

# **HIGH LINER FOODS**

## **ANNUAL INFORMATION FORM**

**For the fifty-three weeks ended January 3, 2026**

*(All amounts are in United States dollars unless otherwise stated)*

**February 25, 2026**

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Unless the context otherwise requires, references in this Annual Information Form ("AIF") to "We", "Us", "Our", "Company", "High Liner", or "High Liner Foods" include High Liner Foods Incorporated and its subsidiaries. References to "Fiscal 2025" are to the fifty-three weeks ended January 3, 2026, references to "Fiscal 2024" are to the fifty-two weeks ended December 28, 2024 and references to "Fiscal 2023" are to the fifty-two weeks ended December 30, 2023. All amounts are in United States dollars, unless otherwise noted. Certain totals, subtotals or percentages herein may not reconcile due to rounding.

This AIF contains certain trademarks and trade names of High Liner which are protected under applicable intellectual property laws and are the property of the Company. For convenience only, such trademarks or trade names may appear herein without an ® or ™ symbol, but such appearances are in no way whatsoever intended to suggest that the Company will not assert, to the fullest extent available under applicable law, its rights to such trademarks and trade names. Any other trademarks or trade names used herein are the property of their respective owners.

## **1. CORPORATE STRUCTURE**

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### **1.1 Name, Address and Incorporation**

High Liner Foods Incorporated is a Nova Scotia ("NS") company amalgamated under the *Companies Act* of Nova Scotia. Its registered office is at 100 Battery Point, P.O. Box 910, Lunenburg, NS, Canada, B0J 2C0.

The Company's 126-year history began in 1899 with the founding of W.C. Smith & Company Limited, a ship chandlery and salt fish operation located in Lunenburg, NS. In 1926, the same group of shareholders diversified into fresh fish and cold storage and formed Lunenburg Sea Products Limited and conceived the **High Liner** brand. In 1938, these two companies merged, and in 1945, the merged companies, along with Maritime National Fish Company Limited of Halifax and other related companies, were brought together under the ownership of National Sea Products Limited. The present company was formed in 1967 when these related companies were amalgamated and on December 31, 1998, the Company's name was changed to High Liner Foods Incorporated.

### **1.2 Inter-Corporate Relationships**

The Company's business is carried on principally through the parent company, High Liner Foods Incorporated (registered head office in Lunenburg, NS) and its wholly owned operating subsidiary, High Liner Foods (USA), Incorporated (registered head office in Portsmouth, New Hampshire ("NH")).

The following organizational chart illustrates the corporate structure of the Company and its significant subsidiaries, including their respective jurisdiction of formation and the percentage of votes attaching to all voting securities beneficially owned or over which control or direction is exercised by the Company.



## 2. GENERAL DEVELOPMENT OF THE BUSINESS

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### 2.1 Company Overview

High Liner Foods through its predecessor companies, has been in business since 1899 and has been a Canadian publicly-traded company since 1967, trading under the symbol 'HLF' on the Toronto Stock Exchange ("TSX"). The Company operates in the North American packaged foods industry with an expertise in frozen seafood. High Liner is a leading North American processor and marketer of value-added (i.e. processed) frozen seafood, producing a wide range of products from breaded and battered items to seafood entrées. The Company produces and markets seafood products for the retail, foodservice and club store channels. The foodservice channel consists of sales of seafood that are usually eaten outside the home and includes sales through distributors to restaurant and institutional customers.

High Liner owns strong brands and is also an important supplier of private-label frozen seafood products for many North American food retailers, club stores and foodservice distributors. In addition, the Company is a major supplier of commodity products in the North American market. Retail branded products are sold throughout the U.S., and Canada under the *High Liner*, *Fisher Boy*, *Sea Cuisine*, *C. Wirthy*, and *Catch of the Day* labels, as well as *Mrs. Paul's* and *Van de Kamp's*, acquired from Conagra Brands, Inc. ("Conagra") in June 2025, with distribution across most grocery and club stores. The Company also sells branded products to restaurants and institutions under the *High Liner*, *Signature*, *Mirabel*, *Icelandic Seafood* and *FPI* labels.

Although High Liner's roots are in the Atlantic Canadian fishery, seafood raw material and some finished goods are purchased from around the world, including Canada, the U.S., Europe, Asia and South America. The Company operates food-processing facilities in Lunenburg, NS; Portsmouth, NH; and Newport News, Virginia ("VA") and finished products are held in the Company's modern cold storage facilities, located in Lunenburg, NS; Peabody, Massachusetts ("MA"); Portsmouth, NH; Newport News, VA; and at third-party cold storage centers. From these centers, products are distributed throughout North America. The Company's North American retail and foodservice businesses are managed in Mississauga, Ontario ("ON") and Portsmouth, NH. We have corporate offices in Halifax, NS; Lunenburg, NS; Mississauga, ON; Portsmouth, NH; and Newport News, VA.

### 2.2 Three Year History

During the three years ended January 3, 2026, the Company has been impacted by a number of factors, changes and initiatives including:

1. U.S. tariffs implemented in late Fiscal 2018 and continued throughout Fiscal 2023, Fiscal 2024, and Fiscal 2025.
2. Increases in the Company's common share dividend in Fiscal 2023, Fiscal 2024 and Fiscal 2025.
3. Refinancing of the Company's term loan facility in Fiscal 2024, and extension of the asset-based revolving credit facility and addition to the term loan facility in Fiscal 2025.
4. Strategic investments made in Fiscal 2024 and Fiscal 2025 in two Norwegian aquaculture companies, Norcod AS ("Norcod") and Andfjord Salmon AS ("Andfjord").
5. Acquisition of the Mrs. Paul's and Van de Kamp's frozen breaded and battered seafood brands from Conagra in Fiscal 2025.
6. New production innovation in Fiscal 2025 to introduce fully cooked products in the first quarter of 2026.
7. Leadership transitions in Fiscal 2023, 2024 and 2025
8. Litigation settlement agreement reached with the previous owners of Rubicon Resources, LLC ("Rubicon") in Fiscal 2024.

9. Russia invasion of Ukraine in February 2022 and its continued impact in Fiscal 2023, Fiscal 2024, and Fiscal 2025, including government sanctions in Canada and the U.S. that have impacted the Company's operations and financial results..

### **U.S. Tariffs**

In September 2018, the U.S. Trade Representative ("USTR") commenced trade discussions with China that resulted in various actions impacting the Company related to additional tariffs on goods imported to the U.S., including a 25% tariff on certain raw material imports used by the Company (the "2018 US-China Tariffs"). During March 2022, the Company received notice of approval of an exclusion extension request submitted to the USTR regarding tariffs on a certain subset of raw material used by the Company imported to the U.S. from China, while the remaining raw material imports were still subject to the 25% tariff. The extension applied to tariffs already incurred, or that would otherwise have been incurred, on specific goods from October 12, 2021 to December 31, 2022. Since December 16, 2022 the USTR has extended this exclusion multiple times, including most recently on September 2, 2025, which further extended the exclusion to November 29, 2025. Additional action taken on November 26, 2025 by USTR has now extended these section 301 tariff exclusions until November 10, 2026.

On February 1, 2025 an Executive Order was signed by the U.S. President enacting measures which would impose additional tariffs on Chinese and Canadian imports into the United States. Since that date, there have been several announcements of additional global tariffs, retaliatory tariffs, and pauses on tariffs. The imposed tariffs included 20% on all Chinese goods imported into the United States and an additional 10% tariff on certain Chinese goods imported into the United States. These tariffs are incremental to the 2018 U.S.-China tariffs, bringing total tariffs on certain Chinese imports to 55%. On April 10, 2025 the U.S. issued increased "reciprocal" tariffs on certain goods from China totaling 170% (including all other applicable tariffs). A subsequent trade agreement on May 14, 2025 led to a temporary reduction of the reciprocal tariff back to 55%. On November 10, 2025 the U.S. President lowered the Reciprocal tariff on China to 10% which brings total tariffs on certain Chinese imports to 45%. This is now effective until November 10, 2026.

On April 2, 2025 the U.S. announced reciprocal tariffs declaring a 10% baseline tariff on imports from all countries, as well as higher rates for additional countries that run trade surpluses with the U.S. Additional higher reciprocal tariff rates were announced on July 31, 2025. Food products originating from Canada remain exempt from these tariffs under United States-Mexico-Canada Agreement ("USMCA").

The Company is actively assessing the impact of these evolving tariff regimes on its global supply chain, cost structure, macroeconomic environment and customer and consumer sentiment. While the full financial implications are still being evaluated, preliminary analysis indicates that these new tariffs could materially increase the cost of certain imported raw materials and finished goods, in addition to other potential impacts. The Company continues to implement mitigation strategies—including pricing adjustments, supply chain optimization, and sourcing diversification—to reduce the impact on its operations and customers.

The Company will continue to monitor trade developments and adjust its mitigation strategies as necessary to address additional tariff risks or policy changes that may change in 2026. However, the amount and timing for implementation of the tariffs described above and their impact on the Company, its supply chains, and the macroeconomic environment are inherently difficult to predict given the high level of uncertainty regarding trade negotiations and responses that may occur in the future.

Refer to "Risk Factors" below for additional information.

## Capital Structure & Dividends

During Fiscal 2023, Fiscal 2024 and Fiscal 2025 the Board of Directors increased the quarterly dividend to CAD\$0.15, CAD\$0.17 and CAD\$0.175 per common share, respectively from CAD\$0.13, CAD\$0.15 and CAD\$0.17 per common share, respectively. The increased dividend in each year reflected the Board's continued confidence in the Company's operations.

## Debt Refinancing

On July 31, 2024, the Company refinanced its senior secured Term Loan B (term loan facility for \$240.0 million, extending the maturity from October 2026 to July 2031, and reducing the applicable interest rate from SOFR plus 3.75% (0.75% SOFR floor) to SOFR plus 3.25% (0.50% SOFR floor).

On December 18, 2025, the Company completed a \$60 million financing under the Term Loan B facility, increasing the total facility to \$300 million. The Company also extended the maturity date of its asset-based revolving credit facility from April 2027 to December 2030.

## Strategic Investments

During 2024 and 2025, the Company continued to take steps to further diversify its supply chain by making strategic minority investments in two Norway-based aquaculture companies: Norcod AS, a cod aquaculture company based in Trondheim, Norway, and Andfjord Salmon Group AS, a salmon aquaculture company based in Dverberg, Norway.

In 2024, the Company established initial ownership interests in Norcod and Andfjord. During 2025, the Company completed additional investments in both companies, increasing its ownership interests through multiple tranches. As at the end of fiscal 2025, High Liner Foods held an approximate 18.5% ownership interest in Norcod and approximately 9.2% in Andfjord. In the fourth quarter of 2025, the Company completed a further investment in Andfjord, which is expected to settle in fiscal 2026 and, upon settlement, is expected to increase the Company's ownership interest in Andfjord to approximately 10.3%.

The Company believes these investments align with its long-term growth strategy, including gaining exposure to cod and salmon aquaculture, while maintaining minority ownership positions. The investments support the ongoing development and expansion of Norcod and Andfjord and enhance the Company's insight into emerging aquaculture supply sources.

## Acquisition of U.S. Retail Brands

On June 30, 2025, the Company completed the acquisition of the Mrs. Paul's® and Van de Kamp's® frozen seafood brands from Conagra for total consideration of \$41.9 million ("Conagra Brands Acquisition").

The Company believes the Conagra Brands Acquisition aligns with its strategy to grow and diversify its branded product portfolio in the U.S. retail market.

## New Production Innovation

During Fiscal 2025, the Company advanced its initiative to introduce fully cooked products, planned for the first quarter of 2026. Efforts focused on finalizing product formulations, preparing production capabilities, and developing marketing plans to support the launch. Investment in the initiative continued as part of the Company's broader strategy to expand its portfolio into higher-value, convenience-oriented categories.

## Leadership Transitions

In the last 3 years, the Company experienced changes in its senior leadership team. In December 2023, Paul Jewer was appointed President and Chief Executive Officer following the resignation of Rod Hepponstall in August, 2023. On September 3, 2025, the Company appointed Kimberly Stephens as Chief Financial Officer, following the departure of Darryl Bergman.

The Company believes its current leadership team has the appropriate experience to support the execution of its strategic priorities.

## Litigation Settlement

As reported in 2020, High Liner Foods instituted legal proceedings in California against Mr. Brian Wynn in connection with the sale of Rubicon to the Company. On March 5, 2024, a settlement agreement (the "Agreement") was reached between the Company and the previous shareholders of Rubicon, including Mr. Wynn. In accordance with the terms of the Agreement, 2,429,014 common shares of the Company issued in connection with the acquisition of Rubicon were surrendered and subsequently cancelled. In addition, as a part of the Agreement, \$5.7M was paid directly to the insurance company to reimburse funds received from a previous insurance claim settlement on Representation and Warranties Insurance the Company procured to provide coverage of breaches of representation by Rubicon and Mr. Wynn.

## Russia invasion of Ukraine

During February 2022, Russia invaded Ukraine which has had a negative impact on the global economy. In connection with this conflict, governments throughout the world, including Canada and the U.S., have imposed trade restrictions on certain products, including seafood, and financial and economic sanctions on certain industry sectors and parties in Russia. Although the Company has no direct operations in Russia or Ukraine, the global seafood supply chain does include a significant volume of whitefish, such as pacific cod and pollock, that are sourced from Russian waters. As some of the processed seafood purchased by the Company was made from seafood originally harvested in Russian waters, we have experienced shortages in materials and increased costs for transportation, energy, and raw material due in part to the negative impact of the Russia-Ukraine conflict on the global economy.

On December 22, 2023, the US Government issued a new executive order prohibiting the import of certain species of seafood into the United States. The determination prohibits Russian seafood imports on salmon, pollock, cod, and crab products harvested in waters under the jurisdiction of the Russian Federation or by Russian flagged vessels outside of Russian waters even if this seafood has been reprocessed and substantially transformed outside of Russia. No further orders could include product that include Russian country of harvest raw material and only products ordered and received on or before February 21, 2024 were permitted into the country. On February 20, 2024, this date was extended to allow importation of product until May 31, 2024, so long as the products were ordered before December 22, 2023 and shipped before February 20, 2024. High Liner Foods immediately implemented these regulations and developed a plan to limit the impact of these regulations on the business.

Further escalation of geopolitical tensions related to the conflict, including new sanction policies, increased trade barriers or restrictions on global trade, could result in, among other things, supply disruptions, cyberattacks, lower consumer demand, and changes to foreign exchange rates and financial markets, any of which may adversely affect our business and supply chain, and these impacts could be material.

## 2.3 Business Strategy

In 2021, High Liner Foods refreshed its purpose statement to be *"Reimagining Seafood to Nourish Life"* which more accurately reflects High Liner Foods' business, its potential for the future and commitment to its stakeholders.

The Company's business strategy is guided by a strong sense of corporate purpose to reimagine seafood to nourish life. Through its integrated diversified supply chain and responsible procurement practices, High Liner Foods helps nourish families across North America with healthy, affordable and sustainable sources of protein.

This purpose underpins the Company's business strategy and guides its approach to sourcing, product development and customer engagement.

Through its diversified foodservice and retail businesses, High Liner Foods provides a steady supply of frozen seafood to foodservice and retail customers across North America. In foodservice, the Company serves non-commercial or institutional customers such as hospitals and schools and commercial dining establishments including quick service retail (QSR) and casual dining restaurants. In our retail business High Liner Foods' products are available in the freezer aisles of national retail chains and club stores across North America. Beginning in 2026, the Company plans to further advance its value added strategy through the broader deployment of fully cooked product offerings across select foodservice and retail channels.

The Company seeks to grow by expanding and refining its portfolio of frozen seafood products to meet evolving customer and consumer needs. High Liner Foods continues to build and refine an expanded portfolio of frozen seafood products, including the two brands acquired in the Conagra Brands Acquisition in 2025, to provide customers with choice, quality and convenience across species and price points, with an emphasis on premium and discount offerings which typically fare better across market cycles.

The Company's premium products are value-added, either under one of the Company's brands, or as a private label product. In foodservice, the Company uses its premium value-added offering to strategically target operators looking for operational efficiencies, menu innovation and versatility. For example, High Liner Foods' value-added frozen seafood can be used as the protein source for multiple innovative menu items and to minimize labour requirements and costs as well as product waste.

In the retail environment, the Company's value-added products appeal to consumers who want to recreate restaurant quality dining at home or are seeking convenience. For example, High Liner Foods' Sea Cuisine line illustrates how Chef-inspired seafood can translate to the home kitchen. At the discount end of the price spectrum, the Company provides consumers with a high quality, healthy and affordable source of protein. This offering is best illustrated with the Company's Fisher Boy line.

High Liner Foods frozen seafood portfolio is supported by an integrated and diversified global supply chain which is a source of competitive advantage for the Company.

The Company invests in strategic relationships with suppliers, partners and customers to build loyalty and facilitate its ability to execute its business strategy and drive commercial success to create value for all stakeholders over the long-term.

In 2024 and 2025, the Company further diversified its supply chain through strategic minority investments in two Norwegian-based aquaculture companies, Norcod AS and Andfjord Salmon Group AS. The Company believes these investments align with its long-term growth strategy by increasing exposure to cod and salmon aquaculture while maintaining minority ownership positions.

## 2.4 Growth Strategy

The Company's growth strategy is aligned with its purpose of "*Reimagining Seafood to Nourish Life*" and is focused on driving profitable growth within the frozen seafood category in North America.

High Liner Foods is committed to profitably expanding its share of the current frozen seafood category in foodservice and retail in Canada and the U.S., supporting the growth of the top and bottom line of the business. Specifically, High Liner Foods is focused on driving organic growth within growing areas of the market including the retail club category, while building on its market leadership including U.S non-commercial customers and Canadian retail, while also expanding in underdeveloped, high potential channels such as QSR, casual dining and fully-cooked options, and increasingly popular species like shrimp and salmon.

One of the key tools to support the effective implementation of our corporate strategy is ongoing investment in data driven insights to inspire, innovate, expand, and over time, transform the frozen seafood category in North America. High Liner Foods is leveraging data to inspire a more innovative approach to using seafood on the menu in both QSR and casual dining. The Company is working closely with customers to demonstrate the potential for seafood focused items and presenting market-tested limited time offer concepts to customers to inspire innovation and initiate new business.

The Company believes that there is a significant opportunity to grow the seafood category in North America. Seafood, as a category, remains underdeveloped across North America. Even though consumers are increasingly seeking healthy, affordable, and sustainable sources of quality protein, seafood consumption has remained flat in North America for the past twenty years and has not grown in line with other proteins such as poultry.

High Liner Foods seeks to inspire more seafood consumption and support category growth through ongoing product innovation, value-added offerings, and targeted sales and marketing activities.

In addition to advancing its organic growth initiatives, the Company intends to pursue its growth strategy through strategic investments and acquisition opportunities where appropriate.

The Company believes it is well positioned to evaluate and execute on acquisition opportunities consistent with its strategic and financial objectives.

## 3. THE BUSINESS

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### 3.1 Product Marketing and Geographic Information

#### Trademarks and Brand Names

High Liner Foods' products are sold both directly and through distributors to North American retail and club stores, and through foodservice distributors to hotels, restaurants and institutions (such as healthcare and educational organizations). The majority of seafood products are marketed under a number of proprietary brands including: *High Liner*, *Fisher Boy*, *Sea Cuisine*, *Catch of the Day*, *C. Worthy*, *Mrs. Paul's*, *Van de Kamps*, *High Liner Signature*, *Mirabel*, *Icelandic Seafood* (under a licensing agreement) and *FPI* trademarks. In addition to branded products, High Liner Foods produces private-label frozen seafood products for numerous retailers, club stores and foodservice operators and distributors throughout North America.

Under the Company's trademarks and brands, and from a variety of seafood species, High Liner markets a diverse range of frozen seafood products, including raw fillets and shellfish, cooked shellfish and value-added products

such as sauced, glazed, breaded and battered seafood, along with seafood entrées. In addition, the Company produces breaded cheese sticks for a small, select group of customers. A full listing of "sub-brands" and product names are included on the Company's various foodservice and retail websites, which can be accessed through the corporate website at [www.highlinerfoods.com](http://www.highlinerfoods.com).

### **Geographic Information**

The Company is arranged as a single frozen seafood company that is focused on North America and is a single operating and reporting segment. Sales earned outside of Canada for the fifty-three weeks ended January 3, 2026 were \$784.4 million (fifty-two weeks ended December 28, 2024: \$728.6 million). Sales by geographic area are determined based on the shipping location.

In North America, the frozen seafood market can be divided into two categories: "Value-added" and "Unprocessed". Value-added consists of a number of different formats, including but not limited to breaded, battered, pan sear, fire roasted, upper crust, while unprocessed is seafood that has not been breaded, battered or prepared.

### ***North American Operations***

In North America, High Liner Foods competes in both categories of the frozen seafood market as described above, with a focus in the "value-added" categories. The Company produces both national branded and private-label products that are sold in retail (including club stores) and foodservice channels.

The North American retail division markets products under the ***High Liner, Fisher Boy, Sea Cuisine, C. Worthy, Mrs. Paul's, Van de Kamp's and Catch of the Day*** brands to various retailers including supermarkets, mass merchants, drug stores and club channels. The most recent acquisition of Mrs. Paul's and Van de Kamps in 2025 diversified the brand portfolio in the US Retail market, providing a platform for growth in the breaded and battered segment that makes up a large share of market sales and expanding High Liner's presence in new retailers.

The North American foodservice division markets branded products under the ***High Liner Foodservice, High Liner Signature, Mirabel, Icelandic Seafood and FPI*** brands to restaurants, cafeterias, and other institutions. Acquisitions of Fishery Products International, Inc., Viking Seafoods, Inc. and Icelandic USA in 2007, 2010 and 2011, respectively, provided strength in innovation, industry-recognized beer-battered products, a line of premium "Icelandic" fillets, and increased value-added frozen seafood sales operations that supported the Company's North American foodservice strategy.

