Series Debentures into shares. As a result, the total amount outstanding under the Seventh Series Debentures is \$97,575,000.

The Seventh Series Debentures are listed and posted for trading on the TSX under the symbol "RSI.DB.F".

Debentures

The payment of the principal of, and interest on, the Sixth Series Debentures and the Seventh Series Debentures (collectively, the "Debentures") will be senior to the payment of any dividends on the Shares but subordinated to the prior payment of any indebtedness of the Corporation.

On redemption or at maturity, the Corporation will repay the indebtedness of the Debentures by paying an amount equal to the principal amount of the outstanding Debentures, together with accrued and unpaid interest thereon. The

Corporation may, at its option, elect to satisfy its obligation to repay the principal amount of the Debentures, which are to be redeemed or which have matured, by issuing Shares to the holders of the Debentures. The number of Shares to be issued will be determined by dividing \$1,000 of principal amount of Debentures by 95% of the weighted average trading price of the Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date for redemption or the maturity date, as the case may be.

Upon the occurrence of a change of control of the Corporation involving the acquisition of voting control or direction over 66 2/3% or more of the outstanding Shares and the termination of the Governance Agreement, holders of the Debentures may require the Corporation to purchase the Debentures at a price equal to 100% of the principal amount of the Sixth and Seventh Series Debentures.

Pursuant to the Indenture, any of the following shall constitute an Event of Default (as such term is defined in the Indenture):

- (a) failure, for 15 days, to pay interest on the Debentures when due;
- (b) failure to pay principal or premium, if any, on the Debentures, whether at maturity, upon redemption, by declaration or otherwise; or
- (c) certain events of bankruptcy, insolvency or reorganization of the Corporation under bankruptcy and insolvency laws.

The Sixth and Seventh Series Debentures provide for the adjustment of the Sixth and Seventh Series Conversion Price, respectively, in certain events, including: (a) the subdivision or consolidation of the outstanding Shares; (b) the distribution of Shares to Shareholders by way of distribution or dividend, other than an issue of securities to Shareholders who have elected to receive distributions in securities of the Corporation in lieu of receiving cash distributions paid in the ordinary course; (c) the issuance of options, rights or warrants to Shareholders entitling them to acquire Shares or other securities convertible into Shares at less than 95% of the then-current market price of the Shares; (d) a distribution by the Corporation to all or substantially all the Shareholders of (i) shares of any class other than shares distributed to Shareholders who have elected to receive dividends or distributions in the form of such Shares in lieu of dividends or distributions paid in the ordinary course, (ii) rights, options, or warrants (excluding rights, options or warrants entitling the holders thereof for a period of not more than 45 days to subscribe for or purchase Shares or securities convertible into Shares), (iii) evidences of its indebtedness, or (iv) assets (excluding dividends or distributions paid in the ordinary course); and (e) the payment of a cash dividend or distribution to all or substantially all the Shareholders in excess of \$0.10 per Share per calendar quarter (or the equivalent thereof if the Corporation changes the frequency of payment of its dividends) (or the issuance of securities of the Corporation in lieu thereof in certain circumstances). There will be no adjustment of the Sixth and Seventh Series Conversion Price in respect of any event described in (a), (b), (c), (d) or (e) above if, subject to prior regulatory approval, holders of Sixth and Seventh Series Debentures are allowed to participate as though they had converted their Sixth and Seventh Series Debentures prior to the applicable record date or effective date. The Corporation will not be required to make adjustments in the Sixth and Seventh Series Conversion Price unless the cumulative effect of such adjustments would change the Sixth and Seventh Series Conversion Price by at least 1%.

LANTIC INC. AND ITS SUBSIDIARIES

Lantic is a corporation which amalgamated under the Canada Business Corporations Act on June 30, 2008. Lantic was formed from the amalgamation of Rogers Sugar Ltd. (“RSL”) and Lantic Sugar Limited (the “Amalgamation”). As at June 30, 2008, Lantic possessed all of the property, rights and assets of RSL and Lantic Sugar and assumed all of their obligations. The registered and principal office of Lantic is located at 4026 Notre-Dame East, Montréal, Québec, H1W 2K3. Lantic is the administrator of Rogers. For a detailed discussion of the administrative relationship between Rogers and Lantic, see “Rogers Sugar Inc. — Administration”. On August 5, 2017, Lantic completed the L.B. Maple Treat Corporation Acquisition (the “Maple Treat Acquisition”), for approximately \$166.4 million, after closing adjustments. Lantic is the holder of 100% of the shares of TMTC. On November 18, 2018, Maple Treat completed the acquisition of 9020-2292 Québec Inc. (“Decacer”) (the “Decacer Acquisition”) for approximately \$43.0 million, after closing adjustments. Maple Treat was the holder of 100% of the shares of Decacer until September 28, 2019. Then, on September 29, 2019, Maple Treat and Decacer amalgamated to continue their operations as The Maple Treat Corporation.

Share Capital

The share capital of Lantic consists of 2,000 issued and outstanding Common Shares owned by Rogers, no issued and outstanding Class A shares, 44,500,000 issued and outstanding Class B shares owned by Belcorp and two issued and outstanding Class C shares owned by Lantic Capital.

Each Common Share entitles its holder to receive notice of and to attend all meetings of shareholders of Lantic, and to one vote at such meetings. Rogers, as the holder of all of the Common Shares is, at the discretion of the board of directors of Lantic and subject to applicable legal restrictions, entitled to receive out of any or all profits or surplus of Lantic properly available for the payment of dividends any dividends declared by the board of directors of Lantic on the Common Shares and payable in cash or by way of the issuance of additional Common Shares.

In the event of the liquidation, dissolution or winding-up of Lantic or other distribution of its assets among its shareholders, the holder of the Common Shares is entitled to receive, after payment of all of the liabilities of Lantic and subject to the prior rights of the holders of the Class B shares and Class C shares, all of the assets of Lantic.

The holder of the Class B shares is entitled to vote, on a pro rata basis to the number of Class B shares held, in all circumstances such that the total votes attaching to the Class B Share shall be equal to 10.01% of the aggregate votes of all classes of shares entitled to vote at a meeting of shareholders of Lantic. Under the terms of a voting trust agreement between Belcorp and Rogers, Rogers is entitled to vote the Lantic Class B shares so long as they remain outstanding.

The two Class C shares are redeemable by Lantic for \$1 each upon the termination of the Lantic Governance Agreement. The Class C shares entitle their holder to elect five (5) of the seven (7) directors of Lantic, but do not confer any other voting rights at any meetings of shareholders of Lantic, except as may be required by law.

Notes

Pursuant to a note indenture dated March 8, 2002, as amended and restated on June 3, 2003 and January 1, 2004, made between Lantic Sugar and Computershare Trust Company of Canada (now known as Computershare Investor Services Inc.), as note trustee (the "Lantic Note Indenture"), \$190,850,000 unsecured subordinated Series A notes (the "Lantic Series A Notes") and \$48,500,000 unsecured subordinated Series C notes (the "Lantic Series C Notes" and, collectively with the Lantic Series A Notes, the "Lantic Notes") were issued on March 8, 2002, in the case of the Lantic Series A Notes and February 20, 2003, in the case of the Lantic Series C Notes. Pursuant to a first supplemental indenture following the Amalgamation, dated June 30, 2008, Lantic assumed all obligations, indebtedness and liabilities of Lantic Sugar under the Lantic Note Indenture. Interest is payable quarterly on or about the 15th day of January, April, July and October in each year to holders of record. Notwithstanding the foregoing, Lantic may, in its sole discretion, pay interest on the Lantic Notes by way of monthly installments of the quarterly interest payment under such notes not yet due. Rogers is the holder of all of the issued and outstanding Lantic Notes. The Lantic Notes mature on October 15, 2027.

The Lantic Notes bear interest at a variable rate determined by Lantic and Rogers in advance at such times as considered appropriate, but at least annually and no more frequently than quarterly, taking into account such circumstances as the parties may consider relevant, including but not limited to Lantic's earnings before taxes, depreciation, amortization and interest on the Lantic Notes, subject to a maximum rate of 13.25% per annum on the Lantic Series A Notes and a maximum rate of 10% per annum on the Lantic Series C Notes, with all such notes having a minimum rate of 6% per annum.

From time to time, the board of Directors of Lantic and, if Rogers holds, directly or indirectly, at least 25% of the aggregate principal amount of the Lantic Notes, the board of Directors of Rogers, shall jointly review the companies facilities and operations, the economic conditions relating to the sugar industry and the business prospects of Lantic with a view to determining whether it is likely that the indebtedness of Lantic evidenced by the Lantic Notes could be refinanced on the same terms and conditions upon maturity. If, in the opinion of either the board of directors of Lantic or Rogers, it is unlikely that Lantic could refinance the Lantic Notes on the same terms and conditions upon maturity, then Lantic shall commence principal repayments of the Lantic Notes. The last review of Lantic was performed as at September 27, 2014, and on November 18, 2014, the boards of directors of Lantic and Rogers concluded that Lantic could refinance the Lantic Notes on the same terms and conditions upon maturity. As a result, the maturity date of the Lantic Notes will remain October 15, 2027.

The Lantic Notes are unsecured debt obligations of Lantic and are subordinate in the right of payment to all secured and unsecured indebtedness and liabilities of Lantic.

The Lantic Notes provide that any of the following shall constitute an Event of Default (as such term is defined in the Lantic Note Indenture):

- (a) default in payment of the principal of the Lantic Series A and Series C Notes when the same becomes due;
- (b) the failure to pay interest obligations of the Lantic Series A and Series C Notes when the same become due, subject to Lantic's right to defer payment of interest for up to 18 months;
- (c) material default upon indebtedness for borrowed money exceeding \$10 million;
- (d) certain events of winding-up, liquidation, bankruptcy, and solvency, receivership, general assignment for the benefit of creditors, or proceedings with respect to a compromise or an arrangement under the Companies' Creditors Arrangement Act (Canada) (the "CCAA");
- (e) the taking of possession by an encumbrance of all or substantially all of the property of Lantic;
- (f) ceasing to carry on business in the ordinary course;
- (g) defaults in performing any material agreement whereby any material property or rights of Lantic may be forfeited or terminated; or
- (h) default in the observance or performance in any material covenant or condition of the Lantic Note Indenture and contained in such default for a period of 30 days after a notice in writing has been given by the note trustee under the Lantic Note Indenture to Lantic specifying such default and requiring Lantic to rectify the same.

Pursuant to a note indenture (the "RSL Note Indenture") dated October 8, 1997, and amended and restated as of February 8, 2001 and January 1, 2004, between RSL and Montréal Trust Company of Canada (now Computershare Investor Services Inc.), as note trustee, RSL was authorized to issue an unlimited amount of notes (the "RSL Notes") which will mature on October 15, 2027, subject to prepayment from time to time, as considered advisable by the board of directors of RSL and subject to extension for an additional 10-year term in certain circumstances. Pursuant to a first supplemental indenture dated June 30, 2008 and following the Amalgamation, Lantic assumed all obligations, indebtedness and liquidities of RSL under the RSL Note Indenture. Rogers is the holder of \$278,260,870 principal amount of RSL Notes, being all of the issued and outstanding RSL Notes.

The RSL Notes bear interest at a variable rate determined by Lantic and Rogers in advance at such times as considered appropriate, but at least annually and no more frequently than quarterly, taking into account such circumstances as the parties consider relevant, including but not limited to Lantic's earnings before taxes, depreciation, amortization and interest on the RSL Notes, subject to a maximum rate of 11.5% per annum and a minimum rate of 6% per annum. Interest is payable on the RSL Notes quarterly on or about the 15th day of January, April, July and October in each year to holders of record on the last day of each calendar quarter. Notwithstanding the foregoing, Lantic may, in its sole discretion, pay interest on the RSL Notes by way of monthly installments of the quarterly interest payment under such notes not yet due. Lantic may defer the payment of interest on the RSL Notes for up to 18 months to the extent that its earnings before interest, taxes, depreciation and amortization, less any interest and principal paid on the credit facilities provided under the Lantic Credit Agreement (see "Lantic Inc. — Credit Facility"), are inadequate to pay the interest on the RSL Notes.

In order to avoid substantial variations in distributions to Rogers under the method of calculation of the rate of interest on the RSL Notes, the directors of Rogers have the authority to declare and pay in any quarter and on such other date as they may determine from time to time, all or part of the interest paid on the RSL Notes in that quarter and for such other period as the directors of Rogers may determine from time to time.

From time to time, the board of directors of Lantic and, so long as Rogers holds at least 25% of the aggregate principal amount of the RSL Notes outstanding, the Board of Directors of Rogers, shall jointly review Lantic's facilities and operations, economic conditions relating to the sugar industry and the business prospects of Lantic with a view to determining whether it is likely that the indebtedness of Lantic evidenced by the RSL Notes could be refinanced on the same terms and conditions upon maturity. If, in the opinion of either the board of directors of Lantic or Rogers, it is unlikely that Lantic could refinance the RSL Notes on the same terms and conditions upon maturity, then Lantic shall

commence principal repayments of the RSL Notes. The last review of Lantic was performed as at September 27, 2014 and on November 18, 2014, the boards of directors of Lantic and Rogers concluded that Lantic could refinance the RSL Notes on the same terms and conditions upon maturity. As a result, the maturity date of the RSL Notes will remain October 15, 2027.

The RSL Notes are unsecured debt obligations of Lantic and are subordinate in the right of payment to all secured and unsecured indebtedness and liabilities of Lantic.

The RSL Note Indenture provides that any of the following shall constitute an Event of Default (as such term is defined in the RSL Note Indenture):

- (a) default in payment of the principal of the RSL Notes when the same becomes due;
- (b) the failure to pay interest obligations of the RSL Notes when the same becomes due, subject to an ability to defer payment of interest for up to 18 months;
- (c) material default upon any indebtedness for borrowed money exceeding \$10 million;
- (d) certain events of winding-up, liquidation, bankruptcy, insolvency, receivership, general assignment for the benefit of creditors, or proceedings with respect to a compromise or arrangement under the CCAA;
- (e) the taking of possession by an encumbrance of all or substantially all of the property of Lantic;
- (f) ceasing to carry on business in the ordinary course;
- (g) default in performing any material agreement whereby any material property or rights of Lantic may be forfeited or terminated; or
- (h) default in the observance or performance of any other material covenant or condition of the RSL Note Indenture and continuance of such default for a period of 30 days after notice in writing has been given by the note trustee under the RSL Note Indenture to Lantic specifying such default and requiring Lantic to rectify the same.

Pursuant to a note indenture dated March 8, 2002, and amended and restated as of January 1, 2004, between RSL and Computershare Trust Company of Canada (now known as Computershare Investor Services Inc.), as note trustee (the "RSL Series A and Series B Note Indenture"), RSL was authorized to issue \$7,500,000 aggregate principal amount of unsecured, subordinated Series A notes of RSL and \$25,000,000 aggregate principal amount of unsecured, subordinated Series B Notes of RSL (collectively, the "RSL Series A and Series B Notes"). Pursuant to a first supplemental indenture dated June 30, 2008 and following the Amalgamation, Lantic assumed all obligations, indebtedness and liquidities of RSL under the RSL Note Indenture. The RSL Series A and Series B Notes will mature on October 15, 2027, subject to prepayment from time to time, as considered advisable by the board of directors of Lantic, and subject to extension for an additional 10 year term in certain circumstances. Rogers is the holder of all of the issued and outstanding RSL Series A and Series B Notes.

