

OPTION AGREEMENT

THIS OPTION AGREEMENT is dated as of Hgdwtwt{"', 2023 (the “**Effective Date**”).

BETWEEN:

NAKNIK NAHARIYA KASHER SOGLOWEK LTD., a corporation incorporated under the laws of Israel (the “**Vendor**”)

- and -

ZOGLO’S INCREDIBLE FOOD CORP., a corporation incorporated and existing under the laws of the Province of Ontario (the “**Purchaser**”)

WHEREAS:

- A. The Vendor and the Purchaser wish to amend the Original Option Agreement on the terms and subject to the conditions set forth in this Agreement. For clarity, the Original Option Agreement shall terminate and be of no force and effect as of the Effective Date.
- B. The Vendor is in the business of packaging, marketing and selling the meat substitutes; vegan and vegetarian meat products and plant-based meat substitutes described in Schedule “A” hereto (the “**Zoglos Products**”), under the “**ZOGLOS**” brand name or other similar brand names.
- C. The Vendor has agreed to grant to the Purchaser an exclusive option to purchase all of the Vendor’s right, title and interest in and to certain assets used in connection with the Zoglos Products, upon the terms and subject to the conditions set forth in this Agreement.
- D. The Purchaser desires to obtain the exclusive right to market, distribute and sell the Zoglos Products in all territories other than Israel during the term of this Agreement and the Grantee is willing to grant such rights on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 **DEFINITIONS**

1.1 **Definitions.** Whenever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) “**Agreement**” means this Option Agreement, including all exhibits, schedules and attachments hereto.
- (b) “**Business Day**” means with respect to Purchaser any day other than a Saturday or, Sunday or any other day on which the principal commercial banks located in the City of Toronto are not open for business during normal banking hours, and with respect to Vendor any day other than a Friday, Saturday or Sunday or any other day on which the principal commercial banks located in Israel are not open for business during normal banking hours.

- (c) **“Encumbrances”** means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, encroachment, servitude, restriction on use, any matter capable of registration against title, option, right of first offer or refusal or similar right, restriction on use), right of pre-emption or privilege or any agreement to create any of the foregoing;
- (d) **“Intellectual Property”** means (i) trade-marks and trade-mark applications, trade names, business names, certification marks, patents and patent applications, copyrights, (for each category, only if they exist) and (ii) domain names, industrial designs, trade secrets, know-how, formulae, processes, inventions, technical expertise, research data and other similar property, owned by the Vendor and used in connection with the Zoglos Products, wherever located, including all associated registrations and applications for registration, and all associated rights, including moral rights. For clarity, there are no registrations with respect to Intellectual Property other than those detailed in Schedule 1.1(d). Vendor gives no representations with respect to the registrability or registration of any intellectual property relating to the Zoglos Assets other than the specific registrations detailed in Schedule 1.1(d) and Purchaser shall satisfy itself with respect to whether or not any other Intellectual Property is registrable with respect to the Zoglos Products.
- (e) **“Original Option Agreement”** means that certain an Option Agreement dated as of the 21st day of October, 2020 between the Vendor and the Purchaser
- (f) **“Zoglos Assets”** means, collectively all of the Vendor’s right, title and interest in and to: (i) the Intellectual Property; (ii) any recipes used in connection with the Zoglos Products; (iii) all goodwill relating to the Zoglos Assets, including the exclusive right of the Purchaser to represent itself as the exclusive sellers of the Zoglos Products in continuation of and in succession to the Vendor. For greater certainty, the Zoglos Assets are listed in Schedule 1.1(e).

1.2 **Interpretation.**

- (a) **Gender and Number:** In this Agreement, unless the context requires otherwise, words in one gender or the neuter include all genders and the neuter and words in the singular include the plural and *vice versa*.
- (b) **Headings and Table of Contents:** The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (c) **Section References:** Unless the context requires otherwise, references in this Agreement to Articles, Sections, Exhibits or Schedules are to Articles, Sections, Exhibits or Schedules of this Agreement.
- (d) **Words of Inclusion:** Wherever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.
- (e) **References to this Agreement:** The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions shall be construed as referring to this Agreement.
- (f) **Document References:** All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended,

supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

ARTICLE 2

OPTION

- 2.1 **Grant of Option.** Upon and subject to the terms and conditions of this Agreement, the Vendor hereby irrevocably grants to the Purchaser the right and option to purchase the Zoglos Assets for an aggregate purchase price of [REDACTED] plus any applicable taxes (the "**Purchase Price**").
- 2.2 **Excluded Assets.** For greater certainty, all assets of the Vendor other than the Zoglos Assets shall be specifically excluded from the option to purchase granted in Section 2.1, whether or not they form part of the property, assets and undertaking of the Vendor.
- 2.3 **Exercise of Option.** Subject to the provisions of this Agreement, the rights and option granted pursuant to Section 2.1 herein (the "**Option**") may be exercised at any time up to the Expiration Date upon notice of the exercise of such Option provided by the Purchaser, by delivery to the Vendor, in accordance with Section 6.2 (Notices) of:
- (a) written notice of the Purchaser's election to exercise the Option and to purchase the Zoglos Assets from the Vendor, and the date specified for completion of such acquisition which shall be no later than ten (10) Business Days following the Expiration Date,
 - (b) an executed copy of an asset purchase and license agreement in the form and on the terms, attached as Exhibit "A" of this Agreement (the "**Purchase Agreement**"), duly executed by the Purchaser;
 - (c) a copy of a contract manufacturing agreement in the form and on the terms, attached as Exhibit "B" of this Agreement (the "**Manufacturing Agreement**"), duly executed by the Purchaser;
 - (d) payment to the Vendor, by wire transfer of immediately available funds, certified cheque or bank draft, of [REDACTED] as partial payment of the Purchase Price, delivered in escrow to the lawyers for the Purchaser pending completion of the sale of the Zoglos Assets pursuant to the Purchase Agreement;
 - (e) delivery of a promissory note for a principal amount of [REDACTED] (the "**Note**") which shall be in a form acceptable to the Vendor and the Purchaser, acting reasonably. The Note shall be non interest-bearing and shall be paid by Purchaser in equal installments of [REDACTED], every 6 months until the principal amount is paid in full, provided that the Purchaser shall be entitled to prepay up to the full principal amount without penalty. The Note shall be secured by a security agreement over the Zoglos Assets, granted by the Purchaser in favour of the Vendor, which shall be in a form acceptable to the Vendor and the Purchaser, acting reasonably.
- 2.4 **Further Documents.** Within ten (10) Business Days following the satisfaction of the conditions set out in Section 2.3, the Vendor and the Purchaser shall prepare, enter into, execute and deliver such ancillary documents as each other may reasonably request (including without limitation, the Purchase Agreement and the Manufacturing Agreement) and complete the purchase and sale of the Zoglos Assets. The date that the purchase and sale of the Zoglos Assets is completed shall be the "Closing Date". For clarity, the Manufacturing Agreement is a fundamental component of the

consideration received by Purchaser in exchange for the Purchase Price, and must be entered into on the terms outlined therein.

- 2.5 **Expiration of Option.** The Option granted hereunder shall expire and be of no further force and effect as of [REDACTED] (the “**Expiration Date**”), being the date ten (10) Business Days following the first anniversary of the Effective Date of the Original Option Agreement, unless the Purchaser exercises such Option and completes the purchase of the Zoglos Assets, provided that, the Option shall not expire if the Purchaser has made all of the deliveries set out in Section 2.3 of this Agreement.

ARTICLE 3

REPRESENTATIONS & WARRANTIES

- 3.1 **Representations and Warranties of the Vendor.** The Vendor represents and warrants to the Purchaser as follows:

- (a) the Vendor is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all necessary corporate power, authority and capacity to own or lease the Zoglos Assets and to sell the Zoglos Products;
- (b) the Vendor has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. This Agreement and each of the agreements, contracts and instruments required by this Agreement to be delivered by the Vendor have been duly authorized, executed and delivered by the Vendor and each is a legal, valid and binding obligation of the Vendor, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally, and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction. All corporate proceedings and approvals on the part of the Vendor that are necessary to authorize this Agreement and each of the agreements, documents and instruments contemplated hereby, and to carry out all of the Vendor’s obligations hereunder have been obtained;
- (c) none of the execution and delivery of this Agreement, the performance of the Vendor’s obligations under this Agreement, or the completion of the transactions contemplated by this Agreement will (with or without the giving of notice or lapse of time, or both): (i) result in or constitute a breach of any term or provision of, or constitute a default under the constating documents or corporate proceedings of the Vendor, (ii) result in the creation or imposition of any encumbrance on the Zoglos Assets; (iii) contravene any applicable law; or (iv) contravene any judgment, order, writ, injunction or decree of any governmental authority;
- (d) there is no requirement to obtain any consent, approval or waiver of a party under any contract to which the Vendor is a party, in order for the Vendor to grant the Option to the Purchaser;
- (e) the Vendor is the legal and beneficial owner of record of the Zoglos Assets, with good and marketable title thereto, free and clear of all Encumbrances of any kind. No person other than the Purchaser has any contract or agreement of any kind, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming a contract or agreement, for the purchase or acquisition from the Vendor of any of the Zoglos Assets;
- (f) the Vendor is not a party to, or bound or affected by, any contract containing any covenant expressly limiting its ability to transfer any of the Zoglos Assets;

- (g) to the knowledge of the Vendor, the Zoglos Assets include all of the intellectual property necessary for the Purchaser to manufacture, distribute and sell the Zoglos Products in any territory where the Vendor currently sells the Zoglos Products;
- (h) there are no actions, suits or proceedings (whether or not purportedly on behalf of the Vendor) pending or to Vendor's knowledge threatened against the Vendor affecting the Zoglos Assets;
- (i) the Vendor has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any petition for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property and assets;
- (j) no authorization, approval, order, consent of, or filing with, any governmental authority is required on the part of the Vendor in connection with the Granting of the Option or the sale of the Zoglos Assets to Purchaser;
- (k) all necessary legal steps have been taken by the Vendor to preserve its rights to the trademarks listed in Schedule 1.1(d); to the knowledge of Vendor, the Intellectual Property is owned by the Vendor free and clear of any Encumbrances of any kind, and no person other than the Vendor has any right to use that Intellectual Property and no person has claimed the right to use that Intellectual Property; and
- (l) to the knowledge of the Vendor, neither the use by the Vendor of the Zoglos Assets nor the sale, production or marketing of the Zoglos Products infringes any intellectual property rights or other proprietary rights of any person.

3.2 **Representations and Warranties of the Purchaser.** The Purchaser represents and warrants to the Vendor as follows:

- (a) the Purchaser is a corporation duly incorporated and organized and validly subsisting under the laws of the Province of Ontario;
- (b) the Purchaser has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. This Agreement and each of the agreements, contracts and instruments required by this Agreement to be delivered by the Purchaser have been duly authorized, executed and delivered by the Purchaser and each is a legal, valid and binding obligation of the Purchaser, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally, and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction. All corporate proceedings and approvals on the part of the Purchaser that are necessary to authorize this Agreement and each of the agreements, documents and instruments contemplated hereby have been obtained by the Purchaser; and
- (c) the entering into and performance of this Agreement and the agreements and other instruments contemplated herein will not violate, contravene, breach or offend against or result in any default under any security agreement, indenture, mortgage, lease, order, undertaking, licence, permit, agreement, instrument, charter or by-law provision, resolution of shareholders or directors, statute, regulation, judgment, decree or law to which the Purchaser is a party or by which the Purchaser may be bound or affected.

