

September 1, 2024

**MEMO TO:** Central Ontario FS Patrons

**FROM:** Frank Barron, Division Manager, Central Ontario FS, a division of GROWMARK, Inc.

**SUBJECT:** GROWMARK Membership

Thank you for your business with Central Ontario FS and your interest in a GROWMARK, Inc. membership.

Central Ontario FS as a division of GROWMARK conducts business as a co-operative. As a co-operative, Central Ontario FS patrons who are in production agriculture may become members of GROWMARK. GROWMARK applied for and was granted an Order from the Ontario Securities Commission (Order) that establishes the requirements for GROWMARK granting membership (Membership Interest) under the Securities Act of Ontario (Act).

To qualify as a member of GROWMARK, it is necessary that the patron be an agricultural producer, sign a membership agreement, and hold a share of, or fractional interest in a share of, Common Stock of GROWMARK. In order for the patron to qualify as a member of GROWMARK under the Canada Income Tax Act (ITA) GROWMARK must first issue one or more shares of Class D Stock to the patron and that such Class D Stock is issued prior to the declaration by the GROWMARK Board of Directors of any patronage distributions. The shares of Class D Stock have a par value of US\$100 per share. Holders of Class D Stock are entitled to one vote per share at any meeting of the GROWMARK stockholders and to future patronage distributions when declared.

Before issuance of a GROWMARK Membership Interest and shares of Class D Stock, each patron is to be provided with the following materials:

- a) A written statement (included in the Membership Agreement) of certain protections, limitations, rights and remedies provided by the Act;
- b) A copy of the Order;
- c) The articles and bylaws of GROWMARK, and all amendments thereto; and
- d) The most recent annual audited financial statements of GROWMARK.

Please find these items included in this membership packet.

**QUESTIONS & ANSWERS**  
**GROWMARK, Inc. Membership**  
**Central Ontario FS Division**

Following are some general questions and answers concerning this membership opportunity.

**1. What is the cost of a membership?**

- a. A patron is required to purchase one (1) share of Class D Stock for \$100.
- b. A patron will also be issued a fractional share of Common Stock at no cost.
- c. There is no additional annual fee.

**2. What is Class D Stock?**

- a. Class D Preferred Stock has \$100 par value, is uncertificated, with voting rights.
- b. Class D Preferred Stock is the same stock issued to member co-operatives.

**3. What do I get from membership?**

- a. Ownership in GROWMARK, Inc.
- b. The opportunity to receive patronage distributions when declared.
- c. Each year the opportunity for members to receive a patronage refund, which would be assessed based first on GROWMARK, Inc. profitability and then on Central Ontario FS performance.
- d. You are not required to purchase a membership to do business with us. Membership is completely optional and your decision.

**4. How do I qualify for membership?**

- a. Review the packet of information.
- b. Complete and submit the Membership Agreement.
- c. Issue payment for \$100 to Central Ontario FS.

**5. How is governance handled?**

- a. A local board is in place with current directors as follows:
  - i. Bert Perriman (Ayr)
  - ii. Scott Utter (Delhi)
  - iii. Paul Bald (Mitchell)
  - iv. Darcy Trinier (Drayton)
  - v. Jim Patton (Alliston)
- b. Local directors are elected by members.
- c. Directors have staggered 3 year terms.
- d. The Board size is five to eleven directors.
- e. GROWMARK can appoint two directors which today are as follows:
  - i. Warren Jibb (Sunderland)
  - ii. Scott McGeachy (AGRIS)

**6. What is the responsibility of the Board:**

- a. Provide guidance, local perspective and input to management.
- b. Provide oversight and direction concerning local operations.
- c. Review financial and operating performance.
- d. Review and provide recommendations for capital and operating budgets.
- e. In coordination with GROWMARK employment of the Division Manager.

**7. What are local director requirements?**

- a. Full-line patron.
- b. Purchasing substantially all of their agricultural inputs from the division.
- c. Purchasing annually a minimum of \$25,000 from the division.
- d. Attend Board meetings which are held a minimum of 4 per year.
- e. Directors are paid a per diem and reimbursed for expenses and travel for attending related GROWMARK or Central Ontario FS meetings.

**8. Who is GROWMARK?**

- a. GROWMARK is a regional agricultural co-operative with its headquarters in Bloomington, IL.
- b. GROWMARK has a regional office in Guelph, ON.
- c. GROWMARK is strong financially as noted in the detailed audit report provided in the packet.
- d. On March 7<sup>th</sup> of this year, GROWMARK was 97 years old.
- e. GROWMARK markets products and services around energy (refined fuels, propane, and lubricants), agronomy (crop protection, seed, fertilizers) and grain.
- f. More detail about GROWMARK can be found on [www.growmark.com](http://www.growmark.com).

**9. How are Central Ontario FS and Great Lakes Grain (GLG) connected?**

- a. Central Ontario FS is a division of GROWMARK, Inc. which directly handles all agronomy and energy products and services for you.
- b. GLG is a partnership with GROWMARK, Inc. (including Central Ontario FS, a division of GROWMARK, Inc.), AGRIS Co-operative and Embrun Co-op, which handles all grain merchandising, marketing and related services for you.
- c. Based on percentage of ownership, GLG income is recognized by each partner.
- d. Each partner determines annually the patronage distribution to its members based on various factors.

**10. What are Central Ontario FS future plans and objectives?**

- a. As stated in our mission, it is to be the destination of choice for Agronomy, Energy, and Grain business solutions in central Ontario.
- b. Our vision is to be the trusted, long-term leader in our business.
- c. Improving the profitability of our member-owners.
- d. Delivering value to the members and customers we serve.
- e. Good stewards of our environment and the communities we serve.

**Thank you for your interest in membership and your business.**