The RSL Series A and Series B Notes bear interest at a variable rate determined by Lantic and Rogers in advance at such times as considered appropriate, but at least annually and no more frequently than quarterly, taking into account such circumstances as the parties consider relevant, including but not limited to Lantic's earnings before taxes, depreciation, amortization and interest on the RSL Series A and Series B Notes, subject to a maximum rate of 10% per annum and a minimum rate of 6% per annum. Interest is payable quarterly on or about the 15th day of January, April, July and October in each year to holders of record. Notwithstanding the foregoing, Lantic may, in its sole discretion, pay interest on the RSL Notes by way of monthly installments of the quarterly interest payment under such notes not yet due.

From time to time, the board of directors of Lantic and, if Rogers holds, directly or indirectly, at least 25% of the aggregate principal amount of the RSL Series A and B Notes, the Board of Directors of Rogers, shall jointly review Lantic's facilities and operations, economic conditions relating to the sugar industry and the business prospects of Lantic with a view to the determining whether it is likely that the indebtedness of Lantic evidenced by the RSL Series A and B Notes could be refinanced on the same terms and conditions upon maturity. If, in the opinion of either the board of directors of Lantic or Rogers, it is unlikely that Lantic could refinance the RSL Series A and Series B Notes on the same terms and conditions upon maturity, then Lantic shall commence principal repayments of the Series A and Series B Notes. The last review of Lantic was performed as of September 27, 2014, and on November 18, 2014, the

boards of directors of Lantic and Rogers concluded that Lantic could refinance the RSL Series A and Series B Notes on the same terms and conditions upon maturity. As a result, the maturity date of the RSL Series A and Series B Notes will remain October 15, 2027.

The RSL Series A and Series B Notes are unsecured debt obligations of Lantic and are subordinate in the right of payment to all secured and unsecured indebtedness and liabilities of Lantic with the exception of the indebtedness of Lantic under the RSL Notes referred to above.

The RSL Series A and Series B Notes provide that any of the following shall constitute an Event of Default (as such term is defined in the RSL Series A and Series B Note Indenture):

- (a) default in payment of the principal of the RSL Series A and Series B Notes when the same becomes due;
- (b) the failure to pay interest obligations of the RSL Series A and Series B Notes when the same becomes due, subject to an ability to defer payment of interest for up to 18 months;
- (c) material default upon indebtedness for borrowed money exceeding \$10 million;
- (d) certain events of winding-up, liquidation, bankruptcy, and solvency, receivership, general assignment for the benefit of creditors, or proceedings with respect to a compromise or an arrangement under the CCAA;
- (e) the taking of possession by an encumbrance of all or substantially all of the property of Rogers;
- (f) ceasing to carry on business in the ordinary course;
- (g) defaults in performing any material agreement whereby any material property or rights of Rogers may be forfeited or terminated; or
- (h) default in the observance or performance in any material covenant or condition of the RSL Series A and Series B Notes Indenture and continuance of such default for a period of 30 days after a notice in writing has been given by the note trustee under the RSL Series A and Series B Note Indenture to Lantic specifying such default and requiring Lantic to rectify the same.

On August 4, 2017, Lantic issued a term note (the "Lantic Term Note") to Rogers for \$71,000,000. On March 28, 2018, Lantic issued a term note (the "Lantic Term Note A") to Rogers for \$20,750,000 and on April 3, 2018, Lantic issued another note (the "Lantic Term Note B") to Rogers for \$12,100,000, together collectively referred to as the "Lantic Term Notes". Interest on the Lantic Term Notes is payable quarterly on or about the 15th day of January, April, July and October in each year to holders of record. Notwithstanding the foregoing, Lantic may, in its sole discretion, pay interest on the Lantic Term Notes by way of monthly installments of the quarterly interest payment under such note not yet due. As of the date hereof, Rogers is the holder of the Lantic Term Notes. The Lantic Term Notes mature on October 15, 2027.

The Lantic Term Notes bear interest at a variable rate determined by Lantic and Rogers in advance at such times as considered appropriate, but at least annually and no more frequently than quarterly, taking into account such circumstances as the parties may consider relevant, including but not limited to Lantic's earnings before taxes, depreciation, amortization and interest on the Lantic Term Notes, subject to a maximum rate of 13% per annum and a minimum rate of 6% per annum.

The Lantic Term Notes are an unsecured debt obligation of Lantic and is subordinate in the right of payment to all secured and unsecured indebtedness and liabilities of Lantic.

On August 4, 2017, TMTC issued a Term Note A for \$71,000,000 and a Term Note B for \$50,000,000 (together, the "TMTC Term Notes") to Lantic. Interest on the TMTC Term Notes was payable quarterly on or about the 15th day of January, April, July and October in each year to holders of record. Notwithstanding the foregoing, TMTC may, in its sole discretion, pay interest on the TMTC Term Notes by way of monthly installments of the quarterly interest payment under such notes not yet due.

On August 4, 2021, TMTC repaid Term Note A and Term Note B to Lantic through the issuance of 121 million of common shares at a nominal value of \$1 each.

Credit Facility

On June 29, 2013, Lantic entered into a five-year agreement for the establishment of a revolving credit facility (the "Revolving Facility") to support its financial and operational needs. The Revolving Facility is syndicated with four Canadian chartered banks and includes an accordion feature allowing for the borrowing of up to \$400 million. The Revolving Facility has been amended and extended from time to time. The Revolving Facility is subject to covenants and is secured by the assets of Lantic and TMTC. As of October 2, 2021, the approved amount available for borrowing was \$265 million, of which \$100 million was drawn.

As at October 2, 2021, Lantic was in compliance with all the covenants under its Revolving Facility and its Senior Guaranteed Notes (as defined below) and a total of \$498.5 million have been pledged as security, compared to \$482.9 million as at October 3, 2020 including trade receivables, inventories and property, plant and equipment.

On November 23, 2021, Lantic extended the maturity of its Revolving Facility to November 23, 2026 and it amended the Revolving Facility by reducing the available credit by \$65 million, from a total of \$265 million to \$200 million.

In order to fix the interest rate on a substantial portion of the expected drawdown of the Revolving Facility, Lantic enters into interest rate swap agreements. Since June 28, 2013, a number of interest rate swap agreements were put in place. The following table provides the outstanding swap agreements as at October 2, 2021 as well as their respective value, interest rate and time period:

Fiscal year contracted	Date	Total value
		\$
Fiscal 2017	May 29, 2017 to June 28, 2022 – 1.454%	20,000
Fiscal 2017	September 1, 2017 to June 28, 2022 – 1.946%	30,000
Fiscal 2017	June 29, 2020 to June 29, 2022 – 1.733%	30,000
Fiscal 2019	March 12, 2019 to June 28, 2024 – 2.08%	20,000
Fiscal 2020	October 3, 2019 to June 28, 2024 – 1.68%	20,000
Fiscal 2020	February 24, 2020 to June 28, 2025 – 1.60%	20,000
Fiscal 2020	June 28, 2021 to June 28, 2023 – 1.08%	10,000
Total outstanding value as at October 2, 2021		150,000
Forward start interest rate swaps:		
Fiscal 2019	June 28, 2022 to June 28, 2024 – 2.17%	80,000
Fiscal 2020	June 28, 2024 to June 28, 2025 – 1.18%	80,000

Senior Guaranteed Notes

On April 30, 2021, Lantic issued \$100 million in senior guaranteed Notes (the "Senior Guaranteed Notes") under a note purchase agreement as a private placement with certain institutional investors (collectively, the "Noteholders"). The Senior Guaranteed Notes are guaranteed and rank *pari passu*, with the existing Revolving Facility. The respective rights of the lenders under the Revolving Facility, and of the Noteholders under the Senior Guaranteed Notes, are governed by the terms of an Intercreditor Agreement.

Net proceeds from the issuance of the Senior Guaranteed Notes were used to repay existing debt of Lantic.

The Senior Guaranteed Notes carry an interest rate of 3.49% and are due on April 30, 2031 with interest payable in equal semi-annual amounts on the 30th day of each of April and October.

REVIEW OF OPERATIONS AND BUSINESS

The Corporation

The assets of the Corporation consist of the Common Shares as well as the Notes. To the maximum extent possible, the Corporation pays a quarterly dividend to Shareholders from amounts received by the Corporation by way of dividends or return of capital on the Common Shares and interest and repayments of principal on the Notes after expenses, interest on the Debentures of the Corporation (see "Rogers Sugar Inc. — Debt Instruments"), income taxes and any cash redemptions of Shares, amounts paid or required by the Corporation to purchase Shares (or other securities of the Corporation which may be issued and outstanding from time to time) and amounts required for the operations of the Corporation. Prior to the conversion to a corporation on January 1, 2011, the Fund was paying monthly distributions to Unitholders on or about the 29th day of the following month to the Unitholders of record as of the last day of the month for which such distributions were declared. Since January 1, 2011, Rogers has declared quarterly dividends for Shareholders of record as at the end of each calendar quarter, on or about the 20th day following the end of the calendar quarter.

Quarterly dividends per Shares declared by Rogers in fiscal 2019, 2020 and 2021 were as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
October.....	—	—	—
November.....	—	—	—
December.....	\$0.09	\$0.09	\$0.09
January.....	—	—	—
February.....	—	—	—
March.....	\$0.09	\$0.09	\$0.09
April.....	—	—	—
May.....	—	—	—
June.....	\$0.09	\$0.09	\$0.09
July.....	—	—	—
August.....	—	—	—
September.....	\$0.09	\$0.09	\$0.09

Lantic

Lantic has been in the sugar business for over 135 years and is the leading refiner, processor, distributor and marketer of sugar products in Canada. As the sole sugar processor in Western Canada, Lantic supplies approximately 95% of the demand for refined sugar in that region. In Eastern Canada, Lantic is one of the two major sugar refiners, with Lantic supplying approximately 45% of the market. Overall, Lantic's share of the Canadian refined sugar market is approximately 55%. Lantic has two cane sugar processing facilities, one in Montréal, Québec and one in Vancouver, British Columbia. Lantic also has a beet sugar processing facility in Taber, Alberta. Lantic's sugar products are marketed primarily under the "Rogers" trade name in Western Canada, and under the "Lantic" trade name in Eastern Canada, and include granulated, icing, cube, yellow and brown sugars, liquid sugars and specialty syrups.

The Sugar Industry

Per capita consumption of refined sugar in Canada, being at approximately 35 kilograms per year, has been fairly stable over the last five years. Growth in total consumption is primarily linked to population increases.

Lantic purchases raw cane sugar ("raws") on the basis of world prices established by the market for No. 11 sugar (Raw #11) quoted on the New York Intercontinental Exchange ("ICE"). A refining margin is added to the raw sugar purchase price to set a base-selling price for refined sugar.

Raw sugar prices are not a major determinant of the profitability of Lantic's cane sugar operations as the price at which sugar is both purchased and sold is related to the world price and all transactions are hedged, except if some sugar premiums are charged over the Raw #11 market, as a result of tightness in the marketplace. The profitability of

Lantic's cane sugar operations is affected primarily by competitive conditions in the marketplace. There is currently no shortage of raw cane sugar in the international market, and none is anticipated in the foreseeable future.

High fructose corn syrup ("HFCS") is a sweetener derived from the milling of corn. It is competitive with refined sugar in liquid applications in the industrial market. A relatively high world raw sugar price and/or relatively low price of corn will reduce the competitive position of refined cane sugar in Canada as compared to HFCS.

In fiscal 2021, the price of raw sugar fluctuated between U.S. 13.55 cents per pound and U.S. 20.37 cents per pound and closed at U.S. 19.69 cents per pound at the end of the fiscal year.

TMTC

On August 5, 2017, Lantic acquired all of the issued and outstanding shares of Maple Treat, for approximately \$166.4 million, after closing adjustments. Then, on November 18, 2017, Maple Treat acquired all of the issued and outstanding shares of Decacer, for approximately \$43.0 million, after closing adjustments. The Maple Treat and Decacer Acquisitions (collectively, the "Acquisitions") made the Corporation the world's largest branded and private label maple syrup bottling and distribution company. They also allowed the Corporation to diversify into the large and growing market of maple syrup, a natural sweetener, as one of the leaders in the industry and expand its product offering, including a unique maple sugar dehydration technology.

Maple Syrup and Maple Products Industry

Maple syrup is a natural sweetener and is increasingly viewed as a healthy alternative to traditional sweeteners. Maple syrup is extracted mainly from two types of maple trees: sugar maple and red maple. The biggest concentration of maple trees is located in Québec, New Brunswick, Ontario, Vermont, Maine, New York and New Hampshire.

The production of maple syrup takes place over a period of 6 to 8 weeks during the months of March and April of each year. The syrup takes its origin from the sap which is collected from the maple tree. Through photosynthesis, sugar maple and red maple convert the starch stored during the warmer seasons into sugar. This sugar then combines with the water absorbed by the tree's roots and in the spring, when temperatures rise, the sweet sap in the trunk and roots expands, creating pressure inside the tree to ultimately push sap out of the maple tree.

The sap generally travels from the trees by gravity or through a vacuum collector system attached to the trees by small taps and connected to larger conveyance tubes that are themselves connected to the sugar shack, where it is ultimately boiled into maple syrup.

Global Supply and Demand

Canada remains the largest producer of maple syrup, with over 80% of the world's production. The U.S. is the only other major producing country in the world, producing approximately 20% of the global supply. Québec represented approximately 70% of the world's production.

Regulatory Regime in Québec

The maple syrup producers in Québec are represented by the Producteurs et Productrices Acéricoles du Québec ("PPAQ"), previously known as Fédération des Producteurs Acéricoles du Québec, a body created in 1966 to support the interests of maple syrup producers and to ensure a "level playing field". The PPAQ generally regulates the buying and selling of bulk maple syrup. The PPAQ represents approximately 11,300 producers and 7,400 individual businesses.

The PPAQ, in its capacity as bargaining and sales agent for the producers of maple syrup in Québec as well as the body empowered to regulate and organize the production and generic marketing of maple syrup, and the bulk buyers of maple syrup, represented by the Conseil de l'industrie de l'érable (the Maple Industry Council ("MIC")) entered into a Marketing Agreement, which is expected to be renewed on an annual basis.

Pursuant to the Marketing Agreement, authorized buyers must pay a minimum price to the PPAQ for any maple syrup purchased from the producers. The price is fixed on an annual basis and depends on the grade of the maple syrup. In addition, a premium is added to the minimum price for any organic maple syrup. Pursuant to the Marketing Agreement, authorized buyers must buy maple syrup from the PPAQ in barrels corresponding to the “anticipated volume”. The anticipated volume must be realistic and in line with volumes purchased in previous years and anticipated sales forecasts.

Producers of maple syrup in Québec are required to operate within the framework provided for by the Act respecting the Marketing of Agricultural, Food and Fish Products (Québec) (the “Marketing Act”). Pursuant to the Marketing Act, producers, including producers of maple syrup, can take collective and organized control over the production and marketing of their products (i.e. a joint plan). Moreover, the Marketing Act empowers the marketing board responsible for administering a joint plan, that is the PPAQ in the case of maple syrup, with the functions and role otherwise granted to the Régie des marchés agricoles et alimentaires du Québec, the governing body created by the Government of Québec to regulate, among other things, the agricultural and food markets in Québec. As part of its regulating and organizing functions, the PPAQ may establish arrangements to maintain fair prices for all producers and may manage production surpluses and their storage to offer security of supply and price stability of maple syrup.

Pursuant to the Règlement sur l’agence de vente des producteurs acéricoles et sur le surplus du produit visé (Québec), the regulation that governs the sale of maple products from Québec Producers, the PPAQ is responsible for the marketing of bulk maple syrup in Québec. Therefore, any container that contains 5L or more of maple syrup must be marketed through the PPAQ as the exclusive selling agent for the producers. Bulk maple syrup may be handed over to the PPAQ or delivered to “authorized buyers” accredited by the PPAQ. Maple syrup producers may hand over unsold inventory to the PPAQ before September 30 of each year. The PPAQ then arranges for the sale of such unsold inventory to industrial and authorized buyers. In Québec, nearly 90% of the total production of maple syrup is sold through the PPAQ Sales Agency to the authorized buyers, leaving only approximately 10% of the total production being sold directly by the producers to consumers at farmer’s markets or direct store delivery to local grocery stores.