The Company routinely introduces new products for consumers and its foodservice customers under the brands discussed above. The new products are derived from fish protein and include frozen fish offerings, family-size offerings, and shareable and snacking offerings. The value-added product innovations are based on insights, trends, product affordability, and great taste. In 2025, the Company continued to launch multi-channel innovation to support growth and this remains an important part of the Company's go-forward strategy.

Across North America, in both retail and foodservice, High Liner Foods employs a direct sales force and a network of sales brokers.

### **3.2 Production Facilities**

As at January 3, 2026, High Liner Foods owned and operated three manufacturing facilities in North America consisting of: two plants in the U.S. (in Portsmouth, NH, and Newport News, VA) and one plant in Canada (in Lunenburg, NS).

The following table summarizes the capacity and 2025 utilization of the Company's manufacturing facilities based on finished pounds and current shift patterns. All of these facilities produce value-added seafood products.

Location	Annual Capacity*	Capacity Utilization*
Lunenburg, NS, Canada	50,000,000	92 %
Portsmouth, NH, U.S.	61,000,000	93 %
Newport News, VA, U.S.	61,000,000	87 %

\* The capacities above are based on the 2025 manufacturing profile of finished pounds. Currently, capacities could be increased at the Lunenburg, Portsmouth and Newport News facilities to 60 million, 90 million and 100 million pounds, respectively, by implementing a change in shift patterns, and additional capital investment.

The Company utilizes a combination of Company-owned and third-party-managed cold storage facilities.

## Asia Operations

The Company has several major custom processing agreements with third-party producers in Asia involving the production of a large volume of wild caught raw material and finished product. Many of these agreements have been in place or otherwise renewed for several years and help to ensure a consistent supply of high quality product at competitive costs. Over the past few years, the Company has been expanding our supplier base away from China to other parts of Asia, including Thailand and Indonesia.

## Regulatory Environment

### Food Safety

At High Liner Foods, food safety is our top priority. Our brand equity and reputation are inextricably linked to the quality and safety of our food products, and we must be vigilant in ensuring our products are safe and comply with all applicable laws and regulations. Customers expect consistently safe, quality products and their expectations are unwavering regardless of the commodity or complexity of the supply chain. Consumers are increasingly better informed about conscientious food choices.

The Company's processing plants have all the required State, Provincial and/or Federal licenses to operate and are certified to the Global Food Safety Initiatives ("GFSI") and Safe Quality Foods ("SQF") standards, meaning our processing plants have passed a rigorous quality and food safety system audit that is internationally recognized and globally benchmarked. The GFSI certification enables the Company to supply our wide range of products to some of the industry's most discerning customers. This annual certification process helps drive improvement across the organization; critical for maintaining customer and consumer confidence.

In Canada, certain food businesses, including seafood-processing plants, are required to adopt a Preventive Control Plan ("PCP") under the Safe Food for Canadians Act and Regulations. These requirements cover the regulatory and safety aspects of food processing and importation in Canada and have been developed by the Canadian Food Inspection Agency ("CFIA") based on global best practices. This plan must also include a hazard analysis that describes how hazards will be controlled and/or eliminated. High Liner Foods' PCP and processing facilities are regularly inspected and audited by the CFIA and remain in good standing.

In the United States, the Company's plants produce product in accordance with standards set forth by the U.S. Food and Drug Administration's ("FDA") and the U.S. Department of Agriculture ("USDA"). The regulatory requirements for seafood processing (and importation) in the United States are very specific for fish and fishery products and all plants are required to operate with current seafood Hazard Analysis Critical Control Point ("HACCP") programs. Our plants are regularly inspected and audited by our regulatory partners in the U.S. and remain in good standing.

In addition, our suppliers' plants outside of North America must demonstrate compliance for imported products in accordance with the guidelines set forth in the FDA seafood HACCP regulation. All the Company's non-North American suppliers operate with detailed HACCP programs in place and are required to adhere to newly strengthened FDA and Canadian CFIA importation requirements focusing on food safety and traceability. In addition, all purchases are subject to risk-based quality review and verification by the Company's food safety and quality professionals. We have strict specifications for suppliers of both raw material and finished goods to ensure that procured goods are of the same quality and consistency as products processed in our own plants. High Liner Foods has offices in Qingdao, China; Bangkok, Thailand; and Reykjavik, Iceland and employs full-time procurement, food safety, and quality experts to oversee procurement activities around the world. This oversight includes production monitoring and finished product inspection at the source before shipment to North America.

In order to maintain compliance with the various and ever changing regulatory, industry and customer requirements and expectations, we employ a Food Safety and Quality Assurance team comprised of highly qualified, trained and experienced personnel including food scientists, quality technicians, quality and food safety auditors, and labelling and nutritional professionals. High Liner Foods retains independent auditors to add an additional level of scrutiny to our food safety programs and has robust audit policies and processes that are consistently applied throughout the Company. We are continuously evaluating and updating our internal operating standards to keep pace with the industry expectations and to support improved performance and growth.

### ***Environmental***

In the U.S., state labour laws and the federal Occupational Safety & Health Act ("OSHA") regulate how work must be conducted in the Portsmouth and Newport News plants. In Canada, provincial legislation and Workers Compensation Boards play an active role in monitoring health and safety in workplaces. Employee safety committees are in place at each High Liner Foods facility. These safety committees report to the Corporate Safety Steering Committee which in turn reports to the Human Resources Committee of the Board. A corporate Safety Policy is in place to ensure a safe workplace for all High Liner Foods' employees and safety policies are in place at each facility to protect employees and to maintain compliance with legislation. Regular specialized employee training is required under many of the policies.

With respect to environmental protection, the Company has an Environmental Management Policy ("EMP") designed to ensure that High Liner meets or exceeds the requirements of the federal, provincial, state, municipal and local environmental laws and requirements in both the U.S. and Canada. A risk of environmental impact is inherent in food processing operations, activities associated with such operations, and the ownership, management or control of real estate. However, the Company's policy and internal management ensures this risk is managed in accordance with diligent practices.

High Liner plants contain substantial freezing equipment, all of which utilize ammonia systems. Any release of ammonia in the operation of this equipment could result in environmental and employee safety hazards and remediation requirements, and therefore maintenance of the related equipment is a priority. The Company has a comprehensive emergency response plan in all facilities and personnel are well trained and, where required, certified in hazardous materials handling.

Each facility has a preventative maintenance program that is monitored and upgraded as required. Currently, the Lunenburg, Portsmouth, and Newport News plants operate computerized maintenance management systems. These programs allow maintenance teams to closely monitor and manage both preventative maintenance and work orders at the facilities.

As part of the EMP, High Liner has an employee Environmental Steering Committee, which reports its matters to the Audit Committee of the Board (see the "Audit Committee Charter" in the Appendix). The mandate of the Environmental Steering Committee is:

1. To review and report to the Board on the Company's compliance with all environmental and safety regulations and laws in the areas where it carries on business;
2. To assist management in developing action plans to deal with environmental and safety issues; and
3. To monitor management's progress at rectifying any situations identified as potential risks.

The Company's Board of Directors, through its committees, receives regular reports on the Company's safety and environmental management, and oversees efforts of the Company to maintain safe and environmentally compliant workplaces.

Environmental protection requirements are integrated into the Company's overall enterprise-wide risk management programs. In 2022, the city of Portsmouth received new National Pollutant Discharge Elimination System permits for its wastewater treatment facilities, which require a formal Industrial Pretreatment Program. This program will require greater attention to the regulations and dedication to documentation. Until such time the new Environmental Protection Agency ("EPA") wastewater effluent requirements are enacted, it is indeterminable how these requirements will impact High Liner, including additional capital expenditures, earnings and competitive position in 2026.

### 3.3 Competitive Conditions

#### *Retail Market*

Competition is very intense in the North American retail market where the primary competitive factors are price, quality, convenience, consistent supply, taste, nutrition, value, consumer brand recognition and loyalty. Additionally, the competitive landscape is changing where there is an increased risk that High Liner Foods' suppliers or customers could become competitors if they decide to distribute or source their own seafood products. The Company believes that the key to growing loyalty at the shelf, which will help to remain competitive, is enhancing and energizing the brands and launching consumer-centric innovation.

In the Canadian retail seafood market, the ***High Liner*** brand is the market leader. The Company also supplies value-added and commodity products under the ***Catch of the Day*** brand and a number of private labels. In the U.S., the Company is one of the largest value-added frozen seafood suppliers, including both branded and private label products. In 2025, High Liner Foods acquired two value-added seafood brands, Mrs. Paul's and Van de Kamps, expanding reach across value, mainstream and premium seafood segments. The Company's major competitors in the North American retail seafood market are national marketers of brand name and generic seafood products.

#### *Foodservice Market*

In the North American foodservice market, continuity of supply, a diverse product portfolio, customer service, quality and price are the major components of competition. High Liner Foods' major competitors in the foodservice market consist of vertically-integrated seafood companies, food-processing companies and seafood traders. In the Canadian foodservice seafood market, the Company holds a leading market position in the value-added frozen seafood category.

### 3.4 Components - Procurement of Raw Materials and Finished Goods

High Liner Foods is dependent on its seafood procurement activities and in 2025, purchased approximately 174.7 million pounds of seafood, with an approximate value of \$582.1 million. In 2025, the Company procured approximately 24 different species from 16 different countries.

The major species procured in 2025 accounted for approximately 96.5% of the total dollar purchases in 2025. These species are as follows:

Species	Percent of Total Purchases
Pollock	22.0 %
Cod	18.5 %
Shrimp	16.7 %
Haddock	14.8 %
Salmon	13.6 %
Tilapia	9.0 %
Sole	1.9 %
<b>Total major species</b>	<b>96.5 %</b>

The Company has a stringent supplier selection process that ensures various feasibility and compliance requirements are evaluated. As disclosed in Section 3.2 above, the Company's suppliers operate with detailed HACCP programs in place and are audited to such by accredited third parties and/or trained High Liner Foods employees, regardless of geographic location. High Liner Foods' dedicated supplier quality professionals oversee the supplier qualification and product verification activities. Desktop compliance and facility audits are performed to ensure suppliers' facilities and the products they produce meet or exceed requirements set by the Canadian and U.S. food authorities and High Liner Foods' product quality/food safety specifications. When product is received in either Canada or the U.S, the respective food inspection agencies may perform various verification activities up to and including, independent testing of products prior to release to High Liner.

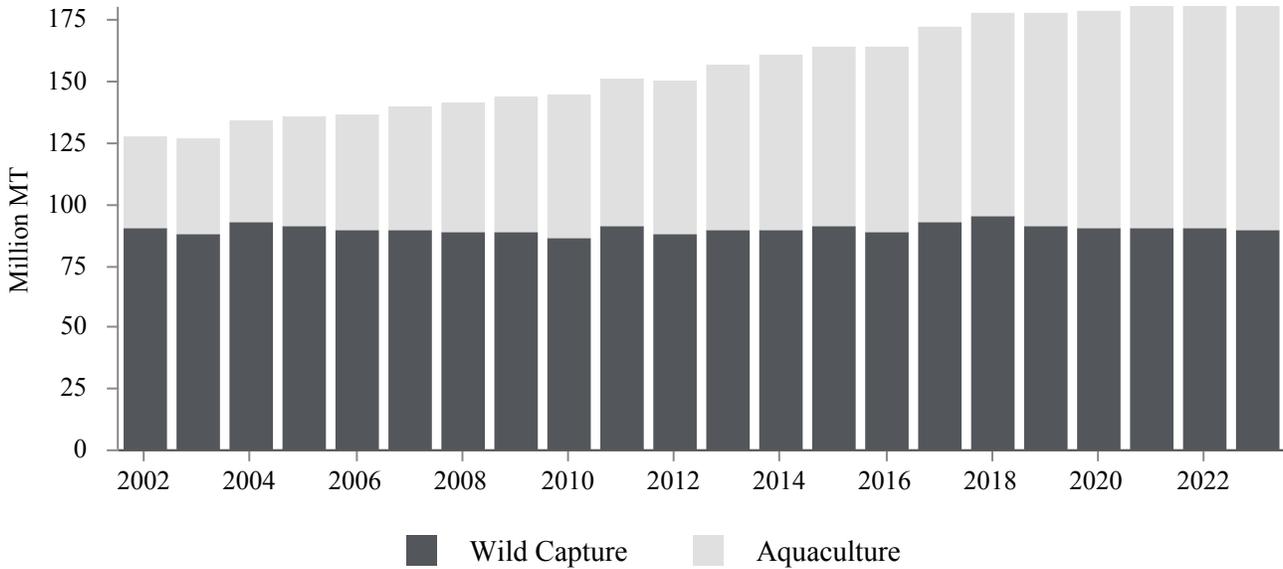
Our foreign representative offices in Qingdao, China; Bangkok, Thailand; and Reykjavik, Iceland employ procurement and quality staff to oversee procurement activities in those major countries from which product is procured. In addition, agents in Chile, India, Indonesia and Vietnam supervise procurement activities in their respective areas.

It is not industry practice to have significant long-term contracts to purchase raw seafood and the futures market, that would allow us to hedge forward purchases, is limited. Therefore, the Company's strategy is to build long-term strategic relationships with key seafood suppliers. We generally enter into agreements of up to one year, which can cover both price and quantity, but often provide for quality and quantities only, with price determined by the market at the time of shipment or reviewed quarterly. Substantially all purchases are in USD. From time to time, depending upon market conditions, the Company takes inventory positions to ensure sufficient raw materials at acceptable costs.

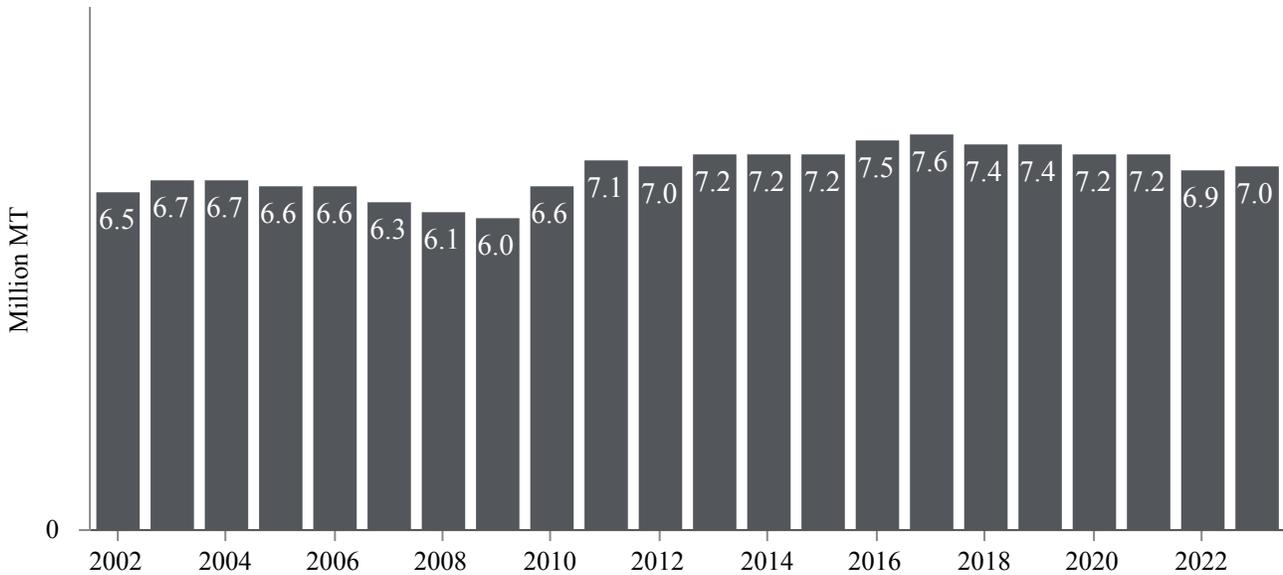
The long-term global demand for fish and seafood continues to grow. The total catch of wild fish in 2023 was surpassed by aquaculture production. The catch of wild fish has stabilized at around 90 million tonnes annually, which represents approximately 48% of the total supply, while aquaculture production continues to increase and is now approximately 52% of the total as shown in Exhibit 1. Exhibit 2 indicates catches of the ten most important wild groundfish species, as reported by the Food & Agriculture Organization of the United Nations ("FAO") in

2025, along with estimates of panelists, as presented at the 2025 Groundfish Forum webinar, an industry group that meets annually to discuss the global seafood industry.

**Exhibit 1 - Global Overview: Total Catches**



**Exhibit 2 - Global Groundfish Summary: Major Species\***



\* Major species include: Alaskan pollock; Atlantic cod; Pacific cod; haddock; saithe (Atlantic pollock); redfish (ocean perch); Cape hake; South American hake; North Pacific hake and hoki.

The availability of seafood continues to rise due to significant growth in aquaculture, whereas wild catch volumes remain steady. Cod and haddock quotas have been reduced year over year, resulting in increased pressure on supply and prices. The company is introducing alternative species to the market, which will help mitigate the impact of the reduced quotas on our supply chain and pricing. Globally, there has been considerable development in the aquaculture industry both in finfish and shellfish species. This trend is expected to continue. High Liner currently

procures aquaculture products, including warm water shrimp, tilapia, pangasius (basa), mussels, scallops and Atlantic salmon. The Company's strategy is to increase the procurement of aquaculture products in the future and align with this trend of increased aquaculture. Currently, 39% of the Company's procurement by value is related to aquaculture products.

High Liner Foods made a commitment in late 2010 to source all of its seafood from "certified sustainable or responsible" fisheries and aquaculture farms by the end of 2013. With this commitment, High Liner Foods requires wild-caught seafood and farmed products to either:

- come from fisheries and aquaculture processors certified as sustainable; or
- if those suppliers are not certified, they must be on a clear, defined path, actively working towards being sustainable, and capable of documenting measurable improvements. High Liner Foods collaborates with its NGO partner, the Sustainable Fisheries Partnership, in assisting suppliers falling into this category, with achieving sustainability objectives.

By the end of 2013, High Liner Foods had substantially achieved the commitment it made in late 2010 and is now recognized as a global leader in driving best practice improvements in wild fisheries and aquaculture. High Liner Foods defines responsibly sourced seafood in alignment with credible certification schemes that have successfully benchmarked against the Global Sustainable Seafood Initiative benchmark. The Company requires suppliers to demonstrate they minimize damage to fish habitats and use effective strategies to avoid bycatch. Responsible sourcing has been monitored as a metric under the Company's Sustainability program, growing from 90% responsibly sourced seafood in 2017 and increasing each year to 98% certified in 2024. In addition, a social compliance program was implemented with seafood suppliers in 2014 that outlines acceptable standards for the treatment of all suppliers' employees involved in the production of seafood products for the Company. Of the raw material used in the Company's products that is purchased from primary seafood suppliers, 100% is sourced from audited suppliers.

For a detailed description of the risks associated with commodity prices and currency fluctuations in relation to procurement of raw materials, including the risks exacerbated by the Russia invasion of Ukraine in February 2022, refer to the Risk Factors section of this document.

### **3.5 Seasonality**

High Liner Foods' operating results by quarter fluctuate throughout the year. For a detailed discussion regarding how seasonality affects the Company's operations, refer to the Company's MD&A for the year ended January 3, 2026. The MD&A also includes a summary of sales, and net income, on both a total dollar and a per share basis, for the eight most recently completed quarters ending January 3, 2026.

### 3.6 Employees

At January 3, 2026, High Liner Foods had 1,206 active regular full and part-time employees, of whom 526 were salaried employees and 680 were hourly employees.

Regular full and part-time employees by country are as follows:

Country	Number of Employees
U.S.	651
Canada	536
China	13
Thailand	4
Iceland	2
<b>Total</b>	<b>1,206</b>

High Liner Foods has approximately 251 unionized employees in its Lunenburg facility who are represented by the Unifor union. The Lunenburg collective agreement was set to expire December 31, 2023 and was renegotiated and ratified by the union on December 3, 2023. The new collective agreement has an expiry date of December 2026. The Company believes it has good relations with its unionized employees and does not anticipate any labour disruptions in 2026. The hourly workers in Portsmouth, Newport News, and Peabody are not unionized.

### 3.7 Effect of Volatility of Canadian Dollar

The Company has chosen a USD presentation currency because, although the functional currency of the Canadian parent company is CAD, the Company believes the USD presentation better reflects the total Company's business activities and improves investors' ability to compare the total Company's financial results with other publicly-traded businesses in the packaged foods industry (most of which are based in the U.S. and report in USD). This should also result in less volatility in sales and earnings and also on the balance sheet, as a large part of financial statement items are functional USD or influenced by USD-denominated commodities. The chart below shows USD/CAD exchange rates for the period of 2023 to 2025.

USD / CAD Exchange Rate	2025	2024	2023
Balance Sheet - year-end rate	0.7279	0.6930	0.7573
Income Statement - average rate	0.7155	0.7302	0.7409
Percent change - year-end rate	5.0%	(8.5%)	2.5%
Percent change - average rate	(2.0%)	(1.4%)	(3.6%)

Approximately 85.6% of the Company's sales and related operations are denominated in USD; the majority of debt is denominated in USD; bank covenants are measured in USD; and some of the Parent company's input costs are denominated in USD. Reporting in USD reduces the volatility of currency changes; however, when the U.S. dollar strengthens (weakening Canadian currency), the reported values of CAD-denominated items of the Parent company decrease in the consolidated statements and the opposite occurs when the U.S. dollar weakens. CAD-denominated items in the Parent company's operations are converted to USD at the balance sheet date for balance sheet items and at the average exchange rate of the month the transaction occurs for income statement items. As such, foreign currency fluctuations affect the reported values of individual lines on the Company's balance sheet and income statement.

The table below shows Company net sales in domestic currency or assuming a constant exchange rate of par between the U.S. and Canadian dollar, and calculates the change in net sales in domestic currency.

