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AEGIS BRANDS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

May 21, 2021

**Meeting to be held virtually via live webcast
on
Friday, June 25, 2021 at 10:00 a.m. (Toronto Time)**

Aegis Brands Inc.
3400 – 333 Bay Street
Toronto, Ontario
M5H 2S7

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN to holders of common shares (“Shareholders”) of AEGIS BRANDS INC. (the “Corporation”) that an annual and special meeting of Shareholders (the “Meeting”) will be held virtually via live webcast at <https://web.lumiagm.com/443185270> on Friday, June 25, 2021 at 10:00 a.m. (Toronto time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 26, 2020;
2. to elect directors of the Corporation (the “Directors”);
3. to appoint auditors for the Corporation and to authorize the Directors of the Corporation to fix the remuneration of the auditors;
4. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution (the “Deferred Compensation Shares Resolution”) attached as Appendix C to the accompanying management information circular to approve the one-time issuance of common shares to the directors and certain officers of the Corporation in lieu of paying deferred compensation otherwise payable to such individuals;
5. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution attached as Appendix D to the accompanying management information circular (the “Bonus Shares Resolution”), to approve the one-time issuance of common shares to certain officers of the Corporation in connection with their contributions to the Corporation during the period leading up to the recent sale of its specialty coffee brand “Second Cup Coffee Co.” to SC Coffee Canada Inc.; and
6. to transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

In order to proactively deal with the unprecedented public health impact of COVID-19, and to mitigate risks to the health and safety of Shareholders, communities, employees and other stakeholders, the Meeting will be in a virtual-only format, which will be conducted via live webcast. All Shareholders, regardless of geographic location and equity ownership, will have an equal opportunity to participate at the Meeting. Shareholders will not be able to attend the Meeting in person. Registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/443185270>. Guests and non-registered Shareholders (being Shareholders who hold their Shares in the capital of the Corporation through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will not be able to vote or ask questions at the Meeting.

Due to the virtual nature of the Meeting, Shareholders are encouraged to express their vote in advance by completing a form of proxy or voting instruction form, or where advanced voting is not possible, to do so at the virtual Meeting. Detailed voting instructions can be found in the accompanying management information circular.

Registered Shareholders of the Corporation, including CDS, must deposit completed proxies with Computershare Trust Company of Canada, Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 before 10:00 a.m. (Toronto time) on June 23, 2021 or in the event that the Meeting is adjourned or postponed, on a business day at least 48 hours before the date and time to which the Meeting is adjourned or postponed. All non-registered Shareholders other than CDS must communicate their voting instructions well in advance of this deadline in order to allow their instructions to be processed before the deadline.

The Directors of the Corporation have fixed May 21, 2021 as the record date for the meeting.

We urge you to read these materials carefully and cast your vote on these important matters.

DATED at Toronto, Ontario 21st day of May, 2021.

AEGIS BRANDS INC.

Michael Bregman
Chair of the Board of Directors

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AEGIS BRANDS INC.

MANAGEMENT INFORMATION CIRCULAR

THE MEETING

This Management Information Circular (this “**Circular**”) is being sent to you as a holder of common shares (“**Shares**”) of Aegis Brands Inc. (the “**Corporation**”) in connection with the annual and special meeting of shareholders of the Corporation (“**Shareholders**”) to be held on June 25, 2021 (the “**Meeting**”).

Date, Time and Place of the Meeting

The Meeting is to be held virtually, conducted via live webcast at <https://web.lumiagm.com/443185270> on Friday, June 25, 2021 at 10:00 a.m. (Toronto time).

Record Date and Quorum

The directors of the Corporation (“**Directors**”) have fixed May 21, 2021, as the record date (the “**Record Date**”) for the Meeting. A quorum for the Meeting consists of two or more individuals deemed to be present at the Meeting either holding personally or representing by proxy not less in aggregate than 10% of the votes attached to all outstanding Shares.

Virtual Meeting

In order to proactively deal with the unprecedented public health impact of COVID-19, and to mitigate risks to the health and safety of the Corporation’s Shareholders, communities, employees and other stakeholders, the Meeting will be in a virtual-only format, which will be conducted via live webcast. All Shareholders, regardless of geographic location and equity ownership, will have an equal opportunity to participate at the Meeting. Shareholders will not be able to attend the Meeting in person. Registered Shareholders and duly appointed proxyholders will be able to attend, participate or vote at the Meeting online at <https://web.lumiagm.com/443185270>. Guests and non-registered Shareholders (being Shareholders who hold their Shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will not be able to vote or ask questions at the Meeting.

You can participate in the Meeting online using your smartphone, tablet or computer. Check that your browser for whichever device you are using is compatible by visiting <https://web.lumiagm.com/443185270> in advance of the meeting. You will need the latest version of Chrome, Safari, Edge or Firefox (please do not use Internet Explorer). As usual, you may also provide voting instructions before the Meeting by completing the form of proxy or voting information form that has been provided to you. By participating online, you will be able to hear / view a live webcast of the Meeting, ask the presenters questions online and submit your votes in real time. The online Meeting will ensure that Shareholders who attend the Meeting will be afforded the same rights and opportunities to participate as they would at an in-person meeting. Further information regarding the virtual Meeting interface can be found at <https://go.lumiglobal.com/faq>.

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by management of the Corporation, for use at the Meeting and at any adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting. The Corporation may pay investment dealers or other service providers for their reasonable expenses for sending this Circular and other Meeting materials to Shareholders and obtaining voting instructions and/or proxies. It is expected that the solicitation of proxies for the Meeting will be primarily by mail, but proxies may also be solicited by telephone or personally by regular employees of the Corporation at nominal cost. The cost of solicitation will be borne by the Corporation.

The enclosed form of proxy names the Chief Executive Officer of Aegis and his alternate, the Chief Financial Officer of Aegis, as your proxyholder. You have the right to appoint another person or company to be your proxyholder other than the Chief Executive Officer and his alternate as set out on the form of proxy. To do so, fill in that person’s name in the blank space located near the top of the enclosed form of proxy and cross out the name of the Chief Executive Officer and his alternate. If you return the attached form of proxy to Computershare Trust Company of Canada (“**Computershare**”), and have left the line for the proxyholder’s name blank, then the Chief Executive Officer (or his alternate) will automatically become your proxyholder.

Voting of Proxies

Shares represented by a properly executed proxy will be voted or withheld from voting on any ballot that may be conducted at the Meeting or at any adjournment or postponement of the Meeting in accordance with the instructions of the registered Shareholder indicated on the proxy, and if the registered Shareholder specifies a choice with respect to a matter to be acted on, those Shares will be voted accordingly. In the absence of instructions, those Shares will be voted “FOR” each of the matters referred to in the form of proxy. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting, or other matters which may properly come before the Meeting. At the time of the printing of this Circular, the Directors know of no such amendments, variations or other matters to come before the Meeting. Should such matters arise, the persons named in the enclosed form of proxy will vote in accordance with their judgment on such matters or business.

How to Vote

Due to the virtual nature of the Meeting, Shareholders are encouraged to express their vote in advance by completing a form of proxy or voting instruction form, or where advanced voting is not possible, to do so online at the Meeting. You may also appoint another proxyholder, who need not be a Shareholder, to attend the virtual Meeting and vote your Shares for you on your behalf by completing the form of proxy or voting instruction form accordingly. If you are a Non-Registered Beneficial Shareholder (as defined in the table below), please consult your intermediary for instructions. **Your vote will be counted if it is received by Computershare by no later than 10:00 a.m. (Toronto time) on June 23, 2021, or, in the event that the Meeting is adjourned or postponed, on a business day at least 48 hours before the date and time to which the Meeting is adjourned or postponed.** The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

Please follow the instructions below based on whether you are a “**Non-Registered Beneficial Shareholder**” or a “**Registered Shareholder**” (each as defined in the table below).

	<p>Registered Shareholders (proxy form)</p> <p><i>Registered Shareholders are Shareholders whose names are on record with the Corporation as the registered holders of Shares as of the Record Date.</i></p>	<p>Non-Registered Beneficial Shareholders (voting instruction form)</p> <p><i>Non-Registered Beneficial Shareholders are Shareholders whose Shares are registered in the name of an intermediary (such as a securities broker, financial institution, trustee, custodian or other nominee)</i></p> <p><i>Your intermediary will send you a voting instruction form</i></p>
<p>Voting Prior to the Meeting</p>	<ul style="list-style-type: none"> • By Internet: Go to www.investorvote.com and follow the instructions on the screen. You will need your 15-digit control number, which can be found on your form of proxy. • By Telephone: Call 1-866-732-8683 (toll-free in North America) or 312-588-4290 (outside North America). You will need your 15-digit control number, which can be found on your form of proxy. Please note that you cannot appoint anyone 	<ul style="list-style-type: none"> • By Internet / Telephone: Follow the instructions on your voting instruction form or contact your intermediary for instructions on how to submit voting instructions by internet at www.proxyvote.com or by telephone by calling the number listed on your voting instruction form. • By Mail: Complete, sign and date the voting instruction form and return it in the envelope

	<p>other than the directors and officers named on your form of proxy as your proxyholder if you vote by telephone.</p> <ul style="list-style-type: none"> • By Fax: Complete and sign the form of proxy and return the form in the envelope provided or submit your proxy by fax at 1-866-249-7775 or 416-263-9524 outside of North America. • By Mail: Complete, sign and date your form of proxy and return it to Computershare Investor Services Inc., Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, ON, M5J 2Y1. • All votes cast prior to the Meeting must be received by Computershare by no later than 10:00 a.m. (Toronto time) on June 23, 2021, or, in the event that the Meeting is adjourned or postponed, on a business day at least 48 hours before the date and time to which the Meeting is adjourned or postponed. 	<p>provided or as otherwise permitted by your intermediary.</p> <ul style="list-style-type: none"> • All voting instructions must be received by intermediaries well in advance of the deadline for the receipt of proxies of 10:00 a.m. (Toronto time) on June 23, 2021.
Voting at the Meeting	<ul style="list-style-type: none"> • If you are unable to vote in advance by completing a form of proxy or by voting by telephone or internet, you may vote online at the Meeting: <ul style="list-style-type: none"> ○ Log in at https://web.lumiagm.com/443185270 at least 15 minutes before the Meeting starts ○ Click on “I have a login” and enter the Username or Control Number and Password before the start of the Meeting. ○ Username or Control Number: the 15-digit control number located on the form of proxy or in the email notification you received from Computershare ○ Password: aegis2021 (case-sensitive) ○ Voting at the meeting will only be available for Registered Shareholders and duly appointed proxyholders. • You have to be connected to the Internet at all times to be able to vote. 	<ul style="list-style-type: none"> • If you are unable to vote in advance by completing a voting instruction form or otherwise submitting voting instructions by internet or telephone, follow the instructions on your voting instruction form: <ul style="list-style-type: none"> ○ Complete your name in the space provided to instruct your intermediary to appoint you as proxyholder ○ Do not complete the voting instructions section of the form as you will be voting at the Meeting ○ Sign and return the voting instruction form according to the delivery instructions provided • Non-Registered Beneficial Shareholders who appoint themselves as a proxyholder MUST register with Computershare at https://www.computershare.com/Aegis AFTER submitting their voting instruction form in order to receive a Username or Control Number. • To vote online at the meeting: <ul style="list-style-type: none"> ○ Log in at https://web.lumiagm.com/443185270 at least 15 minutes before the Meeting starts ○ Click on “I have a control number” and enter the Username or Control Number and Password before the start of the Meeting. ○ Username or Control Number: The username or control number will be provided by Computershare via email, provided your appointment has been registered based on the instructions on the voting instructions form ○ Password: aegis2021 (case-sensitive) ○ Non-Registered Beneficial Shareholders who have not appointed themselves may attend the meeting by clicking “I am a guest” and completing the online form.

		<ul style="list-style-type: none"> You have to be connected to the Internet at all times to be able to vote.
Changing Your Vote	<ul style="list-style-type: none"> Revoke the proxy by: <ul style="list-style-type: none"> Completing and signing a proxy bearing a later date and depositing it as aforesaid; Depositing an instrument in writing executed by the Registered Shareholder or by his, her or its attorney authorized in writing: <ul style="list-style-type: none"> at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or with the Chair of the Meeting prior to the commencement of the Meeting on the day of such Meeting or any adjournment thereof; or In any other manner permitted by law. Change your vote by sending in another properly completed and signed proxy form with a later date, as long as it is received by the cut-off time noted above. 	<ul style="list-style-type: none"> Contact your intermediary for instructions.