Quality Control

In Québec, maple syrup delivered in barrels is systematically inspected by an independent company. Every year, ACER Division Inspection Inc. verifies, inspects and grades approximately 250,000 barrels of maple syrup. This inspection system ensures a high quality control on maple syrup that is produced and sold in Québec. Pursuant to the quality control process set up by the PPAQ, the verification, inspection and grading is performed at the PPAQ plant in Laurierville, Québec, or at authorized buyers’ facilities.

The quality control system established by the PPAQ also facilitates the certification of Québec maple syrup as “organic”, as it provides the ability to trace maple syrup back to the origin maple farm.

The PPAQ Strategic Reserve

In 2002, the PPAQ set up a strategic maple syrup reserve in order to mitigate production fluctuations imputable to weather conditions and prevent such fluctuations from causing supply disruption and maple syrup prices to spike or drop significantly. The reserve was initially established to set aside a production quantity equivalent to half of the then-annual demand. Each year, the PPAQ may organize a sale of a portion of its accumulated reserve. This allows bottlers to respond to supply shortages in the event of a poor harvest or unplanned growth and demand. As of October 2021, the PPAQ had over 46 million pounds of bulk maple syrup, including 9 million pounds of processing/industrial grade maple syrup, in its strategic reserve, which represents about 25% of the annual global retail consumption.

The Quota System

In 2004, the PPAQ adopted a policy with respect to production and marketing quotas which resulted in an annual production volume allocated to each maple syrup business. The main objective of the policy is to adjust the supply of maple syrup in response to consumer demand, and more specifically, to stabilize selling prices for producers and, ultimately, the buying price for consumers, foster investments in the maple industry and maintain a steady number of

maple producing businesses in operation, regardless of their size. In 2021, the PPAQ approved 7,000,000 incremental total taps in order to increase the production of maple syrup in Quebec.

Authorized Buyer Status and Relationship with the PPAQ

TMTC is an authorized buyer with the PPAQ. An authorized buyer is authorized to receive maple syrup in bulk (i.e. in barrels) directly from Québec maple syrup producers. TMTC is an active member of the MIC, which represents approximately 60 authorized buyers, in negotiating the Marketing Agreement with the PPAQ. Of the 60 authorized buyers, five represent over 85% of the volume purchased through the PPAQ, one of which is TMTC.

TMTC has relationships with more than 1,400 maple syrup producers, mainly in Québec and Vermont. Most of these producers sell 100% of their production to TMTC. Through its strong relationship with such producers, TMTC was able to develop a leading position in certified organic maple syrup.

The Impact of COVID-19

The ongoing COVID-19 pandemic has negatively impacted the global economy, disrupted financial markets and supply chain, significantly restricted business travel and interrupted business activity.

The Corporation's business is considered an essential service by the government and as such, the Corporation's plants have continued to operate without significant disruption. The Corporation has established extensive protection measures and protocols to ensure the health and safety of its employees. COVID-19 could have a material effect on the Corporation's business as it relates to customer demand, supply and delivery chain, operations, financial market volatility, pension and benefits liabilities and other economic fundamentals. For the fourth quarter and the year 2021, the Corporation incurred direct costs amounting to \$0.5 million and \$3.0 million respectively in relation to COVID-19. These costs were largely due to increased health and safety measures implemented across all production facilities.

The effect of COVID-19 on the Corporation's business may continue for an extended period and the ultimate impact on the Corporation will depend on future developments that are uncertain and cannot be predicted, including and without limitations, the duration and severity of the pandemic, the effectiveness of the actions taken to contain and treat the disease and the length of time it takes for normal economic and operating conditions to resume.

Three-Year History

The Corporation's fiscal year ends on the Saturday closest to the end of September.

Fiscal 2021

On April 7, 2021, Lantic signed a two-year extension to the existing agreement with Alberta Sugar Beets Growers (the "Growers"). This extension covers the 2021 and 2022 crops.

On April 30, 2021, Lantic issued \$100 million in Senior Guaranteed Notes under a note purchase agreement pursuant to a private placement with certain institutional investors. The proceeds of the issuance were used to repay existing debt. The Senior Guaranteed Notes carry an interest rate of 3.49% and are due on April 30, 2031 with interest payable semi-annually in arrears.

On June 18, 2021, the Corporation published its first Environment, Social and Governance report. The report can be found under the Corporation's profile on SEDAR at www.sedar.com or on the Corporation's website at www.lanticrogers.com.

On August 6, 2021, the Canadian International Trade Tribunal issued a decision to pursue its order against dumped and subsidized sugar from the United States, European Union, and the United Kingdom. The anti-dumping and countervailing duties will continue to be applied on imported sugar from these regions. The applicable future tariff for

anti-dumping and countervailing duties is currently under review by the Canadian Border Service Agency. A decision is expected later in 2022.

On August 23, 2021, the Corporation announced that John Holliday, President and CEO of RSI and Lantic, would retire. Mike Walton, previously Chief Operating Officer of Lantic and President of TMTC, has been appointed President and CEO of RSI and Lantic effective October 4, 2021, with John Holliday staying with the organization in an advisory role for the next few months.

On October 27, 2021, following months of negotiations, Lantic reached an agreement for the renewal of the collective labour agreement with the main union at its Montreal facility for a period of five years ending May 2026.

On November 23, 2021, Lantic exercised its option to extend the maturity of its Revolving Facility to November 23, 2026 and amended the Revolving Facility by reducing the available credit by \$65 million, from a total of \$265 million to \$200 million

Fiscal 2020

On November 7, 2019, Lantic announced the early termination of the sugar beet harvest due to adverse weather conditions in Alberta.

On January 31, 2020, TMTC's Granby bottling plant was relocated to a new built for purpose state of the art leased property in Granby.

On June 1, 2020, the Corporation received approval from the TSX to proceed with a Normal Course Issuer Bid (the "2020 NCIB"), under which the Corporation may purchase up to 1,500,000 common shares. The 2020 NCIB commenced on June 3, 2020 and may continue to June 2, 2021. In addition, the Corporation entered into an automatic share purchase agreement with Scotia Capital Inc. in connection with the 2020 NCIB. Under the agreement, Scotia may acquire, at its discretion, common shares on the Corporation's behalf during certain "black-out" periods, subject to certain parameters as to price and number of shares.

Fiscal 2019

On October 31, 2018, Lantic reached an agreement with the Toronto warehouse hourly employees, who are represented by the Teamsters Union. The new six-year collective agreement will expire in June 2024.

On November 1, 2019, TMTC entered into a ten-year lease of a 35,000 square foot facility in Dégelis to store bulk maple syrup.

On January 31, 2019, TMTC announced the repurposing of the St-Honoré-de-Shenley bottling facility to focus on the production of industrial products and the reception and storage of maple syrup barrels. As a result, the bottling production at this facility was re-distributed to the Granby or Dégelis location.

On March 1, 2019, L.B. Maple Treat Corporation changed its legal name to "The Maple Treat Corporation".

On May 22, 2019, the Corporation received approval from the TSX to proceed with a Normal Course Issuer Bid (the "2019 NCIB"). Under the 2019 NCIB, the Corporation could purchase up to 1,500,000 Shares. The 2019 NCIB commenced on May 24, 2019 continued until May 23, 2020. In addition, the Corporation entered into an automatic share purchase agreement with Scotia Capital Inc. in connection with the 2019 NCIB. Under the agreement, Scotia could acquire, at its discretion, Shares on the Corporation's behalf during certain "black-out" periods, subject to certain parameters as to price and number of Shares.

On July 9, 2019, Lantic exercised its option to extend the maturity date of its revolving credit facility to June 28, 2024 and made minor amendments to the amended credit agreement entered into on December 20, 2017, which do not affect its outstanding borrowings nor its financial covenants.

Sugar Facilities

Lantic is the largest refined sugar producer in Canada, with annual nominal production capacity of approximately 1,000,000 metric tonnes.

Cane Sugar Operations, Montréal, Québec

Lantic owns and operates a cane sugar refinery located on a 12-acre site in the east end of Montréal. The original facility was built in the late 1880s. Numerous improvements have been made to the building and processing areas of the plant over the years and, in 1998, a major expansion of the facility was undertaken.

Historically, the Montréal refinery, which was acquired in 1984 from St-Lawrence Sugar, had a straight-time melt capacity (i.e. the total amount of cane sugar that could be melted in a year (based on 250 work days) based on operation of the refinery for 24 hours per day) of approximately 210,000 metric tonnes per year. As a result of the successful completion of Lantic's expansion project in December of 2000, the straight-time annual melt capacity of the refinery was increased to 440,000 metric tonnes per year and could be increased to over 600,000 metric tonnes per year with overtime.

Cane Sugar Operations, Vancouver, British Columbia

Lantic owns and operates a cane sugar refinery located on a 15-acre site in Vancouver. The original facility was built in 1891. Numerous improvements have been done over the years.

The Vancouver refinery has the nominal capacity to produce approximately 230,000 tonnes of refined sugar per year. A full line of cane sugar products is produced, including over 40 different stock keeping units.

Beet Sugar Operations, Taber, Alberta

Lantic owns a beet sugar manufacturing facility situated on a 121-acre site in Taber, Alberta, approximately 50 kilometers east of Lethbridge. Production is dependent upon the quantity of sugar beets processed. The facility is able to process 6,000 tonnes of beets per day.

Annually, Lantic estimates the quantity of sugar required to meet the demand of the prairie market and enters into contracts with individual farmers to supply sugar beets from a specific acreage. The sugar beets are harvested and delivered to the factory in September and October. The factory operates without interruption for a three to six month period, until all sugar beets have been processed. The beet sugar factory produces granulated, liquid and icing sugars. Sales of by-products, consisting of dried beet pulp sold as animal feed and molasses, make an important contribution to the economics of the beet sugar operation.

In November 2019, Lantic announced that due to the impact of severe adverse weather in Alberta on the 2019 sugar beet crop, a decision was made to terminate the harvest. As a result, the crop derived a much inferior quantity of refined sugar representing a shortfall of approximately 62,000 metric tonnes. For the 2020 crop, Lantic contracted 30,000 acres for planting in Taber, and yielded approximately 121,000 metric tonnes. For the 2021 crop, Lantic contracted 28,000 acres for planting in Taber, a decrease of 2,000 acres from 2020 crop. In September 2021, Taber started harvesting and slicing the new crop and, under normal growing conditions, the new crop is expected to yield approximately 121,000 metric tonnes.

Blending Operations, Toronto, Ontario

Since October 2007, Lantic has been operating a bulk blending and packaging operation in a 1.5-acre leased facility in Toronto, Ontario. The facility includes retail packaging equipment and six blenders, each physically isolated for safe processing and elimination of any risk of ingredient cross-contamination.

Cane Sugar Distribution Centre, Toronto, Ontario

Lantic also owns and operates a distribution centre located on a one-acre site in Toronto, Ontario. This distribution centre allows Lantic to better serve customers located in Ontario. Shipments of refined sugar are made mainly by railcar from the Montréal facility to the Toronto distribution centre, where it is warehoused and later distributed to customers.

Sugar Refining Costs

There are three components to Lantic's refining costs: processing, packaging and maintenance.

Processing costs are generally variable and consist mainly of labour, material and energy costs. Labour is the largest costs item followed by energy. All production employees are full-time unionized employees. The Taber beet factory operates continually until all sugar beets have been sliced and processed into refined sugar or beet thick juice. The Vancouver refinery acts as a swing refinery and its production level is largely influenced by the Taber beet operations. The Montréal refinery operates on a continuous basis in order to maximize production and reduce employee downtime associated with plant shutdowns and start-ups. Processing materials consist mainly of agents used in the refining process. Energy costs are affected by the fluctuations in natural gas and oil prices.

Lantic uses large amounts of natural gas in its refineries. Lantic has a hedging strategy in place with futures contracts to mitigate the impact of large fluctuations in natural gas prices. With a market opportunity in natural gas prices during the first half of 2021, Lantic added some hedged positions for fiscal 2022 through 2026 at prices equal to or lower than fiscal 2021's average price. Lantic will continue to closely monitor the natural gas market in order to reduce volatility and maintain an overall market competitiveness. Lantic's forward hedging policy mitigates but does not fully eliminate the impact of year-over-year trends in natural gas prices. The following chart provides natural gas prices from January 2007 to October 2021 (Source: NYMEX):



Provincial application of some form of carbon tax has been increasingly important across Canada. The Lantic's two cane refineries and its beet factory are subject to levy pertaining to gas emissions in their respective jurisdiction.

Packaging costs relate to all products except bulk and liquid sugar. Such costs consist mainly of labour and packaging materials.

Maintenance costs are generally fixed. Preventive maintenance programs are in place to ensure maximum efficiency in the processing stage and to reduce costs related to mechanical breakdown.

Maple Product Facilities and Costs

TMTC currently operates three plants in Québec, namely, in Granby, Dégelis and in St-Honoré-de-Shenley, and one in Websterville, Vermont, and twelve operating lines allocated amongst the four plants, and including one can-filling line in St-Ferdinand, Québec, which is outsourced by TMTC to a third party.

The single most important costs to the operation of TMTTC is related to the syrup, representing approximately 74% of its cost of sales.

Use of Financial Derivatives for Hedging

Sugar

In order to protect itself against fluctuations in the world raw sugar market, Lantic follows a rigorous hedging program for all purchases of raw cane sugar and sales of sugar.

The world raw sugar market (# 11) is only traded on the ICE. Sugar futures can be traded forward for a period of three years against four specific terminals per year (March, May, July and October). The terminal values are used to determine the price settlement upon the receipt of a raw sugar vessel or the delivery of sugar to Lantic's customers. The ICE rules are strict and are governed by the New York Board of Trade. Any amount owed, due to the movement of the commodity being traded, has to be settled by cash the following day (margin call payments/receipts).

For the purchasing of raw sugar, Lantic enters into long-term supply contracts with reputable raw sugar suppliers. These long-term agreements will, amongst other things, specify the yearly volume (in metric tonnes) to be purchased, the delivery period of each vessel, the terminal against which the sugar will be priced, and the freight rate to be charged for each delivery. The price of raw sugar will be determined later by the seller, based upon the delivery period. The delivery period will correspond to the terminal against which the sugar will be priced. As an example, a vessel to be shipped in January would be priced against the next terminal being March of that year (each terminal expires on the last day of the previous month). Therefore, the seller has the ability to price throughout the duration of the contract any volume to be shipped against a specific terminal. When the seller wants to price a certain quantity, he must immediately secure a futures position for Lantic on the ICE (selling a future in this case) for the same volume and price. The futures contract value taken will become the price Lantic will pay the seller for the raw sugar upon delivery. As an example, the seller may want to price on September 30, 2021 1,000 metric tonnes for delivery in January 2022 against the March 2022 terminal. The price as at October 1 is US\$13.00 cents per pound, or US\$286.60 per metric tonne. This is called "firming" the price of raw sugar. A vessel of 40,000 metric tonnes may have been priced on many different dates, but for each transaction, Lantic would have sold a futures position for the same price and volume on the Intercontinental Exchange.

The selling of refined sugar by Lantic is also done under the world raw sugar market (# 11). When a sales contract is negotiated with a customer, the sales contract will determine the period of the contract, the expected delivery period against specific terminals and the refining margin and freight rate to be charged over and above the value of the sugar. The price of the sugar is not yet determined but needs to be fixed by the customer prior to delivery. The customer will make the decision to fix the price of the sugar when he feels the sugar market is favourable, against the sugar terminal as per the anticipated delivery period.