(Amounts in 000s, except percentages)	2025		2024		2023
Sales as reported (USD)	\$	1,026,899	\$	959,218	\$ 1,080,338
Foreign exchange effect		96,083		84,689	85,091
<b>Sales in domestic currency</b>	<b>\$</b>	<b>1,122,982</b>	<b>\$</b>	<b>1,043,907</b>	<b>\$ 1,165,429</b>
<b>Change in sales, excluding FX effect</b>		<b>7.6 %</b>		<b>(10.4)%</b>	<b>1.6 %</b>

### 3.8 Social and Environmental Matters

High Liner Foods' value chain spans the globe and affects and relies on people, communities and environments around the world. The Company recognizes that understanding and managing High Liner Foods' impacts on those global resources is integral to fulfilling the Company's purpose of *Reimagining Seafood to Nourish Life*. Launched in 2009, High Liner Foods' Sustainability program originally focused on responsible sourcing of seafood with the creation of the "Responsibly Sourced" (as described in more detail below) criteria and commitment. Since then, we have maintained longstanding commitments to sourcing seafood responsibly and upholding high social and ethical standards. Understanding and managing our climate-related impacts and investing in our employees creates new ways in which High Liner Foods is committed and working to improve the health and well-being of our stakeholders. High Liner Foods continues to focus on its broader Sustainability program within the key areas discussed below.

#### *Product Responsibility*

We believe that delivering on High Liner Foods' purpose of Reimagining Seafood to Nourish Life requires the Company to not only provide consumers with nutritious products but also to uphold best practices in the sourcing of the raw materials to manufacture and sell those products. High Liner Foods is committed to ensuring there are healthy and diverse fish stocks to support local ecosystems and providing a livelihood for those who make their living from the sea. To reflect this commitment, High Liner Foods has established, over time, sourcing standards that provide protections for the environment and people within the Company's supply chains. The Company is nearing a goal of delivering 100% Responsibly Sourced (as described in more detail below) products and continuously monitoring and updating the Company's activities in this area to ensure High Liner Foods protects a supply of healthy protein and our environment through leadership and best practices, diversification of our supply chain, innovation and collaboration with industry partners.

In 2010, the Company created strict criteria seafood must meet to be considered by High Liner Foods as Responsibly Sourced. The criteria were developed with input from the Company's partner NGO, Sustainable Fisheries Partnership (SFP), and industry experts to ensure products claiming to be Responsibly Sourced are wild-caught or farmed using best practices that meet high social ethical standards and minimize impacts on species, stock and the environment. The Responsibly Sourced criteria for wild-caught and farmed seafood:

#### Wild-caught Seafood

Responsibly fished, wild-caught seafood is legally caught, secure from poaching and protected from overfishing. We require our suppliers to demonstrate that they minimize damage to fish habitats and use effective strategies to avoid bycatch. We strive to source wild-caught products that are:

- Marine Stewardship Council (MSC) certified or from suppliers undergoing full MSC assessment
- All eco-certifications must be Recognized by the Global Sustainable Seafood Initiative (GSSI) benchmark

- Sourced from credible, publicly documented Fishery Improvement Projects (FIP); or
- OceanWise™ recommended or rated Best Choice or Good Alternative by Seafood Watch™

#### Farmed seafood (aquaculture)

Experts increasingly agree that responsible, sustainable aquaculture is essential to meet the world's growing demand for seafood. We strive to source farmed products that are:

- All eco-certifications must be successfully Recognized by the Global Sustainable Seafood Initiative (GSSI) benchmark
- Aquaculture Stewardship Council (ASC) certified or from suppliers undergoing full ASC assessment
- Global Seafood Alliance (GSA) Best Aquaculture Practices (BAP) certified (1–4 stars)
- From credible, publicly documented Aquaculture Improvement Projects (AIP); or
- OceanWise™ recommended or rated Best Choice or Good Alternative by Seafood Watch™

High Liner Foods is also committed to ensuring the safety, human rights and dignity of workers in the Company's supply chain through implementation of compliance standards and mandatory requirements for suppliers. All High Liner Foods raw material suppliers are required to accept and comply with "Seafood Supplier Expectations Manual". Approval as a supplier requires compliance with regulatory requirements applicable to High Liner Foods' products and other safety standards, including with HACCP, QMP and High Liner Foods high-quality specifications. Suppliers must also accept and sign an acknowledgement of the "Supplier Code of Conduct", which requires, among other things, compliance with local laws and ethical business practices. High Liner Foods works with Social Ethical Data Exchange (SEDEX), which offers a system for analyzing ethical and responsible business practices throughout the supply chain. The Company requires raw material suppliers to pass a credible social compliance audit that is dependent on specific risk factors by country at frequencies defined in its Supplier Code of Conduct. High Liner Foods adopted an additional social compliance due diligence program in 2024 that subjects suppliers to unannounced SMETA (SEDEX Members Ethical Trade Audit) 4 pillar social compliance audits.

High Liner Foods also works with its suppliers in support of initiatives to drive continuous improvement in fisheries and aquaculture operations around the world. Fishery Improvement Projects (FIPs) and Aquaculture Improvement Projects (AIPs) allow for companies like High Liner Foods to encourage and promote the adoption of globally recognized best practices through strategic partnerships and engaging fishers, farmers and other key industry organizations. High Liner Foods helped establish the first FIP in 2007, the Barents Sea Cod-Haddock FIP. This Atlantic cod fishery, once nearly wiped out, has been regenerated through the adoption of the FIP practices. The Company has continued to support FIPs since 2007 and helped launch a new FIP in 2024 to implement both fishery management and human rights best practices in the Argentinian squid fishery.

#### *People and Communities*

High Liner Foods' people are at the heart of the Company's success. Every milestone the Company has achieved has been driven by the dedication and care of the High Liner Foods team. This fuels the Company's mission to ensure every employee feels a sense of belonging, appreciation, support, and empowerment to grow.

The Company's employee value proposition (EVP), Endless Opportunities to Catch, reflects a steadfast commitment to a people-first culture. Family-friendly policies supporting employee wellness, learning and development programs and diversity, equity, inclusion, and belonging initiatives are some areas of investment the Company has made to create an environment where every voice is heard, and each person is supported in their personal and professional development.

Aligned with High Liner Foods' core values of Customer Focus, Innovation, and Responsibility, the EVP is anchored in the Company's C.A.R.E. pillars:

- Culture: A close-knit community of high performers, committed to supporting one another and making a positive impact.
- Ambition: Offer career growth opportunities to help the Company's people achieve their personal and professional goals.
- Recognition: Celebrate teammates' achievements, both formally and informally.
- Employee Wellness: The safety and well-being of High Liner Foods' team are always a top priority.

In 2022, High Liner Foods launched the "My Voice" Employee Engagement survey to better identify and understand employees' needs. "My Voice" has become an essential tool for fine tuning the Company's employee policies and programs to maximize talent retention and attraction. The results also help to identify the cultural strengths and areas for improvement at High Liner Foods, providing the Company's management with insights on improving employee engagement. More than 1,000 employees, 90% of the total company workforce, participated in the 2025 survey.

High Liner Foods recognizes that the support of local communities in which the Company operates has also been instrumental to the Company's success. The Company is grateful for the loyalty these communities have shown High Liner Foods, and corporate philanthropy is one of the ways the Company expresses this gratitude. From local partnerships to employee-driven initiatives, the Company's efforts are focused on giving back where it matters most.

High Liner Foods' philanthropic efforts are guided by three pillars:

- Supporting Food Security: The Company achieved its goal of providing 10 million meals over 10 years in 2022—three years ahead of schedule. High Liner Foods continues to partner with food banks and local organizations, ensuring food security remains a focus.
- Volunteerism: From supporting food banks to community clean-ups, High Liner Foods provides employees with 16 hours of paid time to get involved locally and make a difference where they live.
- Corporate Giving: The Company dedicates a portion of pre-tax income to causes that align with High Liner Foods' values and help improve the communities where the Company operates.

Since launching in 2021, High Liner Foods' bi-annual Days of Nourishment have provided the Company's employees an opportunity to give back to their communities. Guided by High Liner Foods' Philanthropy Steering Committee, each company employee can dedicate two full days of service each year: one each spring dedicated to supporting the environment, and another in the fall focused on fighting hunger. In 2025, High Liner Foods' employees served more than 1,086 hours in the community.

High Liner Foods also continues to prioritize employee safety. The Company focuses on maintaining a safety culture through accident prevention and personal safety ownership. For additional information on employee safety, refer to "Regulatory Environment" above.

### ***Environment***

The Company has adopted several initiatives aimed at minimizing some of the impacts High Liner Foods' business has on the environment.

High Liner Foods completed and published its first greenhouse gas (GHG) inventory for Scope 1 and Scope 2 emissions in 2022. The Company also committed to a goal of reducing Scope 1 and Scope 2 emissions 30% by 2030. Over the last two years, the Company engaged engineering consultants to help identify decarbonization opportunities within High Liner Foods' operations.

In 2024, the Company continued assessing the decarbonization opportunities identified and completed an inventory of High Liner Foods' Scope 3 GHG emissions. The Scope 3 inventory provides the Company with a more complete understanding of High Liner Foods' overall carbon footprint and identifies emission hot spots within the Company's supply chain.

High Liner Foods is also committed to cutting food waste intensity 50% by 2030, a target established in 2019 in alignment with the United Nations' 10x30x30 challenge. The Company prioritizes eliminating waste before it happens – identifying and rectifying points of food waste in production operations. Landfill diversion efforts are then made for any residual sources of waste. In 2023, the Company formed a Continuous Improvement department, which is focused on creating and implementing an action plan to achieve the Company's 2030 food waste target.

For additional information regarding the Company's environmental policies and processes, refer to "Regulatory Environment" above.

### ***Governance***

The Board of Directors and management believe that high environmental, social and governance standards reflected in the Company's Sustainability program support the Company's profitability and valuation and aligns with the values of our Shareholders. Given the importance and pervasiveness of these matters to the Company's risk management and business strategies, the oversight function has been assigned across the Board and its Committees, where deemed most appropriate. The Governance Committee supports the Board in overseeing the Company's Sustainability framework as well as management's integration of Sustainability into the overall governance structure, business strategy and risk management practices of High Liner Foods. The Audit Committee oversees environmental and other compliance and reporting matters. The Human Resources Committee reviews the health and safety performance of the Company and ensures that Sustainability goals and targets are appropriately linked to compensation plans and that the Company is organized with the right talent to execute against the Company's Sustainability strategy. The Company's Executive Leadership Team is responsible for implementing the Company's Sustainability strategy and initiatives and maintains various committees and working groups in support of the various initiatives and areas of responsibility.

## **4. RISK FACTORS**

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High Liner Foods is exposed to a number of risks in the normal course of business that have the potential to affect operating performance. Many of these risk factors are described below, including those the Company considers to be the most material. These risk factors, along with other risks and uncertainties not currently known to the Company or that the Company currently considers immaterial, could materially and adversely affect the Company's performance, operating results, ability to pay dividends or return capital to shareholders and the trading price of securities of the Company. In any such event, investors could lose all or part of their investment in the Company's securities.

The Company takes a strategic approach to risk management. We have designed an enterprise-wide approach, overseen by the senior management of the Company and reported to the Board, to identify, prioritize and manage risk effectively and consistently across the organization. While risk management is part of the Company's

transactional, operational and strategic decisions, as well as the Company's overall management approach, many of the risks are beyond the Company's control and therefore despite the Company's efforts to manage or mitigate its risk exposure, there is no guarantee that events or circumstances will not occur which could have a material adverse impact on the Company's financial condition and performance. The descriptions of the risks in this AIF do not include all possible risks, and there may be other risks of which the Company is currently not aware or is not presently anticipating that may arise and have a material adverse effect on the Company's business, results of operations, prospects, financial condition, financial performance and cash flows. Investors should carefully consider the risk factors set out below, along with the other information contained in this document and the Company's other public filings before making an investment decision.

### **Geopolitical and Trade Risk**

Although the Company's operations are principally in North America, it sources seafood globally and, as such, the Company's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary for each country and include, but are not limited to: international armed conflict and terrorism, including Russia's invasion of Ukraine and the terrorist attacks on civilian ships in the Red Sea; fluctuations in currency exchange rates; inflation rates; labour unrest; civil commotion and unrest; global pandemics and related regulatory and operating restrictions impacting supply chains; changes in taxation policies; restrictions on foreign exchange and repatriation; changing political conditions and social unrest; changes in trade agreements, economic sanctions, import/export trade restrictions, tariffs and other trade barriers.

The global economy has been negatively impacted by Russia's invasion of Ukraine. In connection with this conflict, governments throughout the world, including Canada and the U.S., have imposed trade restrictions on certain products and through financial and economic sanctions on certain industry sectors and parties in Russia (as described in the Executive Order in December 2023 issued by the U.S. government on certain species of seafood harvested in Russian waters). Although the Company has no direct operations in Russia or Ukraine, the global seafood supply chain does include a significant volume of whitefish, such as haddock, Pacific cod and pollock, that are sourced from Russian waters. While the Company continues to diversify its supply chain, some of the processed seafood purchased was made from seafood originally harvested in Russian waters. The Company remains in compliance with the Executive Order and other appropriate regulatory and legal requirements in the various jurisdictions. This has however led to shortages in certain raw materials and increased costs for transportation, energy, and raw material. Further escalation of geopolitical tensions related to the conflict, including additional new sanction policies, increased trade barriers or restrictions on global trade, could result in supply disruptions, higher input costs, cyberattacks, lower consumer demand, and changes to foreign exchange rates/financial markets, any of which may adversely affect our business and supply chain. These impacts could be material. In addition, the effects of the ongoing conflict could heighten many of our known risks described in the *Risk Factors* section of this report.

Changes, if any, in trade agreements and/or policies, the imposition of sectoral and economic sanctions, or shifts in political and/or consumer attitude, could adversely and materially affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations including, but not limited to, trade restrictions, income taxes, foreign investment, and environmental legislation.

In 2018, the USTR commenced certain trade actions, including imposing tariffs on certain goods imported from China, including some of the species the Company imports from China. On February 1, 2025 an Executive Order was signed by the U.S. President enacting measures which would be effective February 4, 2025 and imposes an additional 10% tariff on all Chinese imports into the United States. The Executive Order also imposes an additional 25% tariff on Canadian imports into the United States. In response, the Canadian government announced that it would impose 25% tariffs on CAD\$155 billion of goods from the U.S., with CAD\$30 billion tariffs imposed on February 4, 2025, and the remaining CAD\$125 billion duties imposed after a 21-day delay to allow Canadian

businesses time to adapt. Since that date, there have been additional announcements of additional tariffs and pauses on tariffs. Currently, all High Liner Foods' value added food products imported between US and Canada are exempt under the USMCA.

The Company's business involves, among other things, (i) exporting its products to the United States from Canada for sale to customers and consumers, (ii) importing raw material from China into the United States and Canada, and (iii) importing commodities and other product inputs into Canada and the United States. As a result, the Company and its business may be negatively impacted in a number of different ways by the tariffs described above or as a result of a failure to renew or extend the USMCA with exemptions for High Liner Foods' products and product inputs, including, but not limited to, increasing product costs, reducing profitability and decreasing the competitiveness of the Company's products. There can be no assurance that the tariffs between the United States and Canada will not be further postponed or otherwise not implemented, nor can there be any assurance as to the existence, depth, extent and duration of any tariffs imposed by the United States and/or Canada. While the Company has taken steps to mitigate the impact of these risks, the Company's business, financial condition, results of operation and performance could be materially and adversely impacted as a result of the materialization of any of these risks.

### **Food Safety**

At High Liner Foods, food safety is our top priority. Our brand equity and reputation are inextricably linked to the quality and safety of our food products. We must be vigilant in ensuring our products are safe and comply with all applicable laws and regulations. Customers expect consistently safe, quality products and their expectations are unwavering regardless of the commodity or complexity of the supply chain. Consumers are increasingly better informed about conscientious food choices.

The Company's processing plants have all the required State, Provincial and/or Federal licenses to operate and are certified to the Global Food Safety Initiatives ("GFSI") and Safe Quality Foods ("SQF") standards, meaning our processing plants have passed a rigorous quality and food safety system audit that is internationally recognized and globally benchmarked. The GFSI certification enables the Company to supply our wide range of products to some of the industry's most discerning customers. This annual certification process helps drive improvement across the organization, critical for maintaining customer and consumer confidence.

In Canada, certain food businesses, including seafood-processing plants, are required to adopt a Preventive Control Plan ("PCP") under the Safe Food for Canadians Act and Regulations. These requirements cover the regulatory and safety aspects of food processing and importation in Canada and have been developed by the Canadian Food Inspection Agency ("CFIA") based on global best practices. This plan must also include a hazard analysis that describes how hazards will be controlled and/or eliminated. High Liner Foods' PCP and processing facilities are regularly inspected and audited by the CFIA and remain in good standing.

In the United States, the Company's plants produce product in accordance with standards set forth by the U.S. Food and Drug Administration's ("FDA") and the U.S. Department of Agriculture ("USDA"). The regulatory requirements for seafood processing (and importation) in the United States are very specific for fish and fishery products and all plants are required to operate with current seafood Hazard Analysis Critical Control Point ("HACCP") programs. Our plants are regularly inspected and audited by our regulatory partners in the U.S. and remain in good standing. While High Liner Foods emphasizes adherence to various regulations and standards such as GFSI, SQF, PCP, HACCP, and FDA/USDA requirements, there is a risk of non-compliance with evolving regulations. Changes in regulations or failure to meet existing ones could lead to legal issues, fines, or market repercussions.

In addition, our suppliers' plants outside of North America must demonstrate compliance for imported products in accordance with the guidelines set forth in the FDA seafood HACCP regulation. All the Company's non-North

American suppliers operate with HACCP approved plans and are required to adhere to FDA and Canadian CFIA importation requirements focusing on food safety and traceability. In addition, all purchases are subject to risk-based quality review and verification by the Company's food safety and quality professionals. We have strict specifications for suppliers of both raw material and finished goods to ensure that procured goods are of the same quality and consistency as products processed in our own plants. High Liner Foods has offices in Qingdao, China; Bangkok, Thailand; and Reykjavik, Iceland and employs full-time procurement and food safety and quality experts to oversee procurement activities around the world. This oversight includes production monitoring and finished product inspection at the source before shipment to North America. High Liner Foods acknowledges the complexity of its global supply chain, including suppliers outside North America. This complexity introduces risks related to maintaining consistent food safety standards across various regions, potential disruptions in the supply chain, or issues with supplier compliance.

In order to maintain compliance with the various and ever changing regulatory, industry and customer requirements and expectations, we employ a Food Safety and Quality Assurance team comprised of highly qualified, trained and experienced personnel including food scientists, quality technicians, quality and food safety auditors, and labelling and nutritional professionals. Despite having a dedicated Food Safety and Quality Assurance team and independent auditors, there is always a risk of operational failures or human error leading to food safety incidents. These incidents could harm consumer health, trigger product recalls, and incur significant costs for the Company. High Liner Foods has retained independent auditors to add an additional level of scrutiny to our food safety programs and has robust audit policies and processes that are consistently applied throughout the Company. We are continuously evaluating and updating our internal operating standards to keep pace with industry expectations and to support improved performance and greater success. However, the Company cannot assure that these operating standards, even when working effectively, will completely eliminate the risks related to food safety, which could have a material adverse impact on the Company's financial condition and results of operations. The Company takes consumer safety seriously and recognizes the increasing consumer demand for safe and high-quality food products. Failing to meet these expectations could result in damage to the brand reputation, loss of consumer trust, and decreased sales.

### **Product Liability and Recall**

The Company is subject to risks that affect the food industry in general, including risks posed by food spoilage, accidental contamination, product tampering, consumer product liability, and the potential costs and disruptions of a product recall. The Company actively manages these risks by maintaining strict and rigorous controls and processes in its manufacturing facilities and distribution systems and by maintaining prudent levels of insurance. However, the Company cannot assure that such controls and processes, even when working effectively, will completely eliminate the risks related to food safety. The Company could be required to recall certain of its products in the event of contamination or adverse test results or as precautionary measures. There is also a risk that not all of the products subject to the recall will be properly identified, or that the recall will not be successful or not be enacted in a timely manner. Any product contamination could subject the Company to product liability claims, adverse publicity, reduced brand equity, and government scrutiny, investigation or intervention, resulting in increased costs and decreased sales. Many of these costs and losses are not covered by insurance. Any of these events could have a material adverse impact on the Company's financial condition and results of operations.

## Procurement and Availability of Seafood

Our business depends upon the procurement of frozen raw seafood materials and finished goods on world markets. In 2025, the Company purchased approximately 174.7 million pounds of seafood, with an approximate value of \$582.1 million. Seafood markets are global with values expressed in USD. In 2025, we bought approximately 24 species of seafood from 16 countries around the world. There are no formal hedging mechanisms in the seafood market. Prices can fluctuate due to changes in the balance between supply and demand over which the Company has little or no control. Factors such as quota changes, governmental regulations, disease, geopolitical issues, including economic sanctions, tariffs, trade barriers and those other factors discussed under "Geopolitical Risk" above, weather, climate change and other environmental impacts in key fisheries can all affect supply and pricing.

Historically, North American markets have consumed less seafood per capita than certain Asian and European markets. If increased global seafood demand results in materially higher prices, North American consumers may be less likely to consume amounts historically consistent with their share of the global seafood market, which may adversely affect the financial results of High Liner Foods due to its North American focus.

The Company expects demand for seafood to grow from current levels as the global economy, and particularly the emerging market countries including Brazil, Russia, India, and China ("BRIC") and Southeast Asian economies, improve. In general, with the exception of Atlantic Cod, Alaskan Pacific Cod and Haddock, for which the quotas continue to be reduced, we expect the supply of wild-caught seafood in our core species to be stable over the long term. We anticipate new seafood demand will be supplied primarily from aquaculture. Currently, four of the top seven species consumed in North America (shrimp, salmon, tilapia and pangasius) are partly or totally supplied by aquaculture and approximately 38.55% of the Company's procurement, by value, are aquaculture products. To the extent there are unexpected declines in supply for our core products of wild-caught seafood, or aquaculture is unable to supply future demand, prices may increase materially, which may have a negative impact on the Company's results. Changes in the relative values of currency can change the demand from a particular country whose currency has risen or fallen as compared to the U.S. dollar. The increasing middle class and government policies in emerging economies, as well as demand from health-conscious consumers, can affect demand as well.