All Non-Registered Beneficial Shareholders should communicate their voting instructions in accordance with directions received from the intermediary holding Shares on their behalf well in advance of the deadline for the receipt of proxies of 10:00 a.m. (Toronto time) on June 23, 2021 in order to allow their instructions to be processed before the deadline.

Shareholders (registered or non-registered) who wish to appoint a third party proxyholder to represent them at the online meeting must submit their proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting. To register a proxyholder, Shareholders MUST visit <https://www.computershare.com/Aegis> by 10:00 a.m. (Toronto time) on June 23, 2021 and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with a Username via email.

Non-Registered Beneficial Shareholders who do not have a 15-digit Control Number or Username will only be able to attend as a guest (which allows them to listen to the Meeting) and will not be able to vote or submit questions.

Without a Username or Control Number, proxyholders will not be able to vote at the Meeting.

Submitting Questions Before or During the Meeting

Only those Shareholders attending the Meeting as a Registered Shareholder or a Non-Registered Beneficial Shareholder as proxy holder for the Registered Shareholder may submit questions at the Meeting, either before or during the Meeting. Guests will not be able to submit questions either before or during the Meeting.

Those Shareholders attending the Meeting as a Registered Shareholder or a Non-Registered Beneficial Shareholder as proxy holder for the Registered Shareholder may submit questions beginning one hour prior to or during the Meeting by accessing the Meeting site at <https://web.lumiagm.com/443185270>, entering their control number or username and the password “aegis2021” (case-sensitive), and selecting the Questions icon. Compose your question and select the arrow icon to submit your question.

The Chair of the Meeting reserves the right to edit or reject questions he or she deems inappropriate. The Chair of the Meeting has broad authority to conduct the Meeting in an orderly manner. To ensure the Meeting is conducted in a manner that is fair to all Shareholders, the Chair of the Meeting may exercise broad discretion in the order in which questions are asked and the amount of time devoted to any one question. It is anticipated that Shareholders will have substantially the same opportunity to ask questions on matters of business at the Meeting as they would had it been held in person.

Technical Assistance

Shareholders should ensure they have their 15-digit control number(s) (Registered Shareholders) or username(s) (duly appointed proxy holders) well in advance of the Meeting. A user guide for the virtual Meeting will be mailed to Shareholders in connection with the Meeting. The user guide provides information about logging into the Meeting, voting and asking questions during the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of the date hereof, the Corporation has 22,916,028 Shares issued and outstanding, each of which entitles the holder to one vote per Share. Each holder of Shares of record at the close of business on the Record Date will be entitled to one vote for each Share held on all matters proposed to come before the Meeting.

As at the date hereof, to the knowledge of the Directors, PDPJHP Ontario Ltd. (“**POL**”) beneficially owns, directly or indirectly, or controls or directs voting securities of the Corporation carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation. Based on information publicly filed with applicable securities regulatory authorities, as of the date hereof, POL owns or exercises control over 3,001,900 Shares, representing approximately 13% of the issued and outstanding Shares.

ANNUAL AND SPECIAL MEETING BUSINESS

Financial Statements

The audited consolidated financial statements of the Corporation for the year ended December 26, 2020 have been posted on SEDAR at www.sedar.com and on the Corporation’s website at www.aegisbrands.ca and are available upon request.

Election of Directors

In accordance with the Corporation’s articles of arrangement, the Corporation must have a minimum of three Directors and a maximum of ten Directors. Currently, the number of Directors is seven.

At the Meeting, Shareholders will be asked to elect as Directors the seven individuals named below (the “**Nominees**”). The Directors adopted a policy, described below, to permit Shareholders to vote on individual Directors at annual and special meetings of Shareholders such as the Meeting. All seven of the Nominees are current Directors. Each Director will hold office until the close of the next annual meeting of the Shareholders or until such Director resigns, is removed, or ceases to be qualified to act as a Director.

The Board of Directors of the Corporation (the “**Board of Directors**” or the “**Directors**”) has adopted a majority voting policy (the “**Majority Voting Policy**”). The Majority Voting Policy provides that in an uncontested election of Directors, any nominee who receives a greater number of votes “withheld” than votes “for” will promptly following the relevant shareholder meeting tender a resignation to the Board of Directors, such resignation to take effect on acceptance by the Board of Directors. The Governance, Human Resources and Compensation Committee (the “**Governance Committee**”) will consider the offer of resignation and recommend to the Board of Directors whether or not to accept it. The Board will make its decision and announce it in a press release within 90 days following such meeting, including the reasons for rejecting the resignation, if applicable. A Director who tenders a resignation pursuant to this policy will not participate in any meeting of the Board or the Governance Committee at which the resignation is considered.

The Board of Directors has adopted an advance notice policy (the “**Advance Notice Policy**”) for the purpose of providing Shareholders, Directors and management of the Corporation with a transparent, structured and fair process for nominating Directors of the Corporation in connection with any annual or special meeting of Shareholders. A copy of the Advance Notice Policy is attached as Appendix B to this Circular.

The table below provides the names of the Nominees, the municipality in which he or she is ordinarily resident, all offices of the Corporation now held by him or her, his or her principal occupation, the period of time for which he or she has been a Director of the Corporation and the number of Shares beneficially owned by him or her, directly or indirectly, or which he or she controls or directs, as at the date hereof. Each Nominee has established his or her eligibility and willingness to serve as a Director. If, prior to the Meeting, any of the listed Nominees should become unavailable to serve as a Director, the persons designated in the form of proxy will have the right to use their discretion in voting for a properly qualified substitute.

The management representatives designated in the enclosed form of proxy intend to vote FOR the election of each of the Nominees whose names are set forth below.

Director Share Ownership, Position, and Principal Occupation

In accordance with share ownership guidelines adopted effective as of January 1, 2011, each Director is required to own such number of Shares and/or deferred share units of the Corporation (the “**Deferred Share Units**” or “**DSUs**”) that has an aggregate purchase price or deemed issue price, as applicable, equal to or greater than three (3) times the amount of such Director’s previous year’s annual retainer calculated at the date of the Corporation’s fiscal year-end. Each Director is strongly encouraged to meet the required ownership level within five (5) years from the later of January 1, 2011 or the date such individual became a Director. The Chairman of the Board of Directors (the “**Chair**”) may grant an exception to these ownership guidelines in rare instances where they would place a severe hardship on a Director or the Director is prohibited from purchasing Shares or holding DSUs.

The following table shows the Directors’ Share ownership and Deferred Share Unit holdings, present office and principal occupation in the preceding five years.

<u>Name, Position being nominated for and Municipality of Residence</u>	<u>Present Office</u>	<u>Principal Occupation (Preceding 5 Years)</u>	<u>DSUs or Shares Beneficially Owned, Controlled or Directed⁽¹⁾</u>
STEVE PELTON Director, Oakville, Ontario, Canada Non-Independent	Director since June 5, 2019	President and Chief Executive Officer of the Corporation from June 2019 to present. Senior Vice President at Recipe Unlimited Corporation (formerly Cara Operations Limited) from 2015 to 2019. Co-founder and former CEO of the Landing Group of restaurants until its acquisition in 2015 by Cara Operations Limited.	515,241 Shares
MICHAEL BREGMAN⁽²⁾⁽³⁾ Chair of the Board of Directors, Toronto, Ontario, Canada Independent	Director since December 20, 2013	Principal and Chief Executive Officer of Tailwind Capital Inc., a Toronto-based investment management firm, from 2003 to present. Director of Clairvest Group Inc., Ideaca Inc. and MapleMusic.	937,200 Shares
STEPHEN KELLEY⁽²⁾ Director, Kitchener, Ontario, Canada Independent	Director since August 1, 2019	Chief Executive Officer of Stocom Research Trading & Investments Inc., an investment firm, from 2004 to present. Director of Wind Athletes Canada.	60,900 Shares
MELINDA LEE, CPA, CA, ICD.D⁽³⁾ Director, Halifax, Nova Scotia, Canada	Director since March 27, 2018	Self-employed financial consultant with over twenty years of senior roles in finance and investments. Past Director of several publicly-traded companies.	33,050 Shares

<u>Name, Position being nominated for and Municipality of Residence</u>	<u>Present Office</u>	<u>Principal Occupation (Preceding 5 Years)</u>	<u>DSUs or Shares Beneficially Owned, Controlled or Directed⁽¹⁾</u>
Independent			
ALTON McEWEN⁽³⁾ Director, Carmel, California, USA Independent	Director since December 20, 2013	Former Chief Executive Officer of Distant Lands Coffee Company. Director of Swiss Water Decaffeinated Coffee Company, Inc. and Canadian Coffee Association.	130,300 Shares 117,749 DSUs
MICHAEL SERRUYA⁽²⁾ Director, Toronto, Ontario, Canada Independent	Director since August 10, 2017	Mr. Serruya was the Co-CEO, Chairman of the Board, and a Director of Kahala Corp. in August 2013. Shortly thereafter, Mr. Serruya was the CEO of Kahala Corp. on November 1, 2013 up to July 2016. Mr. Serruya has been the President of MOS Holdings Inc. in Ontario, Canada from 2000 to the present. Mr. Serruya is also one of the managing directors of the family-managed venture group, Serruya Private Equity Inc., since September 2014.	1,177,632 Shares
AARON SERRUYA Director, Toronto, Ontario, Canada Independent	Director since August 10, 2017	Since December 2015, Mr. Serruya has been President of Pinkberry Canada. Mr. Serruya has been President and a Director of Yogen Früz Canada Inc., since July, 1989. Mr. Serruya is also one of the managing directors and Secretary of the family-managed venture group, Serruya Private Equity Inc., since September 2014.	1,177,632 Shares

Notes:

- (1) Information furnished by the Nominees. See “Compensation of Directors – Directors’ Deferred Share Unit Plan” below for more information with respect to the DSUs.
- (2) Member of the Audit Committee.
- (3) Member of the Governance Committee. Ms. Lee was appointed to the Governance Committee in March 2021.

Attendance Record of Directors

The following table shows the attendance of each of the Nominees (if applicable) at meetings of the Board of Directors of the Corporation and committee meetings held during the 2020 fiscal year.

Summary of Attendance of Directors

<u>Director</u>	<u>Director Meetings Attended⁽¹⁾</u>	<u>Committee Meetings Attended</u>
Michael Bregman	27/29	8/8
Steve Pelton	29/29	N/A
Melinda Lee	29/29	N/A
Alton McEwen	29/29	4/4
Alan Simpson ⁽²⁾	23/29	4/4
Michael Serruya	26/29	2/4
Aaron Serruya	26/29	N/A
Stephen Kelley	29/29	4/4

- (1) In addition to the four regularly scheduled quarterly meetings, the Board met on 25 occasions with management to discuss operations during COVID-19 and receive regular updates on the Corporation's recent sale of its "Second Cup Coffee Co." brand.
- (2) Mr. Simpson resigned as a Director effective December 31, 2020.

Appointment of Auditors

At the Meeting, Shareholders will be called upon to appoint the firm of Zeifmans LLP, Chartered Professional Accountants to serve as our auditors until the next annual meeting of Shareholders and to authorize the Directors to fix their remuneration as such.

Effective May 7, 2021, at the request of the Corporation, the former auditors of the Corporation, PricewaterhouseCoopers LLP, Chartered Professional Accountants, voluntarily resigned as the auditors of the Corporation and the Board of Directors, upon the unanimous recommendation of the Audit Committee, appointed Zeifmans LLP as replacement auditor of the Corporation effective May 7, 2021. There were no reportable events in relation to the change of auditors. Zeifmans LLP are the current auditors of the Corporation.

Pursuant to Section 4.11 of National Instrument 51-102 – *Ongoing Requirements for Issuers and Insiders*, the Corporation filed a reporting package (the "**Reporting Package**") under the Corporation's profile SEDAR on May 12, 2021. The Reporting Package, which consists of the following, is attached as Appendix E to this Circular:

- (i) Notice of Change of Auditor;
- (ii) Letter from PricewaterhouseCoopers, LLP as predecessor auditor; and
- (iii) Letter from Zeifmans, LLP as successor auditor.

The management representatives designated in the enclosed form of proxy intend to vote FOR the appointment of Zeifmans LLP as auditors of the Corporation to hold office until the next annual meeting of Shareholders and the granting of authority to the Directors to fix the remuneration of the auditors.