ARTICLE 4
COVENANTS & DISTRIBUTOR TERMS

4.1 **Covenants re: Zoglos Assets.**

- (a) The Vendor covenants that, from the date hereof until the Expiration Date, it shall
- (i) cause the representation and warranties in Section 3.1 to remain true, correct and accurate, and shall promptly notify the Purchaser in writing if any of the representations and warranties in Section 3.1 becomes untrue or inaccurate;
 - (ii) not transfer any of the Zoglos Assets to any other person without the prior written consent of the Purchaser, which may be unreasonably withheld. This will not prevent sales of Zoglos Products by Vendor at all points prior to the Closing Date;
 - (iii) not grant any Encumbrances over any of the Zoglos Assets without the prior written consent of the Purchaser, which may be unreasonably withheld;
 - (iv) promptly notify the Purchaser of any Encumbrances made or asserted against any of the Zoglos Assets, and of any suit, action or proceeding affecting any of the Zoglos Assets; and
 - (v) promptly notify the Purchaser of any or attempted disposition of the Zoglos Assets, or any part of the Zoglos Assets.

4.2 **Appointment as Distributor.** The Vendor hereby appoints the Purchaser as its exclusive distributor to promote, market, distribute and sell the Zoglos Products solely to customers located outside of Israel, provided that (i) the Vendor shall have the right to make direct sales to customers outside of Israel at all times prior to the Closing Date; and (ii) the Purchaser shall have the right to appoint sub-distributors of the Zoglos Products outside of Israel. Purchaser accepts such appointment, and agrees that it will not sell any Zoglos Products in Israel without the prior written consent of the Vendor.

4.3 **Trademark License.** Vendor hereby grants to the Purchaser a non-exclusive right and license to use all of the trademarks which are used in the sale of the Zoglos Products (the “Marks”) in connection with Purchaser’s promotion and sale of Zoglos Products solely outside of Israel, pursuant to and during the term of this Agreement. Except as set forth in this Section 4.3, the Purchaser is granted no rights in the Marks until the Closing Date. Whatever use Purchaser makes of such Marks, including any goodwill generated thereby, is and shall be for the exclusive benefit of the Vendor. Purchaser shall not take any action to cause harm to Vendor, its affiliates or other licensors, with respect to their ownership in and other rights to the Marks.

4.4 **Price of Zoglos Products.** The prices to be charged by the Vendor to the Purchaser for the Zoglos Products prior to the Closing Date are set forth in the Vendor’s standard price list for such products, in Canadian Dollars. After the Closing Date, the prices outlined in the Manufacturing Agreement shall apply with respect to the Zoglos Products.

4.5 **Purchase Procedure.** At all times prior to the Closing Date, each order for Zoglos Products issued under this Agreement shall set forth the delivery date(s) and the description and quantity of products which are to be delivered on each of such date(s). The Vendor shall confirm its acceptance of each order made by the Purchaser (including the delivery dates set out therein) within three (3) Business Days of receipt of such order. If the Vendor fails to respond to an order in writing within three (3) Business Days, such order shall be deemed to be accepted by the Vendor. The Purchaser shall have

the right to cancel or modify any order without penalty prior to the Vendor's shipment of the Zoglos Products described in such order. Where the Purchaser modifies an order prior to shipping, the Vendor shall confirm its acceptance of such modified order within three (3) Business Days of its receipt of same. If the Vendor fails to respond to a modified order in writing within three (3) Business Days, such order shall be deemed to be accepted by Vendor. Upon Vendor's acceptance of an order, the delivery date(s) set out therein shall be binding upon the Vendor. Notwithstanding any other provision of this Agreement, the receipt by the Vendor of payment for Zoglos Products shall not prejudice any claim that may be made by the Purchaser in respect of such products including without limitation for omissions or shortages in the shipment.

ARTICLE 5

FINANCIAL INFORMATION

- 5.1 **Financial Information.** In connection with the operation of the Purchaser's business and the marketing and sale of securities of the Purchaser to potential shareholders in accordance with applicable securities laws, the Purchaser may request certain financial information regarding the manufacture and sale of the Zoglos Products by the Vendor prior to the exercise of the Option (the "**Zoglos Financial Information**") and within a reasonable time following such request, the Vendor shall make commercially reasonable efforts to provide the requested Zoglos Financial Information to the Purchaser.
- 5.2 **Indemnity.** The Purchaser covenants and agrees to indemnify and hold harmless the Vendor, its affiliates, and their respective officers, directors, agents, consultants and employees, and each direct or indirect shareholder of the Vendor, from and against any and all claims including but not limited to claims of negligence (including the Vendor's reasonable legal fees incurred in connection with any claim), penalties or liabilities incurred or suffered by the Vendor resulting from or arising out of the disclosure to the Purchaser of the Zoglos Financial Information in accordance with this Article 5.

ARTICLE 6

GENERAL CONTRACT PROVISIONS

- 6.1 **New Agreement.** This Agreement amends and restates the Original Option Agreement. All rights, benefits and obligations of the parties to the Original Option Agreement under the said Original Option Agreement are hereby renewed, amended restated and superseded in their entirety according to the terms and provisions set forth in this Agreement. For greater certainty, the Original Option Agreement shall terminate and be of no force and effect as of the Effective Date.
- 6.2 **Termination.** This Agreement shall terminate on the earliest of (i) the Expiration Date (ii) delivery by the Purchaser to the Vendor of a written notice of termination, or (iii) the execution by both parties of a written termination of this Agreement. Upon the termination of this Agreement, the Option, the Purchaser's appointment as distributor of the Zoglos Products and all licenses granted by the Vendor hereunder shall immediately terminate, provided that the provisions of Article 5 shall survive the termination of this Agreement.
- 6.3 **Notices.** Any notice, direction or other communication given regarding the matters contemplated by this Agreement or any ancillary agreement delivered pursuant to this Agreement (each a "**Notice**") must be in writing, sent by personal delivery, courier or email and addressed:

to the Vendor at:

8 Hagaton Blvd, Nahariya, Israel
22100
Attention: Eli Soglowek
Email: eli@soglowek.co.il

With an email copy to: bilet@netvision.net.il

to the Purchaser at:

23 Jenkins Dr, Richmond Hill, ON, CANADA
L4C 8C5
Attention: Henry Ender
With an email copy to: spatriquin@weirfoulds.com

A Notice is deemed to be given and received (i) if sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, or (ii) if sent by email, on the date of transmission if made prior to 5:00 p.m. local time in the place of receipt and otherwise on the next Business Day (unless there is a "bounce-back" or other indication that the email message was not received). A party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the party at its changed address. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed.

- 6.4 **General Contract Terms.** No party will be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing and such waiver will be limited to the circumstances set forth in such written waiver. This Agreement and the rights and obligations and relations of the parties hereto shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein (but without giving effect to any conflict of laws rules). The parties hereto agree that the Courts of Ontario shall have jurisdiction to entertain any action or other legal proceedings based on any provisions of this Agreement. Each party hereto does hereby attorn to the jurisdiction of the Courts of the Province of Ontario. This Agreement may be executed in one or more counterparts, each of which will constitute an original and all of which together will constitute one and the same agreement. Pdf format and facsimile shall be deemed original signatures for purpose of this Agreement. If any covenant or provision of this Agreement is prohibited in whole or in part in any jurisdiction, such covenant or provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining covenants and provisions hereof and shall, as to such jurisdiction, be deemed to be severed from this Agreement to the extent of such prohibition.
- 6.5 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject-matter hereof and supersedes all prior agreements and understandings between the parties with respect to the subject matter hereof. This Agreement may not be amended or modified in any respect except by written instrument signed by the parties.
- 6.6 **Time of the Essence.** Time will be of the essence, provided that if the parties establish a new time for the performance of an obligation, time will again be of the essence of the new time established.
- 6.7 **Enurement.** This Agreement will enure to the benefit of and be binding on the parties and their respective heirs, executors, legal and personal administrators, successors and permitted assigns.

6.8 **Assignment.** Neither this Agreement nor any rights or obligations hereunder shall be assignable by any party hereto without the prior written consent of each of the other parties, which consent may be unreasonably withheld.

[signature page to follow]

IN WITNESS WHEREOF the parties hereto have hereunto duly executed this Agreement as of the day and year first above written.

ZOGLO'S INCREDIBLE FOOD CORP.

By: "Henry Ender"

Name: Henry Ender

Title: Founder

I have authority to bind the corporation

**NAKNIK NAHARIYA KASHER
SOGLOWEK LTD.**

By: "Yael Soglowek-Ender" "Ami Soglowek"

Name: Yael Soglowek-Ender and Ami Soglowek

Title: Directors

I have authority to bind the corporation

SCHEDULE "A"

Zoglos Products

Royal Burger

Crispy Sticks

Mixed vegetable patty

Meatless Chicken Burger

Grain and vegetable Burger

Sliders – Mini burgers

Broccoli Cutlets

Spinach Cutlets

Schnitzels

Meatless Chicken Cutlet

Corn Cutlets

Meatless Kebab

Crispy Nuggets

Meatless wieners

Schedule 1.1(d)
Intellectual Property

ATTACHED

Trademarks for Naknik Nahariya Kasher Soglowek Ltd. in Canada and U.S.

CANADA

Trademark	Application No.	Goods/Services	Status	Renewal Date
ZOGLO'S	Application No. 0710527 Registration No. TMA435575	Fish; preserved, dried and cooked fruits and vegetables; eggs; edible oils and fats; preserves; soya; meat substitute, namely, a mixture made from soya and vegetable protein; prepared meals and snacks; vegetarian burgers and schnitzels.	Registered	November 18, 2024
INCREDIBLE SLIDER	1967671	Meat substitutes; vegan and vegetarian meat products; plant-based meat substitutes.	Pending (formalized stage)	
INCREDIBLE CHICKEN BURGER	1967673	Meat substitutes; vegan and vegetarian meat products; plant-based meat substitutes.	Pending (formalized stage)	
INCREDIBLE HOT DOG	1967677	Meat substitutes; vegan and vegetarian meat products; plant-based meat substitutes.	Pending (formalized stage)	
INCREDIBLE BURGER	1967666	Meat substitutes; vegan and vegetarian meat products; plant-based meat substitutes.	Pending (formalized stage)	

INCREDIBLE CHICKEN CUTLET	1967674	Meat substitutes; vegan and vegetarian meat products; plant- based meat substitutes.	Pending (formalized stage)	
INCREDIBLE MEATLESS	1967679	Meat substitutes; vegan and vegetarian meat products; plant- based meat substitutes.	Pending (formalized stage)	
ZOGLOS SELECT	1967683	Meat substitutes; vegan and vegetarian meat products; plant- based meat substitutes.	Pending (formalized stage)	

U.S.