As an example, customer "A" negotiates a contract with Lantic from July 2021 to June 2022, for delivery of 1,000 metric tonnes of sugar per month, for a total of 12,000 metric tonnes. In August 2021, customer "A" decides to firm the price of the sugar to be delivered in January 2022 (against the March terminal). That day in August, the price of sugar for March 2022 terminal is US\$12.00 cents per pound or US\$264.55 per metric tonne. As customer "A" prices this sugar with the Lantic trading desk, Lantic will at the same time buy a futures position for the same volume and price on the futures market to hedge Lantic and protect itself from any fluctuations in the sugar market.

The following describes how, from the above examples, Lantic protected itself against fluctuations in the market. Lantic sold 1,000 metric tonnes to customer "A" for January 2022, which had been priced at US\$12.00 cents per pound or US\$264.55 per metric tonne. Lantic had also purchased 1,000 metric tonnes of sugar, which had been priced at US\$13.00 cents per pound or US\$286.60 per metric tonne. Both of these transactions were hedged against the March 2022 terminal. Upon receipt and delivery of the sugar, these transactions would be recorded at their cost.

On the physical transaction, Lantic sold 1,000 metric tonnes of sugar at US\$12.00 cents per pound (before refining margin), which it had bought from the seller at US\$13.00 cents per pound. On the physical transaction, Lantic would incur a loss of US\$1.00 cents per pound or US\$22.05 per metric tonne for 1,000 tonnes, for a total loss of US\$22,050.00.

On the futures side (paper transaction), Lantic will liquidate all of its position prior to March 1, 2022. For the above transactions, Lantic sold a future position of 1,000 metric tonnes for US\$13.00 cents per pound and bought a future position of 1,000 metric tonnes for US\$12.00 cents per pound. On the liquidation date, the March terminal trades at US\$15.00 cents per pound. Therefore, Lantic will buy back the US\$13.00 cents (original sell position) for US\$15.00 cents, losing US\$2.00 cents per pound. On the other hand, Lantic will sell the original buy position of US\$12.00 cents for US\$15.00 cents, making US\$3.00 cents per pound on this transaction. In total, Lantic will make US\$1.00 cents per pound or US\$22.05 per metric tonne for a total, on 1,000 metric tonnes, of US\$22,050.00 on the liquidation of the futures transaction. The loss incurred on the physical transaction is therefore totally offset by the gain earned on the liquidation of the futures position, due to the hedging of the transaction.

Inefficiencies could occur and a small gain or loss could be incurred on hedged transactions. Every year, Lantic estimates sales patterns against the receipt of sugar deliveries. Any discrepancies in these estimates may result in a small gain or loss on hedged transactions. A customer may be taking more or less sugar than determined under its contract, and a small gain or loss may be incurred on the hedged transaction.

Lantic mitigates the impact of the above by reviewing on a daily basis the total hedged position to ensure that in total, all sugar transactions are hedged. Lantic will also prepare a hedged transaction report by terminal periods to ensure there is no straddle within each terminal period. In the event that a straddle position exists due to circumstances discussed above, Lantic will immediately convert the straddle and record immediately any gain or loss incurred in correcting the straddled position. In addition, if a customer is late in taking delivery of its "priced" sugar, and if Lantic needs to roll forward the un-drawn quantity to the following terminal period, Lantic can invoice the customer for all costs incurred in rolling forward the un-drawn volume.

Beet Sugar

Lantic purchases sugar beets from the Growers under a fixed price formula. Under the new agreement, Lantic no longer has to pay a scale incentive if the price of world raw sugar increases over a pre-determined amount. Except for sales to the U.S. under the export quota, to HFCS substitutable accounts and for beet thick juice, all sales are made under the same formula as cane sugar, following the world raw sugar price.

Lantic's Board of Directors has authorized management to hedge forward up to 80% of the Taber sales to be made under the raw sugar formula as long as a beet sugar contract was signed with the Growers for those years. This was done to allow Lantic to benefit from a sudden rise in the raw sugar market. Any gains (if a sales contract is entered at a lower raw value) or losses (if a sales contract is entered at a higher raw value) incurred when those positions are unwound, will be recognized in the period when that quantity of beet sugar is delivered.

Variation Margins (margin calls)

For all hedged sugar on the futures market, Lantic must settle with its commodity broker on the following day any gains or losses incurred on the net hedged position of these commodities, based on the trading values at closing of the day. These daily requirements are called "margin calls".

When sugar prices are on the rise, Lantic's sugar suppliers will typically price in advance large quantities of sugar in order to benefit from these higher prices. On the other hand, Lantic's customers will typically only price forward small quantities, hoping for a downward correction in the marketplace. This will result in Lantic having a "short" paper position. As the price of sugar continues to rise, Lantic has to pay margin calls on a regular basis. These margin calls are paid back to Lantic when the price of sugar declines or upon receipt or delivery of sugar.

Natural Gas

The board of directors of Lantic approved an energy hedging policy to mitigate the overall price risks in the purchase of natural gas.

On average, Lantic will purchase between 3.0 million gigajoules and 3.5 million gigajoules of natural gas per year to be used in its refining operations. To protect itself against large and unforeseen fluctuations, Lantic can hedge forward up to 90% of its estimated usage over the next 12 months, and lower percentages of its estimated usage on a

longer term basis. Lantic will hedge close to its maximum level allowed if natural gas prices are below a certain percentage of last year's average price and therefore lock-in year-over-year savings.

These gas hedges are unwound in the months that the commodity is used in the operations, at which time any gains or losses incurred are then recognized.

The Montréal refinery operates under a firm gas contract as opposed to an interruptible gas contract. This firm gas contract eliminates incremental energy costs relating to service interruptions as a result of cold winter conditions.

Foreign Exchange

Sugar

Raw sugar transactions are based on the U.S. dollar. Lantic also buys natural gas in U.S. dollars, and will have some sales to the U.S. or in Canada, to customers transacting in U.S. dollars.

In order to protect itself against the movement of the Canadian dollar versus the U.S. dollar, Lantic, on a daily basis, reconciles all of its exposure to the U.S. dollar and will hedge (against various forward months estimated from the date of the various transactions) the net position.

Maple Products

Certain export sales of maple syrup are denominated in U.S. dollars, in Euro or in Australian dollars. In order to mitigate against the movement of the Canadian dollar versus those other currencies, TMTC enters into foreign exchange hedging contracts with certain customers. These foreign exchange hedging contracts are unwound when the money is received from the customer, at which time any gains or losses incurred are then recognized for the determination of adjusted gross margins and earnings. Foreign exchange gains or losses on any unhedged sales contracts are recorded when realized.

Accounting for Financial Instruments

In the normal course of business, Lantic uses derivative financial instruments consisting of sugar futures, foreign exchange forward contracts, natural gas futures and interest rate swaps. As of October 2, 2016, Lantic adopted all the requirements of IFRS 9 (2014) Financial Instruments. As a result, Lantic has designated as effective hedging instruments its natural gas futures and its interest rate swap agreements entered into in order to protect itself against natural gas prices and interest rate fluctuations as cash flow hedges. Derivative financial instruments pertaining to sugar futures and foreign exchange forward contracts continue to be marked-to-market at each reporting date and are charged to the consolidated statement of earnings. In addition, the derivative financial instruments pertaining to foreign exchange forward contracts on maple syrup sales were marked-to-market as of October 2, 2021 and also charged to the consolidated statement of earnings. The unrealized gains/losses related to natural gas futures and interest rate swaps are accounted for in other comprehensive income. The amount recognized in other comprehensive income is removed and included in net earnings under the same line item in the consolidated statement of earnings and comprehensive income as the hedged item, in the same period that the hedged cash flows affect net earnings, reducing earnings volatility related to the movements of the valuation of these derivative hedging instruments. The transitional marked-to-market balances outstanding as of October 1, 2016 are being amortized over time based on their settlements until all existing natural gas futures and all existing interest rate swaps agreements have expired.

Even though Lantic is rigorously hedging all its sugar transactions, the accounting standards can cause large fluctuations in the financial results for each reporting period. None of these adjustments impacts cash, as they are non-cash transactions.

The above description of financial derivatives shows how financial derivatives are used to provide adjusted income results.

Distribution and Marketing

Sugar

Lantic's sugar products are marketed in Eastern Canada under the "Lantic" trade name and in Western Canada under the "Rogers" trade name. These products include granulated, icing, cube, yellow and brown sugars, liquid sugars, and specialty syrups. Of sugar products sold by Lantic during the last two fiscal years approximately 77.5% in fiscal 2021 and fiscal 2020 were to the industrial market, 12.5% in fiscal 2021 and 15.1% in fiscal 2020 were to the consumer market, and 10.1% in fiscal 2021 and 7.5% in fiscal 2020 were for export. No single customer accounted for 15% or more of Lantic's revenues in fiscal 2021 and fiscal 2020.

In the consumer market segment, a wide variety of products are offered under the Lantic and Rogers brand names. This segment has remained fairly stable during the past several years although volume sold within this market in fiscal 2020 by Canadian refiners had an increase of approximately 21% year-over-year due to a non-recurring increase in home cooking attributable to the COVID-19 pandemic. During fiscal 2021, this segment is returning to its pre pandemic levels. Lantic continues its marketing efforts by bringing innovations to the sugar and sweetener category.

Maple Products

TMTC's products are comprised of the following: bottled maple syrup, bulk maple syrup and derived maple products such as maple sugar and maple flakes.

Bottled maple syrup is packaged in a variety of ways and sizes, including bottles, plastic jugs and the traditional cans. Bottled maple syrup is available in all commercial grades and in organic and non-organic varieties. The majority of the maple syrup is purchased from Québec producers and is bottled at one of TMTC's plants in Québec or in Websterville, Vermont.

Bulk maple syrup is mainly sold in containers of 4L or 17L, barrels and totes to foodservice retailers as well as other wholesalers. Bulk maple syrup is also sold for industrial use for bottling or for use in food production, and privately under the L.B. Maple Treat™ brand.

Trademarks and Trade Names

Lantic uses the "Lantic" and "Rogers" trade names on its products. These trademarks have been registered and Lantic is the only entity that can use them with respect to sugar, syrup, beet pulp and molasses products. Lantic has also registered the trademarks for "Plantation Raw" and "Rogers Golden Syrup". Lantic does not have any material patents or licenses.

TMTC's bottled maple syrup is sold under private label brands and also under a variety of brands, including TMTC, Uncle Luke's™, Great Northern™, Decacer, and Highland Sugarworks™.

Competition

Lantic is the largest sugar refiner in Canada. Lantic's market share of sales of refined sugar amounts to 55% and has been fairly stable over the last five years.

In Eastern Canada, Lantic is one of two major sugar refiners. Redpath Sugar Ltd. is based in Toronto, Ontario and operates a single refinery with a straight-time melt capacity that management estimates to be of approximately 600,000 tonnes per year.

The market shares by volume of Eastern Canada shipments of domestic cane refiners since 2017 are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Lantic.....	46.5	47.0	47.3	45.7	47.6
Redpath Sugar Ltd.....	53.5	53.0	52.7	54.3	52.4

SOURCE: CANADIAN SUGAR INSTITUTE

In addition to Redpath Sugar Ltd., in Eastern Canada, Lantic’s competition includes smaller regional distributors, which source their refined sugar from either domestic or foreign suppliers. Over the last five years, the aggregate market share held by these distributors has varied from approximately three to five percent of Eastern sugar consumption.

Competition in Western Canada comes mainly from imports in the industrial and consumer segments and from HFCS for liquid substitutable products. Competition from Eastern Canada refiners is somewhat mitigated by the cost of transportation from Eastern Canada to the Prairies and Vancouver.

In addition to sugar, the overall sweetener market also includes corn-based sweeteners, such as HFCS, an alternative liquid sweetener, which can be substituted for liquid sugar in soft drinks and certain other applications; and non-nutritive, high intensity sweeteners such as aspartame, sucralose and stevia. Differences in functional properties and prices have tended to define the use of these various sweeteners. For example, HFCS is limited to certain applications where a liquid sweetener can be used. Non-nutritive sweeteners are not interchangeable in all applications. The substitution of other sweeteners for sugar has occurred in certain products, such as soft drinks. It is not possible to predict the availability, development or potential use of these sweeteners and their possible impact on the operations of Lantic.

A sugar processor’s competitiveness is dependent on a number of factors, including reliability of supplies, cost-effective distribution channels and consistent quality of products.

For the Maple products segment, TMTC is the largest private label and branded maple syrup bottling and distributing company in the world. TMTC has three major competitors in the Canadian market and also competes against a multitude of smaller bottlers and distributing companies.

Legislative Issues

Exportation of Refined Sugar

As part of a regulated sugar program, the United States restricts imports of refined sugar. In October 1995, the United States assigned a specific sugar quota of 10,300 tonnes to Canada. The Canadian government has ruled that Canada’s participation in its refined sugar quota must be with domestically grown sugar, i.e. beet sugar. As Lantic is the only beet sugar producer in Canada, it has filled the available Canada specific quota to the US every year.

On November 30, 2018, a new NAFTA deal was signed by Canada, the United States and Mexico – the Canada-United States-Mexico Agreement (“CUSMA”), known as USMCA in the U.S. and T-MEX in Mexico. Through seven rounds of negotiations, the Canadian Sugar Institute (CSI) advanced Canada’s sugar industry interest in securing improved U.S. market access for Canadian sugar and sugar-containing products (“SCPs”) and addressing outdated quota rules for SCPs. The implementation of “CUSMA” provides Canada a combined 19,200 metric tonnes of new access consisting of two separate tariff rate quotas; one for 9,600 metric tonnes of Canadian origin refined beet sugar and a second for 9,600 metric tonnes of SCPs, with more flexible rules to allow full quota utilization. As the only producer of Canadian origin sugar, Lantic’s Canadian-specific sugar quota increased from 10,300 metric tonnes to 19,900 metric tonnes. It has not yet been determined how the SCP quota allocation will be administered within the Canadian refined sugar industry. This agreement was ratified by all three countries and took effect on July 1, 2020, with the quotas taking effect on that date on a pro-rated basis.

The Canada-European trade agreement (“CETA”) entered into force provisionally on September 21, 2017 and includes an SCP quota set at 30,000 metric tonnes annually through 2021. The quota is allocated 90% to Canadian refiners on an equal share basis. Depending on quota utilization, the volume has the potential to increase in 5 year

increments to reach 51,840 metric tonnes over 15 years. Canada's sugar industry has yet to benefit from the new access to the EU given the October 1, 2017 removal of EU domestic sugar quotas and ongoing domestic subsidies which generate substantial surplus sugar supplies and reduce market prices. Regardless, Lantic is committed to ensure maximum utilization of this new export opportunity in a well-developed market which will be beneficial to Lantic in the future. The CSI is also closely monitoring developments with respect to the UK Brexit on future market access opportunities for SCPs.

Canada has entered into free trade agreements ("FTAs") with numerous countries on a bilateral or regional basis, however, few beyond the CUSMA and CETA offer significant market potential for Canadian sugar and SCPs. There are a number of reasons why these FTAs have not provided Lantic with meaningful export gains. In many cases, the FTA country is not a logical export market, such as Jordan which is distant from Canada and closer to European suppliers or Colombia that is a large surplus sugar producer and exporter relative to Canada. FTAs with countries such as Honduras, Peru and Panama are also not significant markets for high quality Canadian sugar and negotiated outcomes provide for minimal tariff rate quota quantities. Other more recent FTAs, including with the Republic of Korea and the Ukraine, excluded refined sugar from tariff improvements. "Rules of origin" in almost all FTAs limit Canadian sugar benefits to beet sugar grown in Canada and processed at the Taber beet factory. Some limited opportunities under the Canada-Costa Rica FTA are available for both refined beet and cane sugar.

