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**NOTICE OF 2017 ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**  
**AND**  
**MANAGEMENT PROXY CIRCULAR**

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November 28, 2017

## GOODFOOD MARKET CORP.

### NOTICE OF 2017 ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Montreal, Québec, November 28, 2017

Notice is hereby given that an annual and special meeting of shareholders (the “Meeting”) of Goodfood Market Corp. (the “Company”) will be held at the offices of Fasken Martineau DuMoulin LLP, at 800 Rue du Square-Victoria, Suite 3700, in Montreal, Québec, Canada, on Thursday, January 11, 2018, at 11:00 a.m. (Montreal time) for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the fiscal year ended August 31, 2017 and the auditor’s report thereon;
2. to elect directors;
3. to appoint auditors and authorize the directors to fix their remuneration;
4. to ratify, confirm and approve new general by-laws of the Company;
5. to approve the relocation of the Company’s registered office to Québec; and
6. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The Management Proxy Circular and proxy form for the Meeting are enclosed with this Notice.

If you do not expect to be present at the Meeting in person, please complete, date and sign the accompanying proxy form and return it in the envelope enclosed or by fax or otherwise vote by the Internet by following the instructions on the accompanying proxy form.

Proxies submitted by mail, fax or Internet must be received by our transfer agent, TSX Trust, by 11:00 a.m. (Montreal time) on Tuesday, January 9, 2018. Shareholders who miss the Internet proxy return deadline may submit a paper or faxed proxy which must be received by the Corporate Secretary of the Company prior to the Meeting or any adjournment or postponement thereof.

Only persons shown on the register of shareholders at the close of business on Tuesday December 5, 2017, or their proxy holders, will be entitled to attend the Meeting and vote.

By order of the Board of Directors,

*(s) Neil Cuggy*

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Neil Cuggy  
Chief Operating Officer and  
Chief Financial Officer

## MANAGEMENT PROXY CIRCULAR

This Management Proxy Circular is provided in relation to the solicitation of proxies by the management of Goodfood Market Corp. (“we”, “us”, “Goodfood” and the “Company”) for use at the annual and special meeting of shareholders (the “Meeting”) of the Company to be held on Thursday January 11, 2018 and at any adjournment or postponement thereof. Unless otherwise indicated, the information provided in this Management Proxy Circular is provided as of Tuesday, November 28, 2017, and all currency amounts are shown in Canadian dollars.

### PROXY MATTERS AND VOTING INFORMATION

#### Solicitation of Proxies

The solicitation of proxies will be made primarily by mail. Proxies may also be solicited by email, by telephone or in person. Employees, officers, directors or agents of the Company will solicit the proxies. The Company does not expect to pay any compensation for the solicitation of proxies and the Company will bear all expenses in connection with the solicitation of proxies. The Company has not retained the services of any third party to solicit proxies. Should it decide to do so, the fees payable to the proxy solicitor are expected to be nominal.

#### Appointment and Revocation of Proxyholders

The persons whose appointment to act under the proxy form solicited by the management of the Company are directors of the Company. **Every shareholder has the right to appoint some other person or company of their choice (who need not be a shareholder) to attend and act on their behalf at the Meeting, or any adjournment or postponement thereof, and may do so by inserting such other proxyholder’s name in the blank space provided for that purpose in the proxy form.** The proxy form or Internet voting are the only voting options for shareholders who wish to appoint a person as proxy other than the nominees named on the proxy form.

A proxy may be revoked at any time by the person giving it to the extent that it has not yet been exercised. A proxy may be revoked by filing a written notice with the Corporate Secretary of the Company at any time up to and including the last day preceding the day of the Meeting, or any adjournment or postponement thereof. The powers of the proxyholders may also be revoked if the shareholder attends the Meeting in person and so requests.

The persons whose names are printed on the proxy form will vote all the shares in respect of which they are appointed to act in accordance with the instructions given on the proxy form. **In the absence of a specified choice in relation to any matter to be voted on at the Meeting, or if more than one choice is indicated, the shares represented by the proxy form will be voted FOR the matter in question.**

Every proxy given to any person in the proxy form that accompanies the Notice of Meeting will confer discretionary authority with respect to amendments or variations to the items of business identified in the Notice of Meeting and with respect to any other matters that may properly come before the Meeting.

## **Notice and Access**

The Company has elected not to use the notice and access procedures under applicable securities legislation to send the proxy related materials to registered shareholders and beneficial owners of the Company's common shares (the "Common Shares").

## **Voting Procedures**

### ***Registered Shareholders***

You are a "registered shareholder" if you have a share certificate or Direct Registration System (DRS) advice issued in your name and as a result, have your name shown on Goodfood's register of shareholders kept by our transfer agent, TSX Trust.

If you are a registered shareholder, you can vote your shares by attending the Meeting in person by appointing someone else as proxyholder to attend the Meeting and vote your Common Shares for you, by completing your proxy form and returning it by mail, hand or fax delivery in accordance with the instructions set forth therein, or by Internet by visiting the website shown on your proxy form (refer to your control number shown on your proxy form) and following the online voting instructions.

### ***Non-Registered Shareholders (Beneficial Owners)***

You are a "non-registered shareholder" or "beneficial owner" if your shares are held on your behalf through an intermediary or nominee (for example, a bank, trust company, securities broker, clearing agency or other institution).

Under applicable securities legislation, a beneficial owner of securities is a "non-objecting beneficial owner" (or "NOBO") if such beneficial owner has or is deemed to have provided instructions to the intermediary holding the securities on such beneficial owner's behalf not objecting to the intermediary disclosing ownership information about the beneficial owner in accordance with said legislation, and a beneficial owner is an "objecting beneficial owner" (or "OBO") if such beneficial owner has or is deemed to have provided instructions objecting to same.

If you are a NOBO, the Company has sent these materials directly to you, and your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities legislation from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. The voting instruction form that is sent to NOBOs contains an explanation as to how you can exercise the voting rights attached to your Common Shares, including how to attend and vote directly at the Meeting. Please provide your voting instructions as specified in the enclosed voting instruction form.

If you are an OBO, you received these materials from your intermediary or its agent (such as Broadridge), and your intermediary is required to seek your instructions as to the manner in which to exercise the voting rights attached to your Common Shares. The Company has agreed

to pay for intermediaries to deliver to OBOs the proxy-related materials and the relevant voting instruction form. The voting instruction form that is sent to an OBO by the intermediary or its agent should contain an explanation as to how you can exercise the voting rights attached to your Common Shares, including how to attend and vote directly at the Meeting. Please provide your voting instructions to your intermediary as specified in the enclosed voting instruction form.

## Voting Shares

Each holder of Common Shares is entitled to one vote per share. As at November 15, 2017, 47,753,832 Common Shares were issued and outstanding. Only persons shown on the register of Common Shares at the close of business on Tuesday, December 5, 2017 (the “Record Date”), or their proxyholders, will be entitled to attend the Meeting and vote.

Proxies submitted by mail or Internet must be received by TSX Trust by 11:00 a.m. (Montreal time) on Tuesday, January 9, 2018, 2017. Shareholders who miss the Internet proxy return deadline may submit a paper proxy which must be received by the Corporate Secretary of the Company prior to the Meeting or any adjournment or postponement thereof. Note that if you are an OBO, your intermediary will need your voting instructions sufficiently in advance of this deadline to enable your intermediary to act on your instructions prior to the deadline. See “Voting Procedures - Non-Registered Shareholders (Beneficial Owners)”.

## Principal Shareholders

The following table shows the names of the persons who, as of November 15, 2017, to our knowledge, beneficially own, control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of our voting securities:

<b>Name of Shareholder</b>	<b>Number of Common Shares</b>	<b>% of Total Voting Rights</b>
Jonathan Ferrari <sup>(1)</sup>	11,487,565 <sup>(2)</sup>	24.1%
Neil Cuggy <sup>(3)</sup>	11,487,565 <sup>(4)</sup>	24.1%
Hamnett Hill <sup>(5)</sup>	8,033,571 <sup>(6)</sup>	16.8%

(1) Jonathan Ferrari is the Chairman, President and Chief Executive Officer of the Company.

(2) Beneficially owned by Jonathan Ferrari, of which 1,487,565 Common Shares are held of record by him and 10,000,000 Common Shares are held of record by 10259209 Canada Inc., Mr. Ferrari exercises control over the Common Shares held by 10259209 Canada Inc.

(3) Neil Cuggy is the Chief Operating Officer and Chief Financial Officer of the Company.

(4) Beneficially owned by Neil Cuggy, of which 1,487,565 Common Shares are held of record by him and 10,000,000 Common Shares are held of record by 10259136 Canada Inc., Mr. Cuggy exercises control over the Common Shares held by 10259136 Canada Inc.

(5) Hamnett Hill is a director of the Company.

(6) 8,033,571 Common Shares held of record by ed6 Capital Inc., Mr. Hill exercises control over the Common Shares held by ed6 Capital Inc.

## **BUSINESS TO BE TRANSACTED AT THE MEETING**

The following items of business will be presented to the shareholders at the Meeting:

### **1. Presentation of the Consolidated Audited Financial Statements**

The consolidated audited financial statements of the Company for the fiscal year ended August 31, 2017 (“Fiscal 2017”) and the auditor’s report thereon will be presented at the Meeting but will not be subject to a vote.

### **2. Election of Directors**

Five directors are to be elected to hold office until the close of the next annual meeting of shareholders or until their successor is elected or appointed. Each of the persons presented under “Proposed Nominees for Election as directors” in this Management Proxy Circular is proposed to be nominated as a director of the Company and each nominee has agreed to serve as a director if elected.

**The persons named as proxies in the proxy form intend to cast the votes represented by proxy at the Meeting FOR the election as directors of the five persons nominated in this Management Proxy Circular unless shareholders direct otherwise.**

### **3. Appointment of Auditors**

The Board of Directors recommends that KPMG LLP, Chartered Professional Accountants, be appointed as the auditors of the Company to hold office until the next annual meeting of shareholders or until their successors is appointed. KPMG LLP were first appointed as auditors to Goodfood Market Inc., the Company’s predecessor on March 18, 2017 and became the auditors of the Company effective following the close of Goodfood Market Inc.’s reverse take-over of Mira VII Acquisition Corp. on June 1, 2017 (the “RTO”).

**The persons named as proxies in the proxy form intend to cast the votes represented by proxy at the Meeting FOR the appointment of KPMG LLP as auditors and to vote to authorize the directors to fix the remuneration of the auditors unless shareholders direct otherwise.**

### **4. Ratification, Confirmation and Approval of the By-Laws of the Company**

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, pass a resolution in the form annexed as Annex C to this Management Proxy Circular, confirming the repeal of the previous By-law No. 1 and approving and confirming the new general by-laws (the “CBCA By-Laws”) (the “By-law Resolution”).

In order to be adopted, the resolution must be approved by a majority of the votes cast by the shareholders of the Company, either present in person or represented by proxy at the Meeting.

The CBCA By-laws are set out as Annex D to this Circular. The CBCA By-laws were adopted on November 28, 2017 by the Board of Directors following the Company’s continuance from a corporation governed by the *Business Corporations Act* (Ontario) (the “OBCA”) to a corporation

governed by the *Canada Business Corporations Act* (the “CBCA”) which occurred on August 31, 2017 (the “Continuance”). With the exception of the inclusion of provisions stipulating (i) an advance notice requirement for the nomination of directors (the “Advance Notice Provisions”), and (ii) the granting of the casting vote to the chairperson of a meeting of the directors in the event of an equality of votes at that meeting of directors, the new CBCA By-laws are substantially equivalent to the previous By-law No. 1 of the Company, amended to reflect the differences between the OBCA and the CBCA. The differences between the OBCA and CBCA are further described in the management information circular dated April 12, 2017 which was issued by the predecessor of the Company in the context of the RTO.

Among other things, the Advance Notice Provisions included in the CBCA By-laws set a deadline by which shareholders must submit a notice for director nominations to the Corporation prior to any annual or special meeting of shareholders where directors are to be elected and furthermore sets forth the information that a shareholder must include in the notice for it to be valid. The Advance Notice Provisions allow the Corporation to receive adequate prior notice of director nominations, as well as sufficient information on the nominees. The Corporation will therefore be able to evaluate the proposed nominees’ qualifications and suitability as directors. It will also facilitate an orderly and efficient meeting process.

In accordance with the rules of the CBCA and the TSX, in order to be adopted, the resolution must be approved by a majority of the votes cast by the shareholders of the Company, either present in person or represented by proxy at the Meeting.

**The persons named as proxies in the proxy form intend to cast the votes represented by proxy at the Meeting FOR the ratification, confirmation and approval of the Company’s CBCA By-Laws, the whole as set forth in the resolution annexed as Annex C to this Management Proxy Circular unless shareholders direct otherwise.**

If the resolution is not passed at the Meeting, the by-laws of the Company as they existed prior to the Continuance will continue to be in full force and effect.

## **5. Amendments to the Articles to Relocate Company’s Registered Office to Québec**

At the Meeting, the Shareholders will be asked to consider and if deemed advisable, pass a special resolution in the form annexed as Annex E to this Management Proxy Circular, approving the amendments to the articles of the Company to change the province in which its registered office is situated from Ontario to Québec (the “Registered Office Relocation”). Mira VII Acquisition Corp., the predecessor to the Company, was incorporated under the OBCA, which requires that companies maintain their registered office in the province of Ontario. However as a result of the RTO and subsequent Continuance, the Company is now governed by the CBCA, which allows a corporation’s registered office to be located in any province in Canada. As a result, the Board of Directors believes that it is in the best interest of the Company to effect the Registered Office Relocation so as to locate the registered office of the Company in the province in which its management resides and in which its principal place of business is located (the “Registered Office Special Resolution”).

In accordance with the with the rules of the CBCA and the TSX, in order to be adopted, the resolution must be approved by a special majority (66  $\frac{2}{3}$ %) of the votes cast by the shareholders of the Company, either present in person or represented by proxy at the Meeting.

**The persons named as proxies in the proxy form intend to cast the votes represented by proxy at the Meeting FOR the Registered Office Relocation, the whole as set forth in the resolution annexed as Annex E to this Management Proxy Circular unless shareholders direct otherwise.**

If the resolution is not passed at the Meeting, the registered office of the Company will continue to be located in Ontario.

## **6. Other Business to be Transacted at the Meeting**

Management of the Company is not aware of any matter to be submitted at the Meeting other than the matters set forth in the Notice of Meeting.