Trademark	Serial No./Registration No.	Goods/Services	Status	Renewal Date
ZOGLO'S	Registration No. 1882370	preserved, dried and cooked vegetables; eggs; edible oils and fats; processed soya; meat substitutes; prepared entrees, meals and snacks consisting primarily of soya and vegetables and dried mixes for making vegetarian meals	Registered	March 7, 2025
INCREDIBLE SLIDER	Serial No. 88718615	Meat substitutes; vegan and vegetarian meat products; plant-based meat substitutes	Pending	
INCREDIBLE CHICKEN BURGER	Serial No. 88718622		Pending	
INCREDIBLE HOT DOG	Serial No. 88718627	Meat substitutes; vegan and vegetarian meat products; plant-based meat substitutes.	Pending	
INCREDIBLE BURGER	Serial No. 88718606	Meat substitutes; vegan and vegetarian meat products; plant-based meat substitutes.	Pending	
INCREDIBLE CHICKEN CUTLET	Serial No. 88718599	Meat substitutes; vegan and vegetarian meat products; plant-based meat substitutes.	Pending	

INCREDIBLE MEATLESS	Serial 88718611	No.	Meat substitutes; vegan and vegetarian meat products; plant- based meat substitutes.	Pending	

NTD: INSERT ISRAEL TRADEMARK REGISTRATIONS AND ANY OTHER WORLDWIDE REGISTRATIONS



תעודת רישום
CERTIFICATE OF REGISTRATION

This is to certify that the following
 particulars have been recorded in the
 Register of Trade Marks.

זאת לתעודה כי הפרטים להלן נרשמו
 בפנקס סימני המסחר.

Zaglos

Trade Mark No.
 Application Date
 Expiration Date

305158
 07/05/2018
 07/05/2028

מספר סימן
 תאריך הגשה
 תאריך תום תוקף

Goods/Services

סחורות/שירותים

Class: 29
 Food products made mainly of

סוג: 29
 מוצרי מזון העשויים בעיקר מירקות או מפולי

רחוב אגודת ספורט הפועל מס' 1, הגן הטכנולוגי, בניין מס' 5, ירושלים, מיקוד 9695101
 טלפון: 073-3927290 פקס: 02-6467026 trademarks@justice.gov.il

עמוד 1 מתוך 3

Zoglo's



תאריך: 02/04/2019
מספר(ם): 3335

לכבוד
ראובן בילט, עו"ד
רחוב בילו 11, תל אביב, 65222
bilet@netvision.net.il

א.ג.נ,

הנדון: בקשה לרישום סימן מסחר מס' 305158

הנני להודיע(ם) כי החלטתי לקבל את הבקשה הנ"ל ולפיכך הבקשה תפורסם ביומן סימני המסחר הקרוב.

היומן יופיע באתר האינטרנט של מחלקת סימני המסחר בכתובת:

<http://www.trademarks.justice.gov.il/TradeMarksWebSiteUI/History/PublicationList.aspx>

בכבוד רב,
ירדנה ירמיהו
מחלקת סימני המסחר

רצ"ב העתק טופס בקשה. נא להודיענו בחוזר אם נפלו שגיאות בפרטים המופיעים בטופס.





vegetables or soya beans; all included in class 29.

סויה; הנכללים כולם בסוג 29.

Conditions/Disclaimers

תנאים/הודעות

The mark is limited to the colour/s as shown in the mark: black, green

הסימן מוגבל לצבעים שחור, ירוק הנראים בסימן.

Owners

בעלים

Name: Naknik Naariya Kosher
 Soglowek L.T.D
 Address: 8 Hagaaton Blvd, Naharia,
 22100, Israel
 Identification No: 510730310

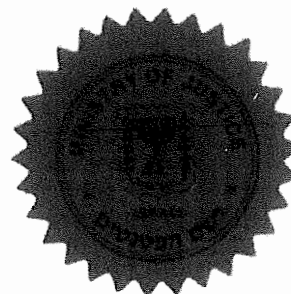
שם: נקניק נהריה כשר זוגלובק בע"מ
 כתובת: שד הגעתון 8, נהריה, 22100, ישראל
 מספר זיהוי: 510730310
 חברה פרטית

Publication Date
 Entry in Register

30/04/2019
 01/08/2019

תאריך פרסום
 נרשם בפנקס

אופיר אלון
 רשם הפטנטים
 המדגמים וסימני המסחר
 Commissioner of Patents
 Designs and Trademarks



תעודה זו, כשהיא מוטבעת בחותם הלשכה, הינה אישור כי הסימן נרשם בפנקס סימני המסחר.

Schedule 1.1(e)

Zoglos Assets

1. All trademark registrations outlined in schedule 1.1(d).
2. Recipes for all Zoglos Products as specified in schedule A, delivered in the form reasonably requested by Purchaser. For clarity, Vendor makes no representation as to whether any intellectual property protection is available or exists with respect to any such recipes.
3. Any and all manufacturing know-how or trade secrets with respect to the production of Zoglos Products, delivered in the form reasonably requested by purchaser (which may include a production manual or some other form). For clarity, Vendor makes no representation as to whether any intellectual property protection is available or exists with respect to any such know how.
4. Zoglos.com domain name and any and all content on the website currently located at zoglos.com
5. Specifications for custom tooling required to manufacture the Zoglos Products (for clarity, the actual tooling and equipment shall remain the property of Vendor, but the specifications for such custom tooling shall belong to Purchaser).
6. Design for any packaging for Zoglos Products (For clarity, Vendor makes no representation as to whether any intellectual property protection is available or exists with respect to any such know how.
7. List of all retail outlets, distributors and other persons that currently purchase Zoglos Products directly from Vendor for sale throughout the world other than for sale in Israel ("Customers"). For clarity, any purchasers who purchase exclusively for resale in Israel are not included in the definition of Customers.
8. Exclusive right to all future sales of Zoglos Products to Customers throughout the world, other than in Israel. To this end, Vendor agrees to reasonably co-operate with introduction and transition with respect to these Customers purchasing Zoglos Products from Purchaser after Closing. For clarity, there are no contracts binding any Customer to purchase any Zoglos Products in the future. Vendor does not guarantee any amount of future sales to existing Customers, or otherwise. Any such projection shall be at the exclusive risk of Purchaser.
9. At Closing, Vendor shall agree not to discourage any existing Customer from purchasing Zoglos Products from Purchaser, and shall agree to not take any steps, directly or indirectly, to interfere with the business relationship between Purchaser and Customers, for the term of the Manufacturing Agreement, and for two (2) years after the end of the term of the Manufacturing Agreement.
10. For clarity, nothing in this Agreement (including the Asset Purchase Agreement or the Manufacturing Agreement) shall limit the Vendor from developing, selling or marketing any products that do not use the Zoglos Assets (including recipes or trademarks), and the

Vendor shall be free to do so even if those products compete with some or all of the Zoglos Products. However, the Vendor shall not be permitted to sell products that compete with Zoglos Products to Customers for the Term of the Manufacturing Agreement and for a period of two (2) years after the end of the Term of the Manufacturing Agreement. For example, the Vendor shall be permitted to produce a veggie burger or a broccoli cutlet, or any other product, provided it is developed and sold without the Zoglos Assets, and provided it is not sold to existing Customers during the relevant restricted period outlined above.

EXHIBIT "A"

Form of Purchase Agreement

(see attached)

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is dated as of _____, 2021 (the “**Effective Date**”).

BETWEEN:

NAKNIK NAHARIYA KASHER SOGLOWEK LTD., a corporation incorporated under the laws of Israel (the “**Vendor**”)

- and -

ZOGLO’S INCREDIBLE FOOD CORP. a corporation incorporated and existing under the laws of the Province of Ontario (the “**Purchaser**”)

WHEREAS:

- A. The Vendor and the Purchaser entered into an Option Agreement dated as of the 9th day of February, 2020 (the “**Option Agreement**”).
- B. Pursuant to the terms and conditions of the Option Agreement, the Vendor granted to the Purchaser an option to purchase the Zoglos Assets (as defined below) (the “**Option**”).
- C. Pursuant to Section 2.3 of the Option Agreement, the Purchaser delivered a written notice of its intention to exercise the Option.
- D. The Vendor wishes to sell and the Purchaser wishes to purchase the Zoglos Assets on the terms and subject to the conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 DEFINITIONS

- 1.1 **Definitions.** Whenever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:
 - (a) “**Agreement**” means this Asset Purchase Agreement and the Option Agreement (where referenced), including all schedules and attachments hereto.
 - (b) “**Business Day**” means with respect to Purchaser, any day other than a Saturday or Sunday or any other day on which the principal commercial banks located in the City of Toronto are not open for business during normal banking hours, and with respect to Vendor, any day other than a Friday, Saturday or Sunday or any other day on which the principal commercial banks located in Israel are not open for business during normal banking hours.
 - (c) “**Closing**” means the completion of the transaction of purchase and sale contemplated in this Agreement, which shall not arise until delivery of the Purchase Price in full to the Vendor, in addition to the other deliveries outlined in section 5.1 .

- (d) “**Closing Date**” means the date of this Agreement or such later date as agreed to in writing by the parties hereto.
- (e) “**Encumbrances**” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, encroachment, servitude, restriction on use, any matter capable of registration against title, option, right of first offer or refusal or similar right, restriction on use), right of pre-emption or privilege or any agreement to create any of the foregoing.
- (f) “**Intellectual Property**” is defined in the Option Agreement
- (g) “**Zoglos Assets**” is defined in the Option Agreement.
- (h) “**Zoglos Products**” is defined in the Option Agreement.

1.2 **Interpretation.**

- (a) Gender and Number: In this Agreement, unless the context requires otherwise, words in one gender or the neuter include all genders and the neuter and words in the singular include the plural and *vice versa*.
- (b) Headings and Table of Contents: The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (c) Section References: Unless the context requires otherwise, references in this Agreement to Articles, Sections, Exhibits or Schedules are to Articles, Sections, Exhibits or Schedules of this Agreement.
- (d) Words of Inclusion: Wherever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.
- (e) References to this Agreement: The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions shall be construed as referring to this Agreement.
- (f) Document References: All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

ARTICLE 2
PURCHASE AND SALE

- 2.1 **Purchase of Zoglos Assets.** Upon the terms and subject to the conditions set forth in this Agreement, the Purchaser agrees to purchase from the Vendor and the Vendor agrees to sell to the Purchaser the Zoglos Assets on the Closing Date, free and clear of all encumbrances and with all rights and benefits attaching, and with good and marketable title thereto. To the extent that the Zoglos Assets are protected by copyright, the Vendor hereby unconditionally waives any moral rights that the Vendor may have in the Zoglos Assets.