The CSI will continue to monitor Canada's exploratory discussions and formal negotiations for any meaningful developments that may be of value to Canada's sugar industry while also monitoring potential threats. Lantic continues to remain concerned that the inclusion of refined sugar in Canada's various regional and bilateral negotiations may result in substantial new duty-free imports from these countries, while not providing offsetting export market opportunities. The Canada-Mercosur free trade negotiations are an example (includes Argentina, Brazil, Paraguay and Uruguay). Exploratory discussions towards an FTA with the ASEAN region also has limited export prospects given Thailand's large surplus production and dominance in the region.

The real potential for significant, long-term export gains is via a global agreement through the World Trade Organization ("WTO"). The WTO agriculture negotiations have not advanced since they stalled in July 2008, however like-minded WTO members including Canada are actively collaborating to find ways to strengthen and modernize the WTO to ensure there remains a strong rules-based multilateral trading system in the face of rising global protectionism. Efforts by Canada and other like-minded countries are essential to maintain and reform this international body while continuing to provide an effective dispute settlement and appeals process.

Reaffirming the critical value of a modernized WTO along with growing regional integration through comprehensive and ambitious FTAs such as the CETA and CPTPP provide the best medium to long term prospect of improved export opportunity for the Canadian sugar industry. All of these agreements involve significant input from the CSI and the Canadian sugar refiners to ensure the long-term stability of the Canadian refined sugar industry and its ability to support a vibrant food processing industry in Canada.

Importation of Refined Sugar

In 1995, Revenue Canada made a final determination, that there was dumping of refined sugar from the United States, Denmark, Germany, the United Kingdom, the Netherlands and the Republic of Korea into Canada, and that subsidized refined sugar was being imported into Canada from the European Union ("EU"). The Canadian International Trade Tribunal ("CITT") conducted a follow-up inquiry and ruled that the dumping of refined sugar from the United States, Denmark, Germany, the United Kingdom and the Netherlands as well as the subsidizing from the EU was threatening material injury to the Canadian sugar industry. The ruling resulted in the imposition of protective duties on these unfairly traded imports.

Under Canadian laws, these duties must be reviewed every five years. The tariffs and countervailing duties have been maintained over the years through further reviews conducted in 2000, 2005, 2010 and 2015. On August 6, 2021, the CITT issued a decision to pursue its order against dumped and subsidized sugar from the US, EU, and the United Kingdom. The anti-dumping and countervailing duties will continue to be applied on imported sugar from these regions.

The duties on imports of U.S. EU and United Kingdom refined sugar are important to Lantic and to the Canadian refined sugar industry in general because they protect the market from the adverse effect of unfairly traded imports from these sources. The government support and trade distorting attributes of the U.S. and EU sugar regimes continue to generate surplus refined sugar production and exports that threaten the Canadian sugar market.

Human Resources

Lantic, at the Montréal refinery's Eastern operation has 340 employees, 210 of whom are unionized and separated into four locals. The CSN, a confederation of Québec union locals represents three locals, the main local of the production employees and the smaller locals of the sugar boilers and of the laboratory technicians. The Bakery, Confectionery and Tobacco Workers International Union represents the other smaller local comprised of powerhouse employees. On October 27, 2021, an agreement was ratified between Lantic and the main union representing the employees of the Montreal refinery. The agreement is for a period of five years expiring in May 2026.

There are a total of 47 employees at the Toronto distribution center and at the bending facility, 12 of whom are unionized and represented by Local union 419 of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America. The collective agreement expired in June 2018 and a settlement was reached in fiscal 2019 for a 6-year agreement expiring in 2024.

Lantic has 131 of the 180 permanent employees at the Vancouver refinery's Western operation, whom are represented by the Retail Wholesale Union. The existing collective agreement is schedule to expire in February 2023. Lantic has 108 of the 147 permanent employees at the Taber beet sugar plant which are represented by the United Food and Commercial Workers Union ("UFCW"). In fiscal 2017, a five-year labour agreement was concluded with the UFCW. The existing collective agreement of these employees is scheduled to expire in March 2022. In addition, the Taber beet processing facility hires approximately 240 seasonal employees for the beet processing campaign.

Besides a six-day work stoppage at the Montréal refinery in June 2016, there have been no work stoppages at the Montréal, Vancouver or Taber facilities in the past 25 years.

TMTC employs a total of approximately 170 employees in its facilities in Québec and Vermont. Approximately 99 of TMTC's employees, namely in the TMTC division in Granby, Québec, are under a collective bargaining agreement, which is scheduled to expire in 2023.

Capital Expenditures

Lantic's and TMTC's capital expenditures are comprised of maintenance and investment requirements. Maintenance capital expenditures are additions or replacements to fixed assets required to maintain the facilities at current operating levels. Value added capital represents capital investments which offer substantial operational savings or enhanced revenue opportunities.

Over the past five years, the Lantic's and TMTC's capital expenditures have been as follows:

	For the fiscal years				
	2021	2020	2019	2018	2017
Maintenance capital	\$17,927	\$14,878	\$18,392	\$16,261	\$13,959
Value added capital.....	7,090	11,275	8,617	7,394	3,344
Total.....	\$25,017	\$26,153	\$27,009	\$23,655	\$17,303

Environment

The Corporation's policy is to meet all applicable government requirements with respect to environmental matters. Management believes that the Corporation is in compliance in all material respects with environmental laws and regulations and maintains an open dialogue with regulators and the Government with respect to awareness and adoption of new standards.

During the third quarter of fiscal 2021, the Corporation published its first Environment, Social and Governance report which highlights its sustainability efforts in such areas as energy use, air emissions and water usage. The report can be accessed on SEDAR or on the Corporation's website at www.Lanticrogers.com.

With respect to potential environmental remediation of Lantic's properties, which could occur in the event of a building demolition or a sale, it is worth noting that the Vancouver and Montreal facilities have a lengthy history of industrial use, and fill materials have been used on the properties in the normal course of business. Lantic has recorded provisions under asset retirement obligations for known and quantifiable potential remediation activities in connection with these properties. No assurance can be given that material expenditures will not be required in excess of the current asset retirement obligation provisions in connection with contamination from such industrial use or fill materials.

Although Lantic is not aware of any specific problems at its Toronto distribution centre, its Taber plant and any of the TMTC properties, no assurance can be given that expenditures will not be required to deal with known or unknown contamination at the property or other facilities or offices currently or formerly owned, used or controlled by Lantic.

RISK FACTORS

The Corporation's business and operation is substantially affected by many factors, including prevailing margins on refined sugar, weather conditions, its ability to market sugar and maple products competitively, sourcing of raw material supplies, weather conditions, operating costs and government programs and regulations. Investors should carefully consider the risk factors and other investment considerations described below.

Disease and Epidemics, including COVID-19

The impact of disease and epidemics may have a negative impact on the Corporation, Lantic or TMTC and their performance and financial position. The ongoing COVID-19 pandemic or new epidemics could result in, health or other government authorities requiring the closure of offices or other businesses and could also result in a general economic decline. For example, such events may adversely impact economic activity through disruption in supply and delivery chains. Moreover, the Corporation, Lantic or TMTC's operations could be negatively affected if personnel are affected by or quarantined as the result of, or in order to avoid, exposure to a contagious illness. Lantic and TMTC have been designated as "essential businesses" at this time, with minimal disruptions to operations, as described above.

A resulting negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility, cause credit losses on customer sales or credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on the business of the Corporation, Lantic or TMTC. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain, and such adverse effects may be material. While governmental agencies and private sector participants will seek to mitigate the adverse effects of this pandemic, which may include such measures as heightened sanitary practices, telecommuting, quarantine, curtailment or cessation of travel, and other restrictions, the efficacy of such measures is uncertain. The Corporation's, Lantic's and TMTC's operations and business results could be materially adversely affected. The extent to which COVID-19 (or any other disease or epidemic) impacts business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the pandemic and the actions required to contain it or treat its impact, among others.

Dependence Upon Lantic

Rogers is entirely dependent upon the operations and assets of Lantic through its ownership of securities of this company. Accordingly, interest payments to debenture holders and dividends to shareholders are dependent upon the ability of Lantic and/or TMTC to pay its interest obligations under the subordinated notes and to declare and pay dividends on or return capital in respect of the common shares. The terms of Lantic's bank and other indebtedness restricts its ability to pay dividends and make other distributions on its shares or make payments of principal or interest on subordinated debt, including debt which may be held, directly or indirectly, by Rogers, in certain circumstances. In addition, Lantic may defer payment of interest on the subordinated notes at any given time for a period of up to 18 months.

No Assurance of Future Performance

Historic and current performance of the business of Rogers, Lantic and TMTC may not be indicative of success in future periods. The future performance of the business after the acquisition may be influenced by economic downturns and other factors beyond the control of the Corporation. As a result of these factors, the operations and financial performance of Lantic and TMTC may be negatively affected, which may materially adversely affect the Corporation's financial results.

Government Regulations and Foreign Trade Policies with regards to Sugar

In July 1995, Revenue Canada made a preliminary determination, followed by a final determination in October 1995, that there was dumping of refined sugar from the US, Denmark, Germany, the United Kingdom ("UK"), the Netherlands and the Republic of Korea into Canada, and that subsidized refined sugar was being imported into Canada from the EU. The Canadian International Trade Tribunal ("CITT") conducted an inquiry and, on November 6, 1995, ruled that the dumping of refined sugar from the US, Denmark, Germany, the UK and Netherlands, as well as the subsidizing of refined sugar from the EU, was threatening material injury to the Canadian sugar industry. The ruling resulted in the imposition of protective duties on these unfairly traded imports.

Under Canadian laws, these duties must be reviewed every five years. On August 6, 2021, the CITT concluded its fifth review of the 1995 findings and issued its decision to continue the duties for another five-year period against (i) dumped sugar from the US, Denmark, Germany, Netherlands, and the UK, and (ii) subsidized sugar from the EU. The Canadian Sugar Institute ("CSI") and its members, including Lantic, participated fully in the review and submitted detailed evidence and witness testimony to the CITT. The CITT agreed that imports of dumped and subsidized sugar would likely cause material injury to the Canadian industry if the duty protection was removed.

On October 6, 2021, the Canada Border Services Agency initiated a re-investigation to update the levels of the anti-dumping and countervailing duty protection. The last re-investigation was concluded in September 2014. The CSI and its members are participating fully in the re-investigation. The updated levels of protection will be announced and enter into force at the conclusion of the re-investigation, currently expected on March 4, 2022. There is no assurance that the duty protection will remain at current levels.

The duties on imports of US and EU refined sugar are important to Lantic and to the Canadian refined sugar industry in general because they protect the market from the adverse effect of unfairly traded imports from these sources. The government support and trade distorting attributes of the US and EU sugar regimes continue to generate surplus refined sugar production and exports that threaten the Canadian sugar market. If the duties were to be eliminated or significantly reduced in the future, there could be material financial impact to Lantic and other members of the Canadian refined sugar industry.

Fluctuations in Margins and Foreign Exchange

Lantic's profitability is principally affected by its margins on domestic refined sugar sales. In turn, this price is affected by a variety of market factors such as competition, government regulations and foreign trade policies. Lantic, through the Canadian-specific quota, normally sells a small portion of its production of refined sugar per year in the U.S. and to Mexico and also sells beet pulp to export customers in U.S. dollars. Lantic's Taber sugar sales in Canada are priced against the Raw #11 world market, which trades in U.S. dollars, while the sugar derived from the sugar beets is paid for in Canadian dollars to the Growers. Fluctuations in the value of the Canadian dollar will impact the profitability of these sales. Except for these sales, which currently can only be supplied by Lantic's Taber beet plant, and sales to the U.S. under other announced specific quotas, most sales are in Canada and have little exposure to foreign exchange movements.

Fluctuation in the value of the Canadian dollar also impact the profitability of TMTC, as certain export sales of maple syrup are denominated in U.S. dollars, in Euro or in Australian dollars. Fluctuations in the value of the Canadian dollar will impact the profitability of these sales. In order to mitigate against the movement of the Canadian dollar versus the U.S. dollars, Euro or Australian dollars, we enter into foreign exchange hedging contracts with certain customers.

There can be no assurance that Lantic and TMTC will be able to continue to mitigate efficiently their exposure to foreign exchange risk in the future.

Fluctuations in Raw Sugar Prices

Raw sugar prices are not a major determinant of the profitability of Lantic's cane sugar operations, as the price at which sugar is both purchased and sold is related to the Raw #11 world sugar price and all transactions are hedged. In a market where world raw sugar is tight due to lower production, significant premiums may be charged on nearby deliveries which would have a negative impact on the adjusted gross margins of the cane operations.

A relatively high world raw sugar price and/or low price of corn will also reduce the competitive position of liquid sugar in Canada as compared to HFCS which could result in the loss of HFCS substitutable business for Lantic.

Security of Raw Sugar Supply

There are over 174 million metric tonnes of sugar produced worldwide. Of this, more than 52 million metric tonnes of sugar are traded on the world market. Lantic, through its cane refining plants, buys approximately 0.7 million metric tonnes of raw sugar per year. Even though worldwide raw sugar supply is much larger than Lantic's yearly requirements, concentration of supply in certain countries like Brazil, combined with an increase in cane refining operations in certain countries, may create tightness in raw sugar availability at certain times of the year. To prevent any raw sugar supply shortage, Lantic normally enters into long-term supply contracts with reputable suppliers. For raw sugar supply not under contract, significant premiums may be paid on the purchase of raw sugar on a nearby basis, which may negatively impact adjusted gross margins.

The availability of sugar beets to be processed in Taber, Alberta is dependent on a supply contract with the Growers, and on the Growers planting the necessary acreage every year. In the event that sufficient acreage is not planted in a certain year, or that Lantic and the Growers cannot agree on a supply contract, sugar beets might not be available for processing, thus requiring transfer of products from Lantic's cane refineries to the Prairie market, normally supplied by Taber. This would increase Lantic's distribution costs and may have an impact on the adjusted gross margin rate per metric tonne sold.

Weather and Other Factors Related to Production

Sugar beets, as is the case with most other crops, are affected by weather conditions during the growing season. Additionally, weather conditions during the harvesting and processing season could affect Lantic's total beet supply and sugar extraction from beets stored for processing. A significant reduction in the quantity or quality of sugar beets harvested due to adverse weather conditions, disease or other factors could result in decreased production, with negative financial consequences to Lantic.

Regulatory Regime Governing the Purchase and Sale of Maple Syrup in Québec

Producers of maple syrup in Québec are required to operate within the framework provided for by the Marketing Act. Pursuant to the Marketing Act, producers, including producers of maple syrup, can take collective and organized control over the production and marketing of their products (i.e. a joint plan). Moreover, the Marketing Act empowers the marketing board responsible for administering a joint plan, that is the PPAQ in the case of maple syrup, with the functions and role otherwise granted to the Régie des marchés agricoles et alimentaires du Québec, the governing body created by the Government of Québec to regulate, among other things, the agricultural and food markets in Québec. As part of its regulating and organizing functions, the PPAQ may establish arrangements to maintain fair prices for all producers and may manage production surpluses and their storage to stabilize the pricing of maple syrup.

Pursuant to the Sales Agency Regulation, the PPAQ is responsible for the marketing of bulk maple syrup in Québec. Therefore, any container that contains 5L or more of maple syrup must be marketed through the PPAQ as the exclusive selling agent for the producers. Bulk maple syrup may be sold to the PPAQ or to "authorized buyers" accredited by the PPAQ. In Québec, nearly 90% of the total production of maple syrup is sold to the PPAQ or the authorized buyers, leaving only approximately 10% of the total production being sold directly by the producers to consumers or grocery stores. TMTC is an authorized buyer with the PPAQ. The authorized buyer status is renewed on an annual basis. There is no certainty that TMTC will be able to maintain its status as an authorized buyer with the PPAQ. Failure by TMTC to remain an authorized buyer with the PPAQ will likely affect the capacity to fully supply the resale of maple syrup or Maple products and therefore the financial results of the Corporation.