## **PROPOSED NOMINEES FOR ELECTION AS DIRECTORS**

### **Information on Proposed Nominees**

The persons whose names are printed in the proxy form intend to vote FOR the election as directors of each of the proposed nominees set forth below. Each such candidate was proposed based on the recommendation of the Governance, Human Resources and Compensation Committee (the “GHRC Committee”) and for election as a director. Each director elected will hold office until the next annual meeting of shareholders or until that director’s successor is duly elected or appointed, unless the office is earlier vacated. By filling in the proxy form, shareholders may vote for all directors or choose to withhold their vote from some or all of the directors proposed for election.

We have adopted a Majority Voting Policy whereby proxy forms for shareholders’ meetings at which directors are to be elected will enable the shareholder to vote for or to withhold from voting for each individual nominee. If, with respect to any particular nominee, the number of votes withheld exceeds the number of votes for the nominee, then, for the purpose of this policy, the nominee will be considered not to have received the confidence and support of the shareholders, even though duly elected as a matter of corporate law. A person elected as a director who is considered for the purpose of this policy not to have received the confidence and support of the shareholders is required to immediately tender his or her resignation as a director, to be effective on acceptance by the Board of Directors. The Board of Directors will consider the tendered resignation and disclose by news release its decision whether or not to accept that resignation and the reasons for its decision no later than 90 days after the date of the relevant shareholders’ meeting. The Board of Directors will accept the tendered resignation, absent exceptional circumstances. In considering whether or not to accept the tendered resignation, the Board of Directors will consider all factors that it deems in its discretion to be relevant, including, without limitation, any stated reasons why shareholders withheld votes for election of such director, the length of service and qualifications of the director whose resignation has been tendered, the director’s contribution to the Company and the Company’s corporate governance policies.

The tables below identify each of the proposed nominees; their principal occupation; their province or state, and country of residence; their age; the year when the person first became a director of the Company; whether the candidate has been determined by the Board of Directors to be independent of, or related to, the Company; their Board of Directors and Committee memberships and attendance record; other public company board memberships; the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, the number of stock options (“Options”) of the Company (see “Executive Compensation - Stock Option Plan”), with all such securities ownership information provided by each of the candidates as at November 15, 2017; and whether the candidate complies with the Company’s share ownership guidelines.

<b>JONATHAN FERRARI</b>					
		<p>Mr. Ferrari is the Co-Founder and the Chairman, President and Chief Executive Officer of Goodfood Market Corp. After graduating with honors from McGill University, Mr. Ferrari joined RBC’s investment banking team in Montreal, advising retailers on mergers and acquisitions, capital raises and strategic partnerships. Mr. Ferrari co-founded MTL Capital LLC, a privately held entrepreneurial investment firm. Mr. Ferrari is a Montreal native.</p>			
Québec, Canada Age: 29 Director since: 2017 2017 votes for: 99.94% Not Independent		Board/Committee Membership  Board of Directors (Chairman)	Attendance Record for Fiscal 2017  3 of 3      100%		Other Public Company Board Memberships  -
Securities Held					
As at	Common Shares		Total Market Value of Securities	Meets Share Ownership Target	
Nov. 15, 2017	11,487,565 <sup>(1)</sup>		\$22,285,876	Yes	
Options Held					
Date Granted	Number (#)	Exercise Price (\$)	Total Unexercised (#)		
June 1, 2017	50,000	\$2.00	50,000		
August 23, 2017	128,205	\$1.56	128,205		

(1) 1,487,565 Common Shares held beneficially and of record by Jonathan Ferrari and 10,000,000 Common Shares held of record by 10259209 Canada Inc., Mr. Ferrari exercises control over the Common Shares held by 10259209 Canada Inc.

## NEIL CUGGY



Mr. Cuggy is the Co-Founder and the Chief Operating Officer and Chief Financial Officer of Goodfood Market Corp. Mr. Cuggy's previous experience includes co-founding and leading an entrepreneurial investment firm called MTL Capital LLC, a privately held entrepreneurial investment firm. Before founding MTL Capital, Mr. Cuggy worked in the Investment Banking division of RBC Capital Markets from where he worked on multiple mergers and acquisitions, equity financings and debt financings. Mr. Cuggy is a Montreal native who comes from a long line of entrepreneurs. Mr. Cuggy graduated first class honors with distinction from McGill University where he received a Bachelor of Commerce degree in Investment Management.

Québec, Canada Age: 29 Director since: 2017 2017 votes for: 99.94% Not Independent	Board/Committee Membership	Attendance Record for Fiscal 2017		Other Public Company Board Memberships
	Board of Directors	3 of 3	100%	-

Securities Held			
As at	Common Shares	Total Market Value of Securities	Meets Share Ownership Target
Nov. 15, 2017	11,487,565 <sup>(2)</sup>	\$22,285,876	Yes
Options Held			
Date Granted	Number (#)	Exercise Price (\$)	Total Unexercised (#)
June 1, 2017	50,000	\$2.00	50,000
August 23, 2017	128,205	\$1.56	128,205

(2) 1,487,565 Common Shares held beneficially and of record by Neil Cuggy and 10,000,000 Common Shares held of record by 10259136 Canada Inc., Mr. Cuggy exercises control over the Common Shares held by 10259136 Canada Inc.

<b>HAMNETT HILL</b>					
		<p>Hamnett Hill is a director of Goodfood Market Corp. and has spent 25 years building and leading companies that make technology work for everyday consumers. As co-founder and Chief Executive Officer of Smooch, Mr. Hill is working to humanize the relationships between businesses and consumers by bringing the power of B2C messaging to businesses and software vendors, making it easy for consumers to have rich messaging conversations with companies from wherever they are. Mr. Hill is also an active technology angel investor, with investments in companies such as BlockStream, AppDirect and MixGenius (Landr.com). He is a director of Humanitarian U, an online university that prepares first responders for humanitarian disasters around the world, in concert with partners such as the World Health Organization. Engaging his passion for food and food systems, Mr. Hill is the founder and principal of edō Capital, a private equity firm for early-stage, innovative food businesses and technologies that contribute to a healthier and more sustainable future. He is also Chairman of the edō Foundation, a charitable organization devoted to increasing awareness and education about sustainable food issues. Mr. Hill's companies and teams have been honored with numerous awards, including the Profit 100 Fastest Growing Canadian Companies, Canada's 50 Best Managed Companies, Canada's Top 100 Employers, Canada's Top 40 Under 40, and Ernst &amp; Young Entrepreneur of the Year, among others.</p>			
Québec, Canada Age: 46 Director since: 2017 2017 votes for: 99.94% Independent	Board/Committee Membership		Attendance Record for Fiscal 2017		Other Public Company Board Memberships
	Board of Directors		3 of 3	100%	
	Audit Committee		2 of 2	100%	
	GHRC Committee		2 of 2	100%	
Securities Held					
As at	Common Shares			Total Market Value of Securities	Meets Share Ownership Target
Nov. 15, 2017	8,033,571 <sup>(3)</sup>			\$15,585,128	Yes
Options Held					
Date Granted	Number (#)	Exercise Price (\$)		Total Unexercised (#)	
August 23, 2017	25,000	\$1.56		25,000	

(3) 8,033,571 Common Shares held of record by edō Capital Inc., Mr. Hill exercises control over the Common Shares held by edō Capital Inc.

**GUY LEBLANC**



Guy LeBlanc is a director of Goodfood Market Corp. and a Chartered Professional Accountant. He worked for over 35 years at PricewaterhouseCoopers LLP, a corporation specializing in certification, tax, consulting and transaction services. He acted as managing partner of the Montreal office from 2006 to 2015, and managing partner of the Transaction group in Canada from 2002 to 2006. Prior to 2002, he worked for the Audit and Certification and Consulting and Transaction groups of PwC. Mr. LeBlanc is a director of Atis Group and Meloche Group and was a director for TSX-listed Canam Group Inc. until its privatization in June 2017. He is a member of the Ordre des comptables professionnels agréés du Québec and has obtained the title of Fellow (FCPA). He also holds the ICD.D accreditation from the Institute of Corporate Governance.

Québec, Canada Age: 61 Director since: 2017 2016 votes for: 99.94% Independent	Board/Committee Membership		Attendance Record for Fiscal 2017		Other Public Company Board Memberships
	Board of Directors		3 of 3	100%	-
	Audit Committee (Chair)		2 of 2	100%	
	GHRC Committee		2 of 2	100%	
Securities Held					
As at	Common Shares			Total Market Value of Securities	Meets Share Ownership Target
Nov. 15, 2017	20,000			\$38,800	No
Options Held					
Date Granted	Number (#)	Exercise Price (\$)		Total Unexercised (#)	
August 23, 2017	25,000	\$1.56		25,000	

<b>DONALD OLDS</b>															
		<p>Donald Olds is a director of Goodfood Market Corp. and the President and Chief Executive Officer of the NEOMED Institute since January 2017. Prior to joining the NEOMED Institute he was the Chief Operating Officer of Telesta Therapeutics Inc. a TSX-listed biotechnology company from 2014 to 2016, where he was responsible for finance and investor relations, manufacturing operations, business development, human resources and strategy. In October 2016, he led the process that resulted in the successful sale of Telesta to a larger public biotechnology company. Prior to Telesta, he was President and Chief Executive Officer of Presagia Corp., a private software development company from 2011 to 2013. Before joining Presagia, he worked for almost 9 years as Chief Financial Officer and Chief Operating Officer of Aegera Therapeutics. Prior to Aegera, Mr. Olds was Chief Financial Officer of Mediatrix Telecom from 2000 to 2002 and led the technology investment banking practice of TD Securities in Quebec from 1997 to 2002. Mr. Olds is currently Chairman of Oxfam Quebec and director of Presagia Corp. and has extensive past corporate governance experience serving on the boards of private and public for-profit and not-for-profit organizations. He holds an MBA (Finance &amp; Strategy) and M.Sc. (Renewable Resources) from McGill University.</p>													
		<p>Québec, Canada Age: 57 Director since: 2017 2016 votes for: 99.94% Independent</p>	<table border="1"> <thead> <tr> <th>Board/Committee Membership</th> <th colspan="2">Attendance Record for Fiscal 2017</th> <th>Other Public Company Board Memberships</th> </tr> </thead> <tbody> <tr> <td>Board of Directors (Lead Director)</td> <td>3 of 3</td> <td>100%</td> <td rowspan="3">-</td> </tr> <tr> <td>Audit Committee</td> <td>2 of 2</td> <td>100%</td> </tr> <tr> <td>GHRC Committee (Chair)</td> <td>2 of 2</td> <td>100%</td> </tr> </tbody> </table>	Board/Committee Membership	Attendance Record for Fiscal 2017		Other Public Company Board Memberships	Board of Directors (Lead Director)	3 of 3	100%	-	Audit Committee	2 of 2	100%	GHRC Committee (Chair)
Board/Committee Membership	Attendance Record for Fiscal 2017		Other Public Company Board Memberships												
Board of Directors (Lead Director)	3 of 3	100%	-												
Audit Committee	2 of 2	100%													
GHRC Committee (Chair)	2 of 2	100%													
<b>Securities Held</b>															
As at	Common Shares		Total Market Value of Securities	Meets Share Ownership Target											
Nov. 15, 2017	22,500		\$43,650	No											
<b>Options Held</b>															
Date Granted	Number (#)	Exercise Price (\$)	Total Unexercised (#)												
August 23, 2017	25,000	\$1.56	25,000												

### Corporate Cease Trade Orders

None of the nominees for election is, as at the date of this Management Proxy Circular, or has been, within the ten years prior to the date of this Management Proxy Circular, a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity), was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case, for a period of more than 30 consecutive days.

### Bankruptcies

None of the nominees for election to the Board of Directors is, as at the date of this Management Proxy Circular, or has been, within the ten years prior to the date of this Management Proxy Circular, a director or executive officer of any 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.

None of the nominees for election to the Board of Directors has, within the ten years prior to the date of this Management Proxy Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any

proceedings, arrangement or comprise with creditors, or had a receiver, receiver manager or trustee appointed to hold such director's assets.

### **Penalties or Sanctions**

None of the nominees for election to the Board of Directors 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

### **EXECUTIVE COMPENSATION**

The following section describes the significant elements of Goodfood's executive compensation program, with particular emphasis on the process for determining compensation payable to its executive officers whose total compensation was, individually, more than \$150,000 (collectively, the "Named Executive Officers" or "NEOs"). The NEOs of Goodfood are:

- Jonathan Ferrari, Chairman, President and Chief Executive Officer; and
- Neil Cuggy, Chief Operating Officer and Chief Financial Officer.

### **Overview and GHRC Committee**

The GHRC Committee is currently comprised of Hamnett Hill, Guy LeBlanc and Donald Olds, all of whom are independent within the meaning of National Instrument 58-101 - Disclosure of Corporate Governance Practices ("NI 58-101"). Mr. Olds is the chair of the GHRC Committee.

All members of the GHRC Committee have a working familiarity with corporate governance, human resources and compensation matters. For the skills and experience of each member and proposed member of the GHRC Committee relevant to the performance of his or her duties as a member of the GHRC Committee, see "Proposed Nominees for Election as Directors - Information on Proposed Nominees".

The Board of Directors has adopted a written charter for the GHRC Committee that establishes, inter alia, the GHRC Committee's purpose and responsibilities with respect to executive compensation. Within the purview of its mandate, the GHRC Committee shall, amongst other things:

- consider and recommend for approval by the Board: (i) the appointment of the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer and all other executive officers of the Company (the "Executive Officers"); and (ii) a succession plan with respect to each Executive Officer, as may be required;
- review the Chief Executive Officer's assessment of existing management resources and plans for ensuring that qualified personnel will be available as

required for succession of each Executive Officer and to report on this matter to the Board of Directors;

- review and assess the performance of the Executive Officers against pre-set specific corporate and individual goals and objectives approved by the GHRC Committee;
- review the annual performance assessments of the Executive Officers and report annually to the Board of Directors on these assessments;
- oversee and recommend for approval by the Board of Directors the executive compensation principles, policies, programs, grants of equity-based incentives and processes based on the principles that compensation should, to a significant extent, be reflective of the financial performance of the Company while rewarding the achievement of the Company's short and long term objectives, and to specifically consider and recommend annually or as required for approval by the independent directors of the Board of Directors all forms of compensation for the Executive Officers;
- review the compensation discussion and analysis and related executive compensation disclosure for inclusion in the Company's public disclosure documents, in accordance with applicable rules and regulations;
- oversee the implementation and administration of benefit plans and review any proposed major changes in benefit plans and recommend for approval any change requiring Board of Directors action;
- review, monitor, report, and where appropriate, provide recommendations to the Board of Directors on the Company's exposure to risks related to executive compensation policies and practices, if any, and identify compensation policies and practices that mitigate any such risk; and
- review periodically the Company's policies with regards to disclosure, trading of securities, ethical, environmental and health and safety matters and taking steps to resolve issues of compliance with respect to the members of the Board of Directors and the Executive Officers.