- 2.2 **Purchase Price.** The purchase price payable by the Purchaser to the Vendor for the Zoglos Assets shall be [REDACTED] plus all applicable taxes (the "**Purchase Price**"). The Vendor and the Purchaser agree that the Purchase Price shall be allocated among the Zoglos Assets as agreed to by the Vendor and the Purchaser in writing. The Purchaser and the Vendor agree to execute and file their tax returns and prepare all of their own financial statements and other instruments on the basis of the agreed allocation.
- 2.3 **Payment of Purchase Price.**
- (a) [REDACTED] of the Purchase Price shall be paid and satisfied by the Purchaser certified cheque, bank transfer or, by wire transfer of immediately available funds on the Closing Date or in such other form as the Purchaser may accept; and
 - (b) [REDACTED] of the Purchase Price shall be satisfied by the issuance by the Purchaser to the Vendor of a non interest-bearing promissory note (the "**Note**") in which shall be in a form acceptable to the Vendor and the Purchaser, acting reasonably. The Note shall be paid by the Purchaser in equal installments of [REDACTED], every 6 months until the principal amount is paid in full, provided that the Purchaser shall be entitled to prepay up to the full principal amount without penalty. The Note shall be secured by a security agreement over the Zoglos Assets (the "**Security Agreement**"), granted by the Purchaser in favour of the Vendor, which shall be in a form acceptable to the Vendor and the Purchaser, acting reasonably.
- 2.4 **Transfer Taxes.** The Purchaser shall be liable for and shall pay all Canadian federal and provincial sales taxes (including any retail sales taxes and harmonized sales taxes) and all other similar taxes, duties, fees or other like charges of any jurisdiction properly payable in connection with the transfer of the Zoglos Assets by the Vendor to the Purchaser, other than income taxes payable by the Vendor. Vendor shall give Purchaser advance notice of any excise or sales taxes applicable with respect to the transfer of the Zoglos Assets
- 2.5 **Withholding Taxes.** Notwithstanding anything in this Agreement to the contrary, the Purchaser shall be permitted to deduct and withhold from any amounts payable pursuant to this Agreement on account of the purchase by the Purchaser of the Zoglos Assets, such amounts as the Purchaser is required to deduct and withhold with respect to the making of such payment under applicable laws. In the event that the Purchaser determines that any such deduction or withholding is required to be made, the Purchaser and the Vendor shall consult with each other in good faith regarding such determination and cooperate to seek to reduce such potential withholding, including through accepting any valid and relevant form establishing an entitlement to reduce withholding. To the extent that such amounts are so withheld and timely remitted to the applicable governmental authority, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Vendor.

ARTICLE 3 **REPRESENTATIONS AND WARRANTIES**

- 3.1 **Representations and Warranties of the Vendor.** The Vendor represents and warrants to the Purchaser as follows:
- (a) the Vendor is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all necessary corporate power, authority and capacity to own or lease the Zoglos Assets and to sell the Zoglos Products in any country it currently sells same;

- (b) the Vendor has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. This Agreement and each of the agreements, contracts and instruments required by this Agreement to be delivered by the Vendor have been duly authorized, executed and delivered by the Vendor and each is a legal, valid and binding obligation of the Vendor, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally, and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction. All corporate proceedings and approvals on the part of the Vendor and its shareholders that are necessary to authorize this Agreement and each of the agreements, documents and instruments contemplated hereby, and to carry out all of the Vendor's obligations hereunder have been obtained;
- (c) none of the execution and delivery of this Agreement, the performance of the Vendor's obligations under this Agreement, or the completion of the transactions contemplated by this Agreement will (with or without the giving of notice or lapse of time, or both): (i) result in or constitute a breach of any term or provision of, or constitute a default under the constating documents or corporate proceedings of the Vendor, (ii) result in the creation or imposition of any Encumbrance on the Zoglos Assets; (iii) contravene any applicable law; or (iv) contravene any judgment, order, writ, injunction or decree of any governmental authority;
- (d) there is no requirement to obtain any consent, approval or waiver of a party under any contract to which the Vendor is a party, in order to complete the transactions contemplated by this Agreement;
- (e) the Vendor is the legal and beneficial owner of record of the Zoglos Assets, with good and marketable title thereto, free and clear of all Encumbrances any kind. No person other than the Purchaser has any contract or agreement of any kind, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming a contract or agreement, for the purchase or acquisition from the Vendor of any of the Zoglos Assets;
- (f) except for the Option Agreement, the Vendor is not a party to, or bound or affected by, any contract containing any covenant expressly limiting its ability to transfer sell or otherwise dispose of the Zoglos Assets;
- (g) to the knowledge of the Vendor, the Zoglos Assets include all of the Intellectual Property necessary for the Purchaser to manufacture, distribute and sell the Zoglos Products in any territory where the Vendor currently sells the Zoglos Products;
- (h) there are no actions, suits or proceedings (whether or not purportedly on behalf of the Vendor) pending or to Vendor's knowledge threatened against the Vendor affecting the Zoglos Assets;
- (i) the Vendor has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any petition for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property and assets;
- (j) other than post-Closing filings and registrations in respect of the transfer of patent or trademark registrations or applications, no authorization, approval, order, consent of, or filing with, any governmental authority is required on the part of the Vendor in connection

with the execution, delivery and performance of this Agreement or any other documents and agreements to be delivered under this Agreement; and

- (k) all necessary legal steps have been taken by the Vendor to preserve its rights to the trademarks listed in Schedule 1.1(d) of the Option Agreement; to the knowledge of Vendor, the Intellectual Property is owned by the Vendor free and clear of any Encumbrances of any kind, no person other than the Vendor has any right to use that Intellectual Property, and no person has claimed any right to use that Intellectual Property;
- (l) to the knowledge of the Vendor, neither the use by the Vendor of the Zoglos Assets nor the sale, production or marketing of the Zoglos Products infringes any Intellectual Property rights or other proprietary rights of any person;
- (m) to the knowledge of the Vendor, based on the information available to the Vendor as of the Closing Date, the sales figures outlined in schedule 5.1(b)(iv) to this Agreement are materially accurate.

3.2 **Representations and Warranties of the Purchaser.** The Purchaser represents and warrants to the Vendor as follows:

- (a) the Purchaser is a corporation duly incorporated and organized and validly subsisting under the laws of the Province of Ontario;
- (b) the Purchaser has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. This Agreement and each of the agreements, contracts and instruments required by this Agreement to be delivered by the Purchaser have been duly authorized, executed and delivered by the Purchaser and each is a legal, valid and binding obligation of the Purchaser, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally, and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction. All corporate proceedings and approvals on the part of the Purchaser or its shareholders that are necessary to authorize this Agreement and each of the agreements, documents and instruments contemplated hereby have been obtained by the Purchaser; and
- (c) the entering into and performance of this Agreement and the agreements and other instruments contemplated herein will not violate, contravene, breach or offend against or result in any default under any security agreement, indenture, mortgage, lease, order, undertaking, licence, permit, agreement, instrument, charter or by-law provision, resolution of shareholders or directors, statute, regulation, judgment, decree or law to which the Purchaser is a party or by which the Purchaser may be bound or affected.

ARTICLE 4 **IP DETAILS**

4.1 **License.** INTENTIONALLY DELETED

4.2 **Intellectual Property Protection.**

Subsequent to the Closing Date, the Vendor shall not manufacture, market, sell, distribute, sub-license, import, export or otherwise deal in respect of any product carrying the Marks other than the Zoglos Products

- (a) The Vendor shall not be permitted to sell any products bearing the Marks to any person after the Closing Date, except as directed by Purchaser.
- (b) The parties hereto acknowledge and agree that the Vendor shall not, after execution of this Agreement, apply for or obtain any intellectual property registrations in Israel, Canada, the United States of America, or any other country or jurisdiction in respect of the Zoglos Assets or Zoglos Products.
- (c) The parties hereto acknowledge and agree that should the Vendor apply for or obtain intellectual property rights in respect of the Zoglos Products, the Vendor shall, at its own cost, promptly assign all such intellectual property rights to the Purchaser, without limiting any other rights or remedies of the Purchaser under this Agreement.
- (d) Immediately after Closing, the Vendor shall assign all IP registrations (listed in Schedule 1.1(d) of the Option Agreement) to Purchaser on a timely basis, and shall cooperate with any steps necessary to ensure the assignment of same, at the expense of Purchaser.

ARTICLE 5

CLOSING

5.1 Closing and Closing Deliveries.

- (a) The purchase and sale of the Zoglos Assets will take place electronically on the Closing Date, or in such other manner on such other date as may be agreed upon in writing between the Vendor and the Purchaser, subject to the satisfaction or waiver of all conditions set out in this Agreement.
- (b) On or before the Closing Date, the Vendor shall deliver (or cause to be delivered) to the Purchaser the following:
 - (i) all necessary deeds, conveyances, bills of sale, assurances, transfers, assignments and consents and any other documents necessary or reasonably required to effectively transfer of the Zoglos Assets to the Purchaser;
 - (ii) its executed counterpart of the contract manufacturing agreement on the terms attached as Exhibit "B" of the Option Agreement (the "**Manufacturing Agreement**") duly executed by the Vendor;
 - (iii) a certificate of status/good standing or equivalent of the Vendor dated as of the Closing Date;
 - (iv) sales data with respect to the Zoglos Products, outlining all sales of Zoglos Products outside of Israel, for the 4 previous fiscal quarters completed prior to the Closing Date, delivered in a format reasonable to both parties, which shall be attached as schedule 5.1(b)(iv) and incorporated into this Agreement;
 - (v) evidence that this Agreement and the transactions contemplated hereby have been approved by all necessary corporate action of the Vendor; and
 - (vi) all such other assurances, consents, agreements, resolutions, documents and instruments as may be reasonably required by the Purchaser to complete the

transactions contemplated by this Agreement, including a certification that the listing of Zoglos IP registrations outlined in Schedule 1.1(d) of the Option Agreement is a then current and complete listing of all IP registrations; and

- (vii) executed IP assignments in a form that can be filed with respective national intellectual property offices in order to ensure assignment of all Intellectual Property is affected after Closing
- (c) On or before the Closing Date, the Purchaser shall deliver (or cause to be delivered) to the Vendor the following:
- (i) a bank confirmation that the sum of [REDACTED] was wired to Vendor's Bank account;
 - (ii) a copy of Note, duly executed by the Purchaser;
 - (iii) a copy of the Security Agreement, duly executed by the Purchaser;
 - (iv) a copy of the Manufacturing Agreement duly executed by the Purchaser;
 - (v) a certificate of status/good standing or equivalent of the Purchaser dated as of the Closing Date;
 - (vi) a certified copy of the resolutions of the board of directors of the Purchaser approving the entering into and completion of the transactions contemplated by this Agreement; and
 - (vii) all such other assurances, consents, agreements, resolutions, documents and instruments as may be reasonably required by the Vendor to complete the transactions contemplated by this Agreement.

ARTICLE 6

SURVIVAL AND INDEMNIFICATION

6.1 **Survival.** The representations and warranties of the Vendor and Purchaser in this Agreement, will survive Closing and will continue in full force and effect for a period of 2 years following the Closing Date (other than in respect of the representations and warranties in Sections 3.1(a), (c), (e), and (f) and Sections 3.2(a), (a) and (c) which will survive indefinitely). The covenants of the Vendor and the Purchaser contained in this Agreement shall survive the Closing and continue until performed in full or waived by the applicable party.