Proposed Issuance of Shares to Directors and Management

Proposed Share Issuances

Certain members of management agreed to defer a portion of their cash compensation for the period from August 3, 2020 to December 26, 2020 (the "**Deferral Period**") to assist the Corporation in preserving its cash resources during the COVID-19 pandemic. The aggregate amount of compensation deferred by management during the Deferral Period is \$118,511.95. In addition, the non-management members of the Board agreed to defer the payment of their base cash retainer and meeting fees during the Deferral Period. The aggregate amount of compensation deferred by the non-management members of the Board during the Deferral Period is \$124,474 (together with the deferred compensation payable to management, the "**Deferred Compensation Amount**").

The Board has determined that it is in the best interests of the Corporation and its Shareholders to satisfy these deferred payments for the Deferral Period through the issuance of Shares. The Corporation agreed to issue the Shares at a value equal to the volume-weighted average price of the Shares on the Toronto Stock Exchange for the five-day period commencing February 8, 2021, the date of announcement of the Corporation's recent sale of its specialty coffee brand "Second Cup Coffee Co." to SC Coffee Canada Inc. (the "**Second Cup Sale**"), being \$1.1824 per Share (the "**Issuance Price**")

The Board has further determined that it is in the best interests of the Corporation and its Shareholders to issue Shares at the Issuance Price to certain officers of the Corporation in connection with their contributions to the Corporation during the period leading up to the completion of the Second Cup Sale. The aggregate bonus amount payable to such officers of the Corporation is \$128,511.95 (the "**Bonus Amount**").

Therefore, at the Meeting, Shareholders (other than the directors and officers of the Corporation entitled to

receive Deferred Compensation Shares and/or Bonus Shares, as applicable) will be asked to consider, and if deemed appropriate, approve the following resolutions:

- (a) a resolution (the full text of which is set forth in Appendix C to this Circular), regarding the issuance of an aggregate of 205,509 Shares (the “**Deferred Compensation Shares**”) on a one-time basis to the directors and certain officers of the Corporation in lieu of paying the Deferred Compensation Amount in cash, with the number of Deferred Compensation Shares determined by dividing the Deferred Compensation Amount by the Issuance Price, and
- (b) a resolution (the full text of which is set forth in Appendix D to this Circular), regarding the issuance of an aggregate of 108,690 Shares (the “**Bonus Shares**”) on a one-time basis to certain officers of the Corporation in connection with their contributions to the Corporation during the period leading up to the completion of the Second Cup Sale, with the number of Bonus Shares determined by dividing the Bonus Amount by the Issuance Price.

Approval of such resolutions will be obtained if a majority of the eligible votes cast are in favour.

Rationale for Proposed Issuances and Reason for Seeking Shareholder Approval

The Board has concluded that approval of the above resolutions is in the best interests of the Corporation and its Shareholders, in particular to, in respect of the issuance of the Deferred Compensation Shares, preserve the Corporation’s available cash and, in respect of the issuance of the Bonus Shares, reward certain officers of the Corporation for their contributions to the Corporation during the period leading up to the Second Cup Sale.

The issuances of the Deferred Compensation Shares and the Bonus Shares are considered to be “security based compensation arrangements”, for purposes of the TSX Company Manual. For this reason, the TSX requires (in accordance with Section 613(b)(v) of the TSX Company Manual) that the Corporation obtain shareholder approval for these proposed Share issuances.

The officers and directors of the Corporation entitled to receive Deferred Compensation Shares and/or Bonus Shares, as applicable, collectively hold an aggregate of 4,088,655 Shares representing approximately 18% of the issued and outstanding Shares, as set out under “Election of Directors” and “Executive and Other Compensation” in this Circular. The Deferred Compensation Shares and the Bonus Shares collectively represent approximately 1.4% of the currently outstanding Shares on the date of this Circular.

Having regard to the respective individual current holdings of Shares by the officers and directors of the Corporation (as noted above), the issuances of the Deferred Compensation Shares and the Bonus Shares are not expected to materially affect the control of the Corporation. If Shareholders do not approve the issuance of the Deferred Compensation Shares and/or the Bonus Shares, the Corporation intends to satisfy the Deferred Compensation Amount and/or Bonus Amount, as applicable, in cash.

The Board unanimously recommends that Shareholders vote FOR the resolution to approve the issuance of Deferred Compensation Shares in satisfaction of the Deferred Compensation Amount. Management proxyholders intend to vote FOR this resolution unless otherwise instructed on the proxy form.

The Board unanimously recommends that Shareholders vote FOR the resolution to approve the issuance of the Bonus Shares. Management proxyholders intend to vote FOR this resolution unless otherwise instructed on the proxy form.

COMPENSATION OF DIRECTORS

Director Compensation Table

The following indicates compensation provided to the Directors for the year ended December 26, 2020. Directors who served in any capacity for a portion of the fiscal year were compensated on a pro-rated basis.

Name	Fees paid in cash (\$) ⁽¹⁾⁽²⁾	Fees paid in DSUs (\$) ⁽¹⁾	Option based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Steve Pelton, Director of the Corporation ⁽³⁾	\$nil	-	-	-	-	-	nil
Michael Bregman, Director of the Corporation	\$25,000	-	-	-	-	-	\$25,000
Alton McEwen, Director of the Corporation ⁽⁴⁾	-	\$20,000	-	-	-	-	\$20,000
Alan Simpson, Director of the Corporation ^(4,6)	-	\$16,667	-	-	-	-	\$16,667
Michael Serruya, Director of the Corporation	\$4,167	-	-	-	-	-	\$4,167
Aaron Serruya, Director of the Corporation	\$4,167	-	-	-	-	-	\$4,167
Melinda Lee, Director of the Corporation ⁽⁵⁾	\$5,769	-	-	-	-	\$52,925	\$58,694
Stephen Kelley, Director of the Corporation	\$6,423	-	-	-	-	-	\$6,423

Notes:

- (1) Director fees were suspended between April-July 2020 due to COVID-19.
- (2) Fees include a base cash retainer; these amounts are further explained below in “Summary of Board Compensation”. Fees do not include amounts deferred during the Deferral Period, which will be settled in 2021, as described above in “Proposed Issuance of Shares to Directors and Management.”
- (3) As President and Chief Executive Officer of the Corporation since June 2019, Mr. Pelton does not receive any compensation for his services as a Director of the Corporation.
- (4) Messrs. McEwen and Simpson received 100% of their Directors’ Fees in Deferred Share Units of the Corporation under the Directors’ Deferred Share Unit Plan. The Deferred Share Units were awarded using the weighted average trading value of the Corporation’s Shares on the five days prior to the Corporation’s previous fiscal year end.
- (5) Ms. Lee is assisting management with strategic acquisitions under a consulting agreement. Consulting fees associated with this arrangement are included as part of all other compensation.
- (6) Mr. Simpson resigned from the Board of Directors on December 31, 2020.

Summary of Board Compensation

The current annual compensation for each Director of the Corporation, other than officers, consists of a cash retainer of \$25,000. No remuneration is received by any person for his or her role in acting as an officer of the Corporation. Each Director is reimbursed for their out-of-pocket expenses for attending meetings of the Board of Directors and meetings of the committees thereof. Effective 2021, the Chair receives additional compensation of \$15,000 per year (previously, the Chair received additional compensation of \$125,000 per year). The chairs of the Audit Committee and the Governance Committee each receive additional compensation of \$5,000 per year.

Directors' Deferred Share Unit Plan

Effective January 1, 2011, the Board of Directors adopted a directors' deferred share unit plan (the "**DSU Plan**"). The purpose of the DSU Plan is to attract, retain and motivate Directors and to advance the interests of the Corporation by better aligning Director and Shareholder interests through grants of DSUs.

Unless he or she elects not to participate in the DSU Plan, each Director will automatically participate in the DSU Plan (in such capacity, a "**Participant**") and will receive an award of Deferred Share Units (an "**Award**") for each fiscal year in which he or she is a Director. The Award for each fiscal year will be that number of Deferred Share Units equal to the Participant's director fees divided by the Share price on the date the Award is made. When dividends are declared by the Corporation, Participants will be credited with additional Deferred Share Units, the number of which is determined by dividing: (i) the product obtained by multiplying the amount of each dividend declared and paid by the Corporation on the Shares on a per share basis, by (ii) the Share price on the dividend payment date. Under the DSU Plan, 'director fees' include the basic annual fee earned by a director of the Board and any additional annual fee earned by a Director by virtue of being the chair of the Board of Directors or the chair of a committee of the Board of Directors, but does not include meeting fees or any other fees earned by a Director. Share price is generally calculated as the volume-weighted average price of the Shares on the Toronto Stock Exchange (the "**TSX**") on the five most recent preceding days on which they were traded.

A Director may elect not to participate in the DSU Plan or may elect to participate as to 50%. Where a Director elects not to participate in the DSU Plan or elects to participate as to 50%, the Director will receive cash in an amount equal to the Director's director fees (or 50% of the director fees, as applicable).

Deferred Share Units awarded vest on the last day of the fiscal year for which they are awarded. In the event that a Participant's Termination Date (as defined below) falls before the last day of such fiscal year, one-twelfth of the Deferred Share Units awarded for such fiscal year will vest for each completed month in that fiscal year prior to the Termination Date, and all remaining Deferred Share Units will be forfeited on his or her Termination Date and have no further value. All of a Participant's vested Deferred Share Units will be settled on the first business day which falls 30 days after a Participant's Termination Date, unless he or she elects to defer settlement to a date that is no later than December 15 of the calendar year following the Participant's Termination Date. Upon settlement, the Corporation will pay a Participant in cash an amount equal to the Share price on the Termination Date, multiplied by the number of vested Deferred Share Units in the Participant's account. Following receipt of such payment, the Deferred Share Units so settled expire and have no further value. No assets of the Corporation or any of its affiliates will be held in any way as collateral security for the fulfillment of the obligations of the Corporation or any of its affiliates under the DSU Plan.

In 2020, an aggregate of 21,282 DSUs were awarded to the Directors using an average fair value price of \$1.7229 per unit in respect of \$36,667 of director fees.

EXECUTIVE AND OTHER COMPENSATION

The Governance Committee performs the function of a compensation committee for the Corporation and has the responsibility of, among other things, reviewing and making recommendations to the Board of Directors concerning the compensation of the senior management of the Corporation. The Governance Committee for the fiscal year 2020 consisted of Alton McEwen (chair), Michael Bregman and Alan Simpson. During the fiscal year ended December 26, 2020, all members of the Governance Committee were considered "independent" in accordance with the definition set out in National Instrument 58-101 – Disclosure of Corporate Governance Practices ("**NI 58-101**"). Following the resignation of Mr. Simpson from the Board of Directors effective December 31, 2020, Melinda Lee was appointed as a member of the Governance Committee effective March 2021. Following the appointment of Ms. Lee, all the current members of the Governance committee continue to be considered independent in accordance with the definition set out in NI 58-101.

Having served as executives, holding positions such as Chairman, Chief Executive Officer, and President, Messrs. McEwen, Bregman, Mr. Simpson and Ms. Lee have adequate skills and experience related to making decisions on the suitability of the Corporation's compensation policies and practices. Mr. McEwen, the current Chair of the Governance Committee, has served in a similar capacity for another publicly-listed company for a number of

years, and as part of this role, has had access to relevant information regarding compensation governance and applicable market practices, including access to compensation consultants and other experts from time to time, to give the Governance Committee the tools required to make decisions relating to the suitability of the Corporation's compensation policies and practices.

The Governance Committee is entitled to engage independent advisers if applicable.

The responsibilities of the Governance Committee include:

- the establishment of key human resources and compensation policies, including all incentive and equity based compensation plans;
- the performance evaluation of the Chief Executive Officer and the Chief Financial Officer, and determination of the compensation for the Chief Executive Officer, the Chief Financial Officer and other senior executives of the Corporation; and
- compensation of Directors.

The Governance Committee meets four times per year, or more frequently as required. The Chair of the Governance Committee reports to the Board of Directors on the committee's operations at regularly scheduled Board meetings. The Governance Committee also reviews and approves the executive compensation disclosure to be included in the management proxy circular of the Corporation.