The PPAQ, in its capacity as bargaining and sales agent for the producers of maple syrup in Québec as well as the body empowered to regulate and organize the production and marketing of maple syrup, and the bulk buyers of maple syrup, represented by the MIC entered into the Marketing Agreement, which is expected to be renewed on an annual basis. Pursuant to the Marketing Agreement, authorized buyers must pay a minimum price to the PPAQ for any maple syrup purchased from the producers. As a result, TMTC's ability to negotiate the purchase price of maple syrup is limited. Moreover, the minimum purchase price that is applicable to the authorized buyers with the PPAQ also restricts TMTC's ability to adjust its resale pricing to take into account market fluctuations due to supply and demand. TMTC's incapacity to adjust its resale prices upward to take into account any increase in consumer demand may affect the financial outlook of the Corporation.

Pursuant to the Marketing Agreement, authorized buyers must buy Maple products from the PPAQ in barrels corresponding to the "anticipated volume". The anticipated volume must be realistic and in line with volumes purchased in previous years. The refusal from the PPAQ to accept the anticipated volume set forth by TMTC or the failure by TMTC to properly estimate the anticipated volume for a given year may affect the ability for TMTC to increase its reselling capacity and could materially adversely affect the Corporation's financial results and operations.

Production of Maple Syrup Being Seasonal and Subject to Climate Change

The production of maple syrup takes place over a period of 6 to 8 weeks during the months of March and April of each year. Maple syrup production is intimately tied to the weather as sap only flows when temperatures rise above freezing level during the day and drop below it during the night, such temperature difference creating enough pressure to push sap out of the maple tree. Given the sensitivity of temperature in the process of harvesting maple sap, climate change and global warming may have a material impact on such process as the maple syrup production season may become shorter. Reducing the production season for maple syrup may also have an impact on the level of production.

In 2002, the PPAQ set up a strategic maple syrup reserve in order to mitigate production fluctuations imputable to weather conditions and prevent such fluctuations from causing maple syrup prices to spike or drop significantly. The reserve was initially established to set aside a production quantity equivalent to half of the then-annual demand. Each year, the PPAQ may organize a sale of a portion of its accumulated reserve. There can be no assurance that TMTC will have access to some of such reserve to offset decreases in production due to weather conditions or that such reserve will be sufficient to cover a gap in the production in any given year. Any decrease in production or incapacity to purchase additional reserves from the PPAQ may affect TMTC's supply of its sales of maple syrup and other Maple products and, ultimately, its financial results.

Competition

For the Sugar segment, Lantic faces domestic competition from Redpath Sugar Ltd. and smaller regional operators and/distributors of both foreign and domestic refined sugar. Differences in proximity to various geographic areas within Canada and elsewhere result in differences in freight and shipping costs, which in turn affect pricing and competitiveness in general.

In addition to sugar, the overall sweetener market also includes: corn-based sweeteners, such as HFCS, an alternative liquid sweetener, which can be substituted for liquid sugar in soft drinks and certain other applications; and non-nutritive, high intensity sweeteners such as aspartame, sucralose and stevia. Differences in functional properties and prices have tended to define the use of these various sweeteners. For example, HFCS is limited to certain applications where a liquid sweetener can be used. Non-nutritive sweeteners are not interchangeable in all applications. The substitution of other sweeteners for sugar has occurred in certain products, such as soft drinks. We are not able to predict the availability, development or potential use of these sweeteners and their possible impact on Lantic's operations.

For the Maple products segment, TMTC is among the largest branded and private label maple syrup bottling and distributing companies in the world. TMTC has three major competitors in Canada and also competes against a multitude of US bottlers and distributing companies.

A large majority of TMTC's revenues are made under the private label line. The Corporation anticipates that for a foreseeable future, TMTC's relationship with its top private label customers will continue to be key and will continue to have a material impact on its sales. Although the Corporation considers that the relationship with its top private label

customers is excellent, the loss of, or a decrease in the amount of business from, such customers, or any default in payment on their part could significantly reduce TMTC's sales and harm the Corporation's operating and financial results.

Consumer Habits may Change

The maple products market, both national and international, has experienced some important changes over the last few years as maple products are becoming better known and consumer preferences and consumption patterns have shifted to more natural products. Maple syrup has typically been used, principally in North America, as a natural alternative to traditional sweeteners and has been served on morning meals, such as pancakes, waffles and other breakfast bakeries for decades. As a result of evolving customer trends, TMTC will need to anticipate developments in a competitive environment on a timely basis. The failure of TMTC to anticipate, identify and react to shifting consumer and retail customer trends and preferences through successful innovation and enhanced production capability could adversely result in reduced demand for its products, which could in turn affect the financial performance of the Corporation. There is also no guarantee that the current favourable market trends will continue in the future.

Growth of TMTC's Business Relying Substantially on Exports

The size of the global wholesale market for maple syrup is currently estimated at \$733 million, the United States being by far the world's largest importer, followed by Japan and Germany. Despite the increase of sales of maple products that the Canadian market has experienced in recent years, the potential for growth of this industry largely relies on the international market. Moreover, over the last few years, New York, Vermont and Maine have increased their production of maple syrup and have now become competitors of Québec, which however remains the largest producer and exporter of maple syrup in the world. While TMTC continues to develop its selling efforts outside of Canada, including through forming new partnerships in countries where the maple syrup market is undeveloped, it will likely face high competition from other bottlers and distributors, including from other Canadian and U.S. companies, for its share of the international market. Such growing competition and the incapacity for TMTC to further develop its selling efforts outside of Canada could adversely affect the Corporation's capacity to grow TMTC's business and its future results. Furthermore, an incapacity to attract increased attention on maple products or a sudden lack of interest for such products from customers outside of North America may affect the Corporation's future results.

Operating Costs

Natural gas represents an important cost in Lantic's refining operations. Lantic's Taber beet factory includes primary agricultural processing and refining. As a result, Taber uses more energy in its operations than the cane facilities in Vancouver and Montréal, principally as a result of the need to heat the cossettes (sliced sugar beets) to evaporate water from juices containing sugar, and to dry wet beet pulp. Changes in the costs and sources of energy may affect the financial results of Lantic's operations. In addition, all natural gas purchased is priced in U.S. dollars. Therefore, fluctuations in the Canadian/U.S. dollar exchange rate will also impact the cost of energy. Lantic hedges a portion of its natural gas price exposure through the use of natural gas contracts to lessen the impact of fluctuations in the price of natural gas. Provincial application of some form of carbon tax has been increasingly important across Canada and for some provinces with a carbon tax, rates have been increasing, which could increase the overall energy costs for Lantic.

Foreign Trade Policies with regards to Maple products

TMTC's international operations are also subject to inherent risks, including change in the free flow of food products between countries, fluctuations in currency values, discriminatory fiscal policies, unexpected changes in local regulations and laws and the uncertainty of enforcement of remedies in foreign jurisdictions. In addition, foreign jurisdictions, including the United States, TMTC's current and expected largest market, could impose tariffs, quotas, trade barriers and other similar restrictions on TMTC's international sales and subsidize competing agricultural products.

All of these risks could result in increased costs or decreased revenues, either of which could materially adversely affect TMTC's financial condition and results of operations.

Employee Relations and Labour Force

The majority of Lantic's operations are unionized and agreements are currently in place in each unionized facility. During fiscal 2021, Lantic renegotiated the collective agreement with the union at its Montreal facility. The agreement was renewed on October 27, 2021, at competitive rates for a period of 5 years ending in May 2026.

Lantic and TMTC have contingency plans in place to mitigate the potential impact of labour disruptions at their facilities. However, such potential disruptions in future years could restrict the ability of Lantic and TMTC to service their customers in the affected regions, consequently affecting the Corporation's financial results.

Additionally, the Corporation's future performance and development depend to a significant extent on the abilities, experience and efforts of its management team and employees. The loss of key employees could adversely impact the Corporation.

Food Safety and Consumer Health

The Corporation is subject to risks that affect the food industry in general, including risks posed by accidental contamination, product tampering, consumer product liability, and the potential costs and disruptions of a product recall. The Corporation actively manages these risks by maintaining strict and rigorous controls and processes in its manufacturing facilities and distribution systems and by maintaining prudent levels of insurance.

The Corporation's facilities are subject to audit by federal health agencies in Canada and similar institutions outside of Canada. The Corporation also performs its own audits designed to ensure compliance with its internal standards, which are generally at, or higher than, regulatory agency standards in order to mitigate the risks related to food safety.

Consumers, public health officials and government officials are increasingly concerned about the public health consequences of obesity, particularly among young people. In addition, some researchers, health advocates and dietary guidelines are suggesting that consumption of sugar, in various forms, is a primary cause of increased obesity rates and are encouraging consumers to reduce their consumption of sugar. Increasing public concern about obesity and other health conditions; possible new or increased taxes on products containing sugar, such as sugar-sweetened beverages by government entities to reduce consumption or to raise revenue; shift in consumer preferences from sugar to other types of sweeteners; additional governmental regulations concerning the marketing, labeling, packaging or sale of products and negative publicity may reduce demand for the products of the Corporation and each of the aforementioned factors could materially adversely affect the Corporation's financial results and operations.

Cybersecurity

The Corporation faces various security threats, including cybersecurity threats to gain unauthorized access to sensitive information, to render data or systems unusable, or otherwise affect the Corporation's ability to operate. The Corporation's operations require it to use and store personally identifiable and other sensitive information of its employees, notably. The collection and use of personally identifiable information are governed by Canadian federal and provincial laws and regulations. Privacy and information security laws continue to evolve and may be inconsistent from one jurisdiction to another. The security measures put in place by the Corporation in that regard cannot provide absolute security, and the Corporation's information technology infrastructure may be vulnerable to cyberattacks, including without limitation, malicious software, attempts to gain unauthorized access to data hereinabove mentioned, and other electronic security breaches that could lead to disruptions in critical systems, corruptions of data and unauthorized release of confidential or otherwise protected information. The occurrence of one of these events could cause a substantial decrease in revenues, increased costs to respond or other financial loss, damage to reputation, increased regulation or litigation or inaccurate information reported by the Corporation's operations. These developments may subject the Corporation's operations to increased risks, as well as increased costs, and, depending on their ultimate magnitude, could materially and adversely affect the Corporation's financial results and operations.

The Corporation seeks to manage cybersecurity risk by continuing to invest in appropriate information technology systems, infrastructure and security, including disaster plans, reviewing its existing technologies, processes and practices on a regular basis and ensuring employees understand and are aware of their role in protecting the integrity of the Corporation's technological security and information. The Corporation relies on third party products and services to assist it in protecting its information technology infrastructure and its proprietary and confidential information. The

Corporation seeks to be proactive in the area of cybersecurity and consequently anticipates that it will continue to incur expenses in relation to, and dedicate personnel and other resources to, cybersecurity, as new and increasingly complex threats and risks are identified and responded to.

Environmental Matters

The operations of the Corporation are subject to environmental regulations imposed by federal, provincial and municipal governments in Canada, including those relating to the treatment and disposal of wastewater and cooling water, air emissions, contamination and spills of substances. Management believes that the Corporation is in compliance in all material respects with environmental laws and regulations. However, these regulations have become progressively more stringent and the Corporation anticipates this trend will continue, potentially resulting in the incurrence of material costs to achieve and maintain compliance.

Violation of these regulations can result in fines or other penalties, which in certain circumstances can include clean-up costs. As well, liability to characterize and clean up or otherwise deal with contamination on or from properties owned, used or controlled by Lantic currently or in the past can be imposed by environmental regulators or other third parties. Such liabilities could materially adversely affect the Corporation's financial results and operations.

Income Tax Matters

The income of the Corporation must be computed and is taxed in accordance with Canadian tax laws, all of which may be changed in a manner that could adversely affect the ability of the Corporation to pay dividends in the future. There can be no assurance that taxation authorities will accept the tax positions adopted by the Corporation including the determination of the amounts of federal and provincial income which could materially adversely affect dividends.

The current corporate structure involves a significant amount of inter-company or similar debt, generating substantial interest expense, which reduces earnings and therefore income tax payable at Lantic and TMTC's level. There can be no assurance that taxation authorities will not seek to challenge the amount of interest expense deducted. If such a challenge were to succeed against Lantic, it could materially adversely affect the amount of cash transferred to Rogers for dividend payment. Management believes that the interest expense inherent in the structure is supportable and reasonable considering the terms of the debt owed by Lantic to Rogers and TMTC to Lantic.

Management and Operation of Lantic

The Board of Directors of Lantic is currently controlled by Lantic Capital, an affiliate of Belcorp. As a result, holders of shares have limited say in matters affecting the operations of Lantic; if such holders are in disagreement with the decisions of the Board of Directors of Lantic, they have limited recourse. The control exercised by Lantic Capital over the Board of Directors of Lantic may make it more difficult for others to attempt to gain control of or influence the activities of Lantic and the Corporation.

DIVIDENDS

For a detailed table of the dividends per Share for each of the three most recently completed financial years, see "Review of Operations and Business" on page 13.

Since the Arrangement, the Corporation has been paying a quarterly dividend between \$0.085 and \$0.09 per Share; however, the Board of Directors of the Corporation can modify its dividend practice from time to time in its discretion, see "Review of Operations and Business — The Corporation".

MARKET FOR SECURITIES

The Shares, the Sixth Series Debentures and the Seventh Series Debentures are listed and posted for trading on the TSX under the symbols RSI, RSI.DB.E and RSI.DB.F, respectively.

The monthly trading volume and price ranges of the securities of the Corporation traded on the TSX over the last financial year are as follows:

Months	Shares			Sixth Series Debentures			Seventh Series Debentures		
	High	Low	Volume	High	Low	Volume	High	Low	Volume
October 2020	5.21	4.71	3,898,551	102.50	101.00	8,970	105.00	100.00	21,020
November 2020	5.71	4.73	5,074,700	103.00	101.40	5,610	104.00	100.00	14,410
December 2020	5.83	5.50	3,715,100	105.00	102.00	2,740	104.00	101.50	8,880
January 2021	5.72	5.37	3,206,300	104.00	102.00	3,080	105.00	101.50	10,730
February 2021	5.58	5.15	5,307,700	103.00	102.50	6,670	103.98	102.00	7,740
March 2021	5.77	5.27	5,475,700	104.50	102.78	4,820	104.00	102.00	9,110
April 2021	5.71	5.42	3,261,700	104.00	102.50	5,220	105.00	102.50	5,770
May 2021	5.74	5.53	4,459,000	104.75	102.50	6,400	104.35	102.75	4,230
June 2021	5.97	5.65	4,868,600	104.50	102.50	8,610	107.50	103.00	5,790
July 2021	5.86	5.59	2,789,700	104.00	102.25	10,680	107.00	101.02	10,390
August 2021	5.86	5.31	4,752,000	104.00	102.30	6,600	103.44	101.15	11,110
September 2021	5.62	5.35	3,473,100	102.50	101.00	8,970	105.00	100.00	21,020

PRIOR SALES

On December 3, 2018, the Corporation granted a total of 447,176 share options to certain executives at an exercise price of \$5.58 under the share option plan of the Corporation (the "Share Option Plan").

On December 2, 2019, the Corporation granted a total of 563,500 share options to certain executives at an exercise price of \$4.68 under the Share Option Plan.

On December 5, 2019 \$75,000 of the Sixth Series Debentures and \$175,000 of the Seventh Series Debentures were converted into 9,079 Shares and 19,774 Shares, respectively.