6.2 **Indemnity.**

- (a) The Vendor covenants and agrees to indemnify, defend and save harmless the Purchaser and each of its officers, directors, employees, direct and indirect shareholders, agents and representatives (collectively, the "**Purchaser Indemnified Parties**") from and against any and all Damages (as defined below) incurred or suffered by the Purchaser Indemnified Parties resulting from, in connection with or arising out of: (i) any breach or inaccuracy of any representation or warranty of the Vendor in this Agreement or the Option Agreement; (ii) any breach or non-performance by the Vendor of any covenant or obligation to be performed by the Vendor in this Agreement or in the Option Agreement; and (iii) all claims, demands, costs and expenses, including legal expenses, in respect of the foregoing. For the purposes of this Agreement, the term "**Damages**" means any and all damages, losses,

liabilities, costs and expenses (including expenses of investigation and reasonable fees and expenses of counsel and other professionals), but excluding any indirect, punitive, special, incidental or consequential losses or damages.

- (b) Indemnity re: Infringement. The Vendor shall indemnify and hold harmless the Purchaser from and against all liabilities, costs, expenses (including, without limitation, reasonable legal fees), claims, demands (including, without limitation, for disease, injury or death of any person, or for damage to or loss or destruction of any property), causes of action, damages and judgments which the Purchaser may incur or suffer in respect of any actual or alleged infringement by the Zoglos Products or the Vendor of any copyright, patent, trademark, trade secret or other intellectual property right of any kind of any third party.
- (c) The Purchaser covenants and agrees to indemnify, defend and save harmless the Vendor and each of its officers, directors, employees, direct and indirect shareholders, agents and representatives (collectively, the “**Vendor Indemnified Parties**”) from and against any and all Damages incurred or suffered by the Vendor Indemnified Parties resulting from, in connection with or arising out of: (i) any breach or inaccuracy of any representation or warranty of the Purchaser in this Agreement; (ii) any breach or non-performance by the Purchaser of any covenant or obligation to be performed by the Purchaser in this Agreement or in any agreement (other than the Manufacturing Agreement), certificate or other document delivered pursuant hereto or thereto; and (iii) all claims, demands, costs and expenses, including legal expenses, in respect of the foregoing.
- (d) The Vendor’s liability under this section 6.2 shall be limited to a maximum of the Purchase Price actually paid to Vendor.

ARTICLE 7
GENERAL CONTRACT PROVISIONS

- 7.1 **Further Assurances.** From time to time after the Closing Date, the Vendor and the Purchaser will, execute and deliver such additional conveyances, transfers and other assurances as may be reasonably required to carry out the intent of this Agreement and transfer the Zoglos Assets to the Purchaser.
- 7.2 **Notices.** Any notice, direction or other communication given regarding the matters contemplated by this Agreement or any ancillary agreement delivered pursuant to this Agreement (each a “**Notice**”) must be in writing, sent by personal delivery, courier or email and addressed:

to the Vendor at:

8 Hagaton Blvd, Nahariya, Israel
22100
Attention: Eli Soglowek
Email: eli@soglowek.co.il

With an email copy to: bilet@netvision.net.il

to the Purchaser at:

23 Jenkins Dr, Richmond Hill, ON, CANADA

L4C 8C5

Attention: Henry Ender

With an email copy to: spatricuin@weirfoulds.com

A Notice is deemed to be given and received (i) if sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, or (ii) if sent by email, on the date of transmission if made prior to 5:00 p.m. local time in the place of receipt and otherwise on the next Business Day (unless there is a “bounce-back” or other indication that the email message was not received). A party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the party at its changed address. Any element of a party’s address that is not specifically changed in a Notice will be assumed not to be changed.

- 7.3 **General Contract Terms.** No party will be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing and such waiver will be limited to the circumstances set forth in such written waiver. This Agreement and the rights and obligations and relations of the parties hereto shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein (but without giving effect to any conflict of laws rules). The parties hereto agree that the Courts of Ontario shall have jurisdiction to entertain any action or other legal proceedings based on any provisions of this Agreement. Each party hereto does hereby attorn to the jurisdiction of the Courts of the Province of Ontario. This Agreement may be executed in one or more counterparts, each of which will constitute an original and all of which together will constitute one and the same agreement. Pdf format and facsimile shall be deemed original signatures for purpose of this Agreement. If any covenant or provision of this Agreement is prohibited in whole or in part in any jurisdiction, such covenant or provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining covenants and provisions hereof and shall, as to such jurisdiction, be deemed to be severed from this Agreement to the extent of such prohibition. Each party will bear their own costs in connection with the drafting of this Agreement and the Closing of the proposed transaction herein. Each party acknowledges and agrees that it has received independent legal advice prior to entering into this Agreement or has waived its right to do so.
- 7.4 **Entire Agreement.** This Agreement, and the agreements, instruments and documents required to be delivered hereunder, constitute the entire agreement between the parties with respect to the subject-matter hereof and supersede all prior agreements and understandings between the parties with respect to the subject matter hereof. This Agreement may not be amended or modified in any respect except by written instrument signed by the parties.
- 7.5 **Time of the Essence.** Time will be of the essence, provided that if the parties establish a new time for the performance of an obligation, time will again be of the essence of the new time established.
- 7.6 **Enurement.** This Agreement will enure to the benefit of and be binding on the parties and their respective heirs, executors, legal and personal administrators, successors and permitted assigns.
- 7.7 **Assignment.** Neither this Agreement nor any rights or obligations hereunder shall be assignable by any party hereto without the prior written consent of each of the other parties, which consent may be unreasonably withheld.

[signature page to follow]

IN WITNESS WHEREOF the parties hereto have hereunto duly executed this Agreement as of the day and year first above written.

ZOGLO'S INCREDIBLE FOOD CORP.

By: "Henry Ender"

Name: Henry Ender

Title: Founder

I have authority to bind the corporation

**NAKNIK NAHARIYA KASHER
SOGLOWEK LTD.**

By: "Yael Soglowek-Ender" "Ami Soglowek"

Name: Yael Soglowek-Ender and Ami Soglowek

Title: Directors

I have authority to bind the corporation

Schedule 5.1(b)(iv)

SALES FIGURES

Attached.

EXHIBIT "B"

Form of Manufacturing Agreement

(see attached)

CONTRACT MANUFACTURING AGREEMENT

THIS AGREEMENT is made as of the ____ day of _____, 2021

BETWEEN:

NAKNIK NAHARIYA KASHER SOGLOWEK LTD., a corporation incorporated under the laws of Israel (“Copacker”)

- and -

ZOGLO’S INCREDIBLE FOOD CORP., a corporation incorporated and existing under the laws of the Province of Ontario (“Purchaser”)

WHEREAS:

- A. The Copacker and the Purchaser entered into an Option Agreement dated as of the ;^y day of Hgdtwct{, 2020 (the “Option Agreement”).
- B. Purchaser is in the business of packaging, marketing and selling the meat substitutes; vegan and vegetarian meat products and plant-based meat substitutes described in Schedule “A” hereto (the “Zoglos Products” or the “Products”), under the “ZOGLOS” brand name or other similar brand names (the “Zoglos Business”).
- C. Purchaser purchased from the Copacker the intellectual property and other proprietary assets required to operate the Zoglos Business and sell the Zoglos Products pursuant to the terms and subject to the conditions of an asset purchase and license agreement between the Copacker and the Purchaser, dated as of the date hereof (the “Asset Purchase Agreement”).
- D. Purchaser seeks to engage Copacker to produce the Zoglos Products on its behalf.
- E. Copacker agrees to provide all labour, equipment and facilities necessary to manufacture the Zoglos Products in accordance with the product specifications provided by Purchaser from time to time (the “Product Specifications” or “Specifications”) including any updates, renewals, modifications or amendments thereto in accordance with the terms and conditions of this Agreement.

NOW THEREFORE THIS AGREEMENT witnesses that in consideration of the mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 - DEFINITIONS

In this Agreement, unless the subject matter or context requires otherwise:

“Agent” means the broker of record appointed by Purchaser from time to time, who is responsible for arranging the delivery of Product from the Designated Location to Purchaser or otherwise as Purchaser directs, and carries out export, payment and other functions on behalf of Purchaser.

“**Business Day**” means with respect to Purchaser, any day other than a Saturday or Sunday or any other day on which the principal commercial banks located in the City of Toronto are not open for business during normal banking hours, and with respect to Vendor, any day other than a Friday, Saturday or Sunday or any other day on which the principal commercial banks located in Israel are not open for business during normal banking hours.

“**Designated Location**” means the factory where the Product is produced and made available to Purchaser, the location of which may change from time to time with notice by Copacker to Purchaser.

“**Intellectual Property**” has the meaning given to such term in the Asset Purchase Agreement.

“**Materials**” means the raw materials or raw material components ordered by Copacker and used by Copacker in the production of Product.

“**Packaging Specifications**” means the specifications for packaging the Products provided to Copacker by Purchaser.

“**Purchase Order**” means the purchase orders issued by the Purchaser to the Copacker for the purchase of Products during the Term of this Agreement.

“**Purchase Price**” means the price payable by Purchaser to Copacker for the Products as set out in Schedule “D” of this Agreement or as otherwise established by writing, in accordance with section 10.3.

“**Threshold Date**” means the earlier of the following dates:

- The third anniversary of the Effective Date; and
- The date that Purchaser has purchased an aggregate total of \$ [REDACTED] CDN of Products from Copacker

“**Vendors**” means the vendor(s) of Materials approved of by Purchaser.

“**Zoglos Assets**” means, collectively all of the Purchaser’s right, title and interest in and to: (i) the Intellectual Property (ii) any recipes used in connection with the Zoglos Business and (iii) all artwork and designs used in connection with the Zoglos Products.

ARTICLE 2 - INTERPRETATION

2.1 Recitals

The recitals to this Agreement form an integral part of the Agreement.

2.2 Extended Meanings

In this Agreement, words importing the singular number include the plural and *vice versa* and words importing any gender include all genders.

2.3 Headings

The division of this Agreement into Articles and Sections, and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this

Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article or Section or other portion hereof and include any agreement supplemental hereto. Unless the subject matter or context otherwise requires, references herein to Articles and Sections are to Articles and Sections of this Agreement.

2.4 Currency

All purchases shall be priced and paid in the lawful money of Israel, which is currently the Israeli Shekel. Any other references to any currency or payment shall reference the Israeli Shekel, unless otherwise noted.

ARTICLE 3 - TERM AND TERMINATION

3.1 Term

The term of this Agreement shall only commence in the event that the acquisition of Zoglos Assets outlined in the A&R Option Agreement is completed, and in such case, shall commence on the Closing Date of the transaction outlined therein (the “**Effective Date**”) and shall end on the Threshold Date (the “**Term**”). For clarity, if Purchaser does not acquire the Zoglos Assets, this Agreement shall not come into force and shall be of no effect.

3.2 Termination upon breach or default

In addition to Purchaser’s to terminate the Agreement under Section 3.1 hereof, each party shall have the right to terminate the Agreement upon the occurrence of any one or more of the following events:

- a) failure by either party to perform any of its material obligations under this Agreement and failure to cure such failure within thirty (30) days after receipt of written notice describing such failure; or
- b) the other party is declared insolvent or bankrupt by a court of competent jurisdiction, or a voluntary petition of bankruptcy is filed in any court of competent jurisdiction by the other party, or the other party makes or executes any assignment for the benefit of creditors, or a receiver is appointed to control the business of the other party.