The GHRC Committee has the authority to engage outside counsel or other outside advisors as it deems appropriate to assist the GHRC Committee in the performance of its functions.

Historically, the Board of Directors of the Company, or its predecessor, had approved the compensation of the NEOs. In anticipation of Goodfood becoming a public company, the Board of Directors adopted certain changes to the existing executive compensation regime and severance pay practices and on June 1, 2017, following the closing of the RTO, the newly constituted Board of Directors established the GHRC Committee. Throughout the course of the summer and fall of 2017, the Board, upon the recommendation from the GHRC Committee, approved amended and restated employment agreements for the executive officers and adopted stock ownership guidelines.

The Company completed its RTO on June 1, 2017, and completed its financial year two months later on August 31, 2017. Information provided in this section is provided for the period between the closing of the RTO and August 31, 2017.

The NEO compensation for the period between the closing of the RTO and August 31, 2017 is summarized hereinafter under the subheading “Summary Compensation Table”. The Compensation of the NEOs is based on the factors described hereinafter.

## **Compensation Discussion and Analysis**

### ***Compensation Objectives and Philosophy***

Our executive compensation program is designed to attract, retain, motivate and reward the executive officers for their performance and contribution to Goodfood’s long-term success. The objective of the program is to focus Goodfood’s executive officers on the key business factors that affect shareholder value and to align their compensation with Goodfood’s business and financial objectives and the long-term interests of Goodfood’s shareholders. These goals may include the achievement of specific operational or business development goals. Following the RTO, the Company’s bonus component to its short term incentive structure became contingent on the Company attaining or exceeding objectives for increasing the size of its subscription base. The Company’s philosophy is to pay fair, reasonable and competitive compensation with an equity-based component in order to align the interest of the Company’s executive officers with those of its shareholders.

### ***Market Positioning and Benchmarking***

The process for determining executive compensation is relatively informal, in view of the size and stage of the Company and its operations. NEOs are involved in the process and make recommendations to the GHRC Committee, which considers and makes recommendations to the Board of Directors. The Board of Directors and the GHRC Committee considered the compensation of Invescor Restaurant Group Inc., GreenSpace Brands Inc., Lumenpulse Group Inc., DAVIDsTEA Inc. and AlarmForce Industries Inc. on an informal basis in order to establish each NEOs’ compensation for Goodfood’s first year as a public company. Such companies were selected for review due to their early development stage or on the basis of food or beverage retail operations. As the company continues to grow, the Board of Directors and the GHRC Committee intend to revisit this group and to further elaborate on the NEO compensation regime.

Except as otherwise described below in relation to the subscriber growth objectives for Fiscal 2017 and the fiscal year ending August 31, 2018, the Company does not, at this time, maintain specific performance goals or use benchmarks in determining the compensation of executive officers. For the fiscal years ending after August 31, 2018, the Board of Directors upon recommendation from the GHRC Committee intends on establishing additional performance goals and/or benchmarks for the NEOs compensation.

### ***Elements of Compensation***

The Company’s compensation program consists primarily of the following elements: base salary, short-term incentive and long-term incentive, as well as customary benefit programs.

The following table summarizes the market positioning for each element of the Company's compensation program and in aggregate on a total compensation basis:

<b>Compensation Element</b>	<b>Performance Criteria</b>	<b>Performance Outcome</b>
<b>Base salary</b>	Individual contribution and competencies and prior relevant experience	Salary increase and position within the salary structure
<b>Short-term incentive</b>	Individual contribution and net new subscriber growth	Cash payment
<b>Long-term incentive</b>	Time vesting and individual performance	Ultimate payout of grant and size of annual grant of Options
<b>Benefits</b>	Not applicable	Not applicable

### *Base Salary*

Base salaries for NEOs are established based on the scope of their responsibilities, competencies and their prior relevant experience, taking into account compensation paid in the market for similar positions. Base salary is not contingent on short-term variation in operating performance, and therefore sustains individual performance and competency development.

Base salaries are reviewed annually and may be increased for merit reasons, based on the NEO's success in meeting or exceeding corporate or individual objectives. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive's role or responsibilities, as well as for market competitiveness.

### *Short-Term Incentive*

Our compensation program includes eligibility for annual cash bonuses for each of our NEOs. The target amounts for which NEOs are entitled under the annual bonus plan are approved by the Board of Directors, upon recommendation of the GHRC Committee.

Following the completion of the RTO, the Board of Directors adopted a compensation program which provides the NEOs with the opportunity to earn an annual cash bonus based on the achievement of certain targets set by the Board of Directors. From the completion of the RTO until the end of the fiscal year ending August 31, 2018, the bonus target for the NEOs is a multiple tied to growth in net new subscribers. Each NEO has the opportunity to earn a bonus of up to 50% of such NEO's annual base salary, calculated and paid on a monthly basis, with up to  $\frac{1}{12}$ <sup>th</sup> of the total bonus amount being available per month. Each month, the Company determines its net new subscribers, and uses this value, to calculate the portion of the annual bonus that is payable to them (if any). The monthly bonus amount payable is calculated pro rata based on the proportion of the net subscriber growth target achieved in the month, with a maximum of 100% of the monthly bonus being payable. No bonus is payable if there is no new net subscriber growth and 100% of the monthly bonus being payable if 10% or more net new subscriber growth is achieved. Following the fiscal year ending August 31, 2018, bonus payments will be made on

an annual basis and the targets for the bonuses and the factors on which they are based will be reviewed by the Board of Directors from time to time in respect of future fiscal years.

The Board of Directors reviews the target percentage annually at the beginning of each fiscal year, it being understood that the value of such target percentage shall be at least equal to the value of the target percentage established for the previous fiscal year.

The Board of Directors maintains the discretion at all times to grant discretionary bonuses or commissions, including in the context of acquisitions, to modify, amend or terminate short term incentive plans at all times, and to deviate from the plans or grant individual exceptions.

#### *Long-Term Incentive*

Equity-based awards are a variable element of compensation that allows us to incentivize and retain our NEOs for their sustained contributions to the Company. Equity awards reward performance and continued employment by an NEO, with associated benefits to us of attracting and retaining employees. We believe that Options, provide NEOs with a strong link to long-term corporate performance and the creation of shareholder value. The GHRC Committee determines the grant size and terms to be recommended to the Board of Directors.

In addition, all of the outstanding options held by the employees of Goodfood Market Inc., or 352,699 options, were exchanged on a one for one base for Options of the Company at the time of the RTO.

In anticipation of the completion of the RTO and the listing of the Common Shares, the Board of Directors granted options to purchase 50,000 common shares of Goodfood market Inc. to each of the NEOs prior to closing of the RTO at an exercise price of \$2.00 per share (all calculated after giving effect to the share split effected during the RTO). Upon the closing of the RTO, such options were exchanged on a one for one basis for Options to each of the NEOs at an exercise price of \$2.00.

For the fiscal year ending August 31, 2018, each NEO is entitled to receive Options, the number of which is based on 100% of their respective base salaries divided by the closing price of the Common Shares on the day preceding the grant. This Option grant was made on August 23, 2017, with a grant of 128,205 Options being made to each NEO at an exercise price of \$1.56 per Option. For future fiscal years, Option grants to the NEOs are at the discretion of the Board of Directors upon recommendation of the GHRC Committee.

#### *Benefits*

The Company offers certain benefits to its office employees, including its NEOs, as part of a group insurance plan. Certain benefits increase in proportion with salary and scope of responsibilities.

#### *Perquisites*

The Company offers a car allowance to each of its NEOs as well as the reimbursement of certain business expenses reasonably incurred in the performance of their functions. Such amounts are nominal.

### ***Compensation Risk Management***

As part of the annual review of the Company's executive compensation, the Board and the GHRC Committee consider the implications of the risks associated with the Company's compensation policies and practices, including as to whether or not they could encourage an executive officer or an employee at a principal business unit or division to take inappropriate or excessive risks. The Board and the GHRC Committee revisited such risks in Fiscal 2017. The Board and the GHRC Committee believe that the current compensation structure constitutes a well-balanced mix of base salary, short-term incentive and long-term incentive, applies maximums to short-term incentive payouts, and includes a combination of performance and time vesting for long-term incentive grants. Accordingly, the Board and the GHRC Committee have not, after consideration, identified any risk arising from the Company's compensation policies and practices that is reasonably likely to have a material adverse effect on the Company.

### ***Performance Graph***

Given that the Company's Common Shares were listed for only two months in Fiscal 2017, the Company is not required to provide a graph comparing the Company's cumulative total shareholder return over the Company's five most recently completed financial years to the total cumulative return of the S&P/TSX Composite Total Return Index.

### **Equity Incentive Plans**

The Company has adopted a Stock Option Plan. The Stock Option Plan was established on September 24, 2015 and was amended and restated upon closing of the RTO on June 1, 2017. Details of the Stock Option Plan, as amended, are set out below.

### ***Stock Option Plan***

The Stock Option Plan was implemented for the benefit of the Company's employees, directors, officers and consultants. The purpose of the Stock Option Plan is to provide additional incentives for continued and improved services with the Company. Our Board of Directors is responsible for administering the Stock Option Plan, and the GHRC Committee makes recommendations to the Board of Directors in respect of matters relating to the Stock Option Plan.

The Board of Directors shall have full and complete authority to interpret the Stock Option Plan and in its sole discretion, shall from time to time designate which eligible persons will be granted Options, the number of Common Shares subject to each Option granted to a participant, the vesting for each Option and the terms and conditions of such Option.

The Company does not currently provide financial assistance to any of the Stock Option Plan participants to assist them to exercise Options and purchase Common Shares of the Company. Additionally, the Stock Option Plan does not provide for the ability to transform Options into stock appreciation rights involving an issuance of securities from treasury.

The maximum number of Common Shares issuable under the Stock Option Plan shall not exceed 5% of the issued and outstanding Common Shares; as calculated on the date of grant of each Option. As of November 15, 2017, there were 751,581 Options outstanding, representing 1.57% of the issued and outstanding Common Shares. All of the Common Shares covered by exercised, expired, cancelled or forfeited Options shall become available Common Shares for the purposes of Options that may be subsequently granted under the Stock Option Plan.

There is no maximum number of securities, that any one person who is not an insider of the Company, is entitled to receive under the Stock Option Plan. However, the number of Common Shares issuable to insiders of the Company, at any time, under the Stock Option Plan or any other security based compensation arrangement of the Company cannot exceed 10% of the Company's total issued and outstanding Common Shares as at the applicable grant date. In addition, the number of Common Shares issuable to insiders of the Company, within any one year period, under the Stock Option Plan or any other security based compensation arrangement of the Company cannot exceed 10% of the Company's total issued and outstanding Common Shares.

The exercise price for each Common Share covered by an Option shall be established by the Board of Directors at the time of the grant, but shall not be less than the closing price of the Common Shares on the TSX on the trading day immediately preceding the date of the granting of the Option. The Board of Directors has the discretion to determine the vesting schedule of the Option and the Board shall have the full power and authority to accelerate the vesting or exercisability of all or any portion of any Option.

Subject to any accelerated termination under the Stock Option Plan and unless otherwise determined by the Board of Directors at the time of the grant, each Option shall be exercisable until the eighth anniversary of the date on which it is granted. The Stock Option Plan provides that the exercise period shall automatically be extended if the date on which it is scheduled to terminate shall fall during a black-out period or within ten business days after the last day of a blackout period. In such cases, the extended exercise period shall terminate ten business days after the last day of the black-out period.

The Stock Option Plan also provides that equitable adjustments, if any, will be made by the Board of Directors in connection with any reorganization, change in the number of issued and outstanding Common Shares of the Company by reason of stock dividend, stock split, reverse stock split, recapitalization, merger, consolidation, combination or exchange of shares or other similar corporate change, including adjustments to the exercise price and/or the number of Common Shares to which a holder is entitled upon exercise of Options.

The following table describes the impact of certain events upon the rights of holders of Options under the Stock Option Plan:

<b>Event</b>	<b>Provisions (unless otherwise specified by the Board of Directors at the time of the grant)</b>
Resignation or retirement .....	Forfeiture of all unvested Options. 30 days after termination to exercise vested Options.
Termination for cause.....	Forfeiture of all vested and unvested Options.
Termination other than for cause.....	Forfeiture of all unvested Options. 90 days after termination to exercise vested Options.

<b>Event</b>	<b>Provisions (unless otherwise specified by the Board of Directors at the time of the grant)</b>
Death or permanent incapacity .....	Forfeiture of all unvested Options. 120 days after the date of death or permanent incapacity to exercise vested Options.
Change of control.....	Unless otherwise stipulated in an Option agreement or by the TSX, the effect on unvested Options is subject to the discretion of the Board of Directors at the moment of the change of control. Vested Options may, amongst other things, be deemed exercised by the Board of Directors.
Ceasing to be a director or officer (and does not continue as a full-time employee of the Company).....	90 days after termination date to exercise vested Options. Forfeiture of all unvested Options.

Subject to the rules of the TSX, the Board of Directors may at any time or from time to time without shareholder approval alter, amend, vary, suspend, terminate or cancel the Stock Option Plan or amend any Options issued pursuant to the Stock Option Plan. Nonetheless, and subject to any additional requirements of the rules of the TSX, the following changes to the Stock Option Plan or the Options require the approval of the Company's shareholder as well as the approval of the TSX:

- a reduction in the exercise price of an Option held by an insider of the Company;
- an extension of the term of an Option held by an insider of the Company;
- any amendment to remove or exceed the insider participation limits;
- an increase in the maximum number or percentage of Common Shares issuable pursuant to Options granted under the Stock Option Plan; and
- a change to the provisions regarding amendments to the Stock Option Plan.