The Governance Committee is granted unrestricted access to information about the Corporation that is necessary or desirable to fulfill its duties and all Directors, officers and employees are directed to cooperate as requested by its members. The Governance Committee has the authority to retain, at the Corporation's expense, independent compensation consultants or other advisers to assist the Governance Committee in fulfilling its duties and responsibilities.

Compensation Discussion and Analysis

The Corporation's senior management compensation is designed to align total rewards with performance, business strategy and culture in a meaningful way. The Governance Committee's executive compensation policy incorporates the following specific objectives:

- to attract, motivate and retain executives with the necessary experience, education and skill sets to achieve the Corporation's goals;
- to align the interests of the executives with the long-term interests of the Shareholders through participation in the Corporation's Stock Option Plan; and
- to provide incentives to executives to meet and exceed performance based goals.

The key components of senior management compensation for the 2020 fiscal year consisted of base salary, short-term incentive plan and stock option plan. Other elements include perquisites and a voluntary group registered retirement savings program.

The Board considers implications of the risks associated with the Corporation's compensation policies and practices as part of its oversight and stewardship of the affairs of the Corporation. The Board's role in this respect includes reviewing each of the components of an executive's compensation to ensure there is an overall balance between long-term and short-term incentives commensurate with the Corporation's corporate strategy and goals.

While the Corporation has not adopted a formal prohibition, the senior management and the Directors are, as a matter of policy, not permitted to purchase financial instruments designed to hedge or offset a decrease in the market value of the Shares, including Shares underlying share-based compensation or otherwise held directly or indirectly by a senior manager or a Director.

Base Salary

Members of the senior management team are paid a salary in order to ensure that the compensation package is in line with that offered by other comparable companies in the restaurant industry and as an immediate means of rewarding senior management for efforts expended on behalf of the Corporation. Base salaries represent a fixed component of management compensation and vary by job responsibility. The Governance Committee completes an annual review of senior management salaries that considers, among other things, individual performance, the Corporation's performance and the competitive marketplace for senior management talent. The Governance Committee then recommends to the Board of Directors a level of salary for each member of the senior management team.

Short-Term Incentive Plan/Annual Cash Bonus

Members of the senior management team are entitled to be considered for a discretionary short-term incentive plan ("STIP") / annual cash bonus at the end of each fiscal year. The annual cash bonus target is expressed as a percentage of the executive's annual salary. In order to link executive compensation with the Corporation's goals, the STIP, under which cash awards are made, is based primarily on achievement of certain corporate performance targets for the fiscal year, including the achievement of pre-tax net income targets, as well as non-financial personal objectives. The Corporation's objectives in granting annual cash bonuses include:

- to attract and retain talented executives;
- to motivate the short and long-term performance of these executives; and
- to better align their interests with those of the Corporation's shareholders.

Amended and Restated Stock Option Plan

The Board of Directors adopted the Stock Option Plan on March 21, 2014. The Stock Option Plan became effective as of May 9, 2014. The Amended and Restated Stock Option Plan was adopted by the Board of Directors on May 28, 2019 and approved by Shareholders at the Corporation's annual meeting held on September 24, 2020.

The Amended and Restated Stock Option Plan is intended to provide long-term rewards linked directly to the market value of the Corporation's Shares. It is designed to promote the long-term interests of the Corporation and its Shareholders by fostering a proprietary interest in the Corporation among the directors and employees (including officers) of the Corporation. The Amended and Restated Stock Option Plan is a key component in attracting talent and in promoting the continuity of an excellent senior management team, therefore ensuring the long-term success of the Corporation.

Under the Amended and Restated Option Plan, Stock Options to purchase Shares of the Corporation may be granted to eligible participants in respect of unissued Shares ("**Participants**", or individually, a "**Participant**"). In determining the number of Stock Options to be granted to a Participant, consideration is given to the individual's present and potential contribution to the success of the Corporation, based on the assessment of the Chief Executive Officer and Board of Directors. Previous grants to Participants are also taken into account in deciding whether to issue new grants.

Key Terms of the Amended and Restated Stock Option Plan

Maximum Limit of Stock Options Issuable

The Amended and Restated Stock Option Plan replaced the Fixed Limit of the Stock Option Plan such that the maximum number of Stock Options issuable will consist of 10% of the total issued and outstanding Shares of the Corporation (calculated on a non-diluted basis), less any Shares underlying Options granted under the Stock Option Plan adopted on May 9, 2014 or any other security-based compensation arrangement of the Corporation, if any, from time to time (the "**New Limit**"). As of the date of this Circular, the maximum number of Shares of the Corporation issuable under the Amended and Restated Stock Option Plan under the New Limit is 2,291,603 Shares in the aggregate. This maximum number includes 1,175,000 Shares already allocated under the Corporation's existing security-based

compensation arrangements (representing 5.1% of the total issued and outstanding Shares of the Corporation) and up to an additional 1,116,603 Shares available for issuance in respect of grants of security-based awards moving forward (representing 4.9% of the total issued and outstanding Shares of the Corporation). The Amended and Restated Stock Option Plan is considered an “evergreen” plan whereby the number of Shares equivalent to the number of Stock Options and securities of any other security-based compensation arrangement of the Corporation that have been exercised, terminated, cancelled, repurchased or expired, at any time, are immediately re-reserved for issuance under the Plan and available for future issuances subject to the limits contained herein.

In accordance with the TSX’s policies, the Corporation is required to obtain Shareholder approval by ordinary resolution of all unallocated Stock Options under the Amended and Restated Stock Option Plan every three years at the Corporation’s Shareholder meeting for such year.

Eligibility

All directors or employees (including officers) of the Corporation or any of its affiliates, as designated by the Board of Directors, are eligible to receive Stock Options under the Amended and Restated Stock Option Plan.

Term, Vesting and Exercise Price of Options

Unless otherwise provided in the Stock Option holder’s (“**Option holder**”) grant agreement and subject to earlier expiry in accordance with the terms of the Amended and Restated Stock Option Plan, each Stock Option shall expire ten (10) years after the date of grant. The exercise price of the Stock Options shall be fixed at the date of grant, but in no event shall the exercise price be less than the Fair Market Value of the Shares on the date of grant. “Fair Market Value” means, on any particular day, the volume weighted average closing price of a Share on the TSX (as defined in the Amended and Restated Stock Option Plan) for the five (5) preceding days on which the Shares were traded. Stock Options shall vest in accordance with the grant agreement entered into in respect of the Stock Options. Where a grant agreement does not specify the vesting date of a Stock Option, the Stock Options shall vest in equal annual amounts on each of the first five anniversaries of the date of grant.

Plan Administration

The Board administers the Amended and Restated Stock Option Plan, and may delegate the administration and operation of the Amended and Restated Stock Option Plan, in whole or in part, to a committee and/or to any member thereof.

Subject to the terms of the Amended and Restated Stock Option Plan, the Board has the authority to:

- determine the terms, including the limitations, restrictions, vesting period and conditions, if any, upon such grants;
- interpret the Amended and Restated Stock Option Plan and all agreements entered into thereunder;
- adopt, amend and rescind such administrative guidelines and other rules relating to the Amended and Restated Stock Option Plan as it may from time to time deem advisable; and
- make all other determinations and to take all other actions in connection with the implementation and administration of the Amended and Restated Stock Option Plan as it may deem necessary or advisable.

Limits on Grants with Respect to Insiders and Independent Directors

The Amended and Restated Stock Option Plan provides the following additional limitations on Stock Option grants:

- (a) The maximum number of Shares which may be issued to Insiders, having the meaning ascribed thereto in the TSX Company Manual, under the Amended and Restated Stock Option Plan, or when combined with any other security based compensation arrangements, within any one-year period, may not exceed ten percent (10%) of the Shares issued and outstanding.
- (b) The maximum number of Shares issuable to Insiders under the Amended and Restated Stock Option Plan, or when combined with any other security based compensation arrangements of the Corporation,

- at any time, may not exceed ten percent (10%) of the Shares issued and outstanding.
- (c) The aggregate number of Shares issuable to the “independent” members (as defined in National Instrument 58-101 – Disclosure Corporate Governance Practices) of the Board as a group under the Amended and Restated Plan or when combined with any other security-based compensation arrangements of the Corporation cannot at any time exceed 1% of the issued and outstanding Shares.
 - (d) No Stock Options shall be granted to an individual “independent” member of the Board if such grant would result in such director, within a calendar year, receiving Stock Options that have, together with all other equity awards granted in such year to such director under any other security-based compensation arrangements of the Corporation, an aggregate value (determined as of the applicable dates of grant by the Board, acting reasonably, using appropriate, widely accepted valuation measures) in excess of \$100,000.

Non-Transferability

No assignment or other transfer of an Option, whether voluntary, involuntary, by operation of law or otherwise (other than upon the death of an Option holder as described in the section below), is permitted under the Amended and Restated Stock Option Plan.

Termination of Options

Upon an Option holder’s termination without cause, retirement, resignation, or failure to be re-elected as a Director of the Corporation or an affiliate, (i) the expiry date of any unvested Stock Options held by such Option holder will be the Option holder’s Termination Date, and (ii) the expiry date of any vested Stock Options held by such Option holder will be the date that is ninety (90) days after the Option holder’s Termination Date. “**Termination Date**” means the date on which an Option holder ceases to be eligible to participate in the Amended and Restated Stock Option Plan as a result of termination of employment with the Corporation or an affiliate for any reason.

Upon an Option holder’s death, (i) the expiry date of any unvested Stock Options held by such Option holder will be the Option holder’s Termination Date, and (ii) the expiry date of any vested Stock Options held by such Option holder (or personal representative) will be the date that is one hundred and eighty (180) days after the Option holder’s Termination Date. Upon an Option holder’s termination for cause, the expiry date of all Stock Options held by such Option holder (whether vested or unvested) is the Option holder’s Termination Date.

Change of Control Event

Under the Amended and Restated Stock Option Plan, a Change of Control Event is defined as: (i) a sale, lease or other disposition of all or substantially all of the assets of the Corporation; or (ii) any transaction or series of related transactions, including without limitation a reorganization of the Corporation, an amalgamation of the Corporation, an arrangement involving the Corporation, a take-over bid (as that term is defined in the Securities Act (Ontario)) for all of the Shares, whether or not the Corporation is a party thereto, after giving effect to which in excess of fifty percent (50%) of the Corporation’s voting power is owned directly, or indirectly through one or more entities, by any person and its Affiliates or Associates.

If a Change of Control Event occurs, then a Participant is entitled to exercise his or her Stock Option with respect to all of the Shares subject to the Stock Option and not yet purchased thereunder, notwithstanding any determination by the Board pursuant to vesting terms of the Stock Option; provided that if the consideration offered to Shareholders is (i) not all cash, or (ii) securities of a reporting issuer in a transaction where such reporting issuer is a Qualifying Reporting Issuer (as defined in the Amended and Restated Stock Option Plan), then the Participant’s entitlement to exercise his or her Stock Option shall only apply with respect to the Participant’s vested Stock Options.

In addition, if an offer is made to purchase 50% or more of the outstanding Shares, a Participant is entitled to exercise his or her Stock Option with respect to all of the Shares subject to the Stock Option and not yet purchased thereunder and tender such Shares into such offer, conditional upon the take-up of Shares under such offer; provided that if the consideration offered to Shareholders is (i) not all cash, or (ii) securities of a reporting issuer in a transaction where such reporting issuer is a Qualifying Reporting Issuer (as defined in the Amended and Restated Stock Option

Plan), then the Participant's entitlement to exercise his or her Stock Option shall only apply with respect to a Participant's vested Stock Options. If the Shares are not taken up under such offer, the Stock Option shall remain outstanding on the same terms and conditions and any funds tendered on the conditional exercise of the Stock Option shall be returned to the Participant forthwith.

If, during the term of the Stock Option, the Corporation merges into or amalgamates (pursuant to a statutory amalgamation, statutory plan of arrangement or otherwise) with any other entity, or if the Corporation sells all or substantially all of its assets and undertaking, or if the Corporation is subject of a take-over bid (as defined in the *Securities Act* (Ontario)) or participates in any similar transaction (any of the foregoing referred to as a "Transaction") and as a result of such Transaction, the Shareholders receive securities of another reporting issuer as an effective substitution for the Shares, provided such other reporting issuer in such Transaction is a Qualifying Reporting Issuer (as defined in the Amended and Restated Stock Option Plan) in respect of the Corporation, the Corporation will make provision that, upon the exercise of any Stock Option during its unexpired period after the effective date of such Transaction, the Participant shall receive such number of securities of the other, continuing, successor or purchasing reporting issuer in such Transaction as he or she would have received as a result of such Transaction if the Participant had purchased Shares immediately prior thereto for the same consideration paid on the exercise of the Stock Option and had held such Shares on the effective date of such Transaction. Upon such provision being made, the obligation of the Corporation to the Participant in respect of the Shares then remaining subject to this Stock Option shall terminate and be at an end.