3.3 Effect of Termination

The termination of the Agreement shall not operate to relieve Copacker of its obligations to process and deliver all Zoglos Products ordered through Purchase Orders received from Purchaser prior to such termination nor shall it operate to relieve Purchaser of its obligation to pay Copacker for such Zoglos Products, unless such termination is effected by Purchaser pursuant to Copacker’s failure to perform any of its material obligations pursuant to Section 3.2.

ARTICLE 4 - FORECASTS & PURCHASE ORDERS

4.1 Forecasts

Purchaser shall provide Copacker with a non-binding forecast in writing with projected quantities of Product to be ordered for the following year of the Term specified by month in a format

acceptable to the parties, an example of which is attached hereto as Schedule "C", (the latest forecast delivered being the "Active Forecast"). Copacker shall not be required to supply any Products in excess of 120 tons in any calendar month, provided that until the Purchaser has paid [REDACTED] of the principal amount under the Note (as defined in the Asset Purchase Agreement), Copacker shall not be required in any calendar month to supply more than the aggregate of (a) 15 tons of meatless wieners; and (b) 15 tons of Products other than meatless wieners. Notwithstanding the foregoing, following the Purchaser's payment of [REDACTED] under the Note, if Purchaser wishes for Copacker to increase the supply of Products beyond 30 tons of Products per month (being 15 tons of meatless wieners and 15 tons of Products other than meatless wieners), it shall provide Copacker with 12 months' advance written notice of such request.

During the Term, Copacker shall be obligated to produce Products in accordance with Purchase Orders, up to the amounts outlined in the Active Forecast (although Copacker shall never be obligated to produce more than 120 tons of Product in any month).

However, in the event that Purchaser determines, acting reasonably, that Copacker is unable to produce any Products outlined in any forecast (such reasonable conclusion which may be based on volume, notice from Copacker, or Copacker's failure to produce any specific Product to the specifications in a timely manner) Purchaser retains the right to use alternative Copackers ("Alternative Copackers") to produce the Product immediately upon written notice to Copacker.

4.2 Purchase Orders

4.2.1 Products shall be manufactured and shipped according to purchase orders submitted to Copacker by Purchaser ("**Purchase Orders**"), which may be issued in hard copy or electronically, and will be provided at least forty-five (45) days before Purchaser requires the Products to be available at the Designated Location. Issued Purchase Orders shall describe:

- a) the Product and quantity ordered;
- b) the Purchase Price **in accordance with Schedule D**;
- c) The Designated Location;
- d) The date that the Products will be made available at the Designated Location.

4.2.2 All shipping documents shall reference the number of the Purchase Order issued for Products contained in the shipment.

4.3 Right to accept/reject

4.3.1 Upon receiving an Active Forecast from Purchaser, Copacker is obligated to provide six (6) months' notice to Purchaser of any limitations or inability Copacker may have in meeting the projected demand outlined in the Active Forecast. If Copacker does not provide six (6) months' notice of its inability to fulfill the projected demand in an Active Forecast, Copacker shall reimburse Purchaser for any increase in cost between the Purchase Price for a Product and the price paid to an Alternative Copacker.

4.3.2 If Purchaser delivers a Purchase Order to the Copacker that is accurate within 10% of an Active Forecast and Copacker has not previously provided notice that they cannot satisfy that Active Forecast (in circumstances outlined in section 14.11), Copacker is obligated to

accept the Purchase Order. If Copacker does not provide written notice of rejection within fifteen (15) days of receipt of a Purchase Order, Copacker will be deemed to have accepted the Purchase Order. If Copacker rejects the Purchase Order on the basis of section 14.1.1, Purchaser is entitled to use Alternative Copackers to produce the Products.

- 4.3.3 If Purchaser delivers a Purchase Order to Copacker, and Copacker accepts the Purchase Order, Copacker is obligated to satisfy the Purchase Order. If Copacker cannot completely fulfil an accepted Purchase Order, Copacker shall pay Purchaser's marginal increase in cost between the Purchase Price and the price of having the Product produced by an Alternative Copacker and Copacker shall pay Purchaser for any lost profits that Purchaser may experience as a result of delay, failure to deliver, or any other losses related to Copacker's failure to satisfy the Purchase Order.

Ex works (EXW) terms shall apply to the delivery of all Products. Once Copacker accepts any Purchase Order issued by Purchaser it shall use reasonable commercial efforts to comply with the delivery date or shipping date provided in Purchase Orders and shall employ such personnel as is necessary to comply with such schedule. In the event that Copacker becomes aware that it will be unable for any reason to so timely deliver/ship Product, it shall notify Purchaser upon becoming so aware and the parties shall in good faith attempt to reschedule the delivery/shipment date to a mutually acceptable date, provided however that Purchaser retains the right to cancel, in whole or in part, without charge or liability and in addition to any other right it may have in law or equity including rights under section 4.3.3 hereto, the affected Purchase Orders if the rescheduled delivery/shipment date proposed by Copacker is not reasonably acceptable to Purchaser.

4.4 Conflicts Provision

In the event of a conflict between this Agreement and any Purchase Order, this Agreement shall take precedence and any terms and conditions contained in the parties' Purchase Order, acknowledgements or other documentation relating to the manufacture, sale, purchase or repair of Products which are in addition to, in modification of, or otherwise inconsistent with, this Agreement shall be void and of no effect. Notwithstanding that a Purchase Order does not refer to this Agreement, any Purchase Order issued during the term of this Agreement for acquisition of the Products shall be deemed to have been issued pursuant to this Agreement unless the parties expressly agree to the contrary.

4.6 Threshold Date

After the Threshold Date, Copacker is no longer obligated to continue to produce Products for Purchaser. However, if Copacker agrees in writing to produce Products after the Threshold Date, then it will be obligated to fulfill the Purchase Order on the terms it agrees to produce the Products.

ARTICLE 5 - MATERIALS AND PACKAGING

5.1 Purchase of Materials

- 5.1.1 Copacker shall purchase necessary raw Materials (not include packing material) to manufacture Products according to the quantities and scheduled time frames for delivery as set forth in Purchase Orders, and as projected in Forecasts, all in accordance with the terms and conditions of this Agreement.

- 5.1.2 Copacker may purchase Material in excess of Purchase Order at its own risk. However, in the event that Copacker purchases Materials for a period (the "**Purchase Period**") up to six (6) months in advance in line with any Active Forecast, and the Purchase Orders for that Purchase Period are lower than the Active Forecast for that Purchase Period, the parties will work together in good faith and use best efforts to recover the cost for those excess Materials, which may include different uses, use in future products or alternative products, and after three (3) months after that Purchase Period, Purchaser shall be required to reimburse Copacker for Copacker's cost of any remaining excess Materials.
- 5.1.3 Purchaser reserves the right to supply Copacker with proprietary or custom Material required to manufacture the Product as it sees fit provided that such Materials meet the Copacker's quality standards, Kosher requirements and other applicable regulations.

ARTICLE 6 - ACCEPTANCE & REJECTION OF PRODUCTS

6.1 Acceptance upon Inspection

- 6.1.1 The acceptance of Products is subject to inspection by Purchaser at the Designated Location. Acceptance shall be deemed not to have occurred until ten (10) days following delivery to the Designated Location. If a Product does not conform to the requirements of the Purchase Order or to the warranties set forth in Section 12.1 hereof, the entire shipment of Product delivered, or any applicable portion thereof, may be returned to Copacker at Copacker's expense. Payment shall neither be deemed to constitute acceptance nor be a waiver of Purchaser's right to return any Products.
- 6.1.2 Purchaser shall inspect each shipment of Products and shall provide Copacker written notice with details of any defects or count or other discrepancies within ten (10) days of receipt. If Purchaser does not report any such defects or count or other discrepancies within ten (10) days of receiving Products, Product shall be deemed to be accepted by Purchaser and anything reported after ten (10) days following Purchaser's receipt shall be covered by the warranty provisions in Article 12 of this Agreement.

6.2 Remedies for Rejected Products

Where Purchaser rejects an entire shipment of Product, or any applicable portion thereof, pursuant to Section 6.1.1 hereof, Copacker shall promptly fix or replace the Product or, where not commercially viable to do so, Copacker shall refund Purchaser the Purchase Price for such Product, pay Purchaser's expenses incurred in returning such Products to the Copacker, and pay Purchaser for any lost profits that Purchaser may have experienced as a result of delay, failure to deliver, or any other losses related to Copacker's failure to satisfy the Purchase Order.

ARTICLE 7 - CHANGES TO PRODUCTS

7.1 Non-permissible Changes

Copacker shall not make any changes to Products or to Product packaging without Purchaser's prior written authorization.

7.2 Permissible Changes

- 7.2.1 In the event that Purchaser desires to make changes to Products or to Packaging Specifications, Purchaser shall submit its request to Copacker in writing and Copacker shall use reasonable commercial efforts to respond to such request in writing within forty-five (45) days of receipt of such request.
- 7.2.2 Unless the parties agree otherwise, requested changes shall not affect Products already scheduled or rescheduled for delivery/shipment as of the date Copacker receives such request.

ARTICLE 8 - TITLE & INSURANCE

8.1 Passage of Title

Title and risk shall pass to Purchaser on delivery to the Designated Location on an ex works basis. Purchaser shall be responsible for any and all duties, customs and taxes associated with export of Products from Israel. Copacker shall assist Purchaser with acquisition of any export licenses, but will not be financially responsible for same.

If Purchaser returns Product, or if Product is required to be returned to Copacker as a result of any recall of a Product or warranty claim, Purchaser shall arrange for delivery of the returned Product to the Copacker at the Copacker's address herein. Risk of loss or damage to such Product shall pass to Copacker once Product is delivered to a carrier that is selected by Purchaser and approved by Copacker ("**Recall Carrier**") (for clarity, Copacker shall not withhold or delay approval of any suitable carrier selected by Purchaser). Copacker will pay all costs and charges from Recall Carrier. Purchaser has the right, but not the obligation, to pay Recall Carrier directly and to set off the full amount of any paid invoice issued by Recall Carrier against any amounts otherwise payable to Copacker by Purchaser for any reason under this Agreement, or in the alternative, seek reimbursement in full by Copacker, which reimbursement shall be paid to Purchaser by Copacker within seven (7) days of request.

8.2 INTENTIONALLY DELETED

8.3 Insurance

Product liability Insurance will be applied and paid by the Copacker, and land and sea Insurance will be applied and paid by Newco. At all times during the term of this Agreement, Copacker shall maintain a minimum of 40,000,000 NIS per occurrence and in the aggregate of product liability insurance, for coverage of claims worldwide, with insurers reasonably suitable to Purchaser. If requested and if permitted under the terms of the policy without a material increase in premiums or terms of insurance, Copacker will name Purchaser as an additional insured under the policy.