For the first three points above, the votes attached to shares held directly or indirectly by insiders benefiting directly or indirectly from the amendment are to be excluded. In addition, with respect to the last point above, where the amendment will disproportionately benefit one or more insiders over other holders of Options, the votes of shares held directly or indirectly by those insiders receiving the disproportionate benefit must be excluded.

Options granted under the Stock Option Plan are not assignable or transferable except to the legal representative or estate of a participant who has become incapacitated or who has died.

## Summary Compensation Table

The following table sets out information concerning NEO compensation for the period between the closing of the RTO and August 31, 2017.

Name and principal position	Fiscal Year	Salary <sup>(1)</sup> (\$)	Share-based awards (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation <sup>(4)</sup> (\$)	Total compensation (\$)
					Annual incentive plans <sup>(3)</sup>	Long-term incentive plans			
Jonathan Ferrari, Chairman, President and CEO	2017	\$50,000	-	\$181,142	\$17,916	-	-	-	\$249,058
Neil Cuggy COO and CFO	2017	\$50,000	-	\$181,142	\$17,916	-	-	-	\$249,058

- (1) Represents base salary earned for the period between the closing of the RTO and August 31, 2017. Annualized amounts are as follows: Jonathan Ferrari \$200,000 and Neil Cuggy \$200,000.
- (2) Represents the grant-date fair value of option-based awards granted between the closing of the RTO and August 31, 2017 determined using the Black-Sholes method in accordance with IFRS 2 Share-based Payment. At the close of the RTO, the Company issued 50,000 Options to each of the NEOs. In addition on August 23, 2017, each of the NEOs received 128,205 Options representing the equity portion of the compensation payable to them for the fiscal year ending August 31, 2018. See "Incentive Plan Awards".
- (3) Represents the amounts earned pursuant to the Company's annual bonus plan, for the period between the closing of the RTO and August 31, 2017.
- (4) None of the NEOs are entitled to perquisites or other personal benefits which in the aggregate are worth over \$50,000 or over 10% of their base salary.

For the fiscal year ending August 31, 2018, the following base salaries are to be paid to the NEOs: Jonathan Ferrari \$200,000 and Neil Cuggy \$200,000. See "Elements of Compensation - Base Salary". In addition, the NEOs may earn a bonus of up to 50% of the NEOs base salary. See "Elements of Compensation - Short Term Incentives." Moreover, each NEO is entitled to receive Options, the number of which is based on 100% of their respective base salaries divided by the closing price of the Common Shares on the day preceding the grant. This Option grant was made on August 23, 2017, with a grant of 128,205 Options being made to each NEO at an exercise price of \$1.56 per Option. See "Elements of Compensation - Long Term Incentive".

## Incentive Plan Awards

### *Outstanding Option-based Awards*

The following table indicates, for each of the NEOs, all awards outstanding as of August 31, 2017.

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Option (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(3)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(3)</sup> (\$)
Jonathan Ferrari Chairman, President and CEO	50,000	2.00	June 1, 2025	-	-	-	-
	128,205	1.56	August 23, 2025	\$46,154			
Neil Cuggy COO and CFO	50,000	2.00	June 1, 2025	-	-	-	-
	128,205	1.56	August 23, 2025	\$46,154			

(1) The closing price of the securities underlying the Options on August 31, 2017 was \$1.92 per Common Share.

### *Incentive Plan Awards – Value Vested or Earned During the Year*

The following table indicates, for each of the NEOs, a summary of the value of Option-based and share-based awards vested or of non-equity incentive plan compensation during Fiscal 2017.

Name	Option-Based Awards - Value Vested (\$) <sup>(1)</sup>	Share-Based Awards - Value Vested (\$)	Non-Equity Incentive Plan Compensation - Value Earned (\$) <sup>(2)</sup>
Jonathan Ferrari Chairman, President and CEO	-	-	\$17,916
Neil Cuggy <sup>(4)</sup> COO and CFO	-	-	\$17,916

(1) Represents the aggregate dollar value of in-the-money Options that would have been realized if the Options had been exercised on the vesting date during Fiscal 2017. The value is equal to the difference between the closing price of the underlying securities at exercise and the exercise price of the Options on the vesting date. As of August 31, 2017 each NEO had 28,125 vested Options.

(2) Represents bonus amounts earned between the close of the RTO and August 31, 2017.

## Termination and Change of Control Benefits

The NEOs of the Company executed amended and restated employment agreements, effective as of June 1, 2017. The employment agreements include provisions regarding base salary, annual bonuses, eligibility for long-term equity-incentives, benefits, confidentiality, non-solicitation and non-competition covenants, and ownership of intellectual property, among other things. The non-competition covenants survive for 12 months following termination of employment.

In the case of termination of employment other than for cause and in the case of an NEO's resignation for a good reason, the employment agreements of the NEOs provides that they are entitled to a termination payment equal to 24 months of base salary, and short term incentive amounts payable immediately at termination. The NEOs shall also be entitled to their pro-rata short-term incentive bonus through the termination date. In addition, a NEO terminated other than for cause may require the Company to purchase all or part of the Common Shares held by the terminated NEO in the capital of the Company to the extent and at the highest price permitted by applicable law. Subject to certain liquidity requirements, such right may only be exercised in respect of a single purchase of shares by the Company as permitted by applicable law in respect of a maximum of 5% of the outstanding shares of the Company in a given 12-month period. For the purpose of the NEOs employment agreements, a "good reason" refers to a change in an NEO's responsibility by the Company in a materially adverse manner or if the location of the NEO's employment is changed by the Company to a place outside of the greater Montreal area.

The same provisions apply in the case of termination of employment other than for cause or a change in responsibilities within 12 months of a Change of Control. A "Change of Control" means (i) the sale of all or substantially all of the assets of the Company on a consolidated basis, in one transaction or a series of related transactions, to a person that is not an affiliate, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting rights of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) any person or a group of persons acting jointly or in concert becoming the beneficial owner, directly or indirectly, of shares carrying at least a majority of the outstanding voting rights of the Company, or (iv) any other transaction in which the owners of the Company's outstanding voting power prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

The NEOs' employment agreements further provide that, upon termination of employment other than for cause, the NEOs shall be entitled to exercise any Options awarded under the Stock Option Plan. The NEOs' employment agreements provide that, upon termination other than for cause within 12 months from a Change of Control, the NEOs shall have 12 months after the date of termination to exercise their Options, including Options vesting as a result of the Change of Control.

The table below shows the incremental payments that would be made to our NEOs, other than, upon certain events assuming termination event took place on August 31, 2017.

Name	Event	Severance <sup>(1)</sup> (\$)	Options <sup>(2)</sup> (\$)	Other Payments <sup>(3)</sup> (\$)	Total (\$)
Jonathan Ferrari, Chairman, President and CEO	Resignation	\$16,438	-	-	\$16,438
	Termination for a serious reason	-	-	-	-
	Termination other than for a serious reason or resignation for a good reason	\$400,000	\$46,154	\$200,000	\$646,154
	Termination other than for cause within 12 months from a Change of Control	\$400,000	\$46,154	\$200,000	\$646,154
	Death, retirement or permanent disability	-	\$46,154	-	\$46,154
Neil Cuggy, COO and CFO	Resignation	\$16,438	-	-	\$16,438
	Termination for a serious reason	-	-	-	-
	Termination other than for a serious reason or resignation for a good reason	\$400,000	\$46,154	\$200,000	\$646,154
	Termination other than for cause within 12 months from a Change of Control	\$400,000	\$46,154	\$200,000	\$646,154
	Death, retirement or permanent disability	-	\$46,154	-	\$46,154

(1) Amounts reflect base salary in effect as at August 31, 2017.

(2) The value of Options is calculated based on the closing market price on August 31, 2017 of \$1.92. Assumes the exercise of vested Options, if permitted, upon termination event.

(3) Represents amounts payable upon applicable end of employment with respect to the Company's short-term incentive program and for other benefits.

## Share Ownership Requirements

All directors are required to hold three times their annual retainer in Common Shares, within three years of the their election to the Board of Directors.

## Hedging/Anti-Hedging Policy

The NEOs and the directors are, under the terms of the Company's Code of Conduct which was adopted by the Company in August 2017, prohibited from engaging in short sales, sale of a call option, and purchase of a put option with respect to securities of Goodfood.

## DIRECTOR COMPENSATION

The GHRC Committee reviews directors' compensation periodically. In determining directors' remuneration, the GHRC Committee considers the directors' compensation offered by a peer group in determining compensation matters, and the risks and responsibilities that the directors of the Company assume in keeping with the roles of the Board of Directors and of the committees. The peer group used included Opsens Inc., Espial Group Inc., Freshii Inc., Imvescor Restaurant Group Inc., GreenSpace Brands Inc. and AcuityAds Holdings Inc.

## **Director Compensation**

Jonathan Ferrari and Neil Cuggy have not been and are not entitled to any compensation as directors. The other directors of the Company are entitled to be paid as members of the Board of Directors, and, if applicable, as members of any committee of the Board of Directors, the following annual retainers:

### ***Annual Retainer***

Independent Board Member	
Cash and Equity Retainer.....	\$ 20,000

### ***Committee Chair Retainer***

Lead Director	\$ 4,000
Chair of Audit Committee.....	\$ 2,500
Chair of GHRC Committee.....	\$ 2,500

The cash retainers are paid on a quarterly basis. Save and except for Jonathan Ferrari and Neil Cuggy who are not entitled to any compensation as directors, the directors of the Company are entitled to be paid as members of the Board of Directors, and, if applicable, as members of any committee of the Board of Directors, the following meeting fees:

### ***Meeting Fees***

Board Meeting Fees .....	\$ 1,250
Committee Meeting Fees .....	\$ 1,250
Participation by Telephone .....	\$ 500

Directors are entitled to be reimbursed for reasonable travel and other expenses incurred by them in carrying out their duties as directors. There are currently no service contracts or agreements, or predetermined plans or arrangements, between the Company and any of the directors with respect to payments upon termination of their services as a director.

In addition, on August 23, 2017, the Board of Directors approved the issuance of 25,000 Options to each of the independent members of the Board of Directors as part of their annual retainer and remuneration for the fiscal year ending August 31, 2018.

## Director Compensation Table

The following table indicates, for each non-executive director, a summary of the compensation received during Fiscal 2017.

Name	Fees earned <sup>(1)</sup> (\$)	Share-based awards (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Hamnett Hill	\$28,750	-	\$24,492	-	-	-	\$53,242
Donald Olds	\$35,250	-	\$24,492	-	-	-	\$59,742
Guy Leblanc	\$31,250	-	\$24,492	-	-	-	\$55,742

(1) The fees for the services as a director earned by the non-executive directors for Fiscal 2017 will be paid to each non-executive director in the first quarter of the fiscal year ending August 31, 2018.

(2) Each of the independent directors received 25,000 Options representing the equity portion of the compensation payable to them for the fiscal year ending August 31, 2018.

## Director Incentive Plan Awards

### *Outstanding Share-based Awards and Option-based Awards*

The following table indicates, for each of the directors (other than our Chairman, President and Chief Executive Officer and Chief Operating Officer and Chief Financial Officer), all awards outstanding as of August 31, 2017.

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$)	Number of shares or units of shares that have not vested <sup>(1)</sup> (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(2)</sup> (\$)
Hamnett Hill	25,000	\$1.56	August 23, 2025	\$9,000	-	-	-
Donald Olds	25,000	\$1.56	August 23, 2025	\$9,000	-	-	-
Guy Leblanc	25,000	\$1.56	August 23, 2025	\$9,000	-	-	-

(1) The closing price of the securities underlying the Options on August 31, 2017 was \$1.92 per Common Share.

***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table indicates, for each of the directors (other than our Chairman, President and Chief Executive Officer, Chief Operating Officer and Chief Financial Officer), a summary of the value of Option-based compensation for Fiscal 2017.

<b>Name</b>	<b>Option-Based Awards - Value Vested (\$)</b>	<b>Share-Based Awards - Value Vested (\$)<sup>(1)</sup></b>	<b>Non-Equity Incentive Plan Compensation - Value Earned (\$)</b>
Hamnett Hill	-	-	-
Donald Olds	-	-	-
Guy Leblanc	-	-	-

(1) None of the Options issued to the directors on August 23, 2017 have vested.

**EQUITY COMPENSATION PLAN INFORMATION**

The following table shows the total number of Common Shares to be issued upon the exercise of outstanding Options under all of Goodfood’s equity-based compensation plans, their weighted average exercise price, and the number of Common Shares available for future issuance as of August 31, 2017.

<b>Plan Category</b>	<b>Number of Common Shares to be issued upon the exercise of outstanding Options (#)</b>	<b>Weighted-average exercise price of outstanding Options (\$)</b>	<b>Number of Common Shares remaining available for future issuance under equity compensation plans (excluding shares issuable under outstanding Options)<sup>(1)</sup> (#)</b>
Equity compensation plans approved by securityholders	751,581	\$0.59	1,636,111
Equity compensation plans not approved by securityholders	-	-	-
<b>Total</b>	<b>751,581</b>	<b>\$0.59</b>	<b>1,636,111</b>

(1) Calculated on the date of grant of each Option. All of the Common Shares covered by exercised, expired, cancelled or forfeited Options shall become available Common Shares for the purposes of Options that may be subsequently granted under the Stock Option Plan. See “Stock Option Plan”.

**INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as set out below and elsewhere in this Management Proxy Circular, we have not completed a transaction since the RTO (which was completed on June 1, 2017), that has materially affected or is reasonably expected to materially affect us in which any of our directors, executive officers or principal shareholders, or any of their associates or affiliates, had any material interest, either direct or indirect.

**INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES**

As of November 28, 2017, none of our directors, executive officers, employees, former directors, former executive officers or former employees, and none of their associates, is indebted to us or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of

credit or other similar agreement or understanding provided by us, except for routine indebtedness as defined under applicable securities legislation.

## **CORPORATE GOVERNANCE**

The Canadian Securities Administrators have issued corporate governance guidelines pursuant to National Policy 58-201 – Corporate Governance Guidelines (“NP 58-201”) together with certain related disclosure requirements pursuant to NI 58-101. The corporate governance guidelines set forth in NP 58-201 are recommended as “best practices” for issuers to follow. Goodfood recognizes that good corporate governance plays an important role in its overall success and in enhancing shareholder value and, accordingly, has adopted certain corporate governance policies and practices which are reflective of the recommended corporate governance guidelines.

Set out below is the disclosure required by NI 58-101 which describes Goodfood’s approach to corporate governance in relation to the corporate governance guidelines set forth in NP 58-201.