Amendments to the Amended and Restated Option Plan

Subject to compliance with the applicable rules of the TSX, applicable law and regulatory requirements, the Board may, from time to time, in its discretion and without the approval of Shareholders, make the following amendments to the Amended and Restated Option Plan or any grant agreement:

- a) minor changes of a "house-keeping nature", including any amendment for the purpose of curing any ambiguity, error or omission in the Amended and Restated Stock Option Plan, or to correct or supplement any provision that is inconsistent with any other provision in the Amended and Restated Stock Option Plan;
- b) amending Stock Options under the Amended and Restated Stock Option Plan, including with respect to the Stock Option period, vesting period, exercise method and frequency, exercise price and method of determining the exercise price, assignability and the effect of termination of a Participant's employment or cessation of a Participant's directorship, as applicable; provided that such amendment does not adversely alter or impair any Stock Option previously granted to a Participant without the consent of such Participant;
- c) advancing the date on which any Stock Option may be exercised;
- d) adding or changing the terms and conditions of any financial assistance which may be provided by the Corporation to Participants to facilitate the purchase of Shares under the Amended and Restated Stock Option Plan;
- e) amendments necessary to comply with the provisions of applicable law or the applicable rules of the TSX, including with respect to the treatment of Stock Options granted under the Amended and Restated Stock Option Plan;
- f) amendments respecting the administration Amended and Restated Stock Option Plan;
- g) amendments necessary to suspend or terminate the Amended and Restated Stock Option Plan;
- h) a change relating to the eligibility of any Participant or Eligible Person in the Amended and Restated Stock Option Plan;
- i) any other amendment, fundamental or otherwise, not requiring Shareholder approval under applicable laws or the applicable rules of the TSX.

Subject to compliance with the applicable rules of the TSX, Shareholder approval is required for the following amendments to the Amended and Restated Stock Option Plan:

- a) any increase in the maximum number of Shares that may be issuable from treasury pursuant to Options granted under the Plan, including an increase to the maximum number of Shares or a change from a fixed maximum percentage of Shares to a fixed maximum number, other than an adjustment pursuant to a change in capitalization;
- b) any reduction in the exercise price after a Stock Option has been granted or any cancellation of a Stock Option

and the substitution of that Stock Option with a new Stock Option with a reduced exercise price, except in the case of an adjustment pursuant to a change in capitalization;

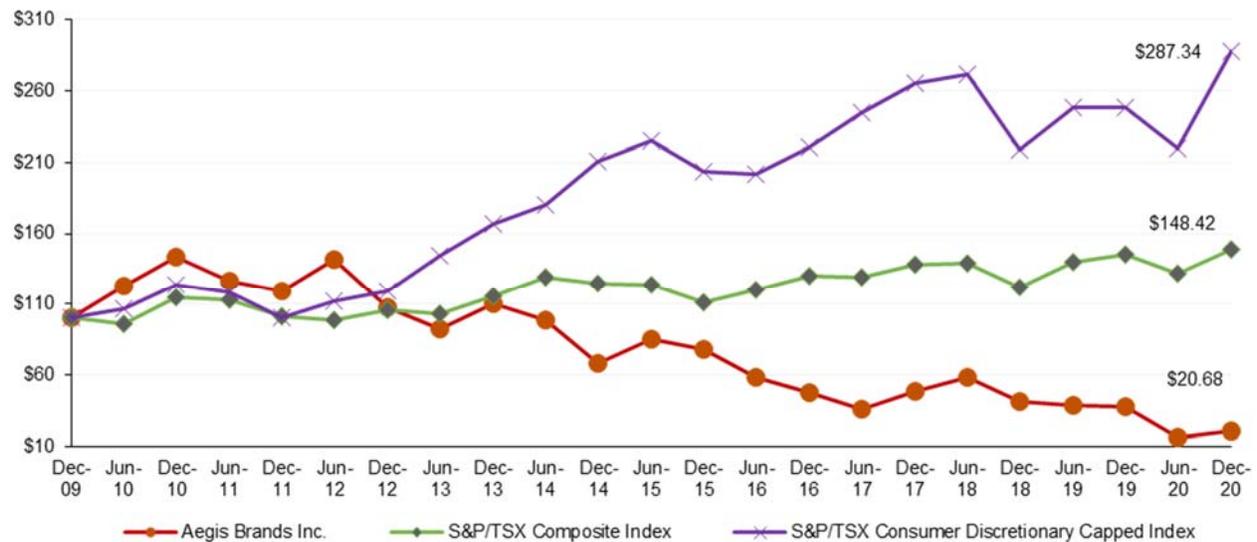
- c) any extension of the expiry date of a Stock Option, except in case of an extension due to a black-out period;
- d) amending the provisions relating to the transferability of a Stock Option, other than for transfers by will or the law of succession or to corporations controlled by the individual or family trusts;
- e) amending any limits on the participation of Insiders in the Amended and Restated Stock Option Plan that would result in Shareholder approval to be required on a disinterested basis;
- f) amending the limits with respect to Insiders and independent directors under the Amended and Restated Stock Option Plan; and
- g) any amendment to the amendment provisions of the Amended and Restated Stock Option Plan or granting additional powers to the Board to amend the Plan or entitlements without Shareholder approval.

Other Benefits

To enable the Corporation to attract and retain superior executives, the Corporation also provides management other benefits that the Corporation believes are reasonable, competitive in the market and consistent with its overall compensation program. The Governance Committee periodically reviews the benefits provided.

Performance Graph

The following graph compares the total cumulative Shareholder return for \$100 invested in Shares (assuming reinvestment of dividends) with the cumulative return of each of the S&P/TSX Composite Index and the S&P/TSX Consumer Discretionary Capped Index for the period from inception to December 26, 2020.



The trend shown in the above graph does not necessarily correspond to the Corporation’s compensation to its Named Executive Officers for the period ended December 31, 2020 or for any prior fiscal periods. The trading price of the Shares reflects both operational and financial performance within our control as well as economic and market conditions which are beyond our control. Although one of the main focuses of the Corporation is to create shareholder value, share price performance alone cannot be taken into account to draw appropriate conclusions with respect to the Named Executive Officers’ compensation. Nonetheless, a portion of certain Named Executive Officers’ aggregate compensation, as shown on the Summary Compensation Table, is composed of stock options. Accordingly, a portion of the value of long-term compensation for such Named Executive Officers is dependent on the trading prices for the Shares. Therefore, the actual level of these individuals’ compensation is linked, to a certain degree, to the performance of the Shares.

Management Summary Compensation Table

The following table provides a summary of compensation including base salary, short-term incentive plan, long-term incentive plan and amounts otherwise earned by the named executive officers from the period ended December 29, 2018 to the period ended December 26, 2020. Certain aspects of this compensation are dealt with in further detail in the following tables below.

Name and principal position	Year	Salary	Option-based awards ⁽¹⁾	Non-equity Incentive plan compensation		Pension value	All other compensation ⁽³⁾	Total compensation
				Annual incentive plans ⁽²⁾	Long term incentive plans			
Steve Pelton ⁽⁴⁾ President and Chief Executive Officer	2020	\$277,696	-	-	-	-	\$12,192	\$289,888
	2019	\$216,308	\$160,501	-	-	-	\$6,760	\$383,569
Ba Linh Le ⁽⁵⁾ Chief Financial Officer	2020	\$167,710	-	-	-	-	\$16,577	\$184,287
	2019	\$228,375	-	-	-	-	\$32,589	\$260,964
	2018	\$225,000	-	\$50,000	-	-	\$16,500	\$291,500
Paul Pascal ⁽⁶⁾ Vice President of Operations	2020	\$170,419	-	-	-	-	\$15,559	\$185,979
	2019	\$43,645	-	-	-	-	\$3,214	\$46,859
Mangala D'Sa ⁽⁷⁾ Vice President of Marketing	2020	\$150,387	-	-	-	-	\$11,611	\$161,998
Tara Ramsay ⁽⁸⁾ Vice President of People	2020	\$144,639	-	-	-	-	\$938	\$145,307
	2019	\$49,038	-	-	-	-	\$253	\$49,291

Notes:

- (1) Amounts in this column represent the fair value of Stock Options granted that will be recognized as share-based compensation expense by the Corporation. The Black-Scholes option pricing model was used to calculate an option valuation.
- (2) Annual incentive plans relate to the cash bonus program.
- (3) All other compensation includes termination, signing bonuses, car allowance, and other benefits.
- (4) Mr. Pelton joined the Corporation in May 2019 and was appointed Director, President and Chief Executive Officer on June 5, 2019. Mr. Pelton deferred \$36,534 in salary in fiscal 2020 which is not reflected in the table and which the Corporation expects to satisfy in Shares, subject to Shareholder approval at the Meeting.
- (5) Mr. Le joined the Corporation as Director of Finance in January 2017 and was appointed Chief Financial Officer on June 30, 2017. Mr. Le deferred \$22,069 in salary in fiscal 2020 which is not reflected in the table and which the Corporation expects to satisfy in Shares, subject to Shareholder approval at the Meeting.
- (6) Mr. Pascal joined the Corporation on October 15, 2019. Mr. Pascal deferred \$15,350 in salary in fiscal 2020 which is not reflected in the table and which the Corporation expects to satisfy in Shares, subject to Shareholder approval at the Meeting.
- (7) Ms. D'Sa joined the Corporation on January 6, 2020. Ms. D'Sa deferred \$16,921 in salary in fiscal 2020 which is not reflected in the table and which the Corporation expects to satisfy in Shares, subject to Shareholder approval at the Meeting.
- (8) Ms. Ramsay joined the Corporation on September 16, 2019. Ms. Ramsay deferred \$10,593 in salary in fiscal 2020 which is not reflected in the table and which the Corporation expects to satisfy in Shares, subject to Shareholder approval at the Meeting.

Option-Based Awards – Fair Value

The following tables provide information with respect to option-based awards held by the Corporation's NEOs as at the Corporation's most recently completed fiscal year ended December 26, 2020.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised Stock Options ⁽¹⁾	Option exercise price	Option expiration date	Value of unexercised in-the-money Stock Options	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
Steve Pelton President and Chief Executive Officer	480,304	\$1.77	2029/05/08	-	-	-	-
Steve Pelton President and Chief Executive Officer	200,000	\$1.83	2029/05/28	-	-	-	-
Steve Pelton President and Chief Executive Officer	69,696	\$1.83	2029/05/28	-	-	-	-
Ba Linh Le Chief Financial Officer	50,000	\$1.60	2027/06/30	-	-	-	-
Paul Pascal Vice President of Operations	-	-	-	-	-	-	-
Mangala D'Sa Vice President of Marketing	-	-	-	-	-	-	-
Tara Ramsay Vice President of People	-	-	-	-	-	-	-

Notes:

- (1) The Amended and Restated Stock Option Plan was adopted by the Board of Directors on May 28, 2019 and approved by Shareholders on September 24, 2020.
- (2) The Stock Option Award of 177,098 Stock Options was not exercised by Mr. Pelton and expired on June 30, 2020.