Our broad product line and customer base, along with geographically diverse procurement operations, help us mitigate changes in the cost of our raw materials. We purchase frozen raw material and finished goods originating from many different areas of the world and ensure, to the extent possible, that our supplier base is diverse to ensure no over-reliance on any source. Our strategy is to always have at least two suppliers of seafood products, where possible. In addition, product formulation changes, long-term relationships with suppliers, traceability of sourcing, and price changes to customers are all important factors in our ability to manage supply of necessary products. Notwithstanding any of these mitigation efforts however, the Company does not control the supply or pricing of the raw material and therefore may be materially adversely affected in the event that these strategies are not successful.

High Liner Foods requires its third-party suppliers to comply with its supplier code of conduct ("SCOC"), which is designed to prevent raw materials and finished goods in the Company's supply chain from being produced under inhumane or exploitive conditions. The SCOC addresses several issues, including work hours and compensation, health and safety, and abuse and discrimination. In addition, the Company requires that third-party suppliers comply with all applicable laws and regulations, including consumer and product safety laws. The Company has the right, both directly and using outside auditors, to monitor and audit compliance by its third-party suppliers with the SCOC and other requirements. Notwithstanding these requirements and the Company's processes for assessing compliance with them, there remains the risk that one or more of the Company's third-party suppliers will not comply with High Liner Foods' requirements and that High Liner Foods will not immediately discover such non-compliance. Any failure of the Company's third-party suppliers to comply with labour, consumer, food safety or other applicable requirements could result in damage to the Company's reputation, harm sales of its products and potentially create liability for High Liner Foods and its business, financial condition and performance could be materially and adversely impacted.

The Company is currently not vertically integrated and is reliant on third-party relationships in the procurement of its raw materials. In the event of any loss or disruption of these relationships, supply shortages of certain seafood, or trade barriers to acquiring seafood as a result of economic sanctions or otherwise, result in difficulty procuring species, the financial results of High Liner Foods may be adversely affected.

Any sustained reduction in the availability of, or significant increases in seafood raw material costs, including cod and haddock in particular, could limit production, reduce margins, impair the Company's ability to meet customer demand, or require changes to product mix or pricing. There can be no assurance that alternative species or sources would be available on commercially acceptable terms. There can be no assurance that disruptions in supply will not occur, nor can there be any assurance that all or part of any increased costs experienced by the Company from time to time can be passed along to customers directly or in a timely manner. Accordingly, disruptions in the supply of seafood raw material could materially and adversely affect the Corporation.

### **Seafood Production from Asia**

Many seafood companies, including High Liner Foods, choose to have primary production of certain products in Asia, and China, in particular. Asian processing plants are able to produce many high-quality seafood products at a lower cost than is possible in North America and in other countries. These plants are also able to achieve a better yield on raw material due to the use of more manual processes. We work closely with selected Asian suppliers and have made it possible for these suppliers to meet our exacting quality and manufacturing standards. By diversifying our supply chain, we have access to the variety and volume of seafood products, including a significant amount of wild-caught product from the Atlantic and Pacific Oceans, that we need to fulfil our brand strategy, while continuing to require seafood suppliers to adhere to the Company's SCOC. These suppliers are central to our supply chain operating efficiently, and thus, any adverse changes in the operations of such suppliers, including the effects of a pandemic or any other serious health concern, the effects of the Russian/Ukraine war or any other geopolitical risks (refer to "*Geopolitical Risk*" above for further details), or our commercial relationships with such suppliers, may adversely affect the Company's results. To mitigate the risk of supply disruptions to the business resulting from trade challenges, the impact of global pandemics, freight delays or other issues, the Company has been shifting a portion of its seafood production in China to other countries, primarily in South East Asia (Vietnam, Indonesia and Thailand). Additionally, the Company has focused more on nearshoring by increasing purchases from Alaskan and Canadian producers. However, the Company may not be able to develop alternate sourcing quickly enough to offset any supply disruptions that may occur elsewhere, which may adversely affect the Company's results.

### **Competition Risk**

The markets and industries in which the Company operates are highly competitive. High Liner Foods competes with a number of food manufacturers and distributors and its competition varies by distribution method, product category (including other competing proteins) and geographic market. High Liner Foods' industry has low barriers to entry and therefore the Company may also be subject to competition with new entrants. Competition is based on factors such as product availability, product quality and taste, price, brand recognition, product variety, product packaging and design, shelf space, reputation, nutritional and other claims, effective promotions, and the ability to target changing consumer preferences. The Company may experience price pressure as a result of, among other things, competitors' promotional and pricing efforts and strategies to increase market share. Competitive pressures from new and existing competitors could result in reduced sales, margins, profits, and market share, all of which could have a material adverse effect on the Company's financial condition and results of operations.

The Company's ability to increase revenue and execute its business strategy depends in part on its ability to cost-effectively attract new customers and consumers and retain existing customers and consumers. If the Company is unable to do this, its business, financial condition and operating results may be materially adversely affected. Further, if customers or consumers do not perceive the Company's product offerings to be of sufficient value and quality, or if it fails to offer new and relevant product offerings, it may not be able to attract or retain customers or engage existing customers so that they continue to purchase products. There is no guarantee that any investment that

the Company makes in marketing, advertising, and innovation will be successful in attracting or retaining market share or that it will deliver the anticipated long-term financial benefits underpinning growth targets.

The Company's competitiveness and financial performance depend in part on the efficiency, reliability and cost-effectiveness of its manufacturing operations and its ability to adopt and integrate new technologies. The food manufacturing industry is increasingly reliant on automation, digital systems and advanced technologies to improve productivity, manage costs and meet customer and consumer expectations. Failure to maintain or improve manufacturing efficiency, or delays, disruptions or challenges in implementing process improvements, automation initiatives or new technologies, could result in higher operating costs, production inefficiencies, quality issues or service disruptions. The Company may incur significant capital expenditures and implementation costs in connection with such initiatives, and there can be no assurance that these investments will achieve the expected benefits, returns or timing. If competitors are able to achieve greater manufacturing efficiencies, lower unit costs or enhanced flexibility through superior technology, scale or capital resources, the Company's competitive position, margins and results of operations could be adversely affected.

Some of High Liner Foods' competitors have greater financial and other resources and/or may have access to labour or products that are not available to High Liner Foods. High Liner Foods' competitors may be able to better withstand market volatility. In some instances, this could force the Company to lower prices, resulting in lower profitability or, in the alternative, cause it to lose market share if it fails to lower prices. In addition, some competitors may be more innovative, have more resources and/or be able to bring new products to market faster. This could put the Company at a disadvantage in keeping up with the pace of innovation and ability to introduce new products that appeal to evolving consumer trends. There can be no assurance that High Liner Foods' principal competitors will not be successful in capturing, or that new competitors will not emerge and capture, a share of the Company's present or potential customer base and/or market share.

In addition, High Liner Foods and its financial results may be significantly adversely affected if High Liner Foods' suppliers become competitors, if its customers decide to source their own food products, or if one or more of High Liner Foods' competitors were to merge with another of its competitors. Competitors may also establish or strengthen relationships with parties with whom High Liner Foods has relationships, thereby limiting its ability to sell certain products. Disruptions in High Liner Foods' business caused by such events could have a material adverse effect on its results of operations and financial condition.

### **Information Technology and Cybersecurity Risk**

High Liner Foods relies extensively on information technology systems, network infrastructure, operational technology, cloud-based platforms, and software applications to manage critical aspects of its business, including product development, supply chain and logistics, sales and customer service, manufacturing operations, financial reporting, and data management. The Company must continuously allocate and effectively manage the resources required to maintain, modernize, secure, and scale these systems. Failure to do so could result in processing errors, production inefficiencies, business interruptions, loss of customers, loss of or damage to intellectual property or confidential information, and constraints on the Company's ability to execute its strategy and growth objectives.

The Company also depends on third-party service providers, including cloud hosting providers, software vendors, and managed service partners, for the operation and maintenance of a significant portion of these systems. While High Liner Foods employs due diligence, contractual protections, and ongoing oversight of these third parties, the Company does not control their operational performance or security practices. A failure, outage, or cybersecurity event affecting a third party could disrupt the Company's operations or, in certain cases, enable unauthorized access to Company systems or data.

Cybersecurity threats continue to increase in frequency, sophistication, and severity. Threat actors may include nation-state groups, organized criminal organizations, "hacktivists," and insiders acting with malicious intent. These

actors may use advanced tools, including artificial intelligence-enabled techniques, to exploit vulnerabilities. Cybersecurity events may include ransomware, malware, phishing and social engineering attacks, credential theft, denial-of-service attacks, supply chain compromises, or unauthorized access to systems or data. Such events could compromise the confidentiality, integrity, and/or availability of the Company's information systems or data, or the systems of third parties on which the Company relies.

High Liner Foods maintains significant volumes of electronic data, including confidential and proprietary business information, operational data, financial and commercial information relating to customers and suppliers, and personal information relating to its employees. The Company also stores certain data provided by third parties where necessary to conduct its business. Although the Company has implemented cybersecurity controls, policies, training, and monitoring processes designed to protect its systems and data, no technology environment is immune from intrusion. Cybersecurity incidents may go undetected for periods of time or may be identified only after they have occurred. Any such incident could result in operational disruptions, manufacturing delays, financial losses, reputational harm, theft or misuse of sensitive information, regulatory enforcement actions, litigation, and additional remediation or compliance costs. Third-party failures to safeguard data or systems could expose the Company to similar consequences.

High Liner Foods is increasingly evaluating and, in certain areas, deploying artificial intelligence-enabled tools and automated decision-support technologies as part of its digital initiatives. The use of such technologies may introduce additional risks, including data quality or bias issues, model errors, cybersecurity vulnerabilities, intellectual property concerns, regulatory or legal compliance obligations, and reliance on third-party vendors providing such tools. Regulatory frameworks governing the development and use of artificial intelligence continue to evolve in Canada and other jurisdictions in which the Company operates, which may increase compliance costs or restrict certain applications. Any failure to effectively govern, secure, or comply with applicable requirements relating to artificial intelligence could adversely affect the Company's operations, reputation, or financial performance.

The Company's ability to operate efficiently and to pursue its long-term growth strategy depends on the reliability, integrity, and scalability of its information systems and infrastructure, as well as the successful implementation of new systems and technologies. A failure of system design, implementation, performance, disaster recovery processes, or cybersecurity controls—or delayed detection of an incident—could have a material adverse effect on the Company's business, financial condition, and operating performance.

### **Consumer Trends**

The success of the Company depends in part on the Company's ability to respond to market trends and macro-economic factors and develop innovative products that anticipate and respond to the changing tastes, dietary habits and purchasing power of consumers. From time to time, certain products are deemed more or less healthy and/or costly and this can impact consumer buying patterns. The Company's failure to anticipate, identify, or react to these changes or to innovate could result in declining demand and prices for the Company's products, which in turn could have a material adverse effect on the Company's financial condition and results of operations.

### **Environmental Regulation Risk**

High Liner Foods' business and operations are subject to environmental laws and regulations, including those relating to permitting requirements, wastewater discharges, air emissions (pollutants, toxins and other), releases of hazardous substances and remediation of contaminated sites. The Company strives to maintain compliance, in all material respects, with environmental laws and regulations; however, failure to comply could have serious consequences, such as criminal as well as civil penalties, liability for damages, and negative publicity for the Company. Compliance with these environmental laws and regulations requires that the Company continue to incur operating and maintenance costs and capital expenditures, including to control potential impacts of its operations on

local communities. Future events such as changes in environmental laws and regulations, or more vigorous regulatory enforcement policies could have a material adverse effect on the Company's financial position and could require additional expenditures to achieve or maintain compliance.

### **Climate Change and Sustainability**

The effects of global climate change create financial, operational, and reputational risks to the Company's business, both directly and indirectly. There is a consensus that greenhouse gas ("GHG") emissions are linked to global climate change, and that these emissions must be reduced dramatically to avert the worst effects of climate change. The Company's operations may be vulnerable to the adverse effects of climate change, which are predicted to increase ocean temperatures and levels as well as the frequency and severity of weather events and other natural cycles such as wildfires, heatwaves, floods, and droughts. The effects of climate change may cause disruptions in High Liner Foods' operations, including its supply chain and the productivity of its third-party customers and suppliers, increase the Company's production costs, impose capacity restraints and interruptions to distribution of products, and impact the types of products that consumers purchase, all of which may cause High Liner Foods to suffer losses and additional costs to maintain or resume operations. The Company may be subject to decreased availability or less favorable pricing for certain raw materials or other product inputs that are necessary for the Company's products. The Company may also incur capital expenditures, compliance costs, and other costs to comply with increasingly stringent environmental laws, enforcement policies and regulatory reporting requirements. In addition, as costs and taxes are imposed on fossil fuels, which are the inputs for fuel for shipping, for example, the cost of production will increase, which could result in increased expenses to High Liner Foods, that may not be offset by increased prices, if such increases cannot be passed on to customers and consumers.

Various seafood species and non-seafood products are vulnerable to adverse climatic and weather conditions and natural disasters, including warming and rising oceans, windstorms, hurricanes, floods, droughts, fires, temperature extremes and earthquakes, some of which are common but difficult to predict. Severe weather conditions may occur with higher frequency or may be less predictable in the future due to climate change. Such adverse weather conditions could impact both the availability and the quality of seafood and non-seafood products procured by the Company and prevent or impair the Company's ability to procure and sell products as planned. These factors can increase cost, decrease our sales, and lead to additional expenditures, which may have a material adverse effect on the Company's business, financial condition and results from operations.

A variety of stakeholders, including regulators, investors, advisory firms, rating agencies, and customers, are establishing laws, regulations, expectations, reporting obligations and/or assessments reflecting their expectations for corporate practices related to climate change and other sustainability matters. High Liner Foods completed and published its first greenhouse gas (GHG) inventory for Scope 1 and Scope 2 emissions in 2022. The Company committed to a goal of reducing Scope 1 and Scope 2 emissions 30% by 2030. High Liner Foods is also committed to cutting food waste intensity 50% by 2030, a target established in 2019 in alignment with the United Nations' 10x30x30 challenge and strives to procure 100% "Responsibly Sourced" (as described in more detail in section 3.8 of this Annual Information Form, Social and Environmental Matters) seafood. The Company has plans in place to achieve and monitors its progress towards such goals. However, such goals are based on management's current assumptions related to scientific or technological developments, carbon markets, goals and statements of third-party utility providers, the workforce and hiring market, and other matters that are subject to change in the future, as well as standards for measuring progress that are still in development, and subject to a number of significant risks and uncertainties. It is possible that the Company's practices, processes and facilities will require significant modifications in order to achieve. Additionally, it is possible that the changes necessary to reduce emissions will not be feasible or that the costs will be material. High Liner Foods' efforts to be responsive to climate change, to reduce its carbon footprint, and regarding other sustainability matters cannot provide assurance that it will successfully achieve its sustainability goals, that related costs may not be higher than expected, that proposed regulation or deregulation related to climate change and other sustainability or environmental, social and governance matters will not be more aggressive than the Company's measures and result in higher costs (or require

additional resources), or that any investments High Liner Foods makes to achieve such goals will result in meeting expectations or any applicable binding or non-binding legal standards, any one of which could have an adverse effect on the Company's financial condition, results of operations, or reputation.

The Company's failure, or perceived failure, to achieve its goals regarding climate change or other sustainability or similar matters could damage its reputation, causing investors, consumers, and other stakeholders to lose confidence in High Liner Foods and its brands, and negatively impact the Company's operations. Climate-related litigation has increased in recent years, including claims involving the failure of organizations to mitigate their impacts on climate change, the failure of organizations to adapt to climate change, and the insufficiency of disclosure around material financial risks or inaccuracy of climate-related disclosure. Additionally, as consumers and customers continue to put an increased priority on purchasing products that are sustainably sourced, processed and packaged, the Company may need to incur increased costs in order to effectively procure raw materials and other product inputs that are more sustainable, as well as increased costs for additional transparency, due diligence, and reporting. If High Liner Foods' sustainability or similar practices do not meet, or are not viewed as meeting, investor or other stakeholder expectations and standards (which are continually evolving and may emphasize different priorities than the ones High Liner Foods chooses to focus on), or if High Liner Foods does not or appears not to achieve its sustainability goals, then the Company's brands, reputation, and employee retention may be negatively impacted. Furthermore, if regulators disagree with the Company's sustainability or similar disclosures, for example, because they believe them to be incomplete or misleading, the Company may face regulatory enforcement action, and its business or reputation could be adversely affected. There is also a risk that a significant reorientation in the market following the implementation of measures relating to sustainability or similar disclosure requirements could be adverse to the Company's business if the Company is perceived to be presenting a product or business as having green or sustainable characteristics where this is not, in fact, the case (i.e., "greenwashing"). Additionally, compliance with any new regulations or laws generally increases the Company's regulatory burden and could make compliance more difficult and expensive, thereby adversely impacting the Company's financial position.

### **Business Continuity Risk**

The Company faces inherent risks to our business continuity, including but not limited to disruptions caused by catastrophic events or natural disasters (including as a result of climate change), cyberattacks, geopolitical risks instability and regulatory changes (all of which are discussed in more detail elsewhere in this "Risk Factors" section). These disruptions could result in operational downtime, supply chain interruptions, loss of data, and damage to our reputation. While management has implemented business continuity plans and regularly tests the response procedures, there remains a possibility of unforeseen events impacting our operations and financial performance. The Company's ability to effectively manage and mitigate these risks, which there can be no assurance of, is critical to maintaining operational resilience and ensuring long-term shareholder value.

### **Legal Matters**

In the normal course of its operations, the Company becomes involved in various legal and regulatory actions relating to its commercial activities and relationships, construction activities, employment matters, product recalls and other product liabilities, environmental liabilities, and other matters. Since outcomes of regulatory investigations, litigation and arbitration disputes are inherently difficult to predict, there is the risk that an unfavourable outcome in any of these matters could negatively affect the Company's business, financial condition and performance. Even if the Company is not found liable for these claims, the cost of defending these actions may be material and significantly divert the attention of its management.

The Company maintains typical insurance coverages for a company of its size and nature. As a result, insurance coverage may be available for some claims. However, in some circumstances, legal claims may not be covered by insurance or the insurance coverage may not be sufficient to cover the claimed losses. Further, even if an action is settled within insurance limits, this can result in increases to the Company's insurance premiums or adversely affect its ability to secure insurance coverage.

Legal liability risks may also increase depending on the jurisdiction. For example, the United States tends to be a more litigious environment and more unpredictable in terms of damages awards compared to Canada. As the Company looks to expand its sales in the United States, it may be exposed to increased litigation risk. Further, there is an increasing trend for customers to try to impose broad contractual indemnification obligations on suppliers like the Company. The Company seeks to mitigate this risk by negotiating more reasonable contractual terms, including limitations on liability. However, it is not always successful in negotiating such commercially reasonable terms, in which case it is faced with a decision to accept the increased liability exposure or to lose the business, either of which could materially adversely affect the Company's financial condition and results of operations.

### **Growth (Other than by Acquisition)**

A key component of High Liner Foods' growth strategy is organic or internal growth by delivering profitable and sustainable revenue growth through the sale of existing higher margin products, optimizing our production and product portfolio, including eliminating under-performing products, expanding into new channels and species and attracting new customers, introducing new products, including higher margin products, building strategic partnerships, including through consumer and customer insights, and investing in continuous improvement in our plants and our organization to improve efficiencies and simplify the business.

There can be no assurance that the Company will be successful in growing its business or in managing its growth in a manner consistent with this strategy. Furthermore, successful expansion may place a significant strain on key personnel of High Liner Foods, from a retention perspective, as well as on its operations, financial and other resources. The Company's ability to manage growth will also depend in part on its ability to continue to grow and enhance its information systems in a timely fashion, maintain our core assets, and manage succession planning for personnel across the organization to support such growth. Any inability to properly manage growth could result in cancellation of customer orders, as well as increased operating costs, and correspondingly, could have an adverse effect on High Liner Foods' financial results.

### **Acquisition and Integration Risk**

A component of the Company's strategy is to pursue acquisition and investment opportunities to support sales and earnings growth and further species diversification in addition to other anticipated strategic benefits. While management intends to be careful in selecting businesses to acquire, acquisitions inherently involve a number of risks, including, but not limited to, the possibility that the Company pays more than the acquired assets are worth; the additional expense associated with completing an acquisition; the potential loss of customers of the particular business; the difficulty of assimilating the operations and personnel of the acquired business; the challenge of implementing uniform standards, controls procedures and policies throughout the acquired business; the inability to integrate, train, retain and motivate key personnel of the acquired business; the potential disruption to the Company's ongoing business and the distraction of management from the Company's day-to-day operations; the inability to incorporate acquired businesses successfully into the Company's existing operations; inaccurate estimates of the rate of return on acquisitions or investments; inaccurate estimates of fair value made in the accounting for acquisitions and amortization of acquired intangible assets, which could reduce future reported earnings; indemnities and potential disputes with the buyers or sellers; and the potential impairment of relationships with the Company's employees, suppliers and customers. If any one or more of such risks materialize, they could have a material adverse effect on the Company's business, financial condition, liquidity and operating results.

In addition, the Company may not be able to maintain the levels of operating efficiency that the acquired company had achieved or might have achieved had it not been acquired by the Company. Successful integration of the acquired company's operations often depends upon the Company's ability to manage those operations and to eliminate redundant and excess costs. As a result of difficulties associated with combining operations, the Company may not be able to achieve the cost savings and other benefits that it expected to achieve with the acquisition. Any difficulties in this process could disrupt the Company's ongoing business, distract its management, result in the loss of key personnel or customers, increase its expenses and otherwise materially adversely affect the Company's business, financial condition, liquidity and operating results. Further, inherent in any acquisition, there is risk of liabilities and contingencies that the Company may not discover in its due diligence prior to the consummation of a particular acquisition, and the Company may not be indemnified for some or all of these liabilities and contingencies. The discovery of any material liabilities or contingencies in any acquisition could also have a material adverse effect on the Company's business, financial condition, liquidity and operating results.