ARTICLE 9 - REPORTING

9.1 Quarterly Reports and Audit Rights

- 9.1.1 Copacker shall provide a quarterly report to Purchaser outlining its purchases of Materials. In the first year, Copacker shall give Purchaser the right to access all documents and purchase records relating to the purchase of Materials and other expenses claimed in the first year cost. For clarity, this information shall only be used for purposes of determining the accuracy of the claimed costs.

9.1.2 If Copacker increases pricing as a result of an increase of its costs, in accordance with section 10.3, then Copacker is obligated to provide all reasonably requested information and evidence to Purchaser in order to evidence this increase of cost. Purchaser shall pay any expenses relating to audit of such costs.

9.1.3 Prior to receiving any information outlined in section 9.1.1 or 9.1.2, Copacker shall provide and Purchaser shall execute a non disclosure agreement with respect to any confidential information of Copacker, which may include any purchase or supply arrangements Purchaser has entered into with respect to any raw materials other than those raw materials used in the production of Zoglos Products, and any other information relating to the financial condition or finances of Copacker that may directly or indirectly be disclosed as a result of Copacker's provision of information under sections 9.1.1 or 9.1.2 above.

9.2 New Product

9.2.1 Copacker will have first option to produce any new Product during the Term, subject to its capacity. This exclusivity ceases in the event that Purchaser is required to use any Alternative Copacker over the course of the Term.

ARTICLE 10 - PAYMENT TERMS AND PRICING

10.1 Payment Terms

10.1.1 Payment terms are net sixty (60) days from invoice date. The invoice date shall be no earlier than the shipment date.

10.2 Purchase Price

10.2.1 The Purchase Price of Products manufactured for Purchaser shall be set forth in Schedule "D" hereof (as amended from time to time in accordance with Section 10.3) and is:

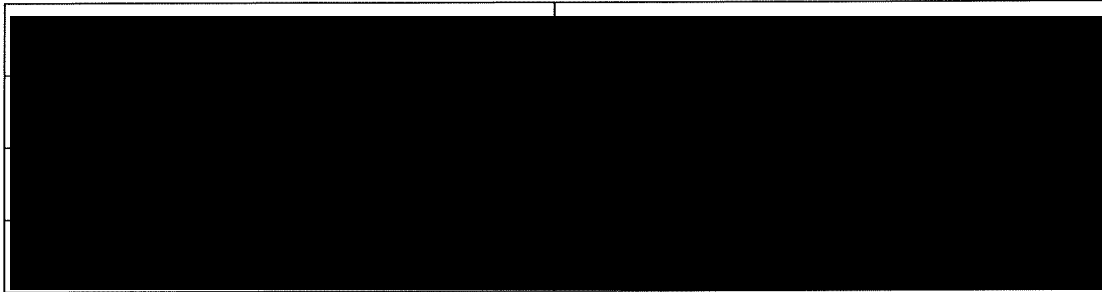
- a) inclusive of shipment packaging for Products adequate to both prevent damage and suitable for shipment to the destination where Products will ultimately be shipped as stated on the Purchase Order; and
- b) inclusive of the documentation required for shipping including, without limitation, any export or custom documents required by applicable law or regulation; and
- c) inclusive of any applicable excise and sales taxes now existing or hereinafter imposed by any applicable taxing authority; and

10.2.2 Copacker shall not assess any applicable excise or sales tax where Purchaser furnishes Copacker a tax exemption certificate, a certificate of authority, a direct pay permit and/or any other document acceptable to the applicable taxing authority.

10.3 Price Review

10.3.1 Purchase Prices set out in Schedule "D" hereof may to be reviewed and negotiated prior to the beginning of each twelve month-period of the term or any renewal term (each a "Pricing Period") provided however that the then current Purchase Prices shall remain in effect until 3 months after Copacker has provided notice of the price increase.

- 10.3.2 Until the Threshold Date, Copacker may only increase pricing in accordance with a corresponding increase in cost of labour or Materials that exceeds 5%.
- 10.3.3 Prior to the Threshold Date, the price of the Products (a) which are meatless wieners shall be the cost (including Material costs) of production plus a margin of ■■■, (b) which are not meatless wieners shall be calculated on a cost (including Material costs) plus margin basis in accordance with the following chart (the “Margin Formula”).



In this Section 10.3, the term “Note” shall have the meaning ascribed to it in the Asset Purchase Agreement.

- 10.3.4 The relevant costs of Materials include packaging costs and ingredient costs.

The relevant overhead and labour costs shall be based on any increase in quarterly wage index as published by the Israeli Central Bureau of Statistics (CBS) for the manufacturing sector (code C10-12).

- 10.3.5 Copacker shall be obligated to provide Purchaser with all reasonably requested documentation of any increases in costs.

- 10.3.6 Notwithstanding Section 10.3.1, any price change in this Agreement due to the Margin Formula shall take effect 30 days following the receipt of payment under the Note that causes the said price change.

- 10.3.7 Price for New Products

Upon consent of Copacker, not to be unreasonably withheld, Purchaser may add new Products to the Product list in Schedule “A” with corresponding Specifications. In the event that Purchaser desires to add new Product/s, Purchaser shall submit its request to Copacker in writing and Copacker shall use reasonable commercial efforts to respond to such request in writing within forty-five (45) days of receipt of such request, setting forth the impact of such proposed new Products with respect to cost hereof. The cost for new Products, if approved by Purchaser, shall be added to Purchase Price in Schedule “D” hereof and Purchaser shall pay such costs as per the terms and conditions of Section 10.2 hereof. For clarity, Copacker has the right to refuse to produce any Products outside of the list in schedule A, and the pricing may not be in accordance with cost plus margin formula set out in this Section 10.3.

10.4 Overhead Fees

The up front set-up fees required to manufacture Products (“**Overhead Fees**”) are included in the Purchase Price, and no additional amount for Overhead Fees shall be charged to Purchaser except as discussed herein. Product changes and/or the addition of new Products made during this Agreement may result in additional Overhead Fees which shall be amortized over time by inclusion into a revised Purchase Price as determined and agreed by both parties acting in good faith.

Upon recovery by Copacker of all outstanding Overhead Fees relating to any particular Product, the Purchase Price shall automatically reduce by the amortized portion of the Overhead Fees.

Notwithstanding this section 10.4, in the event that Purchaser requests Copacker bear a particular cost (such as a designer for new packaging), any such cost shall be payable by Purchaser immediately.

10.5 Price Increases following Threshold Date

Subsequent to the Threshold Date, Copacker shall have the right to increase its pricing outside of the model outlined in sections 10.2-10.3. Copacker shall provide Purchaser 3 months advance notice of any such price increase.

ARTICLE 11 - RECORDS & TECHNICAL SUPPORT

11.1 Books of Account

11.2 Review of Books

11.3 On site Inspection

Copacker shall allow Purchaser and Purchaser representatives to enter Copacker’s facilities upon reasonable notice and at reasonable time intervals during regular business hours for the purpose of making quality control and compliance inspections of the facilities used in manufacturing, receiving, sampling, analyzing, storing, handling, packaging, shipping and disposing of Materials and Product as Purchaser may reasonable request.

11.4 Technical Support

- 11.4.1 Copacker shall provide in the English language any reasonable technical expertise, assistance, documentation and other items, as Purchaser may reasonably require in connection with the production of Product.
- 11.4.2 Copacker’s obligation to provide assistance hereunder shall survive any termination of this Agreement for a period of twelve (12) months following the date of the final delivery/shipment of Products by Copacker to Purchaser hereunder.
- 11.4.3 At any time during the Term, or at any time up to 18 months after the Term, at a time reasonably suitable for both parties, Copacker shall provide training at the location of any and all facilities where it manufactures the Products. The training shall be a single session that will be up to (length at discretion of Purchaser) one (1) week of training for a team of up to three (3) individuals selected by Purchaser. During this training, the individuals will be given full access to all manufacturing facilities, all documentation relating to the process of manufacturing the Products, all reasonably requested details and specifications re all machinery used in the manufacture of the Products, including identity of manufacturer of

same, and be available to answer any and all questions with respect to the production of the Products. After the Term, and after this training session, Copacker shall provide further support as requested, at a rate of \$150 CAD per hour, for up to 18 months after the Term.

ARTICLE 12 - WARRANTIES & INDEMNITIES

12.1 Copacker Warranties

Copacker warrants that:

- a) Products shall (i) be new; (ii) be in good and undamaged condition, (iii) be merchantable and fit and safe for the purpose for which they are intended to be used; and (iv) free from material defects. The warranties with respect to defects will apply for a period of 24 months from the date that the Product is produced (“**Warranty Period**”);
- b) Products shall never be produced more than three (3) months prior to the date the Product is delivered to the Designated Location, unless requested in writing by Purchaser.
- c) Warranties are subject to Newco’s compliance with Copacker’s guidelines re handling of Product.
- d) Copacker shall comply with all laws, rules, regulations, codes, ordinances, reasonable practices and standards applicable to the obligations assumed by Copacker under this Agreement;
- e) Immediately prior to passing title to Purchaser and subject to the Purchaser’s intellectual property rights, Copacker shall have good title to Products free and clear of all liens and encumbrances, and upon passing title to Purchaser, Purchaser shall have good title to Products free and clear of all liens and encumbrances of any kind;

all of the foregoing herein referred to as the “**Product Warranty**”.

12.2 Warranty Procedure

If any breach of the Product Warranty is discovered, Copacker will at its sole risk and cost promptly perform all actions required to remedy the breach of warranty, including without limitation replacing defective products, and/or, accessing, removing, procuring, transporting, and supplying the Products for the purpose of addressing such breach. Copacker will inform Distributor within five (5) Business Days of receipt of a notice of warranty breach from Distributor of its planned actions to remedy the breach of warranty and the time schedule for completion of such actions. All warranties offered by Copacker are assignable and will extend to all permitted assignees and successors of Distributor, and all customers and end-users of the Products.

Except with respect to the indemnity for any third party product liability claim under section 12.3, Copacker’s liability under the Product Warranty for any specific Product shall be the amounts received by Copacker for that Product.

12.3 Copacker Indemnity

Copacker shall indemnify and hold harmless Distributor from and against all third party product liability claims, including liabilities, costs, expenses (including, without limitation, reasonable legal fees), claims, demands, causes of action, damages and judgments which Distributor may incur or suffer in respect of any defect or fault in or of any Product caused by Copacker.

Copacker's liability under this section 12.3 is limited to the amount of proceeds payable by insurer with respect to the specific third party claim under the product liability insurance referenced in section 8.3 (or in the event Copacker fails to maintain its product liability insurance in accordance with section 8.3, the proceeds that would be payable had they maintained this insurance).

For clarity, if under the policy under section 8.3, the insurer is obligated to make payment to Copacker but refuses to do so, Copacker shall be required to take all reasonable steps to require insurer to satisfy its obligations under the insurance policy. For further clarity, Copacker shall not be required to make any payment under this section 12.3 until the proceeds are in fact paid to (or on account of) Copacker by the insurer.

12.4 Distributor Indemnity

Distributor shall indemnify and hold harmless Copacker from and against all third party product liability claims, including liabilities, costs, expenses (including, without limitation, reasonable legal fees), claims, demands, causes of action, damages and judgments which Copacker may incur or suffer in respect of any defect or fault in or of any Product caused by Distributor (including circumstances where Product defect or fault results from Distributor's handling of the Product, or circumstances where Product defect or fault results from a failure of Distributor to instruct Copacker as to the relevant regulatory requirements relating to labelling of Product).