The following table sets forth the value of the NEOs' and Directors' option-based awards and share-based awards that vested during 2020.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)
Steve Pelton President and Chief Executive Officer	-	-
Ba Linh Le Chief Financial Officer	-	-
Michael Bregman Director of the Corporation	-	-
Alton McEwen Director of the Corporation	-	\$20,000
Alan Simpson Former Director of the Corporation	-	\$16,667
Michael Serruya Director of the Corporation	-	-
Aaron Serruya Director of the Corporation	-	-
Melinda Lee Director of the Corporation	-	-
Stephen Kelley Director of the Corporation	-	-
Paul Pascal Vice President of Operations	-	-
Mangala D'Sa Vice President of Marketing	-	-
Tara Ramsay Vice President of People	-	-

Securities Authorized for Issuance under the Corporation's Equity Compensation Plans

The following table provides a summary, as at the Corporation's fiscal year ended December 26, 2020, of the Corporation's compensation plans under which equity securities of the Corporation are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of remaining securities available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	810,000	\$1.80	1,481,603
Equity compensation plans not approved by security holders	-	-	-
Total	810,000	\$1.80	1,481,603

Burn Rate under the Corporation’s Equity Compensation Plans

The following table shows the number of Stock Options and DSUs granted as a percentage of average Shares outstanding (the “burn rate”) for the past three fiscal years:

	2018	2019	2020
Number of DSUs granted	37,504 (0.2% burn rate)	37,217 (0.18% burn rate)	21,282 (0.09% burn rate)
Number of Stock Options granted	300,000 (1.6% burn rate)	927,098 (4.6% burn rate)	-
Weighted average number of Shares outstanding	18,920,785	20,135,567	22,839,842
Total burn rate ⁽¹⁾	1.8%	4.78%	0.09%

Note: (1) The burn rate for the year is calculated as the number of Stock Options and DSUs issued in a fiscal year, divided by the average number of shares outstanding for such year.

Employment Agreements, Severance and Other Termination Benefits

The following employees entered into employment agreements with the Corporation, which govern certain terms relating to their employment. Each of these agreements remains in effect until terminated by either party pursuant to its terms.

Mr. Pelton’s employment with the Corporation commenced in May of 2019. Mr. Pelton was subsequently appointed as President and Chief Executive Officer effective June 5, 2019. Pursuant to Mr. Pelton’s agreement employment, he will receive a base salary of \$380,000 per annum. Mr. Pelton is eligible for a bonus each year. The Corporation has granted Mr. Pelton Stock Options to acquire 927,098 shares. Of the Stock Options granted to Mr. Pelton, 177,098 will expire at the end of June 2020, and the remaining Stock Options will expire at the end of May 2029, which is 10 years after the date of grant. In accordance with the terms of the employment agreement, the Corporation issued Mr. Pelton 515,241 Shares in the capital of the Corporation at \$1.70 per share. Mr. Pelton paid \$200,000 in cash from his own personal funds for 117,647 shares. He purchased an additional 397,594 shares using the proceeds of two loans advanced to Mr. Pelton by the Corporation – a five-year loan of \$500,000 repayable in June 2024 and a one-year loan of \$176,000 repayable in June 2020, both loans accruing interest at 4.0% per annum. The loan of \$176,000 plus accrued interest was repaid by Mr. Pelton on June 30, 2020 in accordance with the terms of the employment and loan agreement. Mr. Pelton’s employment agreement provides that upon termination of his employment with the Corporation, without cause, he will be entitled to a severance payment of \$260,000, such sum payable on a lump sum basis.

Mr. Le’s employment with the Corporation commenced on January 9, 2017. Mr. Le was subsequently appointed Chief Financial Officer effective June 30, 2017. Mr. Le’s employment agreement provides that upon termination of his employment with the Corporation, without cause, (i) he will be entitled to an amount equal to 6 months base salary, such sum payable on a lump sum basis; and (ii) in the event he has not obtained alternative employment prior to the date which is 6 months from the date of termination, the Corporation will, as of such date, pay him an amount equal to his base salary on a regular payroll basis until the earlier of: (a) 12 months from the date of termination; and (b) the date that he commences alternative employment. It is estimated that this arrangement would result in an incremental payment of up to \$230,000 to Mr. Le in the event that he is terminated without cause.

Mr. Pascal’s employment with the Corporation commenced in October of 2019. Mr. Pascal’s employment agreement provides that upon termination of his employment with the Corporation, without cause, he will be entitled to an amount equal to 4 weeks base salary per year of service, with a minimum amount equal to 6 months base salary, such sum is payable on a lump sum basis. In the event that he obtains alternative employment at any time prior to the

first anniversary of the date of termination, all severance/continuation payments from the Corporation will cease effective on the commence date such alternative employment. It is estimated that this arrangement would result in an incremental payment of at least \$105,000 to Mr. Pascal in the event that he is terminated without cause.

Ms. D'Sa employment with the Corporation commenced in January 2020. Ms. D'Sa's employment agreement provides that upon termination of her employment with the Corporation, without cause, she will be entitled to an amount equal to 4 weeks base salary per year of service, such sum is payable on a lump sum basis. In the event that she obtains alternative employment at any time prior to the first anniversary of the date of termination, all severance/continuation payments from the Corporation will cease effective on the commence date such alternative employment.

Ms. Ramsay's employment with the Corporation commenced in September 2019. All payments, benefits and allowances made or provided to Ms. Ramsay as set in Ms. Ramsay's employment agreement upon a termination of her employment with the Corporation, without cause, are subject to the requirements of the *Employment Standards Act, 2000* or such other employment/labour standards legislation as may be applicable.

Indebtedness of Directors and Executive Officers

Except as described below, no other Director, Nominee, officer of the Corporation or any of their associates is currently or was at any time during the fiscal year ended December 26, 2020, indebted to the Corporation and no indebtedness of such persons has been the subject of a guarantee, support agreement, letter of credit or other similar agreement provided by the Corporation.

Aggregate Indebtedness

As of the date hereof, the aggregate indebtedness to the Corporation of all Directors, employees, officer of the Corporation or any of its subsidiaries, excluding "routine indebtedness" (as defined under applicable securities laws), is approximately \$500,000, as detailed in the following table:

Purpose	Aggregate Indebtedness to the Corporation or its Subsidiaries	To Another Entity
Share Purchases	\$500,000	Nil.
Other	Nil.	Nil.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

The table below presents amounts outstanding for each individual who is, or at any time during the fiscal year ended December 26, 2020 was, a Director, Nominee or officer of the Corporation, and each associate of any such Director, Nominee, officer of the Corporation.

Name and Principal Position	Involvement of Corporation	Largest Amount Outstanding during the Fiscal Year Ended December 26, 2020	Amount Currently Outstanding as of May 21, 2021	Financially Assisted Securities Purchases during the Fiscal Year Ended December 26, 2020	Security for Indebtedness	Amount Forgiven during the Fiscal Year Ended December 26, 2020	Maturity Date
Steven Pelton	Lender	\$500,000	\$500,000	nil	397,594 Shares	nil	June 5, 2024
	Lender	\$175,910	nil				June 30, 2020

On July 3, 2019, as part of the employment arrangements for Steven Pelton, the Corporation's new President and CEO, the Corporation agreed to provide Mr. Pelton with various forms of compensation under his employment agreement dated May 7, 2019. Among the forms of compensation provided to Mr. Pelton, the Corporation issued Mr. Pelton 515,241 Shares in the capital of the Corporation at \$1.70 per share, at an aggregate subscription price of \$875,909.80. Mr. Pelton satisfied the aggregate subscription price for the 515,241 Shares in part with \$200,000 in cash of Mr. Pelton's own personal funds and the remaining \$675,909.80 was funded by Mr. Pelton through two separate loans from the Corporation to Mr. Pelton as follows: (i) a five-year loan of \$500,000 repayable in June 2024, and (ii) a one-year loan of approximately \$176,000 repayable in June 2020, both loans accruing interest at 4.0% per annum (the "**Pelton Loan Agreements**"). The loan of approximately \$176,000 plus accrued interest was repaid by Mr. Pelton on June 30, 2020 in accordance with the terms of the employment and loan agreement. The Pelton Loan Agreements are secured by the Shares purchased with the proceeds of the loans, which were pledged in favour of the Corporation pursuant to a pledge agreement and depositary agreement between the Corporation and Mr. Pelton.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Directors of the Corporation, no informed person of the Corporation (as defined in National Instrument 51-102, *Continuous Disclosure Obligations*), no proposed Director of the Corporation and no known associate or affiliate of any such informed person or proposed Director, during the fiscal year ended December 26, 2020, has or has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction which has or would materially affect the Corporation or any of its subsidiaries, except as set forth in the Corporation's annual information form for the fiscal year ended December 26, 2020, which is incorporated by reference in this Circular and can be accessed on SEDAR at www.sedar.com.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation purchases directors' and officers' liability insurance annually, with the latest policy effective December 31, 2020. The program total limit is \$9 million annual aggregate and is subject to a deductible of \$100,000 born by the Corporation. The aggregate premium payable in respect of the policy year December 31, 2020 to December 31, 2021 for the Corporation's directors' and officers' liability insurance is approximately \$395,000 (exclusive of HST).

CORPORATE GOVERNANCE

The Corporation is committed to maintaining high standards of governance. The Corporation has continued to refine its governance practices in light of Canadian regulatory initiatives, particularly NI 58-101, National Policy 58-201, *Corporate Governance Guidelines* ("**NP 58-201**") and National Instrument 52-110, *Audit Committees* ("**NI 52-110**"). The Corporation's current governance practices are disclosed below in accordance with NI 58-101. The information required by Form 52-110F1 of NI 52-110 is contained in the 2020 Annual Information Form under the heading "Audit Committee" and in Schedule A of the Corporation's 2020 Annual Information Form.

Board of Directors

The Board of Directors is elected by the Shareholders and is responsible for the overall stewardship of the affairs of the Corporation. The Board of Directors discharges its responsibilities directly and through its committees, currently consisting of the Corporation's Audit Committee and Governance Committee. The Board of Directors has adopted a mandate that sets out the role of the Directors. The text of this mandate is set out in Appendix A to this Circular. The Directors may, in respect of the assets of the Corporation, exercise any and all rights, powers and privileges that could be exercised by a legal and beneficial owner of those assets. The role of the Directors includes, among other things:

- reviewing and approving the strategic and annual plans of the Corporation;
- monitoring performance and providing reports to Shareholders as required;
- supervising the activities of the Corporation, including the investments of the Corporation; and
- approving payments of dividends from the Corporation to Shareholders.

The Directors will also supervise the application of the Corporation's written disclosure and insider trading policies. These policies, among other things:

- articulate the legal obligations of the Corporation, Directors, officers and employees with respect to confidential information;
- identify spokespersons of the Corporation who are authorized to communicate with third parties such as analysts, the media and investors;
- provide guidelines on the disclosure of forward-looking information;
- require advance review of any disclosure of financial information with a view to ensuring that selective disclosure of material information does not occur; and
- establish "black-out" periods prior to and following the disclosure of quarterly and annual financial results during which the Corporation, Directors, officers and certain other persons may not purchase or sell Shares in the market.

A majority of the Directors must be independent within the meaning of NI 58-101. The Board of Directors is currently comprised of seven Directors (all of whom have been nominated for election at the Meeting). The Board of Directors has determined that all of the Nominees other than Mr. Pelton, President and Chief Executive Officer of the Corporation are independent within the meaning of NI 58-101. Each member of the Corporation's Audit Committee is independent within the meaning of NI 52-110.

During the most recently completed financial year, the independent Directors did not hold regularly scheduled meetings in the absence of Mr. Pelton, President and Chief Executive Officer of the Corporation. To facilitate open and candid discussion among its independent Directors, the Board's independent Directors are encouraged to, and do, communicate with each other directly to discuss ongoing issues pertaining to the Corporation. The Board is comprised of a majority of independent Directors, who regularly attend Board and committee meetings, which also encourages open, candid discussion. Furthermore, important matters are considered by the Corporation's Audit Committee and the Governance Committee. The Audit Committee is comprised entirely of independent Directors within the meaning of NI 52-110, and the Governance Committee is comprised entirely of independent Directors within the meaning of NI 58-101.

In addition, from time to time as circumstances dictate, the non-independent Directors and any representatives of management in attendance at meetings of the Board will be excused. It is anticipated that independent Directors' meetings will be held as deemed appropriate during 2021.

Directors also have the ability, where warranted, to engage outside professional advisers at the Corporation's expense to assist in the fulfilment of their duties. The independent Chair is responsible for authorizing all requests for professional advisers by individual Directors, the Board of Directors or any committee of the Board of Directors.

As part of its mandate, the Governance Committee will review on an annual basis the contributions of the Directors and consider whether the composition of the Board of Directors promotes effectiveness and efficiency in its

decision-making. As discussed below, the Governance Committee will assess the contribution and the performance of the Directors, both individually and collectively, and the standing committees of the Board of Directors.

Currently, there are no non-independent directors on the Board of Directors within the meaning of NI 58-101 other than Mr. Pelton.