High Liner Foods has and may in the future make minority investments in other companies at various stages of operations, including earlier stage businesses in different parts of the seafood value chain. There can be no assurance that the operations of these companies will be commercially successful, which could result in a loss of all or a substantial part of the Company's investment in these companies. The Company expects that its minority investments will complement its strategy in various ways, however, there are no assurances that will prove to be correct in any material respect. The Company may not realize the expected returns or anticipated benefits from its minority investments to the degree anticipated.

Additionally, the Company will require capital in order to finance any such acquisitions and investments and there can be no assurances that the Company will be able to obtain any such capital at acceptable costs or at all.

### **Employment Matters**

The Company and its subsidiaries have approximately 1,200 full-time and part-time employees, which include salaried and union employees, some of whom are covered by collective agreements. These employees are located in various jurisdictions, each such jurisdiction having differing employment laws. While the Company maintains systems and procedures to comply with the applicable requirements, there is a risk that failures or lapses could result in a violation or cause of action that could have a material adverse effect on the Company's financial condition and results of operations. Furthermore, if a collective agreement covering a significant number of employees or involving certain key employees were to expire or otherwise cease to have effect leading to a work stoppage, there can be no assurance that such work stoppage would not have a material adverse effect on the Company's financial condition and results of operations. The Company's success is also dependent on its ability to recruit and retain qualified personnel which can be costly and highly competitive. The loss of one or more key personnel or the failure to retain, hire, train and integrate qualified personnel could limit the ability of the Company to execute on its strategic growth plans and otherwise have a material adverse effect on the Company's financial condition and results of operations. The Company's operations are also subject to health and safety risks, as well as laws and regulations in this regard. The Company takes the safety of employees very seriously and maintains various processes and systems to mitigate these concerns, including a quarterly review by the Company's Board of Director's Human Resources Committee of the Company's health and safety performance. Notwithstanding the Company's existing health and safety processes and systems, serious injury or death of an employee could have a significant adverse impact on High Liner Foods' reputation and result in work stoppages, litigation and incurring additional costs, or otherwise negatively impact High Liner Foods and its business and operations any of which may be significant.

**Credit Risk**

The Company grants credit to customers in the normal course of business. Credit evaluations are performed on a regular basis, and the financial statements incorporate an allowance for expected credit losses based on current information and historical experience. Despite these processes, there remains inherent risk associated with extending credit to customers.

Economic downturns, industry-specific pressures, geo-political events, or financial instability of individual customers could result in credit losses that exceed expectations. The Company continues to insure its accounts receivable risk; however, impairment losses, although historically insignificant, may not be indicative of future outcomes. Shifts in market conditions, deterioration in customer financial health, or increasingly sophisticated impersonations of creditworthy counterparties could lead to unexpected impairment losses.

Unforeseen events may also impact customer payment behaviour. Changes in industry dynamics, regulatory environments, interest rates, inflation, currency fluctuations, or other macroeconomic factors could affect customers' ability to meet their obligations and may result in customer defaults and material losses to the Company.

**Customer Consolidation and Concentration**

We sell the majority of our products to food distributors and large food retailers, including supercenters and club stores, in North America. As the retail grocery and foodservice trades continue to consolidate and grow more sophisticated, the Company is required to adjust to changes in purchasing practices and changing customer requirements to remain competitive. Failure to do so could result in losing sales volumes and market share. The Company's net sales and profitability could be negatively affected if increased pressure on pricing or volume leads to a decline in the financial condition of, or other adverse developments with, one or more of its major customers. Any of these events could have a material adverse effect on the Company's financial condition and results of operations.

Consolidation of customers could result in some consolidation of suppliers in the U.S. seafood industry, which is highly fragmented, especially in the U.S. foodservice market. If the Company is not part of the supplier consolidation, it could lead to increased competition requiring the Company to reduce costs and increase service levels to keep pace with the expectation of customers.

During the fifty-three weeks ended January 3, 2026, two customers individually accounted for more than 10% of the Company's total sales. While this represents a concentration of revenue, the associated risk is considered low due to the nature of the customer relationships and the broader end-market distribution. The Company continuously monitors its customer portfolio and does not anticipate any significant risk to its financial performance due to this concentration.

**Reputation and Public Opinion**

The potential for deterioration of the Company's reputation may arise in many contexts and for many different reasons, including as a result of factors discussed elsewhere in this "Risk Factors" section. As a result, reputational risk cannot be managed in isolation from other forms of risk. For example, any real or perceived quality, safety or other reputational concerns, whether or not ultimately based on fact and whether or not involving the Company (such as incidents involving competitors, or the way in which products are handled by customers, consumers or others in the distribution chain after they leave the control of the Company), could cause negative publicity and reduced confidence in the Company, its brand or its products, which could in turn harm its reputation and operating results. Any loss of confidence on the part of consumers in the Company's products, brands, the ingredients it uses or in the safety and quality of its products would be difficult and costly to overcome.

The growing use of social and digital media by the Company, its consumers and third parties increases the speed and extent that information or misinformation and opinions can be shared. Negative publicity about the Company, its brands or its products on social or digital media could seriously damage its reputation. If the Company does not maintain the favourable perception of its brands, the Company's sales and profits could be negatively impacted.

Overall, negative public opinions or shifts in opinion whether about the Company, its brands, its industry or the overall environment in which it operates could materially and adversely affect its reputation, business, strategy and operations, as well its financial condition and results of operations.

### Foreign Currency

High Liner Foods reports its results in USD to reduce volatility caused by changes in the USD to CAD exchange rate. The parent company has a CAD functional currency, meaning that all transactions are recorded in CAD. However, as we report in USD, the results of the parent company are converted into USD for external reporting purposes. As such, fluctuations in exchange rates impact the translated value of the parent company's sales, costs and expenses when translated to USD. Reporting results in USD introduces volatility due to changes in exchange rates, affecting the translated value of sales, costs, and expenses. Fluctuations in currency values can impact the comparability and interpretation of financial statements.

The Company's results of operations and financial conditions are both also affected by foreign currency fluctuations in a number of ways. The table below summarizes the effects of foreign exchange on our operations:

<b>Currency</b>	<b>Strength</b>	<b>Impact on High Liner Foods</b>
CAD	Strong	Results in a reduction in the cost of inputs for the Canadian operations in CAD. Competitive activity may result in some selling price declines on unprocessed product.
CAD	Weak	Results in an increase in the cost of inputs for the Canadian operations in CAD. Justified cost increases are usually accepted by customers. If prices rise too sharply there may be a volume decline until consumers become accustomed to the new level of pricing.
Euro	Strong	Results in increased demand from Europe for seafood supplies and may increase prices in USD.
Euro	Weak	Results in decreased demand from Europe for seafood supplies and may decrease prices in USD.
Asian currencies	Strong	Results in higher cost for seafood related to Asian-domestic inputs such as labour and overheads of primary producers. As well, increased demand may result from domestic Asian markets and increase USD prices. Justified cost increases are usually accepted by customers. If prices rise too sharply, there may be a volume decline until consumers become accustomed to the new level of pricing.
Asian currencies	Weak	Results in lower cost for seafood related to Asian-domestic inputs such as labour and overheads of primary producers. As well, decreased demand may result from domestic Asian markets and decrease USD prices. Competitive activity may result in some selling price declines on unprocessed product.
USD	Strong	As in most commodities, a strong USD usually decreases input costs in USD, as suppliers in countries not using the USD need less USD to receive the same amount in domestic currency. In Canadian operations, it increases input costs in CAD.
USD	Weak	As in most commodities, a weak USD usually increases input costs in USD, as suppliers in countries not using the USD need more USD to receive the same amount in domestic currency. In Canadian operations, it decreases input costs in CAD.

The value of the USD compared to other world currencies has an impact on many commodities, including seafood, packaging, flour-based products, cooking oil and transportation costs that are either sold in USD or have USD-input costs. This is because many producing countries do not use the USD as their functional currency and, therefore, changes in the value of the USD means that producers in other countries need less or more USD to obtain the same amount in their domestic currency. Changes in the value of the CAD by itself against the USD simply result in an increase or decrease in the CAD cost of inputs.

For products sold in Canada, most raw material is purchased in USD and flour-based ingredients, cooking oils and transportation costs all have significant commodity components that are traded in USD. A weakening CAD increases the cost of these inputs in the Canadian operation's domestic currency and usually results in higher selling prices to Canadian customers.

Although High Liner Foods reports in USD, our Canadian operations continue to be managed in CAD. Therefore, we enter into annual supply contracts, where possible, and engage in hedging activities in accordance with the Company's *"Price Risk Management Policy"* (the "Policy"), buying USD forward and using various derivative products. To reduce our exposure to the USD on the more price inelastic items, the Policy allows us to hedge forward a maximum of 15 months of purchases; at 70-90% of exposure for the first three months, 55-85% for the next three months, 30-75% for the next three months, 10-60% for the next three months, and 0-60% for the last three months. The lower end of these ranges is required to be hedged by the Policy, with the upper ranges allowed if management believes the situation warrants a higher level of purchases to be hedged. Variations from the Policy require the approval of the Audit Committee, and failure to adhere to the policy guidelines could expose the company to increased currency risk.

The Policy excludes certain products where the price in the marketplace moves up or down with changes in the CAD cost of the product. Approximately \$50-80 million of the USD purchases of the parent company are part of the hedging program annually and are usually hedged between 40-75% of the next twelve months of forecasted purchases. We are currently forecasting purchases of \$61.7 million to be hedged in 2026 and of this amount, 38.6% was hedged as of January 3, 2026. Details on the hedges in place as at January 3, 2026 are included in Note 23 *"Fair value measurement"* to the Consolidated Financial Statements.

The effectiveness of hedging activities depends on the accuracy of forecasting future purchases and market conditions. Inaccurate forecasts or unforeseen market changes could lead to ineffectiveness in hedging strategies. The Company cannot assure that these hedging activities will eliminate the risks related to foreign currency, which could have a material adverse impact on the Company's financial condition and results of operations.

### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates, which relates to the Company's debt obligations with floating interest rates. Fluctuations in market interest rates can impact the fair value and future cash flows of the Company's financial instruments, particularly its debt obligations with floating interest rates. Changes in interest rates may affect the company's borrowing costs and overall financial performance. The Company's policy is to manage interest rate risk by having a mix of fixed and variable rate debt. The Company's objective is to keep between 35% and 55% of its borrowings at fixed rates of interest. To manage this, the Company enters into fixed rate debt facilities or interest rate swaps, in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional amount. These swaps are designated to hedge the underlying debt obligations. Interest rate options that effectively fix the maximum rate of interest that the Company will pay may also be used to manage this exposure. Despite the Company's efforts to manage interest rate risk, there is no guarantee that it will be completely eliminated. Unexpected changes in interest rates could still have a material adverse impact on the company's financial condition and results of operations. At

January 3, 2026, 40.9% of the Company's borrowings, including the long-term debt and the working capital facility, were either hedged or at a fixed rate of interest (December 28, 2024: 42.3%).

### **Interest rate sensitivity**

The Company's income before income taxes is sensitive to the impact of a change in interest rates on that portion of debt obligations with floating interest rates, with all other variables held constant. An increase or decrease in interest rates can impact the Company's profitability, with all other variables held constant. As at January 3, 2026, the Company's current bank loans were \$25.1 million (December 28, 2024: \$nil) and long-term debt was \$274.4 million (December 28, 2024: \$226.9 million). An increase of 25 basis points on the bank loans would have reduced income before income taxes by \$0.1 million (December 28, 2024: \$nil). An increase of 25 basis points above the SOFR floor on the long-term debt would have reduced income before income taxes by \$0.4 million (December 28, 2024: \$0.4 million). A corresponding decrease in respective interest rates would have an approximately equal and opposite effect. There is no impact on the Company's equity except through changes in income.

### **Liquidity Risk**

The ability of the Company to secure short-term and long-term financing on terms acceptable to the Company is critical to fund business growth and managing liquidity.

Our primary sources of working capital are cash flows from operations and borrowings under our credit facilities. We actively manage our relationships with lenders and currently have adequate credit facilities in place until December 2030, when the working capital credit facility expires. A failure or inability to secure future short-term or long-term financing on commercially reasonable and acceptable terms could have a significant adverse impact on the Company's financial position and growth opportunities. Even if additional capital is successfully raised when needed, issuing equity securities would dilute existing investors, while raising additional debt would increase leverage and could subject the Company to additional restrictive covenants, such as limitations on dividend payments or requirements to pledge assets.

The Company monitors its liquidity risk using a detailed budgeting process that identifies financing needs for the next twelve months as well as longer-term models extending three years. Working capital and cash balances are monitored daily, while a procurement system provides real-time information on commitments. This process supports forecasting of cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and financial flexibility through the use of bank overdrafts, letters of credit, bank loans, notes payable and lease liabilities. The Company's objective is that no more than 50% of borrowings mature in the next twelve-month period.

At January 3, 2026, approximately 4% of our debt is scheduled to mature within the next twelve-month period based on the carrying value of borrowings reflected in the Consolidated Financial Statements. Our long-term debt is described in Note 12 "*Long-term debt*" to the Consolidated Financial Statements. At January 3, 2026 and as at the date of this document, the Company is in compliance with all covenants and terms of its banking facilities.

### **Capital Risk**

The Company's growth strategies, including its acquisition initiatives, as well as its ongoing operations are dependent on being able to access financing at a reasonable cost. Many factors can impact the Company's ability and the associated cost to finance its activities, including general market conditions, investor sentiment, credit availability and the Company's operating performance. If the Company is unable to source financing as needed or to the extent that the Company is able to access sufficient capital but the cost of such capital is significantly higher than its current cost, its ability to execute its business strategies could be impaired.

Additionally, adverse credit market conditions could limit the Company's ability to refinance its existing debt and raise additional debt that may be needed to fund the Company's operations. The Company's ability to issue or borrow long-term debt and obtain other financing could be adversely affected by factors such as an inability to meet certain debt covenant requirements and ratios. The Company's ability to conduct operations could be materially and adversely impacted should these or other adverse conditions affect the Company's sources of liquidity.

### **Non-Seafood Commodity Prices**

The Company's operating costs are affected by price changes in non-seafood commodities, including crude oil, wheat, corn, paper products and frying oils. To minimize risk, the Company's *"Price Risk Management Policy"* dictates the use of fixed pricing with suppliers whenever possible but allows the use of hedging with derivative instruments when prudent. Throughout 2025, the Company has continued to manage this risk through contracts with suppliers.

Crude oil prices, which influence fuel surcharges from freight suppliers, ended 2025 lower year-over-year, and averaged below 2024 levels. World commodity prices for flour and corn stayed relatively stable from 2024 through 2025, soy and canola oils, imported ingredients in many of the Company's products, increased throughout 2025, when compared to 2024. The price of corrugated and folded carton, which is used in packaging, increased in 2025 compared to 2024. It is the practice of High Liner Foods to contract with suppliers to fix prices related to commodity purchase requirements for the items mentioned above. The Company has contracts fixing prices for a portion of these items in 2026 and is in continuous negotiations to fix the remaining amounts expected to be purchased.

Any fluctuations in commodity prices that the Company cannot properly hedge or mitigate through fixed pricing could increase operating costs and/or product pricing and have a material adverse effect on the Company's financial condition and results of operations.

### **Availability of Non-Seafood Goods**

The Company purchases non-seafood goods and ingredients from a variety of suppliers operating in North America and other major markets. Furthermore, issues with suppliers regarding pricing or performance of the goods they supply or the inability of suppliers to supply the required volumes of such goods and services in a timely manner could impact the Company's financial condition and performance. Any such impact will depend on the effectiveness of the Company's contingency plan.

### **Uncertainty of Return of Capital**

The payment of dividends may be impacted by factors that can have a material adverse effect on High Liner Foods' business, results of operations, cash flows, financial position or prospects and which could impact its liquidity and ability to declare and pay dividends (whether at current levels, revised levels or at all). Payment of dividends is also dependent on, among other things, the ability of the Company to generate sufficient cash flows; the financial requirements of High Liner Foods; applicable solvency tests and contractual restrictions (whether under credit agreements or other contracts); the Company's operational and financial performance; fluctuations in market prices; the amount of cash required or retained for debt service or repayment; amounts required to fund capital expenditures and working capital requirements; access to capital markets; foreign currency exchange rates and interest rates; and the other risk factors set forth herein. As the payment of dividends is subject to the discretion of the Company's Board of Directors, which quarterly evaluates proposed dividend payments and applicable solvency test

requirements under corporate law, the Company's dividend policy could change at any time if the Board determines that a change is in the best interests of the Company. There can be no assurance that the Company will maintain or increase its dividends in the future, which may have a material adverse effect on the Company's share price.

In addition, the level of dividends per common share will be affected by the number of outstanding common shares. Dividends may be increased, reduced, or suspended depending on the Company's operational success. The market value of the Company's common shares may deteriorate if the Company is unable to meet dividend expectations in the future, and that deterioration may be material.

The Company also has a history of maintaining a NCIB in place that it may use to repurchase its shares for cancellation. Refer to Note 14 "*Share capital*" to the Consolidated Financial Statements for more information related to the Company's current NCIB share repurchase plan. There can be no assurance that the Company will continue with share repurchases.

### **Intellectual Property**

The Company's brands and other intellectual property contribute to its competitive advantages and success. The Company takes steps to protect certain intellectual property rights in Canada and the United States and in other jurisdictions, including by registering trademarks, relying on contractual responsibilities and restrictions in agreements (such as indemnification, non-disclosure and confidentiality agreements) with employees, consultants and customers, and on common law and statutory protections afforded to trademarks, trade secrets, proprietary "know-how" and other intellectual property. However, there can be no assurance that such steps fully protect those intellectual property rights from circumvention, misappropriation, infringement or invalidation by third parties.

To protect its brands and other intellectual property, the Company may be required to enforce its intellectual property rights through litigation. Similarly, a third party may initiate litigation against the Company on the grounds that the Company has allegedly infringed certain intellectual property rights. Such litigation could result in a significant diversion of capital and human resources, which could adversely affect the Company's operations and financial results, regardless of whether the Company prevails in such litigation. If the Company is not successful in such litigation, it may be prohibited from using certain intellectual property and may be liable to the prevailing party. Such events could adversely affect the Company's operations and financial results, directly or indirectly, through a decrease in the reputation of the Company or the value of its brands.

### **Capital Project Risk**

As part of the Company's growth and continuing improvement initiatives, it often invests in a variety of capital projects including maintenance, repairs and enhancements to existing facilities and equipment. The Company's ability to take on new projects may be negatively impacted by: available cash flow; availability and cost of labor, materials and equipment; contractor non-performance; and cost of engineering, construction and other consulting services. The Company may incur financing costs as part of its capital expenditure projects, but the expected cash flows from the projects will not materialize until after they are completed. In estimating the cost of these projects, the Company must make a variety of assumptions which are based on its experience and understanding of current facts and circumstances. If the capital expenditures associated with a capital project are greater than projected, or if the expected benefits associated with larger capital projects are not achieved, then the Company could be adversely affected. The Company's network of assets also requires ongoing investment in maintenance capital expenditures. Failure to adequately invest in preventative maintenance and other maintenance capital requirements may adversely impact the Company's operations, resulting in increased shutdowns and manufacturing disruptions, which could have an adverse impact on the Company's financial condition and results of operations. The Company mitigates these risks through monitoring processes and controls that enable it to identify early and respond quickly to any

potential and/or actual issues, and by maintaining a disciplined capital allocation strategy.

### **Pension Plan Assets and Liabilities**

In the normal course of business, the Company provides post-retirement pension benefits to its employees under both defined contribution and defined benefit pension plan arrangements. The funded status of the plans significantly affects the net periodic benefit costs of the Company's pension plans and the ongoing funding requirements of those plans. Among other factors, changes in interest rates, mortality rates, early retirement rates, and the market value of plan assets can affect the level of plan funding required, increase the Company's future funding requirements, and cause volatility in the net periodic pension cost as well as the Company's financial results. Any increase in pension expense or funding requirements could have a material adverse impact on the Company's financial condition and results of operations.

The asset mix of our defined benefit pension plans was established with the objective of reducing the volatility of the plan's anticipated funded position. This has resulted in investing part of the portfolio in fixed income assets with a duration similar to that of the pension obligations. The latest actuarial valuations of these two plans were performed as at Fiscal 2023 for the Nova Scotia Union Plan and as at Fiscal 2022 for the Management Plan, and showed: a going concern excess of CAD\$1.4 million and an unfunded liability of CAD\$7.0 million, respectively, and a solvency excess of CAD\$1.2 million and deficiency of CAD\$2.5 million, respectively.

### **Taxes**

Significant judgment is required in determining the Company's provision for income taxes and the Company is also subject to the examination of its tax returns and other tax matters by applicable authorities, including the Canada Revenue Agency, the U.S. Internal Revenue Service and state tax authorities in jurisdictions where the Company conducts business. There can be no assurance as to the outcome of these examinations. If a taxing authority disagrees with the positions the Company has taken, the Company could face additional material tax liabilities, including interest and penalties.

The Company's structure is based on prevailing taxation law, regulations and practices in the jurisdictions in which it does business. New taxation rules could be enacted or existing rules could be applied in a manner that subjects the Company's profits to additional taxation or otherwise has a material adverse effect on the Company's profitability, results of operations, deferred tax assets and liabilities, and/or financial condition, including without limitation, the Pillar Two model rules and other tax reforms.