### **Board of Directors**

#### ***Independence of the Board of Directors***

The Board is comprised of five directors, three of whom are independent for the purposes of NI 58-101. A director is independent for the purposes of NI 58-101 if he or she is independent within the meaning of National Instrument 52-110 – Audit Committees (“NI 52-110”). Subject to certain exceptions, a director is “independent” within the meaning of NI 52-110 if he or she has no direct or indirect material relationship with the issuer. A “material relationship” is a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

It is the Board’s determination that all current directors are independent other than Jonathan Ferrari by reason of the fact that he is the Chairman, President and Chief Executive Officer of the Company and Neil Cuggy by reason of the fact that he is the Chief Operating Officer and Chief Financial Officer of the Company.

The Board determines annually whether each member of the Board is independent pursuant to applicable securities legislation by ascertaining, among other matters, whether they were engaged as an executive officer or employee of Goodfood, they have any immediate family member engaged as an executive officer or employee of Goodfood, they received remuneration from Goodfood other than remuneration for acting as a director or a member of any committee of the Board, or they or an immediate family member benefitted from a business relationship with Goodfood that could reasonably be perceived to materially interfere with their independent judgment. For additional information regarding the directors of Goodfood, see “Proposed Nominees for Election as directors - Information on Proposed Nominees”.

#### ***Outside Directorships***

Certain members of the Board are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction, as listed in “Proposed Nominees for Election as Directors - Information on Proposed Nominees”.

### ***Meetings of Independent Directors***

The Board of Directors holds regularly-scheduled quarterly meetings as well as ad hoc meetings from time to time. In the course of meetings of the Board of Directors or of committees of the Board, the independent directors hold meetings, or portions of such meetings, at which neither non-independent directors nor officers of Goodfood are in attendance. See “Attendance and Board and Committee Meetings”.

If a director or officer holds an interest in a transaction or agreement under consideration at a Board meeting or a Board committee meeting, that director or officer shall not be present at the time the Board or Board committee deliberates such transaction or agreement and shall abstain from voting on the matter, subject to certain limited exceptions provided for in the Company’s laws of incorporation.

### ***Chairman of the Board***

Jonathan Ferrari, the Chairman, President and Chief Executive Officer of the Company, is the Chairman of the Board of Directors, and in such role, he is principally responsible for overseeing the operations and affairs of the Board.

### ***Lead Director***

As the Chairman of the Board is an Executive Officer, the directors have appointed Donald Olds, an independent director, as the lead director of Goodfood (the “Lead Director”). The Lead Director is responsible for performing the duties and responsibilities of ensuring that the Board of Directors discharges its responsibilities, that the Board of Directors evaluates performance of management objectively, that the Board of Directors understands the boundaries between the responsibilities of the Board of Directors and of management and managing any conflicts of interest between the Board of Directors and management.

### ***Board of Directors Mandate***

The Board of Directors has adopted a written charter describing, inter alia, the Board’s role and overall responsibility to supervise the management of the business and affairs of Goodfood. The Board, directly and through its Board committees and the Chairman of the Board (or the Lead Director in the event the Chairman of the Board has a conflict of interest), provides direction to the Executive Officers. The Board has overall responsibility for the Company’s strategic planning, risk management, human resources management, corporate governance, and communications with Goodfood’s shareholders and the market. The text of the Board of Directors Charter is reproduced in its entirety in Annex A attached to this Management Proxy Circular.

### ***Committees of the Board***

In addition to the Audit Committee, the Board has established the GHRC Committee, which is currently comprised of Hamnett Hill, Guy LeBlanc and Donald Olds, a majority of whom are independent within the meaning of NI 58-101. Mr. Old is the chair of the GHRC Committee. For

more information on the Audit Committee, including the text of its terms of reference, refer to the Audit Committee section in our annual information form for Fiscal 2017.

### **Position Descriptions**

The Board has developed and implemented written descriptions for the Lead Director, Chairman of the Board and the chair of each committee of the Board in the Board of Directors Charter and each committee's respective charter. In addition, the Board, in conjunction with the President and Chief Executive Officer, has developed and implemented a written position description for the role of the President and Chief Executive Officer who is primarily responsible for the general direction and management of the business and affairs of the Company, including establishing the corporate strategy and leadership of the Company, overseeing financial, compliance and governance matters, and ensuring effective Board, stakeholder and investors communication. The text of the Terms of Reference for the President and Chief Executive Officer is reproduced in its entirety in Annex B attached to this Management Proxy Circular.

### **Orientation and Continuing Education**

The GHRC Committee reviews, monitors and makes recommendations with respect to director orientation. All newly elected directors shall be provided with an orientation as to the nature and operation of the business and affairs of the Company and as to the role of the Board and its committees. Each new director shall meet with the Lead Director and Chairman, President and Chief Executive Officer, and will also be given the opportunity to meet with the Company's other senior managers to discuss the Company's business and activities. Orientation will be designed to assist the directors in fully understanding the nature and operation of the Company's business, the role of the Board and its committees, and the contributions that individual directors are expected to make, including the time and effort the Company expects them to devote to the execution of their functions.

Given the size of the Company, directors do not receive a formal continuing education program. However, directors are regularly briefed by the President and Chief Executive Officer and Chief Operating Officer and Chief Financial Officer on the strategic issues affecting the Company as well as the competitive landscape and other developments that could materially affect the business. In addition, the GHRC Committee intends to periodically review, monitor and make recommendation with respect to the sufficiency of director continuing education opportunities available to the Company's directors.

### **Ethical Business Conduct**

#### *Code of Conduct*

The Board of Directors has adopted a written Code of Conduct applicable to all employees, executive officers and directors of Goodfood. The Code of Conduct has been filed under Goodfood's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The Code of Conduct summarizes the standards of business conduct expected of employees, executive officers and directors, and provides guidance on their ethical and legal responsibilities. The Code of Conduct aims to deter wrongdoing and to promote, inter alia:

- honest and ethical conduct;
- avoidance of conflicts of interest with the interests of the Company;
- confidentiality of corporate information;
- protection and proper use of corporate assets and opportunities;
- compliance with applicable laws, rules and regulations, including compliance with securities laws and regulations; and
- internal reporting of any violations of the Code of Conduct and accountability for adherence of the Code of Conduct.

The Code of Conduct also prohibits directors, executive officers and employees of Goodfood to enter into any transactions relating to short sales of securities of Goodfood, sales of call options on securities of Goodfood, and purchases of put options on securities of Goodfood.

All directors, executive officers and employees of Goodfood have been provided with a copy of the Code of Conduct and the directors, executive officers and employees of Goodfood are required to sign an acknowledgment of their receipt and understanding of their obligations to comply with the Code of Conduct on an annual basis.

#### ***Monitoring Compliance with the Code of Conduct***

The Board, together with the GHRC Committee and the Audit Committee monitors adherence to the Code of Conduct and reviews potential situations related thereto brought to the attention of the any of the Board, GHRC Committee or Audit Committee in order to recommend to the GHRC Committee whether or not to grant waivers from the requirements of the Code of Conduct.

#### ***Requirement for Directors and Officers to Disclose Interest in a Contract or Transaction***

In accordance with the Company's laws of incorporation, directors and officers must disclose the nature and value of any interest he or she has in a material contract or material transaction whether made or proposed with the Company. Such disclosure is also required for any contract or transaction to which Goodfood is a party and an entity in which the director or officer is a director or officer or an individual acting in a similar capacity, or an entity in which the director or officer has a material interest. Subject to certain limited exceptions under the Company's laws of incorporation, no director may vote on a resolution to approve a material contract or material transaction which is subject to such disclosure requirement.

The GHRC Committee monitors conflicts of interest (actual or perceived) of both the directors and officers in accordance with the Code of Conduct, including compliance with all applicable corporate and securities law disclosure obligations, and restrictions on voting or participating in deliberations with respect to contracts or transactions in which a director or officer of Goodfood has an interest.

### ***Complaint Reporting and Review of Ethical Business Conduct***

In order to foster a climate of openness and honesty in which any concern or complaint pertaining to accounting, internal accounting controls or auditing matters affecting Goodfood can be reported in good faith, without fear of retaliation, harassment or an adverse employment consequence, the Code of Conduct contains policies and procedures to facilitate confidential, anonymous submissions by employees of concerns or complaints regarding questionable accounting, internal accounting controls or auditing matters. The Chief Financial Officer is responsible for reviewing any such complaints or concerns that are received. However, when necessary, the Chair of the GHRC Committee may receive and review any complaints or concerns received that relate to non-financial matters, while the Audit Committee may receive and review any complaints or concerns received that relate to financial matters. Each of the Chief Financial Officer, GHRC Committee and Audit Committee, if determined to be necessary or appropriate, may engage outside advisors to investigate any matter, and will work with management and legal counsel to reach a satisfactory conclusion.

### **Nomination of Directors**

The GHRC Committee, in consultation with the Chairman, President and Chief Executive Officer, annually or as required, recruits and identifies, and recommends to the Board for nomination, individuals qualified to become new Board members, as well as recommend individual directors to serve on the various Board committees. In making its recommendations, the GHRC Committee considers the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, the competencies and skills that the Board considers each existing director to possess, and the competencies and skills each new nominee will bring to the boardroom. The Committee also considers the amount of time and resources that nominees have available to fulfill their duties as a Board member.

The GHRC Committee is composed of a majority of independent directors within the meaning of NI 58-101. The Chair of the GHRC Committee is an independent director and will lead the nominating process in accordance with and pursuant to the criteria for Board membership as set forth in the Charter of the GHRC Committee.

In accordance with the requirements of the TSX, the Company has adopted a majority voting policy for uncontested director elections.

### ***Diversity Policy***

The members of the Board of Directors have diverse backgrounds and expertise and were selected on the belief that the Company and its stakeholders would benefit from such a broad range of talent and experiences. The Board of Directors considers merit as the key requirement for board appointments, and as such, it has not adopted a target regarding women in executive officer positions. The Company has not adopted a written diversity policy and seeks to attract and maintain diversity at the Board of Directors level informally through the recruitment efforts of management in discussion with directors prior to proposing nominees to the GHRC Committee and to the Board of Directors as a whole for consideration. The Company currently has no women acting as executive officers on behalf of the Company or as members of its Board of Directors.

## **Compensation**

The GHRC Committee oversees and recommends for approval by the Board of Directors Goodfood's executive compensation principles, policies, programs, grants of equity-based incentives and processes and specifically considers and recommends annually or as required for approval by the independent directors of the Board of Directors of all forms of compensation for the Chairman, President and Chief Executive Officer, and for approval by the Board of Directors of all forms of compensation for the other executive officers of Goodfood. Further particulars of the process by which compensation for Goodfood's executive officers is determined, is provided under the heading "Executive Compensation" in this Management Proxy Circular. The Chair of the GHRC Committee is an independent director and leads the compensation review process in accordance with the GHRC Committee Charter.

## **Assessments**

It is the responsibility of the Board of Directors and the GHRC Committee to regularly evaluate the overall efficiency of the Board of Directors and its various committees. In connection with such evaluations by the Board of Directors, the performance of the Board of Directors as a whole as well as the performance of each individual director is evaluated and reviewed on an annual basis. The evaluation by the Board of Directors takes into account (i) in the case of the Board of Directors, the Board of Directors charter and (ii) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Board of Directors. The GHRC Committee assesses the contribution of individual directors on an ongoing basis and in light of the opportunities and risks facing Goodfood, the competencies, skills and qualities required of directors. As part of its mandate, the GHRC Committee develops long-term plans for the composition of the Board, as well as ensures that an appropriate system is in place to evaluate the effectiveness of the Board as a whole and its various committees.

## **Director Term Limits**

The Company does not have a policy that limits the term of the directors on its Board of Directors and has not provided other mechanisms of board renewal. At this time, the Board of Directors does not believe that it is in the best interest of the Company to establish a term limit of the director's mandate or the mandatory retirement age. The Board of Directors is in the opinion that term limits may disadvantage the Company through the loss of beneficial contributions of directors who have developed increasing knowledge of the Company, its operation and the industry over a period of time. Furthermore, the GHRC Committee periodically reviews the composition of the Board of Directors and its committees, to determine "relatedness" as well as the profile of the Board of Directors (such as age, disciplines, geographical representation, etc.) so as to ensure that the Board of Directors is comprised of members who facilitate effective decision-making.

## **Attendance at Board and Committee Meetings**

The GHRC Committee monitors director attendance and, in addition to considering attendance in relation to the recommendation for directors to be proposed for election at the annual meeting of shareholders, the Committee discloses the attendance record for all directors in the Management

Proxy Circular. During Fiscal 2017, the Board of Directors met a total of three (3) times, the Audit Committee met a total of two (2) times, and the GHRC Committee met a total of two (2) times, as described in more detail under the heading “Proposed Nominees for Election as Directors - Information on Proposed Nominees”. At the end of each of the Board of Directors meetings held during the period between following the RTO and August 31, 2017, the independent directors met separately.

### **ADDITIONAL INFORMATION**

Additional information relating to Goodfood may be found on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.makegoodfood.ca](http://www.makegoodfood.ca). You can also obtain a copy of such documents by contacting Investor Relations by sending an e-mail to [ir@makegoodfood.ca](mailto:ir@makegoodfood.ca), by visiting the Investors section on the Company’s website at [www.makegoodfood.ca](http://www.makegoodfood.ca) or by contacting us by mail or telephone:

Investor Relations  
[ir@makegoodfood.ca](mailto:ir@makegoodfood.ca)  
Telephone: 1-855-515-5191

Additional financial information is provided in the audited consolidated financial statements and the management’s discussion & analysis of the Company for its fiscal year ended August 31, 2017.

### **APPROVAL BY THE DIRECTORS**

The Board of Directors of the Company has approved the content and delivery of this Management Proxy Circular.

*(s) Neil Cuggy*

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Neil Cuggy  
Chief Operating Officer and  
Chief Financial Officer

**ANNEXE A**  
**BOARD OF DIRECTORS CHARTER**

See attached document.



**BOARD OF DIRECTORS CHARTER**

**DATED AUGUST 23, 2017**

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## **I. PURPOSE**

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The Board of Directors (the “**Board**”) of Goodfood Market Corp. (the “**Corporation**”) is responsible for the supervision of the management of the business and affairs of the Corporation. The Board shall pursue the best interests of the Corporation and shall discharge its duties directly and through the committees that may exist from time to time.