On March 20, 2020, the Corporation granted a total of 250,000 share options to an executive at an exercise price of \$4.28 under the Share Option Plan.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

To the knowledge of the Corporation, no Shares are held in escrow or subject to contractual restrictions on transfer.

DIRECTORS AND OFFICERS

Directors and Officers of Rogers

The names, provinces and country of residence and principal occupation for the five preceding years of the directors of the Corporation are shown below. Mr. Ross has held office since September 15, 1997. Mr. Maslechko has held office since May 3, 2006. Mr. Bergmame has held office since April 27, 2009. Messrs. Lafrance and Collins have held office since February 2, 2017. Mrs. Wilkes has held office since January 31, 2019.

Directors and Officers and Municipality of Residence	Office (Held Since)	Principal Occupation
M. Dallas H. Ross ⁽¹⁾⁽³⁾ British Columbia, Canada	Director, 1997	Founder and General Partner, Kinetic Capital Limited Partnership, a private investment partnership
Dean Bergmame ⁽²⁾⁽³⁾ Québec, Canada	Director, 2009	Corporate Director
Gary M. Collins ⁽²⁾⁽³⁾ British Columbia, Canada	Director, 2017	Senior Advisor, Lazard Group
Daniel Lafrance ⁽²⁾ Québec, Canada	Director, 2017	Corporate Director
William Maslechko ⁽³⁾ Alberta, Canada	Director, 2006	Partner Burnett, Duckworth & Palmer LLP, a law firm
Stephanie Wilkes ⁽³⁾ Ontario, Canada	Director, 2019	Founder Wilkes Coaching and Consulting
John Holiday ⁽⁴⁾ Quebec, Canada	Officer, 2015	President and CEO Rogers Sugar Inc. and Lantic Inc.
Jean-Sébastien Couillard Québec, Canada	Officer, 2020	Vice-President, Finance, Chief Financial Officer and Secretary, Lantic Inc. and Rogers Sugar Inc.

(1) Chairman of the Board of Directors of the Corporation.

(2) Member of the Audit Committee of the Board of Directors of the Corporation.

(3) Member of the Environmental, Social and Governance Committee of the Board of Directors of the Corporation.

(4) Mr. Holiday retired as President and CEO of Rogers Sugar Inc. and Lantic Inc. effective October 4, 2021. Michael Walton was named officer of the Corporation effective October 4 2021 in connection with his appointment as President and CEO of Rogers Sugar Inc. and Lantic Inc..

Each of the foregoing persons has held the same principal occupation, business or employment for the previous five years, except for Mrs. Wilkes who prior to January 2017 was President of Global Gum and Candy for Mondelez International from October 2014 to January 2017 and Mr. Couillard who, prior to September 8, 2020 was Executive Vice President and CFO of Uniboard Canada, and prior to February 2019 was CFO of ArcelorMittal Canada.

The above mentioned directors will serve until the next annual meeting of Shareholders or until their successors are duly elected or appointed.

Directors and Officers of Lantic

Lantic Capital holds the two Class C Shares of Lantic which entitles Lantic Capital to elect five (5) of the seven (7) directors of Lantic. Therefore, Belcorp is indirectly entitled to nominate five (5) of the seven (7) directors for election to the board of directors of Lantic.

The board of directors of Lantic currently consists of six (6) directors. The members of the board of directors of Lantic are Gary M. Collins, Michael A. Heskin, Donald G. Jewell and John Holliday, each of whom are nominees of Belcorp, and Daniel Lafrance and M. Dallas H. Ross, each of whom are nominees of Rogers. The above mentioned directors will serve until the next annual meeting of shareholders of Lantic or until their successors are duly elected or appointed.

The names, provinces and countries of residence and principal occupation for the five preceding years of the current directors and officers of Lantic are set forth below.

Directors and Officers and Municipality of Residence	Office (Held Since)	Principal Occupation
M. Dallas H. Ross ⁽¹⁾⁽³⁾ British Columbia, Canada	Director, 1997	Founder and General Partner, Kinetic Capital Limited Partnership, a private investment partnership
Gary M. Collins ⁽²⁾⁽³⁾ British Columbia, Canada	Director, 2017	Senior Advisor, Lazard Group
Michael A. Heskin ⁽²⁾⁽³⁾ British Columbia, Canada	Director, 2003	Senior Vice-President of Finance and Chief Financial Officer, Belcorp Industries Inc., an investment holding company
Donald G. Jewell ⁽³⁾ British Columbia, Canada	Director, 2003	Managing Partner, RIO Industrial, a financial management services partnership
Daniel Lafrance ⁽²⁾⁽³⁾ Québec, Canada	Director, 2013	Director
John Holliday ⁽⁴⁾ Québec, Canada	Director and Officer, 2015	President and Chief Executive Officer, Lantic Inc. and Rogers Sugar Inc.
Jean-Sébastien Couillard Québec, Canada	Officer, 2020	Vice-President, Finance, Chief Financial Officer and Secretary, Lantic Inc. and Rogers Sugar Inc.
Patrick Dionne Québec, Canada	Officer, 2017	Vice-President, Operations and Supply chain, Lantic Inc.
Jean-François Khalil Québec, Canada	Officer, 2015	Vice-President, Human Resources, Lantic Inc.
Rod Kirwan Ontario, Canada	Officer, 2020	Vice-President, Sales and Marketing
Michael Walton ⁽⁴⁾ New Brunswick, Canada	Officer, 2011	Chief Operating Officer, Lantic Inc. and President, The Maple Treat Corporation

(1) Chairman of the Board of directors of Lantic.

(2) Member of the Audit Committee of the board of directors of Lantic.

(3) Member of the Human Resources and Compensation Committee of the board of directors of Lantic.

(4) Mr. Holiday retired as President and CEO of Rogers Sugar Inc. and Lantic Inc. effective October 4, 2021. Michael Walton was named officer of Lantic effective October 4, 2021 in connection with his appointment as President and CEO of Rogers Sugar Inc. and Lantic Inc.

Each of the foregoing persons has held the same principal occupation, business or employment for the previous five years, except for Mr. Couillard who, prior to September 8, 2020 was Executive Vice President and CFO of Uniboard Canada, and prior to February 2019 was CFO of ArcelorMittal Canada, Mr. Dionne who prior to April 2017, was Vice-President of Supply Chain Services with Canada Bread from January 2015 to April 2017, Mr. Khalil, who prior to August 2017, was Corporate Director, Human Resources of Lantic, Mr. Kirwan, who, prior to November 9, 2020 was Vice President and General Manager Canada for Ventura Foods, and, Mr. Walton who, prior to May 21, 2020 was Vice President, Sales and Marketing of Lantic.

Shareholdings of Directors and Executive Officers

To the knowledge of the Corporation, the directors of the Corporation, the directors of Lantic and the executive officers of Lantic together as a group, beneficially own or exercise control or direction over, directly or indirectly, 690,968 Shares, representing 0.67% of the issued and outstanding Shares, and no director of Rogers or Lantic beneficially owns or exercises control or direction over, directly or indirectly, voting securities of Lantic, other than Messrs. Collins, Heskin, Holliday and Jewell, who are deemed to exercise control or direction over, directly or indirectly, the Class C shares of Lantic beneficially owned by Lantic Capital.

Audit Committee

The Corporation has an audit committee (the "Audit Committee") which is responsible to (i) oversee the integrity of the Corporation's financial statements and financial reporting process, including the audit process and the Corporation's internal accounting controls and procedures and compliance with related legal and regulatory requirements; (ii) oversee the qualifications and independence of the Corporation's external auditors who shall report directly to the Audit Committee; (iii) oversee the work of the Corporation's (and to the extent possible under the Administration Agreement, Lantic's (as administrator, the "Administrator") financial management and external auditors in these areas; and (iv) provide an open avenue of communication between the external auditors, the Board of Directors of the Corporation, the Administrator and the Administrator's financial management.

Composition and Education

As at October 2, 2021, the Audit Committee was composed of Dean Bergmame, Gary Collins and Daniel Lafrance. The education and experience of each Audit Committee member that is relevant to the performance of such members' responsibilities as a member of the Audit Committee are set forth below:

- Dean Bergmame: From 1998 to 2008, Mr. Bergmame was Senior Vice-President Finance and Chief Financial Officer of St. Lawrence Cement Inc. and prior to 1998, Mr. Bergmame held various senior finance positions with Redpath Industries Ltd., including Vice-President Finance and Secretary. Mr. Bergmame is a Chartered Professional Accountant and a Certified General Accountant.
- Gary Collins: Mr. Collins is a Senior Advisor with Lazard Canada, a financial advisory and asset management firm. From August 2012 until April 2014, he was the President of Coastal Contacts Inc., a direct-to-customer online retailer of replacement contact lenses and eyeglasses. In May 2014, Coastal was purchased by Essilor International. From April 2007 to July 2012, Mr. Collins was Senior Vice President of Belcorp Industries Inc. Prior to that, Mr. Collins was the President and Chief Executive Officer of Harmony Airways from December 2004 until December 2006. From October 1991 to December 2004, he was a member of the British Columbia Legislative Assembly and held the portfolio of Minister of Finance from June 2001 to December 2004. In addition to currently serving on the boards of directors of Rogers and Lantic, Mr. Collins is the Chairman of the board of directors of DRI Healthcare Trust. Mr. Collins is also a director of Fiera Capital Corporation, where he serves on the Governance Committee and is the Chair of the Audit Committee. He previously served on the board of directors of Catalyst Paper Corporation, Liquor Stores N.A. Ltd., D-BOX Technologies Inc., Stuart Olson and Chorus Aviation.
- Daniel Lafrance: Mr. Lafrance is the Chairman of the Audit Committee of Lantic and Rogers. Mr. Lafrance was Chief Financial Officer and Senior Vice-President, Finance and Procurement & Secretary of Lantic and the Corporation from February 1992 until his retirement on August 3, 2013. Mr. Lafrance holds a bachelor's degree in accounting from the University of Ottawa and is a member of the Institute of Chartered Professional Accountants of Ontario. In addition to currently serving on the boards of directors of Rogers and Lantic, Mr. Lafrance is the Chairman of the board of directors of Innergex Renewable Energy Inc.

The directors of the Corporation have determined that each member of the Audit Committee is independent and financially literate. "Independent" means free from any direct or indirect material relationship with Rogers or its subsidiaries which could, in the view of the directors of the Corporation, reasonably interfere with the exercise of a member's independent judgment as more particularly described in National Instrument 52-110 — Audit Committees ("NI 52-110"). Financially literate means having the ability to read and understand a set of financial statements that

present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's or its subsidiaries' financial statements, as more particularly described in NI 52-110.

Audit Committee Charter

The full text of the Charter of the Audit Committee of the Corporation is set forth as Schedule A to this annual information form.

Pre-approval Policies and Procedures

The Audit Committee has established a policy which requires pre-approval of all audit and non-audit services provided to the Corporation and its subsidiaries by the Corporation's external auditors, KPMG LLP.

External Auditors Service Fees (By category)

The fees paid or payable by the Corporation to KPMG LLP, the Corporation's external auditors, for the periods noted below for audit and non-audit services were as follows:

	Fiscal Year Ended October 2, 2021	Fiscal Year Ended October 3, 2020
	(In thousands of dollars)	
KPMG LLP		
Audit Fees.....	\$ 609.0	\$ 556.5
Audit Related Fees ⁽¹⁾	\$ 152.4	\$ 82.5
Tax Fees ⁽²⁾	\$ 82.8	\$ 113.0
All Other Fees	\$ —	\$ —
Total	\$ 844.2	\$ 752.0

(1) This item represents fees for services relating to the audit of pension plans, translation and accounting consultations for new accounting standards.
 (2) This item represents fees for services for tax compliance, tax advice and tax planning.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, none of the directors of the Corporation, the directors of Lantic or the executive officers of Lantic is, as at the date of this annual information form or has been, within the 10 years before the date of this annual information form, a director, chief executive officer or chief financial officer of any company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade, 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 (each, an "order"); or
- (b) was subject to an order that was issued after the director or executive officer 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; or

Other than as set forth below, to the knowledge of the Corporation, none of the directors of the Corporation, the directors of Lantic or the executive officers of Lantic, and no shareholder holding a sufficient number of Shares so as to materially affect the control of the Corporation:

- (a) is, as at the date of this annual information form or has been within the 10 years before the date of this annual information form, a director or executive officer of any company, that while that person was working in that capacity, or within a year of the 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

- (b) has, within the 10 years before the date of this annual information form, 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 its assets.

Mr. Ross was asked to join the board of directors of Catalyst Paper Corporation in May 2010 to assist in the possible restructuring of that organization. Catalyst Paper Corporation subsequently filed for CCAA protection in January 2012, reorganized its financial affairs significantly over a number of months and then successfully emerged from CCAA in September 2012 at which time a new board representing the post recapitalization stakeholders was appointed.

Mr. Ross was asked to join the board of directors of Just Energy Group in June 2017. Mr. Ross was on the board of directors to execute a Plan of Arrangement under CBCA in 2020, and then subsequently executed a CCAA filing amidst issues in the Texas regulated market in early 2021. Mr. Ross is still on the board of directors of Just Energy Group.

To the knowledge of the Corporation, none of the directors of the Corporation, the directors of Lantic or the executive officers of Lantic, and no shareholder holding a sufficient number of Shares so as to materially affect the control of the Corporation has been subject to (i) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or (ii) 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.

Conflicts of Interest

To the knowledge of the Corporation, except as may be described elsewhere in this annual information form, no director of the Corporation or director or executive officer of Lantic has an existing or potential material conflict of interest with the Corporation or any of its subsidiaries.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the Corporation, except as may be described elsewhere in this annual information form, there are no material legal proceedings to which Rogers or Lantic is a party or to which their property is subject, and no such proceedings are contemplated.

To the knowledge of the Corporation, except as may be described elsewhere in this annual information form, there have been no material penalties or sanctions imposed by a court or regulatory body against the Corporation or settlement agreements entered into by the Corporation with a court or a securities regulatory authority relating to securities legislation during the financial year ended October 2, 2021.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, no director of the Corporation or director or executive officer of Lantic, no person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over more than 10% of the outstanding 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 expected to materially affect Rogers or Lantic.

MATERIAL CONTRACTS

The following contracts were entered into other than in the ordinary course of business, are material to Rogers and/or Lantic, and were entered into in the most recent financial year or prior to the most recently completed financial year but on or after January 1, 2002 and remain in effect:

The Administration Agreement (described under the heading, “Rogers Sugar Inc. — Administration — Administration Agreement”);

The Governance Agreement and the Lantic Governance Agreement (described under the heading, “Rogers Sugar Inc. — Administration — Governance Agreements”);

The Indenture, as supplemented (described under the heading, “Rogers Sugar Inc. — Capital Structure — Debt Instruments”);

The Lantic Credit Agreement (described under the heading, “Lantic Inc. — Credit Facility”); and

The LBMT Purchase Agreement.

INTERESTS OF EXPERTS

KPMG LLP, Chartered Professional Accountants, are the external auditors of the Corporation who prepared the Auditors’ Report to the Shareholders dated November 5, 2020, with respect to the consolidated financial statements of the Corporation for the year ended October 2, 2021 consisting of the consolidated balance sheets and consolidated statements of operations and comprehensive income, shareholders’ equity and cash flows for the year then ended. KPMG LLP, Chartered Professional Accountants, are independent with respect to Rogers within the meaning of the Code of Ethics of the Ordre des comptables professionnels agréés du Québec.

TRANSFER AGENTS AND REGISTRARS

Computershare Investor Services Inc., in Toronto, Ontario, is the transfer agent and registrar for the Shares, and Computershare Trust Corporation of Canada, in Toronto, Ontario, is the trustee for the Debentures.

