

CONTRACT MANUFACTURING AGREEMENT

THIS AGREEMENT is made as of the 9th day of February 2021.

BETWEEN:

NAKNIK NAHARIYA KASHER SOGLOWEK LTD., a corporation incorporated under the laws of **Israel** ("**Copacker**")
- and -

ZOGLO'S INCREDIBLE FOOD INC., 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 9th day of February 2021 (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 \$25,000,000 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 CAD\$2,000,000.00 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 \$2,000,000.00 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 14.11, 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 fulfill 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 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 █%. Redacted for confidential purposes

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”). Redacted for confidential purposes

Amount Paid under the Note	Margin
0 to CAD\$ █	█%
CAD\$ █	█%
CAD\$ █	█%

Redacted for confidential purposes

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

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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](mailto: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.

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.

[the remainder of this page is intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above

**ZOGLO'S INCREDIBLE FOOD
INC.**

By: "Henry Ender"

Name:
Title:

I have authority to bind the corporation

**NAKNIK NAHARIYA KASHER
SOGLOWEK LTD.**

By: "Ami Soglowek"

Name:
Title:

I have authority to bind the corporation

Schedule “A” – List of Zoglos Products

Attached.

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.**

Schedule “D” – Purchase Price for Products

Attached.