The Corporation acknowledges the value of the contribution of women on the Board of Directors and in the ranks of our executive officers. Currently, one of the Directors (14.3%) and one of the Corporation's executive officers (25%) are women. While the Corporation has not adopted a written policy relating specifically to the identification and nomination of women Directors, the mandate of the Governance Committee ensures that the most suitable candidates are identified and nominated based on competency, integrity, skills and breadth of experience, regardless of gender. Specific targets have not been set regarding the level of representation of women directors or executive officers; as such, the proportion of women on the Board of Directors does not influence the nomination of candidates for the Board of Directors or the appointment of executive officers.

Where warranted, Directors have the ability to engage outside professional advisers at the Corporation's expense to assist in the fulfillment of their duties. The Chair is responsible for authorizing all requests for professional advisers by individual Directors, the Board of Directors or any committee of the Board of Directors.

Position Descriptions

The Board of Directors has adopted a formal position description for both the Chair and the CEO. Both are designed to assist the Chair and CEO in delineating their respective roles and responsibilities.

The CEO's position description identifies the CEO's responsibilities, which include: leading the day-to-day operations of the Corporation in accordance with the strategic plan; developing a strategic plan for the Corporation; developing an annual operating plan and financial budget to achieve the Corporation's long-term strategy; developing or supervising effective disclosure and internal controls; and developing a positive and ethical work environment for the Corporation that attracts, retains and motivates high-value employees.

The Chair's position description identifies the Chair's responsibilities, which include: oversight of the Board of Directors in its discharge of its duties in the Board of Directors' mandate; overseeing the distribution of information to the Board of Directors and presiding over board meetings; establishing procedures to govern the effective and efficient conduct of the Board of Director's work; acting as a liaison between the Board of Directors and management of the Corporation, where necessary; and representing the Corporation to Shareholders of the Corporation and other external groups.

The Directors have not developed written position descriptions for the chair of each committee. The Board of Directors of the Corporation believes that the charters of the Audit Committee and Governance Committee adequately delineate the roles of the chairs of such committees.

Orientation and Continuing Education

The Governance Committee oversees any orientation programs to familiarize new Directors with the affairs and operations of the Corporation, including: the Corporation's structure; financial, accounting and risk issues; compliance programs and policies; management of the Corporation; and the external auditors. The Directors of the Corporation have access to members of management of the Corporation and are provided with materials describing the Corporation's operations, strategic plans and financial results.

The Governance Committee also oversees continuing educational opportunities for all Directors, as necessary, so that as individuals, the Directors' knowledge and understanding of the activities of the Corporation remains current.

Ethical Business Conduct

As part of the Corporation's commitment to effective corporate governance, all Directors and officers of the Corporation must act in accordance with the Corporation's Code of Conduct (the "Code"). The Code has been adopted by the Board of Directors and requires every Director, officer, and employee, as the case may be, to observe high standards of business and personal ethics as they carry out their duties and responsibilities. The Code is a guide that is intended to sensitize these individuals to significant legal and ethical issues that frequently arise and to the mechanisms available to report illegal or unethical conduct. The Code addresses ethical conduct, conflicts of interest and compliance with the law. The Code is administered by management, although the Board of Directors has the ultimate responsibility for monitoring compliance with the Code, including granting any departures or waivers from the Code. A copy of the Code may be obtained on request from the administrative office of the Corporation at 3400 – 333 Bay Street, Toronto, Ontario M5H 2S7.

Nomination of Directors

The Governance Committee of the Corporation is responsible for proposing new Director nominees and making recommendations to the Board of Directors. Directors are also encouraged to identify potential candidates and the Chair shall be consulted and have input into the process.

As part of its mandate, the Governance Committee determines the criteria, objectives and procedures for selecting members of the Board of Directors. In this process, the committee considers factors such as independence, integrity, skills, expertise and breadth of experience.

Renewal of Directors

The Governance Committee, in addition to identifying and nominating candidates for the Board of Directors, is also responsible for identifying the need to renew the Board. The Corporation has not adopted term limits relating to the duration of service of Directors as a mechanism of Board renewal. Alternatively, the Governance Committee performs a periodic review to determine whether or not changes are required to the composition of the Board of Directors, and makes recommendations accordingly. The review for renewal considers such factors as Director competencies, skills and personal qualities, as well as the contributions made by each individual Director to the effective operation of the Board.

Compensation of Directors

The Governance Committee is responsible for reviewing Director compensation and ensuring that such compensation is competitive and aligns Directors' interests with those of Shareholders. The committee shall recommend the terms upon which Directors shall be compensated with a view to ensuring that the compensation accurately reflects the responsibilities they are assuming.

Assessments

The Governance Committee will coordinate an annual evaluation of the Board of Directors and all board committees to determine whether they are functioning effectively and meeting their respective objectives and goals. The committee reports to the Chair of the Board of Directors on the evaluation of the performance of the Board of Directors, and each committee. The objective of the assessments is to ensure the continued effectiveness of the Board of Directors and its committees in the execution of their responsibilities and to contribute to a process of continuing improvement. The committee may conduct surveys of Directors with respect to their views on the effectiveness of Board of Directors, the Chair of the Board of Directors, each committee and its chair, and the contribution of individual Directors. The committee further monitors the relationship between management and the Board of Directors and reviews the Corporation's governance structures to ensure that the Board of Directors and its committees are able to function independently of management of the Corporation.

Audit Committee

The Audit Committee for the fiscal year 2020 consisted of Mr. Kelley, Chair of the Audit Committee, Mr. Michael Serruya and Mr. Bregman. All Directors who served on the Audit Committee in the fiscal year 2020 were independent, as required by NI 52-110. The members of the committee are appointed by the Board of Directors from among its members annually, and as necessary to fill vacancies, and the Board of Directors generally appoints the chair of the Audit Committee.

All members of the Audit Committee are financially literate. An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

The committee is mandated to assist the Board of Directors in fulfilling applicable reporting issuer obligations respecting audit committees and its oversight responsibilities with respect to financial reporting. The committee assists the Board of Directors in overseeing, among other matters, the work of the Corporation's external auditors, the integrity of the Corporation's financial statements and financial reporting process, the qualifications and independence of the external auditors and the work of the Corporation's financial management and external auditors in these areas. The committee also provides an open avenue of communication between the external auditors, the Board of Directors, and management of the Corporation. The committee reviews and recommends to the Board of Directors for approval, the Corporation's annual and interim financial statements and related management's discussion and analysis and selected disclosure documents, including the Corporation's annual information form and any other financial statements required by regulatory authorities, before they are released to the public or filed with the appropriate regulators.

The Audit Committee is responsible for assessing and monitoring the integrity of the Corporation's financial reporting, accounting systems and internal controls and management information systems. The Audit Committee will also meet periodically with management of the Corporation to review the Corporation's major financial risk exposures and the policy steps management has taken to monitor and control such exposures.

Additional information relating to the Audit Committee and a copy of the Audit Committee's charter is set out in the 2020 annual information form of the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditor of the Corporation is Zeifmans LLP, Chartered Professional Accountants. Zeifmans LLP was appointed on May 7, 2021. The transfer agent and registrar for the Shares is Computershare Investor Services Inc., 100 University Avenue, Toronto, Ontario.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as described in this Circular under the heading "Proposed Issuance of Shares to Directors and Management" none of the Directors or executive officers of the Corporation who have been a Director or executive officer since the commencement of the Corporation's last financial year, the Nominees, nor any associate or affiliate of any of the foregoing, has any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is included in its 2020 annual information form, its audited consolidated financial statements for the year ended December 26, 2020 and the related management's discussion and analysis. Copies of these documents may be obtained from the SEDAR website at www.sedar.com, or upon request from the Chief Financial Officer of the Corporation: 3400 – 333 Bay Street, Toronto, Ontario M5H 2S7 (telephone 289-217-5680 or email investors@aegisbrands.ca). Financial information is provided in the Corporation's consolidated financial statements and management's discussion and analysis for the year ended December 26, 2020.

OTHER BUSINESS

Management is not aware of any amendments or variations to matters identified in the notice of the Meeting or of any other matters that are to be presented for action at the Meeting, other than those described in the notice.

APPROVAL OF CIRCULAR

The contents and sending of this Circular have been approved by the Directors of the Corporation and a copy of the circular has been sent to each Director, the auditor of the Corporation and each Shareholder entitled to notice of the Meeting.

DATED at Mississauga, Ontario, this 21st day of May, 2021.

BY ORDER OF THE DIRECTORS

Michael Bregman
Chair of the Board of Directors

APPENDIX A
CHARTER FOR THE BOARD OF DIRECTORS

AEGIS BRANDS INC.
CHARTER FOR THE BOARD OF DIRECTORS

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AEGIS BRANDS INC.

CHARTER FOR THE BOARD OF DIRECTORS

INTRODUCTION

Terminology:

“**Board of Directors**” means the board of directors of the Corporation.

“**By-Laws of the Corporation**” means the by-laws governing the Corporation, as amended from time to time.

“**Corporation**” means Aegis Brands Inc.

The Board of Directors is elected by the shareholders of the Corporation and is responsible for the overall stewardship of the affairs of the Corporation. The Board of Directors shall be subject to the fiduciary standard and standard of care set out in the By-Laws of the Corporation. The Board of Directors is responsible for establishing and maintaining a culture of integrity in the conduct of the Corporation’s affairs.

DUTIES OF DIRECTORS

1. The Board of Directors discharges its responsibilities both directly and through its committees, currently consisting of the Audit Committee and the Governance, Human Resources and Compensation Committee of the Corporation. The Board of Directors may appoint other committees as permitted by the By-Laws of the Corporation, including ad hoc committees to address certain issues of a more short-term nature.

Oversight of the Corporation

1. The Board of Directors is responsible for reviewing and approving the strategic and annual plans of the Corporation.
2. The Board of Directors is responsible for monitoring performance and providing reports to shareholders of the Corporation as required.
3. The Board of Directors is responsible for supervising the activities of the Corporation, including the investments of the Corporation.
4. The Board of Directors is responsible for declaring and effecting payments of dividends from the Corporation to shareholders of the Corporation.
5. The Board of Directors may delegate to committees matters it is responsible for, but the Board of Directors retains its oversight function and ultimate responsibility for all delegated responsibilities.

Monitoring of Financial Performance and Other Financial Reporting Matters

1. The Board of Directors will review all financial statements, material change reports and such other additional information regarding the financial position or business of the Corporation necessary to comply with any continuous disclosure obligations applicable to the Corporation.
2. The Board of Directors is responsible for overseeing the Corporation’s compliance with its undertakings to applicable securities regulatory authorities regarding financial statements and other information regarding its financial position or business, and regarding insider reporting and trading.
3. The Board of Directors shall be responsible for approving the unaudited quarterly and audited annual financial statements of the Corporation and the notes thereto and auditors’ reports thereon, as applicable, and

the Management's Discussion and Analysis accompanying such financial statements, as well as annual reports, management information circulars, annual information forms and other securities law filings of the Corporation.

4. The Board of Directors is responsible for reviewing and approving material transactions involving the Corporation and those matters which the Board of Directors is required to approve under the applicable law including the payment of dividends, the purchase and issuance of shares, acquisitions and dispositions of material assets by the Corporation and material expenditures by the Corporation.

Policies and Procedures

1. The Board of Directors is responsible for:
 - (a) monitoring the performance of the Corporation's affairs and investments;
 - (b) approving and monitoring compliance with all significant policies and procedures by which the Corporation is bound;
 - (c) approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards; and
 - (d) enforcing obligations of the directors respecting confidential treatment of the Corporation's proprietary information and Board deliberations.
2. The Board of Directors is responsible for approving a Corporate Disclosure Policy respecting communications to the public, an Insider Trading Policy respecting insider trading and reporting matters, and a Code of Business Conduct and Ethics respecting ethical business practices.

Communications and Reporting

1. The Board of Directors is responsible for:
 - (a) overseeing the Corporation's continuous disclosure obligations;
 - (b) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis;
 - (c) overseeing that the financial results of the Corporation are reported fairly and in accordance with IFRS accounting standards and related legal disclosure requirements;
 - (d) taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Corporation;
 - (e) reporting annually to shareholders on its stewardship for the preceding year;
 - (f) overseeing the provision to shareholders of all such information as is required by applicable law and regulatory requirements, prior to each meeting of shareholders;
 - (g) overseeing the investor relations and communications strategy of the Corporation; and
 - (h) overseeing the Corporation's ability to accommodate feedback from shareholders.