The composition and meetings of the Board are subject to the requirements set forth in the articles and by-laws of the Corporation as well as in applicable laws.

## **II. DUTIES AND RESPONSIBILITIES OF THE BOARD**

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In furtherance of its purpose, the Board assumes the following duties and responsibilities, some of which are initially reviewed and recommended by the applicable committee of the Board to the full Board for approval:

### **A. STRATEGY AND BUDGET**

1. Ensure a strategic planning process is in place and approving, on at least an annual basis, a Business Plan which takes into account, among other things, the longer term opportunities and risks of the business;
2. Approve the Corporation’s annual operating and capital budgets;
3. Review operating and financial performance results in relation to the Corporation’s Business Plan and budgets.

### **B. GOVERNANCE**

1. Develop, adopt, implement, review and enforce the Corporation’s Code of Ethics, Insider Trading Policy and other policies, and the actions, reports and recommendations received periodically from the Audit Committee and the Governance, Human Resources and Compensation Committee (the “**GHRC Committee**”) with respect to the conduct of the business in compliance with such policies;
2. Oversee the Corporation’s policies concerning business conduct, ethics, public disclosure of material information and other matters;
3. Oversee the charitable contributions of the Corporation.

### **C. BOARD AND COMMITTEE MEMBERS**

1. Identify individuals qualified to become Board members considering the size of the Board and the competences and skills of directors and proposed directors and the nominees for election at the next annual meeting of shareholders;
2. Approve the nomination of Directors to the Board and its Committees, as well as:

- a. ensuring that a majority of the Corporation's Directors have no direct or indirect material relationship with the Corporation and determine who, in the reasonable opinion of the Board, are independent pursuant to applicable legislation, regulation and listing requirements;
  - b. developing appropriate qualifications/criteria for the selection of Board members, including criteria for determining Director independence;
  - c. appointing the Board Chair, the Lead Director if necessary and the Chair and members of each Committee of the Board, in consultation with the relevant Committee of the Board.
3. Determine the Directors' remuneration for Board and Committee service;
  4. Ensure that the Corporation's compensation policy for Directors reflects realistically the time spent, responsibilities and risks involved in being an effective director;
  5. Assess annually the effectiveness and contribution of the Board, the Board Chair and the Lead Director, and of each Committee of the Board and their respective Chairs and of individual Directors;
  6. Identify individuals qualified to become members of the Audit Committee in light of the independence, financial literacy, experience and other membership requirements set forth under applicable laws, rules and regulations and listing requirements;
  7. Provide a comprehensive orientation program for new Directors to the Board and continuing education opportunities for all Directors;
  8. Develop written position descriptions for the Board Chair, Lead Director and the Chair of each Committee of the Board;
  9. Review and discuss with each of the Committees of the Board the appropriateness of the charters adopted by each such Committee, and as deemed appropriate, recommend changes to the Board.

**D. CEO, CFO, COO, OTHER EXECUTIVE OFFICERS AND COMPENSATION AND BENEFITS POLICIES**

1. Appoint the executive officers of the Corporation including the Chief Executive Officer (the "CEO"), the Chief Financial Officer (the "CFO") and the Chief Operating Officer (the "COO") (collectively, the "Executive Officers");
2. Develop a written position description for the role of the CEO;
3. Develop the corporate goals and objectives that each Executive Officer is responsible for meeting and reviewing the performance of each Executive Officer against such corporate goals and objectives;

4. Evaluate the performance of each Executive Officer in relation with the corporate and personal objectives set by the Board;
5. Approve the Corporation's compensation and benefits policy or any changes thereto for Executive Officers and approval, by the independent directors, all forms of compensation for the CEO, CFO and COO;
6. Ensure that the Corporation's compensation and benefits policy create and reinforce good conduct, ethical behavior and promote reasonable risk taking;
7. Satisfy itself as to the integrity of the Executive Officers and senior management personnel and that the Executive Officers, and senior management personnel create a culture of integrity throughout the organization;
8. Provide stewardship in respect of succession planning, and approving, as may be required, (i) the succession plan with respect to the positions of the Executive Officers, and (ii) the appointment, training and monitoring of the Executive Officers and senior management personnel;

**E. RISK MANAGEMENT, CAPITAL MANAGEMENT AND INTERNAL CONTROLS**

1. Identify and assess the principal risks of the Corporation's business, and ensure the implementation of appropriate systems to manage these risks;
2. Ensure the integrity of the Corporation's internal control system and management information systems and the safeguarding of the Corporation's assets;
3. Review, approve, and as required, oversee compliance with the Corporation's policy on corporate disclosure and confidentiality of information (the "**Disclosure Policy**") by Directors, Executive Officers and other management personnel and employees;
4. Review and approve the Corporation's internal and external policies for communicating and disseminating information, the whole in accordance with the Disclosure Policy;
5. Review, approve and overseeing the Corporation's disclosure controls and procedures;
6. Review and approve the Code of Ethics with the purpose of promoting integrity and deterring wrongdoing, and encouraging and promoting a culture of ethical business conduct and as required, overseeing compliance with the Code of Ethics by Directors, Executive Officers and other management personnel and employees.

**F. FINANCIAL REPORTING, AUDITORS AND TRANSACTIONS**

1. Review and approve, as required, the Corporation's financial statements, related financial information, and financial outlook, the whole in accordance with the Disclosure Policy;
2. Appoint, subject to approval of shareholders, (including terms and review of engagement) and remove of the external auditor and approving external auditor compensation;
3. Establishing appropriate limits on the authority delegated to the Executive Officers and management personnel to manage the business and affairs of the Corporation, the whole in accordance with the Authorization Policy.

**G. LEGAL REQUIREMENTS AND DIALOGUE WITH STAKEHOLDERS**

1. Oversee the adequacy of the Corporation's processes to ensure compliance by the Corporation with applicable legal and regulatory requirements;
2. Establish appropriate measures for receiving feedback from stakeholders.

**H. OTHER**

1. Review, approve, and as required, oversee, with the assistance of the GHRC Committee, Directors, Executive Officers and management personnel and employees compliance with the Corporation's environmental, health and safety policies;
2. Perform any other function as prescribed by law or as not delegated by the Board to one of the Committees of the Board or to management personnel.

**III. BOARD CHAIR**

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**A. APPOINTMENT OF THE BOARD CHAIR**

The Board shall appoint its Chair from among the Corporation's Directors.

**B. DUTIES AND RESPONSIBILITIES OF THE BOARD CHAIR**

The Board Chair leads the Board in all aspects of its work and is responsible to effectively manage the affairs of the Board and ensure that the Board is properly organized and functions efficiently.

More specifically, the Board Chair shall with respect to:

1. Strategy

- a. provide leadership to enable the Board to act effectively in carrying out its duties and responsibilities as described in the Board Charter and as otherwise may be appropriate;
  - b. work with the Executives Officers to monitor progress on the Business Plan, annual budgets, policy implementation and succession planning;
2. Board structure and management
- a. chair the Board meetings;
  - b. in consultation with the Executive Officers and the Corporate Secretary and the Committee Chairs, as appropriate, determine the frequency, dates and locations of meetings of the Board, of Committees, and of the shareholders;
  - c. in consultation with the Executive Officers and the Corporate Secretary, review the meeting agendas to ensure all required business is brought before the Board to enable it to efficiently carry out its duties and responsibilities;
  - d. ensure the Board has the opportunity, if and when required, to meet separately without non-independent directors and management personnel present;
  - e. ensure, in consultation with the Committee Chairs, that all items requiring Board and Committee approval are appropriately tabled;
  - f. ensure the proper flow of information to the Board and review, with the Executive Officers and the Corporate Secretary, the adequacy and timing of materials in support of management personnel's proposals; and
  - g. in conjunction with the relevant Committee (and its Chair), review and assess the Directors' meeting attendance records and the effectiveness and performance of the Board, its Committees (and their Chairs) and individual Directors.
3. Shareholders
- a. chair the annual, and any special meeting, of the shareholders; and
  - b. ensure that all business that is required to be brought before a meeting of shareholders is brought before such meeting.

#### **IV. LEAD DIRECTOR**

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##### **A. APPOINTMENT OF LEAD DIRECTOR**

If the appointed Board Chair is also an Executive Officer, the Directors will appoint a Lead Director that will perform the duties and responsibilities associated with the Chair. The Lead Director should be able to stand sufficiently back from the day-to-day running of the business to ensure that the Board is in full control of the Corporation's affairs and attentive to its obligations to its shareholders.

##### **B. DUTIES AND RESPONSIBILITIES OF THE LEAD DIRECTOR**

The Lead Director shall have the following responsibilities:

- a. oversee that the Board discharges its responsibilities, ensure that the Board evaluates performance of management objectively and that the Board understands the boundaries between the Board and management responsibilities;
- b. perform the duties of the Chair when there is a conflict of interest between the Board Chair and Executive Officer roles;
- c. in the absence of the Board Chair, serve as acting Chair presiding over meetings of the Board and shareholders;
- d. review agendas and give input for meetings of the Board in advance with the Board Chair;
- e. convene and preside over meetings of the independent directors and communicate the results of these sessions where appropriate to the Board Chair, other management or the Board;
- f. in general serve as principal liaison between the independent directors and the Board Chair and between the independent directors and management;
- g. provide advice, counsel and mentorship to the Executive Officers and fellow members of the Board; and
- h. review annually, on a retrospective basis, the expenses of the Board Chair and of the Executive Officers of the Corporation.

#### **V. EVALUATION OF THE BOARD**

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The Board shall, on an annual basis, evaluate and review its performance as a whole, as well as the performance of each individual director while taking into account: (i) in the case of the Board as a whole, the present Charter, and (ii) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Board.

## **VI. OUTSIDE ADVISORS**

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The Board shall have the authority to engage outside counsel and other outside advisors as it deems appropriate to assist the Board in the performance of its functions. The Corporation shall provide appropriate funding for such advisors as determined by the Board.

## **VII. MEMBERSHIP**

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The majority of the members shall, pursuant to applicable laws, rules, regulations and listing requirements: (i) meet the independence test; and (ii) have the required experience and qualifications as determined by the Board.

## **VIII. TERM**

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The members of the Board shall be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual general meeting of the shareholders or until their successors are so appointed.

## **IX. PROCEDURES FOR MEETINGS**

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The Board shall fix its own procedure at meetings and for the calling of meetings. Meetings of the Board will be held quarterly, or more frequently, as required. Independent directors may meet before or after each Board meeting or more often if required.

Directors are expected to attend all meetings of the Board and review, in advance, the meeting materials.

## **X. QUORUM AND VOTING**

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The majority of the Board shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Board Chair is absent, the Chair of the meeting will be the Lead Director. At a meeting, any question shall be decided by a majority of the votes cast.

## **XI. SECRETARY**

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Unless otherwise determined by resolution of the Board, the Corporate Secretary of the Corporation or his/her delegate shall be the Secretary of the Board.

## **XII. RECORDS**

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The Board shall keep such records as it may deem necessary of its proceedings.

## **XIII. REVIEW OF CHARTER**

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The Board will annually review and assess the adequacy of the Board Charter.

**ANNEXE B**  
**TERMS OF REFERENCE FOR THE**  
**PRESIDENT AND CHIEF EXECUTIVE OFFICER**

See attached document.

## **POSITION DESCRIPTION FOR THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF GOODFOOD MARKET CORP. (THE “CORPORATION”)**

### **I. INTRODUCTION**

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The President and Chief Executive Officer is responsible for the general direction and management of the business and affairs of the Corporation in accordance with the corporate strategy and objectives approved by the Board of Directors (the “**Board**”), within the authority limitations delegated by the Board. The President and Chief Executive Officer develops the strategic direction of the Corporation to create sustainable long-term shareholder value.

### **II. KEY RESPONSIBILITIES**

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#### **A. Corporate Strategy and Leadership:**

1. Develop and recommend to the Board a corporate strategy designed to achieve sustained, profitable growth with an objective of maximizing value and ensuring the long-term success of the business;
2. Review and report regularly to the Board the Corporation’s progress against its objectives, and all material deviations from such objectives and strategies, including any proposed changes as required, while informing the Board in early stages of the strategic plan development;
3. Foster a corporate culture that promotes ethical practices and integrity and maintains a positive work environment in an effort to attract, motivate and retain top talent at all levels in the Corporation;
4. Lead and oversee the required interfaces between the Corporation and the external constituencies, and act as the principal spokesperson for the Corporation;
5. Manage key resources of the Corporation, including financial, human and other resources to implement and achieve the Corporation’s strategic plan and ensure the implementation of effective control, monitoring and performance standards and systems relative to the utilization of all corporate resources for greater success and effectiveness;
6. Manage the significant risks of the Corporation’s businesses and ensure that proper procedures are established to mitigate the impact of the risks in the best interest of the shareholders;
7. Recruit and manage an effective and appropriate senior leadership team;
8. Establish and maintain succession plans for current and future potential senior management positions, to be approved by the Board.

**B. Financial Leadership:**

1. Oversee the development of an annual business plan that supports the strategic direction to be approved by the Board which would include the development of: (1) annual operating forecasts of revenue, expenditures, operational results and financial performance, (2) an effective oversight of the capital structure and ongoing financial management of the Corporation and (3) appropriate and strategic deployment of the Corporation's capital.

**C. Compliance & Governance:**

1. Ensure that effective control and coordination mechanisms for all operations and activities are in place, including the establishment and development of effective internal controls over financial reporting and mechanisms providing for the ongoing integrity of the Corporation's management information systems;
2. Ensure that all operations and activities of the Corporation are conducted in accordance with laws, regulations, the Corporation's Code of Ethics, disclosure and trading policies, sound business practice and in accordance with any policies and practices approved by the Board;
3. Foster a high performance corporate culture that promotes ethical practices and encourages individual integrity, accountability, and social responsibility, and ensure every officer of the Corporation acts honestly and in good faith with a view to the best interests of the Corporation.

**D. Outside Stakeholder & Board Communication:**

1. Ensure effective Board communication with sufficient, timely information on all material aspects of the Corporation's operations and financial affairs, as well as other matters relevant to the Corporation;
2. Ensure effective communication and appropriate relationships are maintained with all the stakeholders of the Corporation and investors.

**III. PRESIDENT AND CHIEF EXECUTIVE OFFICER PERFORMANCE ASSESSMENT**

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On behalf of the Board, the Governance, Human Resources and Compensation Committee reviews and recommends to the Board the annual objectives for which the President and Chief Executive Officer is responsible. At the end of the year, the Committee evaluates the performance of the President and Chief Executive Officer including the assessment of such objectives for the year and recommends to the Board the President and Chief Executive Officer's compensation.

