

ALBERTA SECURITIES COMMISSION

Citation: Re FoodChek Systems Inc., 2020 ABASC 70

Docket: ENF-012370

Date: 20200521

UNDERTAKING

FoodChek Systems Inc. (FoodChek)

Introduction

1. FoodChek was incorporated in Alberta on or about November 12, 2003, and maintains its head office in Calgary, Alberta.
2. The undertakings provided herein to the Executive Director of the Alberta Securities Commission (**Commission**) by FoodChek are accepted in the public interest and for the purpose of maintaining the integrity of and confidence in Alberta capital markets.
3. Terms used in this Undertaking have the same meaning as provided in the Alberta securities laws, as defined in the *Securities Act*, RSA 2000, c S-4, as amended (*Act*).

Undertakings of FoodChek

4. FoodChek will designate a maximum of five directors, officers and/or employees (**Designated Persons**) to be responsible for determining whether investors meet the terms and conditions of the applicable exemptions defined in National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**).
5. Designated Persons must attend training on how to determine whether an investor meets the terms and conditions of the Accredited Investor and Family, Friends and Business Associates exemptions, as defined in NI 45-106. Training must accord with the guidance provided in the NI 45-106 Companion Policy.
 - 5.1 Training must be provided by external legal counsel with knowledge of Alberta securities laws and the exempt market.
 - 5.2 FoodChek must retain a record of when the training is held and who attends the training.
 - 5.3 Training may be conducted virtually using a face-to-face communication platform.

6. In accordance with NI 45-106 and its Companion Policy, Designated Persons must take reasonable steps to confirm that every investor meets the terms and conditions of the applicable exemption being relied upon at the time of the distribution, as defined by the *Act*. This requirement applies to both new and existing investors in FoodChek.
7. For every distribution, as defined by the *Act*, Designated Persons must make detailed written notes outlining the steps taken to determine whether an investor meets the terms and conditions of the applicable exemption, as defined in NI 45-106, including the date and time of all relevant communications and any documents reviewed or relied upon.
 - 7.1 Such notes must be retained by FoodChek for eight years from the date of the distribution.
8. FoodChek will not engage in the distribution, as defined by the *Act*, of its securities unless the steps outlined in paragraphs 4 to 7 are completed.
9. In addition to the above, FoodChek will ensure any distribution, as defined by the *Act*, of its securities is done in strict compliance with Alberta securities laws.
10. FoodChek acknowledges it has sought independent legal advice and has voluntarily given the undertakings provided herein.
11. FoodChek waives any right to a review of, or appeal from, the terms of this Undertaking that exist under the *Act* or otherwise.
12. FoodChek makes no admissions that it has breached, or not complied with, Alberta securities laws.
13. FoodChek acknowledges that this document may be referred to in any other proceedings under the *Act*, and in securities regulatory proceedings in other jurisdictions.
14. Signed signature pages may be transmitted by electronic mail, and any such signature shall have the same legal effect as an original.

15. This Undertaking shall be deemed effective as of the date first written above, and shall remain in effect until such time as:

- 15.1 FoodChek is released from this Undertaking by the Executive Director;
- 15.2 a Settlement Agreement has been approved by the Commission and FoodChek has complied with all of its terms; or
- 15.3 in the event that a Notice of Hearing is issued against FoodChek, a hearing has been convened by a Panel of the Commission and a final determination has been made on the allegations and any sanction.

Signed by the duly authorized signatory)
of FoodChek Systems Inc. at Calgary,)
Alberta this 21 day of May, 2020, in the)
presence of:)

) FoodChek Systems Inc.

Robert J. Iverach)

WITNESS NAME)

) Per: "Original signed by"

"Original signed by")

SIGNATURE)

) William J. Hogan