The Company continually monitors changes in tax policy, tax legislation (including in relation to taxation rates), and the interpretation of tax policy or legislation or practices that could have such an effect. At any given time, the Company may face tax exposures arising out of changes in tax or transfer pricing laws, tax reassessments or otherwise. Governments around the world are increasingly seeking to regulate multinational companies and their use of differential tax rates between jurisdictions. This effort includes a greater emphasis on various nations to coordinate and share information regarding companies and the taxes they pay. Changes in governmental taxation policies and practices could adversely affect the Company or result in negative media coverage and depending on the nature of such policies and practices, could have a greater impact on the Company than other companies.

### **Share Price**

Volatility in the Company's business can result in significant common share price and volume fluctuations. Factors such as changes in the Company's operating results, announcements by the Company's customers, competitors or other events affecting companies in the Company's industry, currency fluctuations, general market fluctuations, macro-economic conditions, public health crises and other risk factors discussed herein may cause the market price

of the Company's common shares to decline. In addition, if the Company's operating results do not meet the expectations of securities analysts or investors, the price of the Company's common shares could decline. Furthermore, the existence of the Company's NCIB may cause the common share price to be higher than it would be in the absence of such a program and repurchases under the NCIB expose the Company to risks resulting from a reduction in the size of its "public float", which may reduce the Company's trading volume as well as its common share price.

### **Normal Course Issuer Bid**

Although the Company currently has an NCIB in effect, whether the Company repurchases its common shares under such NCIB for cancellation, and the amount and timing of any such repurchases, is subject to capital availability and periodic determinations by management and the board of directors that common share repurchases are in the best interest of the Company's shareholders and are in compliance with all applicable laws. Any future permitted common share repurchases, including their timing and amount, may be affected by, among other factors: the Company's views on potential future capital allocation requirements and decisions; and changes to applicable tax laws or corporate laws. In addition, the amount the Company spends and the number of its common shares the Company is able to repurchase for cancellation under any NCIB may further be affected by a number of other factors, including the price of the common shares and blackout periods in which the Company is restricted from repurchasing its shares (other than pursuant to an automatic share repurchase plan). The Company's common share repurchases may change from time to time, and the Company cannot provide assurance that it will repurchase any or, if commenced, continue to repurchase any common shares for cancellation in any amounts or at all. Once commenced, a reduction in or elimination of the Company's common share repurchases could have a negative effect on the price of such shares.

### **General Economic Conditions**

Current and future conditions in the economy have an inherent degree of uncertainty. As a result, it is difficult to estimate the level of growth or contraction for the economy. It is even more challenging to estimate growth or contraction in various parts, sectors, and regions of the economy. The Company's budgeting and forecasting are dependent upon estimates of demand for its products and growth or contraction in the markets it serves. Economic uncertainty complicates reliable estimation of future income and expenditures. Adverse changes may occur because of weakening global economic conditions, tightening of consumer credit, inflation, rising interest rates and mortgage rates, falling consumer confidence, increasing unemployment, declining stock markets or other factors affecting economic conditions generally. These changes may negatively affect, among other things, demand for the Company's products which could have a material and adverse effect on the Company's revenue and profitability.

In addition to experiencing potentially lower revenues during times of economic difficulty, to maintain sales during such times, the Company may need to reduce the price of its products, increase promotional spending or take other steps to encourage the purchase of its products. Those steps may lower the Company's net revenues or increase its costs, thereby decreasing its operating margins and lowering its profitability.

During periods of increased cost inflation, the Company has increased prices of certain products, and may in the future need to increase prices further in order to cover increased costs of goods sold, which may reduce demand for products. There can be no guarantee that the Company will be able to successfully increase prices in the future or that the price increases the Company has already taken will offset the entirety of additional costs it has incurred and may incur in the future. The inability to adequately increase prices to offset increased costs and inflationary pressures, or otherwise mitigate the impact of these macro-economic conditions and market disruptions, may also increase costs and/or decrease profit margins.

### **Natural Disasters and Catastrophic Events**

A natural disaster or catastrophic event where the Company, or third parties with whom the Company relies upon, has operations, offices or manufacturing or processing facilities, such as an earthquake, tsunami, flood, typhoon, fire or other natural or man-made disaster, terrorist attacks, wars and other conflicts, or an outbreak of a public health pandemic could disrupt the Company's operations or those of its contractors and impair production or distribution of its products, damage inventory, interrupt critical functions, or otherwise affect its business negatively, and could materially and adversely affect the Company's business, financial condition and performance.

## 5. DIVIDEND GUIDELINE

Beginning in the last quarter of 2003, the Company instituted a quarterly dividend to holders of High Liner Foods' common shares. In determining the level of dividends paid, the Board of Directors considers factors including the relative yield on High Liner Foods' shares compared with industry peers, as well as indebtedness of the Company, and the percent of expected annual net income distributed as dividends. A payout of between 30% and 35% of trailing adjusted earnings per share is generally targeted, but no set dividend policy exists. Shareholders are reminded for purposes of calculating financial ratios, including the dividend payout ratio, to take into consideration that the Company's dividend rate is reported in CAD and its earnings are reported in USD.

In November 2025, the Board approved an increase to the quarterly dividend to CAD\$0.175 per common share from CAD\$0.17 per common share applicable on a prospective basis, commencing with the Company's Q4 2025 quarterly dividend. The increase in the quarterly dividend reflects the Board's continued confidence in the Company's operations.

The following table sets forth the dividends per share declared and paid on the Company's common shares over the last three fiscal years:

Dividend Record Date	Quarterly Dividend \$CAD
December 1, 2025	0.175
September 1, 2025	0.17
June 1, 2025	0.17
March 5, 2025	0.17
December 1, 2024	0.17
September 1, 2024	0.15
June 1, 2024	0.15
March 1, 2024	0.15
December 1, 2023	0.15
September 1, 2023	0.13
June 1, 2023	0.13
March 2, 2023	0.13

On February 25, 2026, the Company's Board of Directors approved a quarterly dividend of CAD\$0.175 per share on the Company's common shares payable on March 15, 2026 to holders of record on March 4, 2026.

Among other things, the Company's credit facilities may affect the amount of the dividends and NCIB activity:

- Under the working capital credit facility, Average Adjusted Aggregate Availability, as defined in the credit agreement, must be \$25.0 million or higher, and was \$136.3 million on January 3, 2026. NCIBs are subject

to a maximum of \$20.0 million per annum under the working capital credit facility, provided payment conditions are met.

- Under the term loan facility, annual dividends cannot exceed the greater of \$32.5 million or 32.5% of EBITDA, as defined in the loan agreement. This amount can be increased to include any defined excess cash flows when the defined total leverage ratio is below 4.0x and becomes unlimited when the defined total leverage ratio is below 3.0x. The defined total leverage ratio was 3.2x on January 3, 2026. NCIBs are subject to an annual limit of \$10.0 million with a provision to carry forward unused amounts subject to a maximum of \$20.0 million per annum under the term loan facility. The Term Loan (and amendments) can be reviewed at [www.sedarplus.ca](http://www.sedarplus.ca).

## 6. CAPITAL STRUCTURE

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### 6.1 Share Capital

The authorized capital of the Company consists of:

- i. an unlimited number of common shares,
- ii. an unlimited number of non-voting equity shares (“**Non-Voting Equity Shares**”),
- iii. 5,999,994 preferred shares with a par value of CAD\$25.00 each issuable in series (the “**Preferred Shares**”), and
- iv. 1,025,542 subordinated redeemable preference shares with a par value of CAD\$1.00 each, redeemable at par (the “**Subordinated Preference Shares**”).

As at January 3, 2026, the Company had outstanding 28,549,196 common shares, nil Non-Voting Equity Shares, nil Preferred Shares and nil Subordinated Preference Shares. The only listed shares of the Company outstanding at January 3, 2026 are the common shares that are listed on the TSX.

The rights of the holders of common shares and those of the holders of the Non-Voting Equity Shares are subject to the rights of the holders of the preference shares of the Company which enjoy a preferential right to dividends and return of capital on liquidation. The following is a summary of the share conditions attaching to the common shares and Non-Voting Equity Shares of High Liner.

#### **Summary of Share Conditions of the Common Shares and the Non-Voting Equity Shares**

The common shares and the Non-Voting Equity Shares rank equally, *pari passu*, share for share, with each other and entitle the respective holders thereof to the same rights and benefits except as otherwise provided in the conditions attaching thereto.

#### *Priority and Distribution Rights*

The common shares and the Non-Voting Equity Shares rank equally in respect of dividends and distributions. The holders of the common shares and the Non-Voting Equity Shares are entitled to receive the remaining assets of High Liner in equal amounts per share, without preference or distinction, in the event of the liquidation, dissolution or winding up of High Liner.

#### *Notice and Voting Rights*

Holders of the common shares are entitled to receive notice of and to attend all meetings of the shareholders of High Liner (except class meetings of other classes of shares of High Liner, including the Non-Voting Equity Shares) and to one vote thereat for each common share held.

Holders of the Non-Voting Equity Shares are entitled to receive notice of and to attend (i) any meeting of the holders of the common shares but shall not be entitled to vote thereat, except as otherwise provided by law, and (ii) any meeting of the holders of Non-Voting Equity Shares as a class where required or permitted by the applicable share conditions or by applicable law, and to exercise one vote thereat for each Non-Voting Equity Share held.

#### *Redemption/Retraction/Conversion Rights*

High Liner may at any time, in accordance with the terms of the share conditions, redeem the whole or any part of the Non-Voting Equity Shares upon payment of all dividends declared thereon and unpaid plus one common share.

At anytime after August 7, 2008 if the Non-Voting Equity Shares are not listed on the TSX or a recognized stock exchange at the time, each Non-Voting Equity Share will be retractable by the holder thereof, in accordance with the terms of share conditions, for the payment of all dividends declared thereon and unpaid plus one common share or, if permitted under the *Companies Act* (Nova Scotia), cash equal to the volume-weighted average trading price of one High Liner common share on the TSX for the five trading days preceding the date of delivery of a notice of retraction to High Liner, at High Liner's option.

At anytime after April 30, 2010, each issued and fully paid common share will be convertible by holder thereof, into one Non-Voting Equity Share.

#### *Adjustments*

High Liner shall not issue common shares or Non-Voting Equity Shares to all of the holders of common shares or Non-Voting Equity Shares as a stock dividend, subdivide or consolidate its outstanding common shares or Non-Voting Equity Shares, issue rights, options or warrants to acquire common shares or Non-Voting Equity Shares to all of the holders of its common shares or Non-Voting Equity Shares, re-designate or reclassify the common shares or Non-Voting Equity Shares outstanding at any time or change common shares or Non-Voting Equity Shares into other shares or into other securities, or otherwise amend the common shares or Non-Voting Equity Shares or take any other action affecting the number, composition, rights or structure of the common shares or Non-Voting Equity Shares, in each case unless a corresponding change is also made to the Non-Voting Equity Shares or common shares, respectively. High Liner shall not engage in a consolidation, amalgamation, arrangement or merger of High Liner with or into any other corporation or entity (other than a consolidation, amalgamation, arrangement or merger of High Liner which does not result in any reclassification of the outstanding common shares or Non-Voting Equity Shares), or sell or otherwise transfer the undertaking or assets of High Liner as an entirety or substantially as an entirety to another corporation or entity, unless, in each case, adequate provision is made to ensure that the registered holders of Non-Voting Equity Shares as such shall, after such event, be in a position in relation to the common shares (or such other shares or securities into which the common shares may have been re-designated, reclassified or changed) no more nor any less advantageous than the position in which the holder was immediately prior to the occurrence of such event.

#### *Coattail Rights*

In the event of a formal bid for the common shares (an "Offer") and unless the Offer is made to all or substantially all of the holders of the Non-Voting Equity Shares on identical terms and conditions as those made to the holders of the common shares, each Non-Voting Equity Share shall for the purposes of the Offer be deemed to have been

converted as of and on the business day immediately prior to the date on which the Offer is made into one common share. Non-Voting Equity Shares deemed to have been so converted and taken up and paid for pursuant to the Offer shall, immediately after being taken up and paid for, be and be deemed to have been reconverted into Non-Voting Equity Shares.

#### *Amendments*

The rights, privileges, restrictions and conditions attaching to each of the common shares, as a class, and the Non-Voting Equity Shares, as a class, respectively, may be added to, changed or removed only with the prior approval by affirmative vote of at least two-thirds of the votes cast by the holders of the common shares or of the Non-Voting Equity Shares, respectively, as the case may be, in addition to any vote or authorization required by applicable law or the articles of High Liner.

### **Summary of Share Conditions of the Preferred Shares**

#### *Issuable in Series*

The Preferred Shares are issuable in series, with each series consisting of such number of shares and having such provisions as may be determined by the directors of the Company prior to issue.

#### *Priority and Distribution Rights*

The Preferred Shares of each series rank equally with the Preferred Shares of all other series and rank ahead of the common shares and Non-Voting Equity Shares (and any other shares ranking junior to the Preferred Shares) with respect to the payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

In the event of any liquidation, dissolution or winding-up of the Company or any other return of capital or distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Preferred Shares shall be entitled to receive, in accordance with the terms of the share conditions, the amount paid up on the Preferred Shares, together with accrued and unpaid dividends.

#### *Notice and Voting Rights*

The holders of Preferred Shares do not have the right to receive notice of, attend, or vote at, any meeting of shareholders except to the extent otherwise provided in the constating documents of the Company with respect to any series of Preferred Shares or when holders of Preferred Shares are entitled to vote separately as a class or as a series as set forth in the *Companies Act* (Nova Scotia) or any successor statute, as amended from time to time.

#### *Redemption Rights*

High Liner may at any time, in accordance with the terms of the share conditions, redeem the whole or any part of the Preferred Shares upon payment of the redemption price, and any premium, together with accrued and unpaid dividends.

#### *Amendments*

The Company may not create or issue any shares ranking in priority to the Preferred Shares as to the payment of dividends or the distribution of assets without the approval of two thirds of holders of the Preferred Shares.

The rights, privileges, restrictions and conditions to the Preferred Shares may be added to, changed or removed only with the prior approval by affirmative vote of at least two-thirds of the votes cast by the holders of the Preferred Shares in addition to any vote or authorization required by applicable law or the articles of High Liner.

### **Summary of Share Conditions of the Subordinated Preference Shares**

#### *Distribution Rights*

The Subordinated Preference Shares do not confer upon the holders the right to dividends, except a dividend declared on the Subordinated Preference Shares. The directors may at any time and from time-to-time declare a dividend or confer any other benefit whatsoever upon the holders of any other class of shares of the Company without being obliged to declare an equal or any dividend or confer an equal or any other benefit upon the holders of the Subordinated Preference Shares.

In the event of any liquidation, dissolution or winding-up of the Company or any other return of capital or distribution of assets of the Company among its shareholders for the purpose of winding up or re-organizing its affairs, no distribution shall be made to the holders of the common shares until the holders of Subordinated Preference Shares have been paid the amount paid up or deemed paid up on the Subordinated Preference Shares.

#### *Notice and Voting Rights*

The holders of Subordinated Preference Shares do not have the right to receive notice of, attend, or vote at, any meeting of shareholders except when holders of the Subordinated Preference Shares are entitled to vote separately as a class or as a series as set forth in the *Companies Act* (Nova Scotia) or any successor statute, as amended from time to time.

#### *Redemption / Repurchase Rights*

High Liner may at any time, in accordance with the terms of the share conditions, redeem the whole or any part of the Subordinated Preference Shares upon payment of all amounts paid up or deemed to paid up.

High Liner may at any time, in accordance with the terms of the share conditions, repurchase the whole or any part of the Subordinated Preference Shares in the open market.

#### *Amendments*

The Company is permitted, without approval from the holders of the Subordinated Preference Shares, to create or issue any shares ranking in priority or on a parity to the Subordinated Preference Shares as to the payment of dividends or the distribution of assets.

The rights, privileges, restrictions and conditions to the Subordinated Preference Shares may be added to, changed or removed only with the prior approval by affirmative vote of at least two-thirds of the votes cast by the holders of the Subordinated Preference Shares in addition to any vote or authorization required by applicable law or the articles of High Liner.

## **6.2 Normal Course Issuer Bid**

In June 2024, the Company filed a new NCIB to repurchase up to 700,000 common shares. Purchases commenced on June 7, 2024 and terminated on June 6, 2025. In November 2024, the Company announced that the Toronto Stock Exchange approved an amendment to increase the size of the NCIB. The amendment increased the number of common shares the Company can purchase by 943,340, to a total authorized limit of 1,643,340. During the fifty-three weeks ended January 3, 2026, the Company purchased 634,261 common shares under this plan.

In June 2025, the Company filed a new NCIB to repurchase up to 1,633,046 common shares. Purchases commenced on June 13, 2025 and will terminate no later than June 12, 2026. During the fifty-three weeks ended January 3, 2026, the Company purchased 528,250 common shares under this plan.

### 6.3 Credit Ratings

Credit ratings provide investors with an independent measure of the credit quality of a security and indicate the likelihood of payment as well as an issuer's capacity and willingness to meet financial commitments in accordance with their terms. Credit ratings are not recommendations to buy, hold or sell the Company's securities, and may be revised, suspended or withdrawn by the rating agency at any time. Ratings do not address market price or the suitability of the Company's securities for any particular investor. There is no assurance that these ratings will remain in effect for any given period, and a deterioration in the Company's ratings could increase its financing costs.

As is common practice, the following credit rating agencies charge the Company for their rating services. These include annual monitoring fees and one-time rating fees when debt is initially issued or refinanced. The Company reasonably expects to continue paying such fees in the future. No additional payments were made to these credit rating agencies for other services during the last two fiscal years.

As at February 25, 2026, the Company's credit ratings were:

	Credit Rating	Outlook
S&P Global Ratings ("S&P") <sup>1</sup>	B+ (Issuer Credit Rating)	Stable
Moody's Investors Service <sup>2</sup>	B1 (Long-term Corporate Family Rating)	Stable

<sup>1</sup> Affirmed November 2025

<sup>2</sup> Affirmed November 2025

#### S&P Global Ratings ("S&P")-

S&P assigns long-term issuer credit ratings from AAA to D. The B rating is the sixth of ten categories and indicates that an entity has the capacity to meet financial commitments but is more vulnerable to adverse business, financial and economic conditions. Ratings from AA to CCC may be modified with a plus (+) or minus (-) to show relative standing. S&P publishes Outlooks—Positive, Negative, Stable or Developing—to indicate the potential direction of a rating over the intermediate term. S&P may also place ratings on CreditWatch with positive, negative or developing implications when a rating action is likely in the near term.

**Moody's Investors Service ("Moody's")**

Moody's long-term ratings range from Aaa to C and include numerical modifiers 1, 2 and 3 for each of the Aa through Caa categories, with 1 indicating higher relative standing. Obligations rated B are the sixth highest of nine categories and are considered speculative and subject to high credit risk. Corporate Family Ratings (CFRs) reflect the relative likelihood of default for a corporate family (as if it had a single class of debt and a single consolidated legal structure) and expected loss severity in default; the CFR generally applies to all affiliates under management control and does not indicate priority of claim. Moody's uses rating Outlooks—Positive (POS), Negative (NEG), Stable (STA) and Developing (DEV)—to indicate the likely direction of a rating over the medium term.

**7. MARKET FOR SECURITIES**

High Liner Foods' common shares are listed for trading on the TSX under the symbol 'HLF'. During Fiscal 2025, the Company's common shares traded on the TSX between CAD\$13.13 and CAD\$19.07. As of the last trade date of Fiscal 2025, the common shares closed at CAD\$14.65.

The table below shows the trading price ranges and volumes for the Company's common shares on the TSX for each month during the Company's 2025 fiscal year.

	High \$CAD	Low \$CAD	Close \$CAD	Daily Average Volume	Total Volume
December	14.93	13.13	14.65	45,322	1,223,690
November	17.60	13.16	13.28	59,253	1,185,060
October	17.14	16.11	16.79	23,516	446,800
September	17.20	15.75	16.69	33,842	812,210
August	18.28	16.15	16.28	24,186	459,530
July	18.88	17.28	17.28	12,479	237,110
June	19.07	17.25	17.98	19,151	478,780
May	18.28	16.06	18.27	25,938	492,820
April	17.26	16.03	16.86	20,738	394,030
March	17.50	15.66	16.95	34,307	857,670
February	16.34	15.19	15.99	22,955	436,150
January	16.23	14.98	15.44	27,396	520,530

## 8. DIRECTORS AND OFFICERS

### 8.1 Directors

The following table sets forth the names, residence, occupations, and committees of the directors of High Liner Foods as of January 3, 2026. Pursuant to High Liner Foods' by-laws, directors are elected to serve until the next annual general meeting of shareholders or until a successor is elected. The terms of all incumbents therefore expire on May 13, 2026.