DATE OF INFORMATION

Unless otherwise indicated, the information contained in this annual information form is given as of October 2, 2021. Moreover, the use of the present tense and of the words “current”, “currently”, “presently”, “now” and similar expressions in this annual information form is to be construed as referring to information given as of October 2, 2021, unless the context otherwise requires or unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

This report contains Statements or information that are or may be “forward-looking statements” or “forward-looking information” within the meaning of applicable Canadian Securities laws. Forward-looking statements may include, without limitation, statements and information which reflect the current expectations of the Corporation with respect to future events and performance. Wherever used, the words “may,” “will,” “should,” “anticipate,” “intend,” “assume,” “expect,” “plan,” “believe,” “estimate,” and similar expressions and the negative of such expressions, identify forward-looking statements. Although this is not an exhaustive list, the Corporation cautions investors that statements concerning the following subjects are, or are likely to be, forward-looking statements:

- future prices of raw sugar;

- natural gas costs;
- the opening of special refined sugar quotas in the United States (“U.S.”);
- beet production forecasts;
- growth of the maple syrup industry and the refined sugar industry;
- the status of labour contracts and negotiations;
- the level of future dividends;
- the status of government regulations and investigations; and
- the impact of the COVID-19 pandemic on the Corporation and its operations.

Forward-looking statements are based on estimates and assumptions made by the Corporation in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Corporation believes are appropriate and reasonable in the circumstances, including with respect to the continuity of its operations despite the COVID-19 pandemic, but there can be no assurance that such estimates and assumptions will prove to be correct. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Actual performance or results could differ materially from those reflected in the forward-looking statements, historical results or current expectations. These risks are described under the heading “Risk Factors”, above, and include, without limitation: the risks related to the Corporation’s dependence on the operations and assets of Lantic, the risks related to government regulations and foreign trade policies, the risks related to competition faced by Lantic, the risks related to fluctuations in margins, foreign exchange and raw sugar prices, the risks related to security of raw sugar supply, the risk related to weather conditions affecting sugar beets, the risks relating to fluctuation in energy costs, the risks that TMTC’s historical financial information may not be representative of future performance, the risks related to the regulatory regime governing the purchase and sale of maple syrup in Québec, including the risk that TMTC may not be able to maintain its authorized buyer status with the PPAQ and the risk that it may not be able to purchase maple syrup in sufficient quantities, the risk related to the production of maple syrup being seasonal and subject to climate change, the risk of any government regulation and foreign trade policies change, the risk related to customer concentration and TMTC’s reliance on private label customers, the risks related to consumer habits and the risk related to TMTC’s business growth, substantially relying on exports.

Although the Corporation believes that the expectations and assumptions on which forward-looking information is based are reasonable under the current circumstances, readers are cautioned not to rely unduly on this forward-looking information as no assurance can be given that it will prove to be correct. Forward-looking information contained herein is made as at the date of this annual information form and the Corporation does not undertake any obligation to update or revise any forward-looking information, whether as a result of events or circumstances occurring after the date hereof, unless so required by law.

ADDITIONAL INFORMATION

Copies of the following documents may be obtained upon request from the Corporate Secretary of Lantic at its administrative office at 4026 Notre-Dame Street East, Montréal, Québec H1W 2K3:

(i) this annual information form, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in this annual information form;

(ii) the Corporation’s comparative financial statements for its most recently completed financial year for which financial statements have been filed, together with the accompanying report of the auditor and a copy of the most recent interim financial statements of the Corporation that have been filed, if any, for any period after the end of its most recently completed financial year; and

(iii) the Corporation’s management information circular in respect of its most recent annual meeting of Shareholders that involved the election of directors (the “Information Circular”).

A person who is not a security holder of the Corporation may be required to pay a reasonable charge for such copies.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Information Circular.

Additional financial information is provided in the Corporation's financial statements and management's discussion and analysis for the financial year ended October 2, 2021.

Additional information relating to the Corporation can also be found under the Corporation's profile on SEDAR at www.sedar.com.

SCHEDULE “A”

ROGERS SUGAR INC.

AUDIT COMMITTEE CHARTER

The term “Corporation” refers to Rogers Sugar Inc., the term “Board” refers to the board of Directors of the Corporation and the term “Administrator” refers to Lantic Inc. in its capacity as administrator of the Corporation pursuant to the Administration Agreement.

PURPOSE

The Audit Committee (the “Committee”) is a standing committee appointed by the Board to assist the Board in fulfilling its oversight responsibilities with respect to the Corporation’s financial reporting including responsibility to:

- oversee the integrity of the Corporation’s financial statements and financial reporting process, including the audit process and the Corporation’s internal accounting controls and procedures and compliance with related legal and regulatory requirements;
- oversee the qualifications and independence of the Corporation’s external auditors who shall report directly to the Committee;
- oversee the work of the Corporation’s (and to the extent possible under the Administration Agreement, the Administrator’s) financial management and external auditors in these areas;
- provide an open avenue of communication between the external auditors, the Board, the Administrator and the Administrator’s financial management;
- recommend to the Board the external auditors to be nominated and review and approve the compensation of the external auditors;
- pre-approve all non-audit services to be provided to the Corporation;
- oversee the work of the external auditors, including the resolution of any disagreement between management and the external auditors;
- be satisfied that 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 and periodically assess the adequacy of such procedures; and
- oversee the risk assessment and risk management strategy of the Corporation as it relates to data privacy and cybersecurity.

In addition, the Committee will review and/or approve any other matter specifically delegated to the Committee by the Board.

COMPOSITION AND PROCEDURES

In addition to the procedures and powers set out in any resolution of the Board, the Committee will have the following composition and procedures:

Composition

The Committee shall consist of no fewer than three members. None of the members of the Committee shall be an officer or employee of the Corporation, Lantic Inc. or any of their respective subsidiaries and each member of the Committee shall be a director who is an “Independent Nominee” (as defined in the Governance Agreement) and shall be an “independent” director (in accordance with the definition of “independent” director from time to time under the requirements or guidelines for audit committee service under applicable securities laws and the rules of any stock exchange on which the Corporation’s shares are listed for trading); provided that the fact that a director is also a director of Lantic Inc. will not disqualify the director from being a member of the Committee provided that the director would

otherwise be eligible to be a member of the Committee. The Chair of the Board shall be an ex officio member of the Committee.

The Chief Financial Officer, the Vice-President, Finance and Secretary or any other individual performing similar functions ("CFO") of the Corporation shall be the Secretary of the Committee, unless otherwise determined by the Committee.

The quorum for meeting shall be a majority of the members (two) of the Committee present, in person or by telephone.

Appointment and Replacement of Committee Members

Any member of the Committee may be removed or replaced at any time by the Board and shall automatically cease to be a member of the Committee upon ceasing to be a director. The Board may fill vacancies on the Committee by election from among its number. The Board shall fill any vacancy if the membership of the Committee is less than three directors. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its power so long as a quorum remains in office. Subject to the foregoing, the members of the Committee shall be elected by the Board annually and each member of the Committee shall hold office as such until the next annual meeting of shareholders after his or her election or until his or her successor shall be duly elected and qualified.

Financial Literacy

All members of the Committee must be "financially literate" (as that term is interpreted by the Board in its business judgment or as may be defined from time to time under the requirements or guidelines for audit committee service under securities laws and the rules of any stock exchange on which the Corporation's shares are listed for trading) or, if permitted by applicable securities laws or stock exchange rules, must become financially literate within a reasonable period of time after his or her appointment to the Committee.

Separate Executive Meetings

The Committee shall endeavour to meet at least once annually and more often as warranted, with the CFO of the Administrator and the external auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately.

Professional Assistance

The Committee has the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities.

The Committee may retain special legal, accounting, financial or other consultants to advise the Committee at the Corporation's expense and may set and pay compensation for any advisors employed by the Committee.

The Committee is able to communicate directly with the external auditors and/or the Director of Corporate Accounting and Controls to discuss any matters relating to the responsibilities of the Committee.

Reliance

Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Corporation from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by the Administrator, Lantic Inc. or their respective senior managements and the external auditors, as to any information technology, internal controls and other non-audit services provided by the external auditors to the Corporation and its subsidiaries.

Review of Charter

The Committee shall periodically review and reassess the adequacy of this Charter in conjunction with the Nominating and Governance Committee as it deems appropriate and recommend changes to the Board. The Committee shall evaluate its performance with reference to this Charter. The Committee will approve the form of disclosure of this Charter, where required by applicable securities laws or regulatory requirements, in the annual proxy circular or annual report of the Corporation.

Delegation

The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.

Reporting to the Board

The Committee shall report through the Committee Chair to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.

SPECIFIC MANDATES OF THE COMMITTEE

The Committee shall:

I. In Respect of the Corporation's External Auditors

- a) review the performance of the external auditors of the Corporation who shall report directly to the Committee and who are accountable to the Committee and the Board, as the representatives of the shareholders, including the lead partner of the independent auditor team and make recommendations to the Board as to the reappointment or appointment of the external auditors of the Corporation to be proposed in the Corporation's proxy circular for shareholder approval and shall have authority to terminate the external auditors;
- b) review the reasons for any proposed change in the external auditors of the Corporation which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendation to the Board;
- c) approve the terms of engagement and the compensation to be paid by the Corporation to the Corporation's external auditors;
- d) review the independence of the Corporation's external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;
- e) approve in advance all permitted non-audit services (excluding Corporation's income tax and tax related matters for which the Corporation's external auditors shall be used) to be provided to the Corporation or any of its affiliates by the external auditors or any of their affiliates, subject to any *de minimus* exception allowed by applicable law; the Committee may delegate to one or more designated members of the Committee the authority to grant pre-approvals required by this subsection, provided that each pre-approval granted by such designated members of the Committee must be presented to the committee at its first scheduled meeting following each such pre-approval;

if the Committee approves an audit service within the scope of the engagement of the independent auditor, such audit service shall be deemed to have been pre-approved for purposes of this subsection;

- f) review the disclosure with respect to its pre-approval of audit and non-audit services provided by the Corporation's external auditors;
- g) approve any hiring by the Corporation of partners, employees and former partners and employees of the Corporation's present or former external auditors;
- h) review a written or oral report describing:
 - i. all critical accounting policies and practices to be used in the Corporation's annual audit;
 - ii. all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Administrator that significantly effect the Corporation's financial statements, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors;
 - iii. significant transactions outside of the normal business of the Corporation; and
 - iv. other material written communication between the Corporation's external auditors and the Administrator, such as any management letter or schedule of unadjusted differences;
- i) review with the external auditors and the Administrator the general audit approach and scope of proposed audits of the financial statements of the Corporation, the objectives, staffing, locations, co-ordination and reliance upon the Administrator in the audit, the overall audit plans, the audit procedures to be used and the timing and estimated budgets of the audits; and
- j) discuss with the external auditors any difficulties or disputes that arose with the Administrator or the internal auditors during the course of the audit, any restrictions on the scope of activities or access to requested information and the adequacy of the Administrator's responses in correcting audit-related deficiencies.

II. In Respect of the Corporation's Financial Disclosure

- a) review with the external auditors and/or the Administrator, as appropriate:
 - i. the Corporation's audited financial statements and the notes and Managements' Discussion and Analysis relating to such financial statements, the annual report, the financial information of the Corporation contained in any prospectus or information circular or other disclosure documents or regulatory filings of the Corporation and make recommendations to the Board for their approval;
 - ii. the Corporation's interim financial statements and the notes and Managements' Discussion and Analysis relating to such financial statements and recommend to the Board the release of the financial statements to the public;
 - iii. the quality, appropriateness and acceptability of the Corporation's accounting principles and practices used in its financial reporting, changes in the Corporation's accounting principles or practices and the application of particular accounting principles and disclosure practices by the Administrator to new transactions or events;
 - iv. all significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including the effects of alternative methods in respect of any matter considered significant by the external auditors within generally accepted accounting principles on the financial statements and any "second opinions" sought by the Administrator from an independent or other audit firm or advisor with respect to the accounting treatment of a particular item;
 - v. the effect of regulatory and accounting initiatives on the Corporation's financial statements and other financial disclosures;

- vi. any reserves, accruals, provisions or estimates that may have a significant effect upon the financial statements of the Corporation;
 - vii. the use of special purpose entities and the business purpose and economic effect of off balance sheet transactions, arrangements, obligations, guarantees and other relationships of the Corporation and their impact on the reported financial results of the Corporation;
 - viii. any legal matter, claim or contingency that could have a significant impact on the financial statements, the Corporation's compliance policies and any material reports, inquiries or other correspondence received from regulators or governmental agencies and the manner in which any such legal matter, claim or contingency has been disclosed in the Corporation's financial statements;
 - ix. review the treatment for financial reporting purposes of any significant transactions which are not a normal part of the Corporation's operations; and
 - x. the use of any "pro forma" or "adjusted" information not in accordance with generally accepted accounting principles.
- b) review and resolve disagreements between the Administrator and the Corporation's external auditors regarding financial reporting or the application of any accounting principles or practices;
 - c) review earnings press releases and press releases containing financial information extracted from the financial statements of the Corporation, as well as financial information and earnings guidance, if any, provided to analysts and ratings agencies, it being understood that such discussions may, in the discretion of the Committee, be done generally (i.e., by discussing the types of information to be disclosed and the type of presentation to be made) and that the Committee need not discuss in advance each earnings release or each instance in which the Corporation gives earning guidance;
 - d) review Corporation disclosure containing "financial outlooks" or "future oriented financial information", each as defined in National Instrument 51-102 – Continuous Disclosure Obligations, it being understood that such discussions may, in the discretion of the Committee, be done generally (i.e., by discussing the types of information to be disclosed and the type of presentation to be made) and that the Committee need not discuss in advance each such disclosure;
 - e) establish and monitor procedures for (i) the review of public disclosure of financial information extracted from the financial statements of the Corporation, and periodically assess the adequacy of these procedures, (ii) the receipt and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters, and (iii) the anonymous submission by employees of concerns regarding questionable accounting or auditing matters and review periodically with the Administrator these procedures and any significant complaints received;
 - f) if requested by the Board, receive from the Chief Executive Officer and the CFO of the Administrator a certificate certifying in respect of each annual and interim report the matters such officers are required to certify in connection with the filing of such reports under applicable securities laws and receive and review disclosures made by such officers about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving the Administrator or its senior officers or persons who have a significant role in the Corporation's internal controls; and
 - g) review and discuss the Corporation's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.

III. In Respect of Insurance

- (a) review periodically insurance programs relating to the Corporation and its investments.

IV. In Respect of Internal Controls

- (a) review the adequacy and effectiveness of the Corporation's internal accounting and financial controls based on recommendations from the Administrator and the external auditors for the improvement of accounting practices and internal controls;
- (b) review management's response to significant internal control recommendations from the internal control audit and the external auditor;
- (c) review the internal control report prepared by the Director of Corporate Accounting and Controls, including management's assessment of the effectiveness of the Corporation's internal control, the structure and procedures for financial reporting;
- (d) oversee compliance with internal controls and the Code of Business Conduct;
- (e) maintain on-going communication with the Director of Corporate Accounting and Controls with regards to the Corporation's internal controls.; and
- (f) periodically review with the Director of Corporate Accounting and Controls any significant difficulties, disagreements with management or scope restrictions encountered in the course of the work of the Director of Corporate Accounting and Controls.

OVERSIGHT FUNCTION

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate or are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of the Administrator and its senior management and the Corporation's external auditors. The Committee, its Chair and any Committee members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Corporation, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities. Although the designation of a Committee member as having accounting or related financial expertise for disclosure purposes or otherwise is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Committee member who is identified as having accounting or related financial expertise, like the role of all Committee members, is to oversee the process, not to certify or guarantee the internal or external audit of the Corporation's financial information or public disclosure.

ROGERS

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