APPENDIX B

ADVANCE NOTICE POLICY

INTRODUCTION

The purpose of this Advance Notice Policy (the “Policy”) is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors. This Policy fixes a deadline by which beneficial owners of the common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders, and sets forth the information to be provided and other procedures to be followed, in respect of such nomination.

IT IS THE POSITION OF THE CORPORATION THAT THIS POLICY IS IN THE BEST INTERESTS OF THE CORPORATION. THIS POLICY WILL BE SUBJECT TO AMENDMENT FROM TIME TO TIME.

Section 1.1

Only persons who are nominated in accordance with the procedures set out in this Policy shall be eligible for election as directors to the board of directors (the “Board”) of the Corporation. Nominations of persons for election to the Board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose which includes the election of directors to the Board, as follows:

- a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act* (Ontario) (the “Act”) or a requisition of shareholders made in accordance with the provisions of the Act; or
- c) by any person entitled to vote at such meeting (a “Nominating Shareholder”), who: (A) is, at the close of business on the date of giving notice provided for in Section 1.3 below and on the record date for notice of such meeting, either entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) has given timely notice in proper written form as set forth in this Policy.

Section 1.2

For the avoidance of doubt, the foregoing Section 1.1 shall be the exclusive means for any person to bring nominations for election to the Board before any annual or special meeting of shareholders of the Corporation.

Section 1.3

For a nomination made by a Nominating Shareholder to be timely notice (a “Timely Notice”), the Nominating Shareholder’s notice must be received by the corporate secretary of the Corporation at the principal executive offices of the Corporation:

- a) in the case of an annual meeting of shareholders, not later than the close of business on the 30th day and not earlier than the opening of business on the 65th day before the date of the meeting; provided, however, if the first public announcement made by the Corporation of the date of the annual meeting is less than 50 days prior to the meeting date, not later than the close of business on the 10th day following the day on which the first public announcement of the date of such annual meeting is made by the Corporation; and
- b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the Board, not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting is made by the Corporation.

Section 1.4

The time periods for giving of a Timely Notice shall in all cases be determined based on the original date of the annual meeting or the first public announcement of the annual or special meeting, as applicable. In no event shall an adjournment or postponement of an annual meeting or special meeting of shareholders or any announcement thereof commence a new time period for the giving of a Timely Notice.

Section 1.5

To be in proper written form, a Nominating Shareholder's notice to the corporate secretary must comply with all the provisions of this Policy and:

- a) disclose or include, as applicable, as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "Proposed Nominee"):
 - i. their name, age, business and residential address, principal occupation or employment for the past five years, status as a "resident Canadian" (as such term is defined in the Act);
 - ii. their direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired;
 - iii. any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Proposed Nominee or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder;
 - iv. any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act or applicable securities law; and
 - v. a duly completed personal information form in respect of the Proposed Nominee in the form prescribed by the principal stock exchange on which the securities of the Corporation are then listed for trading; and
- b) disclose or include, as applicable, as to each Nominating Shareholder giving the notice and each beneficial owner, if any, on whose behalf the nomination is made:
 - i. their name, business and residential address, direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired;
 - ii. their interests in, or rights or obligations associated with, an agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the person's economic exposure to the Corporation;
 - iii. any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of directors to the Board;
 - iv. a representation that the Nominating Shareholder is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;
 - v. a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Corporation in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Corporation in support of such nomination; and
 - vi. any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or as required by applicable securities law.

Section 1.6

Any notice, or other document or information required to be given to the corporate secretary pursuant to this Policy may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the corporate secretary for purposes of this notice), and shall be deemed to have been given and

made only at the time it is served by personal delivery to the corporate secretary at the address of the principal executive offices of the Corporation, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. EST on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

Section 1.7 Additional Matters

- a) The chair of any meeting of shareholders of the Corporation shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Policy, and if any proposed nomination is not in compliance with such provisions, must declare that such defective nomination shall not be considered at any meeting of shareholders.
- b) Despite any other provision of this Policy, if the Nominating Shareholder (or a qualified representative of the shareholder) does not appear at the meeting of shareholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.
- c) Nothing in this Policy shall obligate the Corporation or the Board to include in any proxy statement or other shareholder communication distributed by or on behalf of the Corporation or Board any information with respect to any proposed nomination or any Nominating Shareholder or Proposed Nominee.
- d) The Board may, in its sole discretion, waive any requirement of this Policy.
- e) For the purposes of this Policy, “public announcement” means disclosure in a press release disseminated by the Corporation through a national news service in Canada, or in a document filed by the Corporation for public access under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.
- f) Despite any other provision of this Policy, this Policy shall not apply to the annual meeting of shareholders of the Corporation to be held on May 3, 2013 or any adjournment or postponement thereof.

Approved by the Governance, Human Resources and Compensation Committee and Board

March 22, 2013

APPENDIX C

DEFERRED COMPENSATION SHARES RESOLUTION

BE IT RESOLVED THAT:

1. The issuance of an aggregate of 205,509 common shares (the “**Deferred Compensation Shares**”) of Aegis Brands Inc. (the “**Corporation**”) on a one-time basis to the directors and certain officers of the Corporation in lieu of paying the deferred compensation otherwise payable to management, being an aggregate amount of \$118,511.95, and to the non-management members of the board of directors, being an aggregate amount of \$124,474, for the period from August 3, 2020 to December 26, 2020 (together, the “**Deferred Compensation Amount**”), with the number of Deferred Compensation Shares determined by dividing the Deferred Compensation Amount by the volume-weighted average price of the common shares of the Corporation on the Toronto Stock Exchange for the five-day period commencing February 8, 2021, the date of announcement of the sale of the Corporation’s specialty coffee brand “Second Cup Coffee Co.” to SC Coffee Canada Inc., being \$1.1824 per common share, is hereby authorized and approved.
2. Any officer or director is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.
3. All acts performed and any documents executed, delivered, filed or registered prior to the date of these resolutions by a director or officer of the Corporation on behalf of the Corporation, relating to matters dealt with in these resolutions are approved, ratified and confirmed.

APPENDIX D

BONUS SHARES RESOLUTION

BE IT RESOLVED THAT:

1. The issuance of an aggregate of 108,690 common shares (the “**Bonus Shares**”) of Aegis Brands Inc. (the “**Corporation**”) on a one-time basis to certain officers of the Corporation in connection with their contributions to the Corporation during the period leading up to the completion of the Corporation’s recent sale of its specialty coffee brand “Second Cup Coffee Co.” to SC Coffee Canada Inc. (the “**Second Cup Sale**”), with the number of Bonus Shares determined by dividing the aggregate bonus amount payable to such officers of the Corporation, being \$128,511.95, by the volume-weighted average price of the common shares of the Corporation on the Toronto Stock Exchange for the five-day period commencing February 8, 2021, the date of announcement of the Second Cup Sale, being \$1.1824 per common share, is hereby authorized and approved.
2. Any officer or director is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.
3. All acts performed and any documents executed, delivered, filed or registered prior to the date of these resolutions by a director or officer of the Corporation on behalf of the Corporation, relating to matters dealt with in these resolutions are approved, ratified and confirmed.

APPENDIX E
REPORTING PACKAGE

AEGIS BRANDS INC.

CHANGE OF AUDITOR NOTICE

TO: Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
The Manitoba Securities Commission
Autorité des Marchés Financiers
Registrar of Securities, Prince Edward Island
Office of the Administrator, New Brunswick
Securities Commission of Newfoundland and Labrador
Nova Scotia Securities Commission
Registrar of Securities, Government of the Northwest Territories
Registrar of Securities, Government of the Yukon Territory
Registrar of Securities, Government of Nunavut

AND TO: PricewaterhouseCoopers LLP, Chartered Professional Accountants

AND TO: Zeifmans LLP, Chartered Professional Accountants

**Re: Notice of Change of Auditor pursuant to Section 4.11 of National Instrument 51-102
Continuous Disclosure Obligations (“NI 51-102”)**

Aegis Brands Inc. (the “**Corporation**”) gives the following notice in accordance with Section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”).

1. The Corporation has decided to change its auditor from PricewaterhouseCoopers LLP, Chartered Professional Accountants (the “**Former Auditor**”) to Zeifmans LLP, Chartered Professional Accountants (the “**Successor Auditor**”) and to propose the Successor Auditor for appointment as the auditors of the Corporation at its next annual general meeting.
2. At the request of the Corporation, the Former Auditor resigned effective May 7, 2021.
3. The Successor Auditor was appointed to replace the Former Auditor effective May 7, 2021.
4. The replacement of the Former Auditor as auditors of the Corporation and the appointment of the Successor Auditor as auditors of the Corporation have been considered and recommended by the Audit Committee of the Board of Directors of the Corporation (the “**Board**”) and approved by the Board.
5. The Former Auditor’s reports for the Corporation’s two most recently completed fiscal years did not express a modified opinion.
6. There are no “reportable events” as such term is defined in NI 51-102.

Dated: May 7, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS
OF AEGIS BRANDS INC.**

Per: “*Steven Pelton*”
Name: Steven Pelton
Title: President and Chief Executive Officer

7160022



May 11, 2021

To: Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
The Manitoba Securities Commission
Autorité des Marchés Financiers
Registrar of Securities, Prince Edward Island
Office of the Administrator, New Brunswick
Securities Commission of Newfoundland and Labrador
Nova Scotia Securities Commission
Registrar of Securities, Government of the Northwest Territories
Registrar of Securities, Government of the Yukon Territory
Registrar of Securities, Government of Nunavut

We have read the statements made by Aegis Brands Inc. in the attached copy of change of auditor notice dated May 7, 2021, which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102.

We agree with the statements in the change of auditor notice dated May 7, 2021.

Yours very truly,

PricewaterhouseCoopers LLP

Chartered Professional Accountants

PricewaterhouseCoopers LLP
200 Apple Mill Road, Vaughan, Ontario, Canada L4K 0J8
T: +1 905 326 6800, F: +1 905 326 5339, www.pwc.com/ca

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

AEGIS BRANDS INC.

CHANGE OF AUDITOR NOTICE

TO: Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
The Manitoba Securities Commission
Autorité des Marchés Financiers
Registrar of Securities, Prince Edward Island
Office of the Administrator, New Brunswick
Securities Commission of Newfoundland and Labrador
Nova Scotia Securities Commission
Registrar of Securities, Government of the Northwest Territories
Registrar of Securities, Government of the Yukon Territory
Registrar of Securities, Government of Nunavut

AND TO: PricewaterhouseCoopers LLP, Chartered Professional Accountants

AND TO: Zeifmans LLP, Chartered Professional Accountants

**Re: Notice of Change of Auditor pursuant to Section 4.11 of National Instrument 51-102
Continuous Disclosure Obligations (“NI 51-102”)**

Aegis Brands Inc. (the “**Corporation**”) gives the following notice in accordance with Section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”).

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2. At the request of the Corporation, the Former Auditor resigned effective May 7, 2021.
3. The Successor Auditor was appointed to replace the Former Auditor effective May 7, 2021.
4. The replacement of the Former Auditor as auditors of the Corporation and the appointment of the Successor Auditor as auditors of the Corporation have been considered and recommended by the Audit Committee of the Board of Directors of the Corporation (the “**Board**”) and approved by the Board.
5. The Former Auditor’s reports for the Corporation’s two most recently completed fiscal years did not express a modified opinion.
6. There are no “reportable events” as such term is defined in NI 51-102.

Dated: May 7, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS
OF AEGIS BRANDS INC.**

Per: “*Steven Pelton*”
Name: Steven Pelton
Title: President and Chief Executive Officer



May 7, 2021

Ontario Securities Commission
Alberta Securities Commission
British Columbia Securities Commission
Manitoba Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Autorité des marchés financiers
Office of the Superintendent of Securities, Newfoundland and Labrador
New Brunswick Financial and Consumer Services Commission
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Prince Edward Island
Registrar of Securities, Yukon Territory
Registrar of Securities, Northwest Territories
Superintendent of Securities, Nunavut

Dear Sirs/Mesdames,

Re: Change of Auditor of Aegis Brands Inc. (“Aegis”)

As required by subparagraph (6)(a)(ii) of section 4.11 of National Instrument 51-102, we have reviewed the change of auditor notice of Aegis dated May 7, 2021 (the “Notice”) and, based on our knowledge of such information at this time, we have no basis to agree or disagree with statements 1 through 6 contained in the Notice.

Yours truly,

Zeifmans LLP

Chartered Professional Accountants
Licensed Public Accountants