Name and Residence	Director Since	Principal Occupation <sup>1</sup>	Committees
<b>Scott Brison</b> Quebec, Canada	2022	Vice Chair, BMO Wealth, former Vice-Chair, Investment & Corporate Banking for BMO Capital Markets; former Member of Parliament for the riding of King-Hants seven consecutive times over 21 years; former President of the Treasury Board; former Minister of Public Works and Government Services; former Parliamentary Secretary to the Prime Minister; member of the Trilateral Commission; board member of the Canada-China and Canadian-American Business Councils; served as Dalhousie University's 8th Chancellor	Audit Committee Human Resources Committee
<b>Joan Chow</b> Illinois, USA	2017	Board member Energy Recovery Inc. serving as Chair of the Compensation Committee and a member of the Audit committee; previous board member of Spectrum Brands having served as a member of their Audit Committee; former Executive Vice President and Chief Marketing Officer, Conagra Foods, now known as Conagra Brands ( <i>packaged foods company</i> )	Audit Committee (Chair) Governance Committee
<b>Robert P. Dexter, K.C.</b> Nova Scotia, Canada	1992	Chairman and CEO of Maritime Travel Inc. (travel services company); director of BCE and Bell Canada (telecommunications holding company); former Chairman of Wajax Corporation; former Chairman of the Board of Directors of Empire Company Limited and Sobeys Inc. (food retail and corporate investments company);	Human Resources Committee
<b>Andrew J. Hennigar</b> Nova Scotia, Canada	2020	Director of Thornridge Holdings Limited ( <i>investment company</i> ), and was previously director of High Liner Foods from May 2015 to May 2018.	
<b>David J. Hennigar</b> Nova Scotia, Canada	1984	Chairman and Director of Thornridge Holdings Limited ( <i>investment company</i> ); director of other public and private companies; former investment adviser at Wellington-Altus Private Wealth ( <i>private wealth management company</i> )	

Name and Residence	Director Since	Principal Occupation <sup>1</sup>	Committees
<b>Shelly L. Jamieson</b> Ontario, Canada	2012	Chair of Sienna Senior Living and member of their Audit, Governance, Quality and Investment Committees ( <i>senior housing facility company</i> ); previous board member of Ontario Health and several other not-for-profit boards and foundations; formerly Secretary of Cabinet and head of the Ontario Public Service, ( <i>government organization</i> ); formerly President of Extendicare (Canada) Inc. ( <i>long-term care facilities company</i> ); formerly Ontario's Deputy Minister of Transportation ( <i>government organization</i> ); retired from CEO of the Canadian Partnership Against Cancer ( <i>federally funded agency</i> )	Governance Committee (Chair)
<b>Paul A. Jewer</b> Nova Scotia, Canada	2023	President & CEO of High Liner Foods Incorporated (since December 2023), formerly CFO of High Liner Foods Incorporated (February 2014 - January 2024), formerly CFO of Sobeys Inc. ( <i>Canadian grocery and food distributor</i> ), board member of Norcod AS ( <i>Norwegian cod aquaculture company</i> ), board advisor to Andfjord Salmon ( <i>Norwegian salmon aquaculture company</i> )	
<b>Pamela Kohn</b> Boerne, Texas	2024	Board member of Americold Realty Trust, Inc., advisory board member of Pairwise and previous board member of several not-for-profit organizations; formerly Senior Vice President and Chief Merchandising Officer, Rite-Aid; formerly Chief Merchandising Officer, Sally Beauty; formerly Chief Merchandising and Marketing Officer of Family Dollar, a division of Dollar Tree and before that, Fresh Market	Human Resources Committee Audit Committee
<b>M. Jolene Mahody</b> Nova Scotia, Canada	2014	Formerly Executive Vice President & Chief Strategy Officer, Chorus Aviation Inc. ( <i>aviation company</i> ); formerly CFO, Chorus Aviation Inc.; and formerly COO at Jazz Aviation LP ( <i>aviation company</i> )	Human Resources Committee (Chair) Audit Committee Governance Committee
<b>R. Andy Miller</b> Newfoundland, Canada	2012	President of Andy Miller Consulting ( <i>consulting company</i> ); board member of Baader Food Systems USA (formerly Baader Linco Inc.) and Baader North America Corp. ( <i>food processing machinery company</i> ); executive board member of the Canadian Centre for Fisheries Innovation ( <i>non-profit organization</i> ); formerly CEO of Linco Food Systems A/S ( <i>food processing machinery company</i> )	Human Resources Committee
<b>Robert L. Pace</b> Nova Scotia, Canada <i>Chairman since May 2019</i>	1998	Chairman (since May 2019) of High Liner Foods; President and CEO of The Pace Group Limited ( <i>private holding company</i> ); Chairman of Maritime Broadcasting System ( <i>owner/operator of radio stations</i> ); former Chairman of the Canadian National Railway Company ( <i>transportation and logistics company</i> )	Governance Committee
<b>Frank B.H. van Schaayk</b> Nova Scotia, Canada	2014	Formerly Regional President - The Americas for McCain Foods Ltd. ( <i>frozen food company</i> ); Chairman and director of Bay State Milling Company	Human Resources Committee

<sup>1</sup> This reflects the principal occupations held by each director in the last five years, unless otherwise disclosed.

## 8.2 Executive Officers

The following table sets forth the names, residences, and offices held by the executive officers of High Liner Foods as of January 3, 2026.

Name and Residence	Position Held with the Company
<b>Paul Jewer</b> Nova Scotia, Canada	President & Chief Executive Officer (since December 2023), formerly Chief Financial Officer (February 2014 - January 2024), formerly CFO of Sobeys Inc. ( <i>Canadian grocery and food distributor</i> )
<b>Anthony Rasetta</b> Ontario, Canada	Chief Commercial Officer (since July 2021); formerly held various cross functional roles, most recently Vice President, Sales, Commercial Center of Expertise, at Mondelez International ( <i>food and beverage company</i> )
<b>Kimberly Stephens</b> Nova Scotia, Canada	Executive Vice President, Chief Financial Officer (since September 2025), formerly Vice President Finance & Investor Relations since June 2022, formerly Vice President, Finance at Acadian Seaplants (January to July 2022) and Chief Financial Officer at Appili Therapeutics (September 2016 to November 2021).
<b>James Bishop</b> Nova Scotia, Canada	Executive Vice President, General Counsel & Corporate Secretary (since April 2024), formerly Executive Vice President, General Counsel at WildBrain Ltd.
<b>Tom Jansen</b> New Hampshire, United States	Chief Supply Chain Officer (since September 2023); formerly the Senior Vice President, Ontario Division, of Atlantic Packaging Products.
<b>Johanne McNally-Myers</b> Ontario, Canada	Executive Vice President, Human Resources (since July 2021); Vice President, Human Resources (from April 2019 to July 2021), former Principal of JMM HR Consulting Inc (October 2017 to March 2019)

As of January 3, 2026, the number of common shares of High Liner Foods beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of High Liner Foods as a group is 1,172,628, or approximately 4.1% of those issued and outstanding. In addition, Mr. David Hennigar and Mr. Andrew Hennigar are directors of Thornridge Holdings Limited, which holds 40.6% of the Company's issued and outstanding common shares.

## 8.3 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including a personal holding company) that:

- A. was subject to an order (as defined in Form 51-102F2 of National Instrument 51-102 - Continuous Disclosure Obligations) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer other than:
  - a. Mr. David Hennigar is a director of Metalo Manufacturing Inc. whose shares were suspended from trading effective November 6, 2023 pursuant to Canadian Securities Exchange Policy 3;
  - b. Mr. David Hennigar who was a director of Aquarius Coatings Inc. whose shares were suspended from trading effective August 7, 2018 for failure to comply with Exchange Requirements; and
  - c. Mr. David Hennigar who was a director of Aquarius Coatings Inc. whose shares were suspended from trading effective August 6, 2021 for failure to comply with Exchange Requirements.

- B. was subject to an order (as defined in Form 51-102 F2 of National Instrument 51-102 - Continuous Disclosure Obligations) that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director, executive officer, shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or a personal holding company thereof:

- A. is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director or executive officer of any company (including a personal holding company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- a Ms. Kohn was Senior Vice President of Merchandising for Rite Aid Corporation when they entered Chapter 11 in October 2023. They emerged from Chapter 11 in September 2024. Ms. Kohn retired from Rite Aid Corporation in September 2024.

- B. has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the trustee, executive officer or shareholder; or

- C. has been subject to: any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

## **9. AUDIT COMMITTEE INFORMATION**

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### **9.1 Audit Committee Charter**

The Company's Audit Committee Charter is attached as an appendix to this AIF.

### **9.2 Composition of the Audit Committee**

The Audit Committee of High Liner Foods has four members: Joan K. Chow (Chair), the Honourable Scott A. Brison, Pamela Kohn and M. Jolene Mahody.

Each member of the Audit Committee is both independent and financially literate. The Governance Committee of the Board determines whether each director is independent under applicable laws. For full biographies of these directors and the full discussion on independence, please see the Management Information Circular ("MIC") to be filed in connection with the Annual General Meeting of Shareholders to be held on May 13, 2026.

### 9.3 Relevant Education and Experience of Audit Committee Members

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is as follows:

Ms. Joan Chow (Chair) has held many different senior executive roles over the course of her career, including Executive Vice President and Chief Marketing Officer, Conagra Foods (now known as Conagra Brands) and Chief Marketing Officer of the Greater Chicago Food Depository. She also serves on the board of Energy Recovery Inc., where she is a member of the Audit Committee and Chair of the Compensation Committee. She has previously served as Chair of the Compensation Committee and a member of the Governance Committee of Welbilt Inc., a director of Spectrum Brands, where she was a member of the audit committee, and a director of the Manitowoc Company, RC2 Corporation and Feeding America.

Ms. M. Jolene Mahody is formerly the Executive Vice President & Chief Strategy Officer of Chorus Aviation Inc. She previously held the position of Executive Vice President & CFO of Chorus Aviation Inc. and prior to that Chief Operating Officer at Jazz Aviation LP, a subsidiary of Chorus Aviation Inc. Ms. Mahody is a Fellow of the Chartered Professional Accountants and also received her ICD.D designation through the Institute of Corporate Directors, Rotman School of Management. Ms. Mahody is the past Chair of the Board of Governors of Mount Saint Vincent University and has served on several other not-for-profit boards.

The Honourable Scott Brison is the Vice Chair, BMO Wealth and former Vice-Chair, Investment & Corporate Banking for BMO Capital Markets. He was elected MP for the riding of Kings-Hants seven consecutive times over 21 years. During his time in government, Mr. Brison served in many positions, including as the President of the Treasury Board, Minister of Public Works and Government Services and as a Parliamentary Secretary to the Prime Minister with an emphasis on Canada-US relations. He is a member of the Trilateral Commission and serves on numerous boards, including the Canada-China and Canadian-American Business Councils. He served as Dalhousie University's 8th Chancellor. Mr. Brison holds a Bachelor of Commerce degree from Dalhousie University and has completed the Global Leadership and Public Policy for the 21st Century Executive Education Program at the Harvard University Kennedy School of Government.

Ms. Pamela Kohn has held many different senior executive roles over the course of her career, including Senior Vice President and Chief Merchandising Officer of Rite-Aid which she retired from in September 2024. Among her previous executive roles, she was the Chief Merchandising Officer of Sally Beauty, as well as Chief Merchandising and Marketing Officer of Family Dollar, a division of Dollar Tree, and before that, Fresh Market. Her earlier career included 13 years at Walmart, including such roles as President, U.S. Realty and EVP, Merchandise Services, as well as an early foundation at Food Lion across, buying, merchandising and operations functions. She comes with end-to-end retail, merchandising, supply chain, marketing, and operations experience in the grocery retail space gained through 35 years of experience working for large U.S. retailers alternating channels, functions and geographies. She is currently an independent board of director for Americold Realty Trust Inc. and also sits on the advisory board of Pairwise and is a previous board member of several not-for-profit organizations.

### 9.4 Audit Fees

The following table sets forth the fees paid to PricewaterhouseCoopers LLP ("PwC"), the Company's external auditor, by category, for the fiscal year ended January 3, 2026 and fees paid to the Company's former external auditor, Ernst & Young LLP ("EY") for the fiscal year ended December 28, 2024.

		2025		2024
Audit fees <sup>(1)</sup>	\$	456,400	\$	617,609
Audit-related fees <sup>(2)</sup>		151,157		377,121
Other fees <sup>(3)</sup>		3,270		—
Tax consulting fees <sup>(4)</sup>		—		85,013
<b>Total fees</b>	<b>\$</b>	<b>610,827</b>	<b>\$</b>	<b>1,079,743</b>

<sup>(1)</sup> Audit fees were paid to PwC and EY for professional services rendered for the audit of the annual financial statements or review of quarterly financial statements of High Liner Foods and its subsidiaries or services provided in connection with statutory and regulatory filings or engagements.

<sup>(2)</sup> Audit-related fees were paid to PwC and EY for assurance and related services that are reasonably related to the performance of the audit or review of the annual financial statements and are not reported under the audit fees item above.

<sup>(3)</sup> Other fees include technology and other support fees.

<sup>(4)</sup> Tax consulting fees were paid to EY for assistance with dealing with various tax authorities.

The Audit Committee approves all fees (for both audit and non-audit services) paid to the Company's auditors. Any engagement of PwC for non-audit services must be approved in advance by the Audit Committee, considering whether the nature or extent of such services could detract from PwC's independence in carrying out the audit function. In between meetings of the Committee, and provided the Committee is not in session, the Chair of the Audit Committee may perform this function, provided any approvals of the Chair shall be referred to the next meeting of the Audit Committee for ratification.

Accounting firms other than PwC are also engaged when required to provide various services, including assisting with: due diligence, integration support services, investigation counseling and purchase price allocation issues in connection with acquisitions; taxation matters; tax compliance; accounting advisory; human resource consulting; sustainability consulting; goodwill impairment valuations; 401(k) audits; and advice on certifying the Company's annual and interim filings in accordance with National Instrument 52-109.

## 10. CONFLICTS OF INTEREST

The Company is not aware of any existing or potential material conflicts of interest between High Liner Foods or a subsidiary of High Liner Foods and any director or officer of the Company or a subsidiary of the Company.

## 11. LEGAL PROCEEDINGS

The Company is not and has not been party to, and none of its property is or was the subject of, any legal proceedings which involved a claim for damages exceeding 10% of the Company's current assets, nor is the Company aware that any such legal proceedings are contemplated, during the fifty-three weeks ended January 3, 2026.

There were no penalties or sanctions imposed against the Company by, and no settlement agreements entered into by the Company with, a court relating to securities legislation or a securities regulatory authority during Fiscal 2025 which involved damages exceeding 10% of the Company's current assets.

## **12. INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

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No director, executive officer or principal shareholder of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction which has materially affected the Company in the past three financial years or the current financial year (or in any transactions or proposed transaction which is reasonably expected to materially affect High Liner Foods in the future).

## **13. INTERESTS OF EXPERTS**

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### **13.1 Names of Experts**

The Company's auditor is PricewaterhouseCoopers LLP Chartered Professional Accountants, who have prepared the Independent Auditors' Report to the shareholders of the Company in respect of its Annual Audited Consolidated Financial Statements.

### **13.2 Interests of Experts**

PricewaterhouseCoopers LLP Chartered Professional Accountants have confirmed that they are independent with respect to High Liner Foods in accordance with the Rules of Professional Conduct as outlined by Chartered Professional Accountants of Nova Scotia. These rules are equivalent or similar to Rules of Professional Conduct applicable to chartered accountants in the other provinces of Canada.

## **14. TRANSFER AGENTS**

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The Company's transfer agent and registrar with respect to the shares of the Company is TSX Trust Company. The register of the transfers for common shares is kept at their office in Halifax, NS, located at the following address:

TSX Trust Company  
P.O. Box 2082, Station C  
Halifax, Nova Scotia B3J 3B7  
Tel: 1-800-387-0825 (toll-free in North America) or  
1-416-682-3860 (all other countries)

## **15. MATERIAL CONTRACTS**

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The material contracts entered into by High Liner or its subsidiaries during the 2025 financial year or entered into prior to the most recently completed financial year, but after January 1, 2002, and that are still in effect, other than in the ordinary course of business, are as follows:

- A. High Liner Foods entered into the following financing arrangements on December 19, 2011 (with material amendments as outlined below, which replaced term loan and working capital facilities in place at that time:
  - a) A five year \$180 million working capital facility entered into with Royal Bank of Canada as Administrative and Collateral Agent (originally) expiring December 19, 2016. This facility replaced all existing working

capital debt facilities. The facility is asset based and is collateralized by the Company's inventory and accounts receivable and other personal property in Canada and the U.S., subject to a first charge on brands and trade names and related intangibles under the long-term debt facilities. The facility allows borrowings by way of Prime loans, Base Rate loans, LIBOR, or Canadian Bankers' Acceptances ("BA"). Prior to the amendments described below, interest rates and spreads depended on leverage, defined as Funded Debt to EBITDA. In certain circumstances the Company must maintain a fixed charge coverage ratio of 1.1x to 1.0x. Fixed charges include interest and debt repayments, capital lease payments and capital distributions, such as dividends or repurchase of shares under normal course issuer bids. Prior to the amendments described below, the facility allowed the Company to borrow Canadian Prime Rate loans in CAD, and Canadian Base Rate and U.S. Prime Rate loans in USD at Prime or Base Rate plus 0.00% to 1.00%; BA loans at BA rates plus 1.75% to 2.50%; and LIBOR advances at LIBOR plus 1.75% to 2.50%, (SOFR effective Fiscal 2022). Standby fees are also required to be paid on the unutilized line.

- In February 2013, the working capital facility was amended to change interest rates on the facility to be based on availability on the line rather than a leverage test, which reduced interest rates. This facility provides for the following based on the Average Adjusted Aggregate Availability as defined in the credit agreement: Canadian Prime Rate loans in CAD, and Canadian Base Rate and U.S. Prime Rate loans in USD at Prime or Base Rate plus 0.00% to 0.75%; BA loans at BA rates plus 1.75% to 2.25%; and LIBOR advances at LIBOR plus 1.75% to 2.25%. Changes also provided more flexibility for future acquisitions.
- In April 2014, the working capital facility was amended and based on the Average Adjusted Aggregate Availability, as defined in the credit agreement, allowed the Company to borrow Canadian Prime Rate loans denominated in CAD, and Canadian Base Rate and U.S. Prime Rate loans denominated in USD, at Prime or Base Rate, plus 0.00% to 0.25%; BA loans at BA rates plus 1.25% to 1.75%; LIBOR advances at LIBOR plus 1.25% to 1.75; and unused line fees of 0.25% to 0.375%. Required fixed charge coverage ratio was reduced to 1.0x to 1.0x and applicable when Average Adjusted Aggregate Availability is less than the greater of (a) \$18,000,000, and (b) an amount equal to ten percent (10%) of the lesser of (i) the Maximum Revolver Amount, and (ii) the Aggregate Borrowing Base. The term of this facility was extended from December 2016 to April 2019 and other changes provided for increased capacity and flexibility for acquisitions, investments, distributions, capital expenditures and operational matters.
- In April 2018, the Company amended the \$180.0 million working capital facility to extend the term from April 2019 to April 2021. There were no other significant changes to the existing terms, other than an amendment to the standby fees paid on the unutilized facility to 0.25% (previously 0.25% to 0.375%).
- In October 2019, the Company amended the \$180.0 million working capital facility to reduce the amount of the facility to \$150.0 million and extend the term from April 2021 to April 2023. There were no other significant changes to existing terms.
- In April 2022, the Company amended its working capital facility to extend the term from April 2023 to April 2027. The amendment also included a necessary update from LIBOR to SOFR based loans. There were no other significant changes to existing terms.
- In October 2022, the Company amended its working capital facility to increase the revolving limit on the Facility from \$150.0 million to \$200.0 million, there were no other significant changes to existing terms.
- In June 2024, the Company amended its working capital facility to replace the wording for BA Equivalent revolving loans to Canada Overnight Repo Rate Average (CORRA) revolving loans. There were no other significant changes to existing terms.
- In July 2024, the Company amended its working capital facility to update the Term Loan Facility Agent and maximum Term Loan Facility amount. There were no other significant changes to existing terms.

- In December 2025, the Company amended its working capital facility to extend the term from April 2027 to December 2030. There were no other significant changes to existing terms.
- b) On December 19, 2011, the Company secured a \$250 million long-term loan. Secured on a first priority basis by substantially all tangible and intangible assets, and the assets and stock of its present and future subsidiaries. Repayments are to be made in twenty-three consecutive quarterly installments, with the unpaid balance due in full on December 19, 2017. Prior to the amendments described below, the agreement included financial covenant requirements of minimum interest coverage ratio, maximum total leverage ratio, and maximum capital expenditures.
- In February 2013, the term loan was amended to reduce interest rates and provide leverage covenants more favourable to the Company, including the elimination of a minimum interest coverage ratio.
  - In April 2014, the term loan was amended with the following changes: the principal amount was increased to \$300 million; the term was extended from December 2017 to April 2021; borrowing rates were reduced from LIBOR plus 3.50% (with a 1.25% LIBOR floor) to LIBOR plus 3.25% (with a 1.00% floor); the leverage ratio financial covenant was removed; and increased capacity and flexibility was provided for acquisitions, investments, distributions, capital expenditures and operational matters.
  - In June 2017, the term loan facility was increased from \$300.0 million to \$370.0 million to facilitate the Rubicon Acquisition. The \$70.0 million addition to the term loan was made in accordance with the term loan credit agreement, which provides for incremental increases that meet stated provisions, under existing terms and conditions.
  - In October 2019, the term loan facility was amended to reduce the amount of the facility from \$370.0 million to \$300.0 million, extend the term of the facility from April 2021 to October 2026, and to increase the applicable interest rate for loans under the facility from LIBOR plus 3.25% (LIBOR floor of 1.00%) to LIBOR plus 4.25% (LIBOR floor of 1.00%).
  - In March 2021, the term loan facility was amended to decrease the applicable interest rates for loans under the facility from LIBOR plus 4.25% (1.00% LIBOR floor) to LIBOR plus 3.75% (0.75% LIBOR floor). All other material terms of the facility remain unchanged, including the maturity date of October 2026.
  - In October 2022, the term loan facility interest rate was amended from LIBOR plus 3.75% (0.75% LIBOR floor) to SOFR plus 3.75% (0.75% SOFR floor). All other material terms remain unchanged.
  - In July 2024, the term loan facility was amended to reduce the amount of the facility from \$300 million to \$240 million, extend the term from October 2026 to July 2031, and reduce the applicable interest rates from SOFR plus 3.75% (0.75% SOFR floor) to SOFR plus 3.25% (0.50% SOFR floor).
  - In December 2025, the term loan facility was amended to increase the amount of the facility from \$240 million to \$300 million. All other material terms remain unchanged.

The agreements are filed, as required, as material documents under High Liner Foods' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## 16. ADDITIONAL INFORMATION

Further information, including additional copies of this AIF, the comparative consolidated financial statements and accompanying report of the auditor, the most recent interim financial statements and the MIC for the Company's annual meeting for shareholders to be held on May 13, 2026, may be obtained on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or

upon request from the Secretary of the Company at investor@highlinerfoods.com, or on the Company's website at www.highlinerfoods.com, or by writing to the Secretary at High Liner Foods Incorporated, P.O. Box 910, Lunenburg, NS, B0J 2C0.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and options to purchase securities, is contained in the Company's MIC, and additional financial information is provided in the Company's consolidated financial statements and MD&A for the fifty-three weeks ended January 3, 2026. All additional information referred to in this AIF may also be found on SEDAR+ at www.sedarplus.ca.