**ANNEXE C**  
**BY-LAWS RESOLUTION**

IT IS HEREBY RESOLVED THAT:

1. the new general by-laws of the Company, being the by-laws relating generally to the transaction of the business and affairs of the Company and which include certain advance-notice provisions, in the form attached as Annexe “D” to the Information Circular (the “CBCA By-Laws”) which forms an integral part of this resolution, be and they are hereby approved, and the existing by-law no. 1 of the Company be and they are hereby repealed and cancelled; and
2. any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all instruments and documents that such director and officer may, in his or her discretion, determine to be necessary or desirable in order to give full effect to the intent and purpose of this resolution.

**ANNEXE D**  
**CBCA BY-LAWS**

See attached document.

**GOODFOOD MARKET CORP.**

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**GENERAL BY-LAWS**

enacted in accordance with the provisions of the  
*Canada Business Corporations Act*

Adopted as of November 28, 2017

GENERAL BY-LAWS  
OF THE CORPORATION

enacted in accordance with the provisions of the  
*Canada Business Corporations Act*

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## **GENERAL BY-LAWS** **OF THE CORPORATION**

enacted in accordance with the provisions of the  
*Canada Business Corporations Act*

### **DEFINITIONS**

For the purposes of these By-laws, unless otherwise provided:

“Act” means the *Canada Business Corporations Act*, R.S.C. (1985) ch. C-44, as well as any amendment which may be made thereto, and any act which may be substituted therefor.

“Applicable Securities Laws” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

“Auditor” means the auditor of the Corporation and includes an auditing firm.

“Director Nomination By-laws” has the meaning ascribed thereto in Section 26.

“GHRC Committee” has the meaning ascribed thereto in Section 66.

“Ordinary Resolution” means a resolution adopted by the majority of the votes cast by the shareholders who voted in respect of that resolution.

“Nominating Shareholder” has the meaning ascribed thereto in Section 26(c).

“Nominating Shareholder’s Notice” has the meaning ascribed thereto in Section 26(c).

“Notice Date” has the meaning ascribed thereto in Section 27(a).

“Proposed Nominee” has the meaning ascribed thereto in Section 28(a).

“public announcement” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and

“Resident Canadian” has the particular meaning as described by the Act to such expression but, as a summary, includes a Canadian citizen and a permanent resident within the meaning of the *Immigration and Refugee Protection Act*, habitually residing in Canada.

“Special Resolution” means a resolution adopted by two-thirds at least of the votes cast by the shareholders who voted in respect of that resolution or signed by all the shareholders entitled to vote on that resolution.

“Stock Exchange” means, at any time, the Toronto Stock Exchange and any other stock exchange on which any securities of the Corporation are listed for trading at the applicable time.

“Timely Notice” has the meaning ascribed thereto in Section 27.

“Unanimous Shareholders Agreement” means an agreement described in subsection 146(1) of the Act entered into among all the shareholders of the Corporation or a declaration of the sole shareholder of the Corporation described in subsection 146(2) of the Act.

### **BUSINESS OF THE CORPORATION**

1. **Registered Office.** The registered office of the Corporation is situated in the Province specified in the Articles, at such address as the Board of Directors may determine.
2. **Offices.** The Corporation may, in addition to its registered office, establish and maintain any other offices and agencies elsewhere within or outside Canada.
3. **Execution of Instruments.** Deeds, documents, bonds, debentures, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by one person who holds one of the following offices: Chairperson of the Board, the President and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, or Director. In addition, the Board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal, if any, to any instrument requiring the same.
4. **Shareholder Vote.** In the event an approval of the Corporation’s shareholders is required pursuant to any constituting document of the Corporation or any directors’ resolution, the Corporation shall seek a shareholder vote thereon in accordance with the applicable provisions of the Act and the Corporation’s shareholders’ approval shall be deemed to have been given or withheld in accordance with the provisions of the Act relating to the Corporation’s shareholders’ approval sought.
5. **Dissent Right.** In the event a vote of the Corporation’s shareholders is sought pursuant to Section 4 and the Act provides for a right of dissent by the shareholders, the Corporation’s shareholders may exercise a right of dissent in the manner provided for in the Act subject to applicable law.

### **SHAREHOLDERS**

6. **Annual Meeting.** The annual meeting of the shareholders of the Corporation shall be held on such date each year and at such time as may be fixed by the Board of Directors, to receive and consider the financial statements with the report of the Auditor, to elect directors, to appoint an Auditor and to fix or to authorize the Board of Directors to fix the Auditor’s

remuneration, and to consider, deal with and dispose of such other business as may lawfully come before the meeting. The annual meeting of the shareholders of the Corporation shall be called no later than six (6) months after the end of the preceding financial year.

7. Special Meetings. Special meetings of the shareholders may be called at any time as determined by the President and Chief Executive Officer or the Board of Directors.

8. Place of Meetings. Meetings of the shareholders shall be held at the registered office of the Corporation or at any other place in Canada that may be fixed by the Board of Directors. Meetings of the shareholders may be held outside Canada at the place specified in the Articles or if all shareholders entitled to vote thereat so agree; a shareholder who attends a meeting held outside Canada is deemed to have agreed to it being held outside Canada except when he or she attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

9. Notice of Meetings. Notice of each annual meeting and of each special meeting of the shareholders shall be delivered to the shareholders entitled to vote thereat, the directors and the Auditor or, in the discretion of the person charged with the giving of such notice, mailed by ordinary mail or transmitted by facsimile or e-mail to the shareholders who at the close of business on the record date for notice as determined by the Board are entered in the books of the Corporation, the directors and the Auditor, at their respective addresses or facsimile numbers, not less than twenty-one (21) days and not more than sixty (60) days prior to the date fixed for the meeting. In the event that securities of the Corporation are listed on a Stock Exchange, notice of the annual meeting of shareholders shall also be given to such Stock Exchange and any other applicable regulatory authority. If the address of the shareholder is not entered in the books of the Corporation, the notice may be sent as aforesaid to the address that the person sending the notice considers to be most likely to reach such shareholder promptly. The irregularity in the notice of meeting or the delivery thereof, including the accidental omission of giving it or the non-reception by a shareholder, a director or the Auditor, does not affect the validity of the procedures at the meeting.

Such notice shall specify the date, time and place of each meeting. The notice of the annual meeting may, but need not, specify the nature of the business when such meeting is called only to consider the financial statements with the report of the Auditor, to elect directors and to re-appoint the incumbent Auditor. The notice of the annual meeting at which other business shall be transacted, as well as the notice of special meeting, shall state:

- (a) the nature of business to be considered in sufficient detail to permit the shareholders to form a reasoned judgment thereon; and
- (b) the text of any Special Resolution to be submitted to the meeting.

It is not necessary to give notice of the reconvening of an adjourned meeting other than by announcement at the earliest meeting that is adjourned; a new notice of meeting is, however, required if the meeting of the shareholders is adjourned one (1) or more times for an aggregate of thirty (30) days or more.

In the case of joint shareholders, the notice of meeting and any document pertaining to the meeting may be sent to whichever of such persons is named first in the securities register of the Corporation. Any notice and documents so given shall be sufficient for all of them.

The signature to any notice of meeting may be written, stamped, typewritten, printed or otherwise mechanically reproduced thereon.

A certificate of the Secretary or of any other duly authorized officer of the Corporation in office at the time of the making of the certificate shall be conclusive evidence that may be set up against any shareholder, director or the Auditor of the sending or delivery of a notice of meeting.

10. Waiver of Notice. A shareholder or any other person entitled to attend a meeting of shareholders may waive the notice of a meeting of the shareholders prior to, during or after the holding of such meeting. His or her sole attendance at a meeting is a waiver except where he or she 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.

11. Chairperson. The President and Chief Executive Officer of the Corporation, or such other person as may from time to time be appointed for that purpose by the Board of Directors, shall preside at meetings of shareholders.

12. Quorum. Two (2) or more persons present in person or represented in accordance with Section 13 below and holding not less than twenty-five percent (25%) plus one of the aggregate number of votes attached to all the voting shares for such meeting shall constitute a quorum at an annual or special meeting of the shareholders, regardless of the actual number of persons physically present.

If a quorum is present at the opening of a meeting, the shareholders present or represented may proceed with the business of the meeting, even though a quorum is not maintained throughout the meeting.

If a quorum is not present at the opening of a meeting, the shareholders present or represented may, by a majority vote to that effect, adjourn the meeting to a fixed time and place, but may not transact any other business.

If a quorum is present at the reconvening of the meeting so adjourned, said meeting may proceed, failing which, a new meeting shall be called.

13. Proxy. Shareholders shall be entitled to vote in person or, if a body corporate, through a representative duly authorized by resolution of the directors or other governing body of such body corporate. Shareholders shall also be entitled to vote by proxy.

The Corporation shall solicit proxies and provide proxy statements for all meetings of shareholders in the manner provided in the Act, and shall file copies of such proxy solicitations in accordance with the applicable regulatory and Stock Exchange Requirements.

A proxyholder need not be a shareholder of the Corporation and may serve as proxyholder for several shareholders.

Signatures of proxies need not be witnessed.

The Board of Directors may, in the notice of a meeting of shareholders, specify a date and a time limit when proxies to be used at a meeting must be deposited with the Corporation or its mandatary; such date and time limits shall not precede the meeting by more than forty-eight (48) hours, excluding Saturdays and statutory holidays.

14. Participation by Telephone or Electronic Means and Meetings Held by Telephone or Electronic Means. Any person entitled to attend a meeting of shareholders may participate in the meeting using means permitting all participants to communicate adequately with each other, if the Corporation makes available such a communication facility, in particular, telephonic or electronic means. A person participating in a meeting by such means is deemed to be present at the meeting.

The directors or the shareholders, as the case may be, who call a meeting may determine that the meeting shall be held entirely by means permitting all participants to communicate adequately with each other, in particular, by telephonic or electronic means.

15. Voting Right. Subject to the provisions of the Articles and the Act, each shareholder shall have as many votes as he or she or she has voting shares of the Corporation.

16. Joint Shareholders. If two or more persons hold shares jointly, any one of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares. However, if two or more of those persons who are present, in person or by proxy, vote, they shall vote as one on the shares jointly held by them.

17. Decisions Taken by the Majority. Unless otherwise provided in the Act, all matters submitted to a meeting of shareholders will be decided by Ordinary Resolutions.

18. Casting Vote. In the event of an equality in the voting, the Chairperson will have no casting vote.

19. Vote by a Show of Hands. Unless a vote by ballot is requested, the vote shall be taken by a show of hands. In such case, the shareholders or their proxyholders shall vote by raising their hands, and the number of votes shall be calculated in accordance with the number of raised hands.

20. Ballot. If the Chairperson so orders or a shareholder or proxyholder entitled to vote so requests, the vote shall be taken by ballot. A request for a vote by ballot may be made at any time prior to the adjournment of the meeting, even after the holding of a vote by a show of hands, and such a request may also be withdrawn. Each shareholder or proxyholder shall remit to the scrutineers one or more ballots, on which he or she shall enter the manner in which he or she shall cast the votes he or she has and, as the case may be, his or her name and the number of votes he or she has. Whether or not a vote by a show of hands has previously been taken on the

same matter, the result of a ballot shall be deemed to represent the resolution of the meeting in respect thereof.

21. Electronic voting. The Corporation may allow the shareholders and their proxyholders to vote by means of a telephonic or electronic communication facility it makes available for that purpose and in conformity with the explanation and instructions it provides them, inasmuch as this facility enables the votes to be gathered in a manner that permits their subsequent verification and permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each shareholder or group of shareholders voted.

22. Procedure at Meetings. The Chairperson of any meeting of shareholders shall be responsible for conducting the procedure thereat in all respects, and his or her decision on any matter, even a matter pertaining to the validity or non-validity of a proxy and the receivability or non-receivability of a motion, shall be final and binding on all the shareholders.

Unless a ballot is demanded a declaration by the Chairperson that a resolution has been carried or defeated, with or without qualification of unanimity, by a particular majority, and an entry to this effect in the minutes of the meeting shall be conclusive evidence of the fact.

At all times during the meeting, the Chairperson, of his or her own initiative or without the assent of the shareholders given by a simple majority, for a valid reason, such as a disturbance or confusion rendering the harmonious and orderly conduct of the meeting impossible, may adjourn the meeting from time to time and no notice of any such adjourned meeting need be given; a new notice of meeting is, however, required if the meeting of the shareholders is adjourned one (1) or more times for an aggregate of thirty (30) days or more.

Should the Chairperson fail to carry out his or her duties in good faith, the shareholders may remove him or her at any time and replace him or her by another person chosen from among their number.

The directors of the Corporation shall be entitled, in such sole capacity, to attend meetings of shareholders and to take the floor thereat.

23. Scrutineers. The Chairperson at any meeting of shareholders may appoint scrutineers (who may but need not be directors, officers, employees, or shareholders of the Corporation), who shall act in accordance with the directives of the Chairperson.

24. Addresses of Shareholders and Subsequent Transferees. Every shareholder shall furnish to the Corporation a mailing or electronic address to which all notices intended for such shareholder may be sent. Every person who, by operation of law, transfer or other means whatsoever, shall be entitled to any share, shall be bound by every notice in respect of such share which was given before his or her name and address were entered on the register to the person whose name appears on the register at the time such notice is given.

25. Signed Resolutions. A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders shall be as valid as if it had been passed at a

meeting of the shareholders. A copy of each signed resolution shall be kept with the minutes of the meetings of shareholders. Written resolutions of the shareholders may also be adopted to the extent permitted under the Act and the rules of any applicable Stock Exchange.

### **NOMINATION OF DIRECTORS**

26. Eligibility for Nomination. Only persons who are nominated in accordance with the procedures set out in Sections 26 to 33 of the present by-laws (the “**Director Nomination By-laws**”) shall be eligible for election as directors to the Board of Directors. Nominations of persons for election to the Board of Directors may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose which includes the election of directors to the Board of Directors, as follows:

- (a) by or at the direction of the Board of Directors or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of shareholders made in accordance with the provisions of the Act; or
- (c) by any person (a “**Nominating Shareholder**”), who: (i) is, at the close of business on the date of giving notice provided for in these Director Nomination By-laws (the “**Nominating Shareholder’s Notice**”) and on the record date for notice of such meeting, either entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) has given timely notice in proper written form as set forth in these by-laws.