Distributor shall indemnify and hold harmless Copacker from and against any claim by any regulatory body in any territory (other than Israel), including liabilities, costs, expenses (including, without limitation, reasonable legal fees), claims, demands, causes of action, fines, damages and judgments which Distributor may incur or suffer as a result of any violation of any regulatory requirement that results from Distributor's failure to communicate such requirements to Copacker.

ARTICLE 13 - INTELLECTUAL PROPERTY

13.1 License

INTENTIONALLY DELETED

13.2 No Right or License

The Copacker shall have no right to produce any products using any portion of the Zoglos Assets after the Effective Date, except as required in order to produce the Products ordered by Purchaser from time to time.

13.3 Confidential Information

13.3.1 If pursuant to this Agreement either party discloses to the other party data or information which is designated by that party as confidential or which the recipient should reasonably know to be a trade secret or confidential information ("**Confidential Information**"), the other party shall retain such Confidential Information in strict confidence during the term of this Agreement and thereafter and not use it or disclose it except as expressly agreed in writing by the supplying party or for the purpose of meeting its obligations under this Agreement. Confidential Information specifically includes the Product specifications and

any recipes for any products, and the trade secrets, commercial, financial or technical information of either party. The party receiving Confidential Information shall ensure that all of its employees and contractors are bound by confidentiality obligations at least as stringent as those set out in this Agreement and shall be liable for the breach of this Section 13.1 by any of its employees, contractors, suppliers or advisors.

13.3.2 Notwithstanding the foregoing, Confidential Information does not include any data or information which: (a) is known to the recipient prior to its receipt from the other party, provided that such data or information is not known by the recipient to be subject to another confidentiality agreement or confidentiality obligations which are binding on the provider; (b) is known to the public prior to its receipt by the recipient; (c) after such receipt, becomes available to the public other than as a result of a disclosure by the recipient or any of its directors, officers, consultants, employees or agents; or (d) can be shown by the recipient to have been independently developed by that party prior to execution of this Agreement.

13.3.3 The other party agrees that:

- a) money damages may not be a sufficient remedy for any breach of this Article 13 by the other party or its employees, contractors, suppliers or advisors;
- b) in addition to any other remedies at law or in equity that the disclosing party may have in connection with the breach by the other party of its obligations under this Article 13, the disclosing party shall be entitled to equitable relief, including injunction and specific performance; and
- c) the other party shall waive any, and use its best efforts to cause its employees, contractors, suppliers and advisors to waive, requirements for the securing or posting of any bond in connection with such remedy.

ARTICLE 14 - GENERAL TERMS AND CONDITIONS

14.1 Relationship between the Parties

It is not the intent of the parties hereto to form any partnership or joint venture. Neither Purchaser nor Copacker's officers, employees or agents shall be deemed to be officers, employees or agents of the other, and neither Purchaser nor Copacker shall represent that its relationship with respect to the other party is other than as an independent contractor. Nothing in this Agreement shall create in either party the right or authority to incur any obligations on behalf of, or to bind in any respect, the other party.

14.2 Assignment

Neither this Agreement nor any interests of either party hereto (including any interest in monies belonging to or which may accrue to the parties) may be assigned, mortgaged, pledged, hypothecated or otherwise transferred by either party hereto without the prior written consent of the other party hereto.

14.3 Notice

Any notice, direction or other communication given regarding the matters contemplated by this Agreement or any ancillary agreement delivered pursuant to this Agreement (each a "Notice") must be in writing, sent by personal delivery, courier or email and addressed:

to the Vendor at:

8 Hagaton Blvd, Nahariya, Israel
22100
Attention: Eli Soglowek
Email: eli@soglowek.co.il

With an email copy to: bilet@netvision.net.il

to the Purchaser at:

23 Jenkins Dr, Richmond Hill, ON, CANADA
L4C 8C5
Attention: Henry Ender
With an email copy to: spatricuin@weirfoulds.com

A Notice is deemed to be given and received (i) if sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, or (ii) if sent by email, on the date of transmission if made prior to 5:00 p.m. local time in the place of receipt and otherwise on the next Business Day (unless there is a "bounce-back" or other indication that the email message was not received). A party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the party at its changed address. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed.

14.4 Modification and Waiver

- 14.4.1 The delay or failure by either party to exercise its rights in relation to a breach or default by the other party shall not be deemed to constitute an implied waiver of any proceeding relating to such breach or default or subsequent breach or default of any other provision of this Agreement.
- 14.4.2 No waiver or modification of any of the terms of this Agreement shall be valid unless in writing and signed by each of the parties hereto.

14.5 Severability and Survival

- 14.5.1 If any provision of this Agreement or the application thereof to any circumstances shall be held to be invalid or unenforceable, the remaining provisions of this Agreement, or the application thereof to other circumstances, shall not be affected thereby and shall be held valid to the full extent permitted by law.
- 14.5.2 Any provision of this Agreement which by its nature extends beyond the duration of the Term provided hereunder or which is required to ensure that the parties fully exercise their rights and their obligations hereunder shall survive the expiration or termination of this Agreement including, but not necessarily limited to the indemnification, confidentiality and intellectual property provisions of this Agreement.

14.6 Entire Agreement

This Agreement together with the attached Schedules constitutes the entire Agreement between the parties hereto with respect to the matters dealt with herein and supersedes all prior representations, negotiations, understandings and agreements oral or written, between the parties with respect to such matters. This Agreement supersedes all prior oral and written agreements and understandings between the parties relating to the manufacture, sale and purchase of the Products, and may only be amended or modified in writing signed by an authorized representative of each party.

14.7 Governing Law

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby submit to the non-jurisdiction of the courts of the City of Toronto, Ontario in connection with this Agreement.

14.8 Further Assurances

The parties covenant and agree to do such things, to execute such further documents or instruments as may be reasonably necessary or advisable from time to time in order to carry out the terms of this Agreement in accordance with its true intent.

14.9 Counterparts

This Agreement may be executed in several counterparts and may be executed by the respective parties hereto on separate counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one and the same instrument. Any signature of this Agreement by any party communicated to the other party through facsimile or other electronic means of transmission, shall constitute execution of the Agreement.

14.10 Force Majeure

Neither party shall be liable for any loss, damage, delay or failure to deliver all or any part of the Products or failure to perform resulting from unforeseeable causes beyond its reasonable control including without limitation fires, strikes, wars, earthquakes, delays in transportation, boycotts, embargoes, riots, insurrections, requirements or regulations of any governmental authority (“**force majeure**”). In the event that the delay described herein continues for longer than sixty (60) days, the other party will have the right to terminate this Agreement. Each party shall promptly notify the other party of any force majeure event.

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IN WITNESS WHEREOF the parties hereto have hereunto duly executed this Agreement as of the day and year first above written.

ZOGLO'S INCREDIBLE FOOD CORP.

By: "Henry Ender"

Name: Henry Ender

Title: Founder

I have authority to bind the corporation

**NAKNIK NAHARIYA KASHER
SOGLOWEK LTD.**

By: "Yael Soglowek-Ender" "Ami Soglowek"

Name: Yael Soglowek-Ender and Ami Soglowek

Title: Directors

I have authority to bind the corporation

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Schedule "A" – List of Zoglos Products

Royal Burger

Crispy Sticks

Mixes vegetable patty

Meatless Chicken Burger

Grain and vegetable Burger

Sliders – Mini burgers

Broccoli Cutlets

Spinach Cutlets

Schnitzels

Meatless Chicken Cutlet

Corn Cutlets

Meatless Kebab

Crispy Nuggets

Meatless wieners

Schedule "C" - Sample Active Forecast

ATTACHED

Projection		Canada	USA	UK	
Part No	Description	1 Year cases	1 Year cases	1 Year cases	Total
ZF10	ZOGLOS VEG FALAFEL 12/300G				0
ZF11	ZOGLOS FALAFEL BALLS BULK 5KG				0
					0
ZOQN10	ZOGLOS GOLDEN MEATLESS NUGGETS 12/300G				0
ZOQN15	ZOGLOS MEATLESS SLIDER BURGER (MINI LOAF) 12/300G				0
ZOQN16	ZOGLOS MEATLESS SAVOURY KEBABS 12/290G				0
ZOQN17	ZOGLOS MEATLESS BURGERS 12/300G				0
ZOQN18	ZOGLOS MEATLESS WIENERS 12/300G				0
ZOQN19	ZOGLOS MEATLESS CHICKEN PATTY (BURGER) 12/300G				0
ZOQN20	ZOGLOS MIXED VEGETABLE PATTIES 12/300G				0
ZOQN21	ZOGLOS BROCCOLI CUTLETS 12/300G				0
ZOQN23	ZOGLOS GRAIN AND VEGGIE PATTY (BURGER) 12/300G				0
ZOQN28	ZOGLOS VIENNESE SCHNITZEL MEATLESS CUTLET 12/300G				0
ZOQN29	ZOGLOS MEATLESS CRISPY CUTLETS 12/300G				0
ZOQN30	ZOGLOS CORN CUTLETS 12/300G				0
ZOQN31	ZOGLOS SPINACH & VEGETABLE CUTLETS 12/300G				0
ZOQN33	ZOGLOS CRISPY CORN STICKS 12/280g.				0
	Corn Nuggets				0
					0
ZOQN57	ZOGLOS MEATLESS GOLDEN NUGGETS 6/800G				0
ZOQN58	ZOGLOS MEATLESS BURGER 6/1KG				0
ZOQN59	ZOGLOS MEATLESS WIENER 6/1KG				0
ZOQN60	ZOGLOS MEATLESS CRISPY CUTLETS 6/1KG				0
	Cocktail weiners 1kg				0
	Corn Nuggets 800g				0
	Corn Cutlets				0
					0
ZOQN90	ZOGLOS MEATLESS CRISPY CUTLET 5KG				0
ZOQN91	ZOGLOS MEATLESS BURGERS 5KG				0
ZOQN92	ZOGLOS MEATLESS CRISPY STICKS - CORN 5KG				0
ZOQN94	ZOGLOS MEATLESS GOLDEN NUGGETS 5KG				0
ZOQN95	ZOGLOS MEATLESS WIENERS - REGULAR 5KG				0
ZOQN97	ZOGLOS MEATLESS MINI LOAVES 5KG				0
ZOQN98	ZOGLOS MEATLESS MEATBALLS 5KG				0
ZOQN99	ZOGLOS MEATLESS GRAIN & VEG PATTY 5KG				0
	Cocktail weiners				0
					0
					0
	Total Cases	0	0	0	0

Schedule "D" – Purchase Price for Products

ATTACHED

pricing cost plus

ITEM	DESCRIPTION	WEIGHT	Ingredients cost	packaging cost (in bag)	Packaging cost (in carton)	direct labor	Transport costs to the port	DIRECT EXPORT COSTS	Overheads	TOTAL COSTS ILS	EX-WORKS ILS PRICE PER	5%
	<u>280-300</u>											

* Without export department costs - is not at the expense of Soglowek