## **17. FORWARD-LOOKING INFORMATION**

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Certain statements contained in this AIF constitute "forward-looking information" within the meaning of applicable securities laws, including the provincial securities laws in Canada, and are based on expectations, estimates and projections as of the date on which the statements are made in this AIF. These statements relate to future events or future performance and reflect the Company's expectations and assumptions regarding the growth, results of operations, performance, business prospects and opportunities of the Company. Forward-looking statements are often, but not always, identified by the use of words such as "may", "would", "could", "will", "should", "expect", "expects", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential", "pursue", "continue", "seek", "intend", or the negative of these terms or other similar expressions concerning matters that are not historical facts. Specific forward-looking statements in this AIF include, but are not limited, to statements regarding: future growth strategies and their impact on the Company's market share and shareholder value; sustainability goals and targets; achievement, and timing of achievement, of strategic goals and publicly stated financial targets, including to increase our market share, acquire and integrate other businesses and reduce operating and supply chain costs; the ability to develop new and innovative products that result in increased sales and market share; increased demand for the Company's products; inflation, changes in costs for seafood and other raw materials; increases or decreases in processing costs; the USD/CAD exchange rate; percentage of sales from the Company's brands; expectations with regards to sales volume, earnings, product margins, product innovations, brand development and anticipated financial performance; competitor reaction to Company strategies and actions; impact of price increases or decreases on future profitability; sufficiency of working capital facilities; future income tax rates; the expected amount and timing of integration activities related to acquisitions; demand expectations; sales of new product; the efficiency of plant production; U.S. and Canadian tariffs; economic and geopolitical conditions such as Russia's invasion of Ukraine and the implementation and/or expansion of related sanctions; impact of the inflationary environment; expected amount and timing of cost savings related to the optimization of the Company's structure; estimated capital spending; future inventory trends and seasonality; market forces and the maintenance of existing customer and supplier relationships; availability of credit facilities; the projection of excess cash flow and minimum repayments under the Company's long-term loan facility; expected decreases in debt-to-capitalization ratio; dividend payments; the amount and timing of the capital expenditures in excess of normal requirements to allow the movement of production between plants; expectations regarding the potential future impact of a global pandemic on the Company's operations and performance, customer and consumer behavior and economic patterns; M&A and other investment and growth strategies; product innovation and distribution, consumer preferences and purchasing decisions; growth in alternative species and other diversification of products and the Company's supply chain; the markets and industries in which the Company operates; and the business strategies and operational activities of the Company.

Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while

considered reasonable by management as of the date on which the statements are made in this AIF, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being incorrect. In addition to any other factors and assumptions set forth in this AIF, the material factors and assumptions used to develop the forward-looking information include, but are not limited to: availability, demand and prices of raw materials, energy and supplies; the ability of the Company to mitigate the impacts of tariffs; expectations with regards to sales volume, earnings, product margins, product innovations, brand development and anticipated financial performance, including with respect to the introduction of a line comprised of fully cooked seafood products; the ability to develop new and innovative products that result in increased sales and market share; the maintenance of existing customer and supplier relationships; manufacturing facility efficiency; the ability of the Company to reduce operating and supply chain costs; the condition of the Canadian and American economies; product pricing; foreign exchange rates, especially the rate of exchange of the CAD to the USD; the ability to attract and retain customers; operating costs and improvement to operating efficiencies; interest rates; continued access to capital; the competitive environment and related market conditions; and the general assumption that none of the risks identified below or elsewhere in this document will materialize.

Forward-looking information is inherently subject to risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections, or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A number of known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, could cause actual events, performance, or results to differ materially from what is projected in the forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: compliance with food safety laws and regulations; timely identification of and response to events that could lead to a product recall; volatility in the CAD/USD exchange rate; competitive developments including increases in overseas seafood production and industry consolidation; ability to import seafood into North America while adhering to updated government sanctions; ability to adapt to regulatory changes and increase flexibility on seafood substitutions in certain products with customers; availability and price of seafood raw materials and finished goods and the impact of geopolitical events (and related economic sanctions) on the same; the impact of the U.S. and Canadian tariffs on certain seafood products and other supplies; costs of commodity products, freight, storage and other production inputs, and the ability to pass cost increases on to customers; successful integration of acquired operations and other acquisition-related risk; potential increases in maintenance and operating costs; shifts in market demands for seafood; performance of new products launched and existing products in the market place; changes in laws and regulations, including environmental, taxation and regulatory requirements; technology changes with respect to production and other equipment and software programs; enterprise resource planning system risk; adverse impacts of cybersecurity attacks or breach of sensitive information; supplier fulfillment of contractual agreements and obligations; competitor reactions; completion and/or advancement of sustainability initiatives, including, without limitation, initiatives relating to the carbon workplan, waste reduction and/or seafood sustainability and traceability initiatives; High Liner Foods' ability to generate adequate cash flow or to finance its future business requirements through outside sources; credit risk associated with receivables from customers; volatility associated with the funding status of the Company's post-retirement pension benefits; adverse weather conditions and natural disasters; the availability of adequate levels of insurance; management retention and development; economic and geopolitical conditions such as Russia's invasion of Ukraine and the implementation and/or expansion of related sanctions; and the potential impact of a pandemic outbreak of a contagious illness, on general economic and business conditions and therefore the Company's operations and financial performance. In evaluating these forward-looking statements, investors and prospective investors should specifically consider these and various other risks, uncertainties and other factors which may cause actual events, performance, or results to differ materially from any forward-looking statement and not put undue reliance on forward-looking statements.

The risk factors above are not intended to represent a complete list of the factors that may affect the Company and its forward-looking statements. Please refer to the heading “Risk Factors” in this document for further details concerning these factors and other risks applicable to the Company.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are made as of the date of this AIF or, in the case of documents referenced herein, as of the date of such documents and are provided for the purpose of providing information about management’s expectations and plans relating to the future. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law. All forward-looking statements in this AIF are qualified by these cautionary statements.

## **Audit Committee Charter (Reviewed November 2025)**

### **Purpose**

The Committee shall primarily be responsible for assisting the board of directors of the Company (the “Board”) in fulfilling its oversight responsibilities for the:

- (a) integrity of the Company’s financial statements and related reporting materials;
- (b) Company’s compliance with legal and regulatory requirements;
- (c) Company’s risk management structure and performance;
- (d) external auditor’s qualifications and independence; and
- (e) performance of the Company’s internal audit function and external auditors.

### **Composition**

1. The Committee shall be comprised of persons who have the suitable experience and skills given the nature and function of the Committee. The Board will appoint the members (the “Members”) of the Committee. The Committee shall be comprised of a minimum of three directors as appointed by the Board annually, who shall meet the independence, financial literacy and audit committee composition requirements under any applicable rules or regulations of applicable securities regulators and stock exchanges on which the Corporation’s securities are listed, including, but not limited to, the rules of the Toronto Stock Exchange (the “TSX”) and National Instrument 52-110 — *Audit Committees* (the “NI 52-110”), as in effect from time to time, and each such director shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. All Members shall either be financially literate<sup>(1)</sup> or become financially literate within a reasonable period of time following their appointment to the Committee, subject to and in accordance with NI 52-110.
2. The Members’ terms of appointment should coincide with the terms of appointment of other Board committees and provide for continuity of membership, while at the same time allowing fresh perspectives to be added by periodic changes in the membership of the Committees. Each member of the Committee shall continue to be a member thereof until their successor is appointed, unless they resign or are removed by the Board, or shall cease to be a director of the Company. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board and shall be filled by the Board if the membership of the Committee is less than the minimum membership. In the event of a vacancy on the Committee, the remaining members may exercise all of the powers of the Committee, so long as a quorum remains.

### **Organization**

3. The Board shall appoint a chair (the “Committee Chair”) from among the members of the Committee to preside at its meetings. In the absence of the Committee Chair, one of the present Committee members shall be chosen by the Committee to preside as chair at the meeting. The Committee shall also appoint a secretary (the “Secretary”) who need not be a director and who shall be the Corporate Secretary of the Company or his or her designate, unless the Committee determines otherwise.
4. The President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, Executive Vice President, General Counsel and Corporate Secretary, Vice President Finance, and the internal audit lead (Director of Internal Audit) shall attend meetings of the Committee by invitation of the Committee Chair.

**Authority**

5. The Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered and shall have the responsibility to:
  - (a) appoint, compensate, and oversee the work of the external auditing firm employed by the Company to conduct the annual audit. The external auditors shall report directly to the Committee and attend every meeting;
  - (b) resolve any disagreements between management and the external auditor regarding financial reporting;
  - (c) pre-approve all auditing and permitted non-audit services performed by the external auditor, as set out below;
  - (d) retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation;
  - (e) seek any information it requires from employees – all of whom are directed to cooperate with the Committee’s requests – or external parties; and
  - (f) meet with Company officers, external and internal auditors, or outside counsel, as necessary.

**Meetings**

6. The Committee shall meet on a regular basis but at least four times a year. Special meetings shall be called at the request of the Committee Chair, the external or internal auditors (including any external advisors engaged to perform such internal audit functions). The external auditors and representatives of the any internal auditor and/or any third party engaged to perform the internal audit functions shall attend all meetings of the Committee. Notice of the time and place of every meeting shall be given orally or in writing, including any electronic method of delivering notice, to each member of the Committee at least 24 hours prior to the time for such meeting, provided however, that a member may in any manner waive a notice of meeting.
7. Attendance of a member at a meeting shall be deemed to be a waiver of notice of that meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
8. A quorum of the meeting shall be a majority of the members of the Committee. All Committee members are expected to attend each meeting, absent a legitimate reason for being unable to do so and are expected to participate fully and frankly in Committee deliberations and discussions. Committee members may attend meetings in person or by telephone, videoconference or other electronic method of communication that permits all persons participating in the meeting to speak and hear each other.
9. The Committee shall meet privately with the external auditors and the Director of Internal Auditor at every meeting. The Committee will invite members of management to attend meetings and provide pertinent information as necessary, and will meet separately, at least quarterly, with management. It will also meet regularly in camera, without members of management in attendance, and should do so for a portion of each meeting of the Committee.
10. In advance of every regular meeting of the Committee, the Committee Chair, with the assistance of the Secretary, should prepare and distribute to the Committee members and others as deemed appropriate by the Committee Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of the Company to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

11. The minutes of the Committee shall be recorded and maintained by the Secretary of the meeting.
12. The Committee Chair shall report the business of the meeting to the Board at the next regularly scheduled meeting thereof.

### **Written Resolutions**

13. Powers of the Committee may also be exercised by written resolutions signed by all Committee members.

### **Responsibilities**

14. The Committee will carry out the following responsibilities:

### ***Financial Statements and Reporting:***

15. Review with management and the external auditors, and recommend for approval, all published financial information and other disclosure that requires approval by the Board (“Financial Disclosure Documents”). Financial Disclosure Documents would include, without limitation, interim statements, year-end audited statements, Management Discussion & Analysis (MD&A), Annual Information Form, Annual Report (as required), statements in prospectuses and other offering memoranda, as well as all news releases relating to financial or material information about the Company. The Committee will review sustainability disclosures (including climate-related disclosures) required to be included in the Financial Disclosure Documents. The Committee will seek to ensure that adequate procedures are in place for the review of Company’s public disclosure of financial information extracted or derived from Company’s financial statements, periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration.
16. Review significant accounting and reporting issues and understand their impact on the financial statements. These issues may include complex or unusual transactions and highly judgmental areas, major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company’s selection or application of accounting principles, and the effect of regulatory or accounting initiatives on the financial statements of the Company.
17. Review with management and the external auditors the results of the external audits, including any difficulties encountered, restrictions on the auditor’s work, the co-operation received in performance of the audit, and the audit findings. In addition, the Committee shall review any accruals, provisions or estimates that have a significant effect upon the financial statements as well as other sensitive matters such as disclosure of related party transactions.
18. Review with management, the external auditors and, if necessary, legal counsel, any litigation, claim or other contingency, including tax assessments, or any other matters, that could have a material effect upon the financial position or operating results of the Company, and the manner in which these matters have been disclosed in the financial statements.
19. Review the certification of the Chief Executive Officer and Chief Financial Officer that: 1) the interim and annual financial statements, MD&A and AIF of the Company do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements, in light of the circumstances under which they are made, not misleading; 2) the financial statements, together with other financial information in the MD&A and AIF, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer; 3) the internal controls of the issuer have been designed by or under

the supervision of the Chief Executive Officer and Chief Financial Officer to provide reasonable assurances that the Company's financial statements are fairly presented in accordance with International Financial Reporting Standards (IFRS); 4) the disclosure controls or procedures of the Company have been designed by or under the supervision of the Chief Executive Officer and Chief Financial Officer to provide reasonable assurances that material information is made known to him or her or to others within the Company, in each case, as appropriate and consistent with any applicable laws and the rules or regulations of applicable securities regulators and stock exchanges on which the securities of the Company are listed, including, but not limited to, the TSX.

20. Review all subsidiary company or special purpose audit reports, including those of pension funds, if any, as well as the minutes of all audit committee meetings of subsidiaries and any significant issues and auditor recommendations.
21. Consider any other matter that in its judgement shall be taken into account in reaching its recommendation to the Board concerning the approval of the financial information intended for publication.

### ***External Auditing***

22. The external auditors shall report directly to the Committee and shall attend every regular meeting of the Committee.

The Committee will carry out the following responsibilities:

23. Review and approve the engagement letter with the external auditors.
24. Review the audit plans of the external auditors, including the co-ordination of audit effort with internal auditing. The Committee shall enquire as to the extent the planned audit scope can be relied upon to detect weaknesses in internal control or fraud or other illegal acts. Any significant recommendations made by the auditors for the strengthening of internal controls shall be reviewed and shall be discussed with management, if necessary.
25. Review the performance of the external auditors, and consider whether the external auditors shall be reappointed after obtaining management's view of the competency of the incumbent auditors and recommend accordingly to the Board to be put forward to shareholders at the Company's annual meeting.
26. Review and approve the Company's hiring policies regarding employees or former employees of the external auditor (or former auditors).
27. If the Committee considers a change in external auditors appropriate, articulate the reasons for the change, including the response of the incumbent auditors in its recommendation to the Board, and shall oversee the search for and appointment of newly proposed auditors before making a recommendation to the Board of Directors. The Committee shall review all issues related to a change in auditors under National Instrument 51-102 – Continuous Disclosure Obligations and any other applicable laws and the rules or regulations of applicable securities regulators and stock exchanges on which the securities of the Company are listed, including, but not limited to, the TSX.
28. Review and approve the basis and amount of the external auditors' fees in light of the number and nature of reports issued by the auditors, the quality of the internal controls, the size, complexity and financial condition

of the Company and the extent of the internal audit and other support provided by the Company to the external auditors.

29. Review the nature of any non-audit services proposed to be performed for the Company by the audit firm, and consider whether the nature or extent of such services could detract from the audit firm's independence in carrying out the audit function. The Committee shall pre-approve all non-audit services and fees to be provided to the Company or its subsidiaries by the external auditor. In between meetings of the Committee, and provided the Committee is not in session, the Committee Chair may perform this function, provided any approvals of the Committee Chair shall be referred to the next meeting of the Committee for ratification.

#### Internal Auditing and Control

30. The Director of Internal Audit shall be instructed by management of the Company but shall report to the Audit Committee.

The Committee will establish, maintain, and ensure the Company's internal audit function has sufficient authority to fulfil its duties and carry out the following responsibilities with respect to the internal auditing and control functions:

31. Review with management the plans, activities, staffing and organizational structure of the internal audit function and review and concur in the appointment, replacement, or dismissal of the Director of Internal Audit and/or any third party performing any internal audit function.
32. Review the effectiveness of the internal audit function, and shall meet regularly with to the Director of Internal Audit to discuss any matters that the Committee or the Director of Internal Audit believes should be discussed privately. This shall include ensuring no unjustified restrictions or limitations are placed on Internal Audit and discussing impairments of independence or objectivity, if any.
33. Consider the effectiveness of the Company's internal control system, including controls over financial reporting disclosures and information technology security and change management and shall receive quarterly reports regarding same.
34. Approve the risk-based internal audit plan and quarterly reports on performance relevant to its plan. As part of this, the Committee will understand the scope of internal review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses. The Committee will inquire as to and investigate if necessary any significant deficiencies in the design or operation of internal controls.
35. Provide input to and approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services. Review and approve the Internal Audit Charter at least every three years.

#### Compliance

36. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

37. Request internal and external auditors to report any matters of which they are aware, that might be considered unethical or “on the fringe”.
38. Establish and maintain procedures for the (a) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing, or other matters; and (b) the confidential, anonymous submission of information by employee "whistle-blowers" regarding questionable accounting, auditing, or other matters.
39. Review (a) material tax planning initiatives and compliance with tax, financial reporting laws and regulations; (b) the findings of any examinations by regulatory authorities; and, (c) any auditor observations regarding the foregoing.
40. Review and approve the Corporate Disclosure, Confidentiality and Employee Trading Policy and ensure that there is a process in place to provide timely disclosure of material corporate events that would be of interest to investors and to prevent unauthorized disclosures of confidential information in accordance with applicable law and the rules or regulations of applicable securities regulators and stock exchanges on which the securities of the Company are listed, including, but not limited to, the TSX.
41. Review and approve all material related party transactions to be disclosed pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions, as applicable, and be responsible for the review and oversight contemplated by the rules of any applicable stock exchange on which the Company’s securities are listed, including, but not limited to, the TSX, with respect to any such reported transactions.
42. Obtain regular updates from management and company legal counsel regarding compliance matters.

#### Risk Management

43. Review quarterly the food safety and food quality results of the Company.
44. Review annually and discuss with management the Company’s Business Risk Management Policies, particularly the Enterprise Risk Management and Price Risk Management Policies.
45. On request of the Board, review, and in the Committee’s discretion make recommendations to the Board regarding, the adequacy of Company’s risk management policies and procedures with regard to identification of the Corporation’s principal risks and implementation of appropriate systems to manage such risks. Review annually and discuss with management the Company’s Risk Factors as disclosed in the Company’s MD&A and in the Annual Information Form.
46. Review compliance with the Company’s Financing and Credit Risk Policies, including the Delegation of Authority Policy, and review its credit risk profile annually.
47. Review the Company’s insurance program for adequacy.
48. Review and approve the Company’s disaster recovery plans and monitor management’s implementation of such plans; annually assess the Company’s disaster recovery readiness.

#### Other Responsibilities

49. Consider and, if appropriate, approve requests from individual directors to retain independent advisors.
50. The Chief Executive Officer's travel and professional expenses shall be approved by the chair of the Board, with a copy of such expenses to be provided to the Committee Chair.
51. Institute and oversee special investigations as needed.
52. Review and assess the adequacy of this Charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by applicable law and the rules or regulations of applicable securities regulators and stock exchanges on which the securities of the Company are listed, including, but not limited to, the TSX.
53. Confirm annually that all responsibilities outlined in this charter have been carried out.

#### Reporting

54. The Board shall be kept informed of the Committee's activities by a report delivered by the Committee Chair following each Committee meeting.
55. The Committee shall provide an open avenue of communication between internal audit, the external auditors, and the Board.
56. The Committee shall review any other reports the Company issues that relate to Committee responsibilities, including the required Committee disclosure in the Annual Information Form, and the disclosure of Committee activities included in the Management Information Circular in accordance with applicable law and the rules or regulations of applicable securities regulators and stock exchanges on which the securities of the Company are listed, including, but not limited to, the TSX.

#### Environment

57. The Committee shall assess the degree of compliance of the Company with existing environmental legislation and, if there are any areas of non-compliance, assess whether senior management of the Company has put in place procedures to bring the Company into compliance and report when necessary to the Board.
58. The Committee shall review and report to the Board where necessary all environmental incidents and all remedial orders regarding infractions or alleged infractions issued by a government authority which have been received since the previous communication with the Committee.
59. The Committee shall assess whether the Company has in place remedial and contingency plans for environmental occurrences such as spills, leaks, or other discharges of pollutants.
60. The Committee shall assess whether the Company is doing ongoing environmental audits and review, training and prevention programs at its various facilities.
61. The Committee shall determine whether the establishment, and periodic review, of appropriate internal authorities to act in the case of serious environmental occurrences are in place.

62. The Committee shall receive reports on and assess whether there are any potential sources of emissions or pollutants, risks of sudden discharge, etc and whether appropriate safeguards are in place to deal with these risk situations.
63. The Committee shall assess whether there are procedures to promote environmental awareness within the Company including education and training programs regarding risk management, response and reporting responsibilities.
64. The Committee shall determine whether executive officers and management are involved in and knowledgeable about existing environmental risk management systems.
65. The Committee shall receive reports from each of the employee Environment Steering Committee on environmental conditions on a regular basis.
66. The Committee shall review at least annually the Company's Environmental Management Policy and approve any changes to such policies.

#### ***Experts and Advisors***

67. The Committee may, in consultation with the chair of the Board, engage, oversee and set the compensation for any outside advisor that it determines necessary in order to carry out its duties.

#### ***Limitation on Authority***

68. Nothing articulated herein is intended to assign to the Committee the Board's responsibility to oversee the Company's compliance with applicable laws or regulations or to expand applicable standards of liability under statutory or regulatory requirements for the Directors or the members of the Committee.

#### **No Rights Created**

69. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with applicable generally accepted accounting principles. This Charter is a broad policy statement and is intended to be part of the Committee's flexible governance framework. While this Charter should comply with the binding requirements of any stock exchanges on which the Company's securities are listed, including, but not limited to, the TSX, all other applicable laws, rules and regulations, and the Company's constating documents, including its Memorandum and Articles, this Charter does not create any legally binding obligations on the Committee, any director or the Company.

([1]) "financially literate" means 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 Company's financial statements.