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

In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given the Nominating Shareholder’s Notice thereof that is both timely and in proper written form (in accordance with this by-law) to the Secretary of the Corporation at the head office of the Corporation.

27. Timely Notice Period for Nominating Shareholder’s Notice. For a nomination made by a Nominating Shareholder to be timely notice (a “**Timely Notice**”), the Nominating Shareholder’s Notice must be received by the Secretary of the Corporation:

- (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by

the Nominating Shareholder may be made not later than the close of business on the tenth (10<sup>th</sup>) day following the Notice Date; and

- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors, not later than the close of business on the fifteenth (15<sup>th</sup>) day following the day on which the first public announcement of the date of the special meeting is made by the Corporation.

28. Form of Nominating Shareholder's Notice. To be in proper written form, a Nominating Shareholder's Notice to the Secretary of the Corporation must:

- (a) disclose or include, as applicable, as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "**Proposed Nominee**"):
  - (A) such Proposed Nominee's name, age, business and residential address, principal occupation or employment for the past five years, status as a "resident Canadian" (as such term is defined in the Act);
  - (B) such Proposed Nominee's qualifications to serve as a director under applicable law and the rules of any applicable stock exchange;
  - (C) such Proposed Nominee's direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired;
  - (D) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Proposed Nominee or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee and the Nominating Shareholder;
  - (E) such Proposed Nominee's written consent to being named in the notice as a nominee and to serving as a director of the Corporation if elected; and
  - (F) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act or Applicable Securities Laws.
- (b) disclose or include, as applicable, as to each Nominating Shareholder and each beneficial owner, if any, giving the Nominating Shareholder's Notice:

- (A) such Nominating Shareholder's name, business and residential address and direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired;
- (B) such Nominating Shareholder's interests in, or rights or obligations associated with, an agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the person's economic exposure to the Corporation;
- (C) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominating Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;
- (D) any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of directors to the board;
- (E) a representation that the Nominating Shareholders is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at such meeting and intends to appear in person or by proxy at the applicable shareholders' meeting to propose such nomination;
- (F) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Corporation in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Corporation in support of such nomination; and
- (G) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or as required by Applicable Securities Laws.

A Nominating Shareholder's Notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in a Nominating

Shareholder's Notice shall be true and correct in all material respects as of the date that is ten (10) business days prior to the date of the meeting, or any adjournment or postponement thereof.

29. Notwithstanding any other provisions of these by-laws, any notice (including the Nominating Shareholder's Notice), or other document or information required to be given to the Secretary pursuant to the Director Nomination By-laws may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary for the purposes of such notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the principal executive offices of the Corporation, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Montreal time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

30. Waiver of Director Nomination By-laws. The Board may, in its sole discretion, waive any requirement of the Director Nomination By-laws.

31. Determination of Eligibility of the Proposed Director by the Chair. The chair of any meeting of shareholders of the Corporation shall have the power to determine whether any proposed nomination is made in accordance with the provisions of the Director Nomination By-laws, and if any proposed nomination is not in compliance with such provisions, must declare that such defective nomination shall not be considered at any meeting of shareholders.

32. Appearance of Proposed Nominee before GHRC Committee. Despite any other provision of the Director Nomination By-laws, if the Nominating Shareholder (or a qualified representative of the shareholder) does not appear at the meeting of shareholders of the Corporation to present the nomination, or if a Proposed Nominee fails to meet with the GHRC Committee at such committee's request, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

33. Inclusion in Proxy Statement. Nothing in the Director Nomination By-laws shall obligate the Corporation or the Board to include in any proxy statement or other shareholder communication distributed by or on behalf of the Corporation or the Board any information with respect to any proposed nomination or any Nominating Shareholder or Proposed Nominee.

### **BOARD OF DIRECTORS**

34. Number. The Corporation shall be managed by a Board of Directors composed of the fixed number of directors indicated in its Articles. If the Articles establish a minimum and a maximum number of directors, the Board of Directors shall be composed of the fixed number of directors established by by-law passed by the Board of Directors or, failing this, selected by the shareholders within such limits.

35. Qualifications. Any natural person may be a director, except a person who is less than eighteen (18) years of age, a person under tutorship or curatorship, a person declared incapable by a court in Canada or in another country, an undischarged bankrupt or a person prohibited by an applicable court or by law from holding the office of director. Unless otherwise provided in the Articles, a director need not be a shareholder.

At least twenty-five percent (25%) of the directors shall be Resident Canadians, unless otherwise set out in the Act. A retiring director, if otherwise qualified, shall be eligible for re-election.

36. Election and Term of Office. Unless the Articles of the Corporation provide for cumulative voting, or confer upon the holders of a category or a series of shares the exclusive right to elect one (1) or more directors, in which case, the provisions of the Articles shall prevail, each director shall be elected at the annual meeting at which an election of directors is required, except for appointing a director following a vacancy occurring during the term or for the election of one or more additional directors. Each director shall be elected either for a fixed term, which shall terminate no later than at the close of the next following annual meeting. It shall not be necessary for all the directors to have the same term of office. Provided that no new directors have been elected in a meeting of shareholders, the term of the directors continue until the election or appointment of their successors.

37. Consent. A director who is elected or appointed must consent to hold office as such, (i) by not refusing to hold office if he or she is present at the meeting when the election or appointment takes place, (ii) by consenting to hold office in writing before the election or appointment or within ten (10) days if he or she is not present at the meeting, or (iii) by acting as a director pursuant to his or her election or appointment.

38. Resignation. A director may resign his or her office by written notice to the Corporation. Reasons need not be given for a resignation. Unless a subsequent date is stipulated in such notice, the resignation shall take effect on the date it is sent.

39. Removal. Subject to the Articles of the Corporation, any director may be removed by Ordinary Resolution at a special meeting of shareholders. The removal of a director, as well as his or her election, shall be at the discretion of the shareholders. A director informed of his or her imminent removal may state in a written statement to the Corporation the reason for his or her opposition to such removal, and the Corporation shall forward such written declaration to the shareholders authorized to vote in the circumstances and to the Director of Corporations Canada.

A vacancy created by the removal of a director may be filled by the shareholders at the meeting at which the removal took place; where such is the case, the notice of calling of the meeting shall mention that an election is to be held if the resolution for removal is carried.

Where the holders of a specific class or series of shares have an exclusive right to elect a director, he or she may only be removed by Ordinary Resolution at a special meeting of such shareholders called for that purpose.

The removal of a director, as well as his or her election, shall be at the discretion of the shareholders. A director may be removed at any time and such removal need not be based on any particular grounds, whether serious or not. Neither the Corporation nor the shareholders voting in favour of the removal shall incur any liability toward the director by the mere fact of his or her removal, even if there be no grounds therefore.

40. Vacancy. The office of a director shall become vacant as of the moment his or her resignation or removal takes effect; likewise, a vacancy shall be created the moment a director is no longer qualified to fulfill his or her duties in accordance with Section 35, or if he or she should die.

41. Filling of Vacancies and Appointments. If a vacancy occurs in the Board of Directors, the directors then in office shall have the power to appoint for the remainder of the term any other qualified person as a director. However, the directors may continue to act notwithstanding one or more vacancies provided a quorum exists. If there is no quorum, the remaining directors shall forthwith call a special meeting of shareholders to fill the vacancy, in accordance with Section 111 of the Act.

In addition to filling vacancies on the Board of Directors, the directors may at any time, without exceeding the number of directors provided by the Articles and subject to the terms of any agreement between shareholders of the Corporation and the Corporation, appoint one or more additional directors who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, provided that the total number of directors so appointed may not exceed one-third (1/3) of the number of directors elected at the previous annual meeting of the shareholders.

42. Remuneration. Subject to restrictions in the Articles of the Corporation, the remuneration to be paid to the directors shall be such as the directors shall fix from time to time by resolution of the Board of Directors and such remuneration shall be in addition to the salary or remuneration of any officer, employee or supplier of services of the Corporation who is also a member of the Board of Directors, unless a resolution states otherwise. The directors may also be reimbursed for travel and other expenses incurred by them in connection with their duties.

43. General Powers of Directors. Subject to restrictions in a Unanimous Shareholders Agreement, the directors of the Corporation shall manage or supervise the management of the business and affairs of the Corporation and may make or cause to be made for the Corporation any contract which it may by law enter into. The directors shall exercise all such powers and authority as the Corporation by statute or by its Articles is authorized to exercise and do. The directors shall always act by resolution.

The directors may, in particular, purchase or dispose of, by purchase, sale, lease, exchange, hypothec or otherwise, stocks, rights, warrants, options and other securities, buildings and other movable or immovable property or any right or interest therein; for each transaction, they shall fix the consideration and other conditions.

44. Delegation. The directors may, by resolution, delegate all or any of the powers conferred on the Board by Section 43 or by the Act to a director, a committee of directors or any officer to such extent and in such manner as the directors shall determine at the time of each such resolution.

45. Irregularity. Notwithstanding that it be subsequently discovered that there was some defect in the election of the board of directors or of any director or in the appointment of any officer, or the absence or loss of his or her qualification, all acts regularly done by them shall be as valid and binding upon the Corporation as if the election or appointment had been regular or each person had been qualified.

46. Use of Property or Information. All directors and officers shall, in exercising their powers and discharging their duties, act honestly and in good faith with a view to the best interests of the Corporation. No director may mingle the Corporation's property with his or her own property or use for his or her own profit or that of a third person any property of the Corporation or any information he or she obtains by reason of his or her duties, unless he or she is expressly and specifically authorized to do so by the shareholders of the Corporation.

47. Conflicts of Interest. Each director shall avoid placing himself or herself in any situation where his or her personal interest would be in conflict with his or her obligations as a director of the Corporation.

He or she shall promptly disclose to the Corporation any interest he or she has in an enterprise or other entity that may place him or her in a situation of conflict of interest and any right he or she may set up against it, indicating their nature and extent, where applicable. Such disclosure of interest shall be entered in the minutes of the meetings of directors. A general disclosure shall be valid as long as the facts have not changed, and the director need not repeat it for a specific subsequent transaction.

48. Contracts or Transactions with the Corporation. A director or an officer may, even in performing his or her duties, acquire, directly or indirectly, rights in the Corporation's property or enter into material contracts or transactions with the Corporation, or be a director, an officer or a holder of a material interest in a party to such contract or transaction. He or she shall then, in accordance with Section 120 of the Act, disclose in writing to the Corporation or request to have entered in the minutes of meetings of directors the nature and extent of his or her interest in such contract or transaction, even if such contract or transaction, within the scope of the normal business activity of the Corporation, does not require the approval of either the directors or the shareholders. For the purposes of this by-law, a general notice that the director or officer is a director, an officer or a holder of a material interest in a body corporate and is to be regarded as interested in any contract or transaction made with that body corporate, is a sufficient declaration of interest.

A director who is so interested in a contract shall not discuss or vote on such resolution to approve the contract or transaction unless the contract or transaction is one of the contracts or transactions referred in subsection 120(5) of the Act, that is, relating primarily to the

remuneration or indemnification of such director, or a contract with an affiliate of the Corporation.

At the request of the President and Chief Executive Officer or any director, the interested director shall leave the meeting while the Board of Directors discusses and votes on the contract concerned.

Neither the Corporation nor any of its shareholders may contest the validity of a contract or transaction entered into with a director or an officer of the Corporation, or with a party of which such director or officer is a director, an officer or a holder of a material interest, for such sole reason or for the reason that he or she was present or was counted to determine whether a quorum existed at the meeting, provided such director or officer has disclosed his or her interest as aforementioned, the Board of Directors of the Corporation has approved the contract or transaction, and the contract or transaction was, at that time, reasonable and fair for the Corporation.

Such a contract or transaction is not invalid by reason only of the interest of a director or officer in it or of his or her failure to disclose this interest as aforementioned, provided such director or officer acted honestly and in good faith, the contract or transaction is approved or confirmed by Special Resolution at a meeting of the shareholders, disclosure of the interest is made to the shareholders in a manner sufficient to indicate its nature before such contract or transaction is approved or confirmed, and the contract or transaction is reasonable and fair to the Corporation when it is approved or confirmed.

### **MEETINGS OF THE BOARD OF DIRECTORS**

49. Calling of Meetings. Every year, immediately after the annual meeting of the shareholders, a meeting of the new directors present shall be held without further notice if they constitute a quorum, to appoint the officers of the Corporation and consider, deal with and dispose of any other matter.

Meetings of the Board of Directors may be called by or by order of the Chairperson of the Board of Directors, if any, the President and Chief Executive Officer of the Corporation or two (2) directors and may be held anywhere within or outside Canada. A notice of each meeting, specifying the place, date and time, shall be sent to each director at his or her residence or usual place of business. The notice shall be sent no less than two (2) days prior to the date fixed for the meeting by ordinary or registered mail or by facsimile or electronic mail. In the absence of an address for a director, the notice may be sent to the address at which the sender considers that the notice is most likely to reach the director promptly.

The Board of Directors may resolve to hold periodic or fixed meetings of the Board of Directors at such place, within Canada or elsewhere, with or without notices of meeting.

It is not necessary to give notice of the reconvening of an adjourned meeting if the date, time and place of the reconvening of this meeting are announced at the initial meeting.

Any director may waive in writing the notice of a meeting of the Board of Directors before, during or after the holding thereof. His or her sole presence is equivalent to a waiver unless he or she attended the meeting solely to object to the holding of the meeting on the ground that the manner of calling it was irregular.

Except in the case of matters referred to in subsection 115(3) of the Act, including, in particular, the declaration of dividends, the issuance of securities, the acquisition of shares issued by the Corporation, the approval of the annual financial statements, vacancies in the Board of Directors or in the office of Auditor and the adoption, amendment or repeal of the by-laws, no notice of any meeting of the Board of Directors need specify the purpose or the business to be transacted at a meeting.

50. Participation by Telephone or Electronic Means. Directors may, if all are in agreement, participate in a board meeting using means permitting all participants to communicate adequately with each other, in particular, by telephonic or electronic means. A director participating in the meeting by such means shall be deemed to have been present at that meeting. The directors participating by telephonic means shall then vote by a voice vote, in derogation of Section 54 hereinbelow. An electronic vote is deemed to have been given by show of hands or by ballot, as the case may be.

51. Quorum. A majority of the directors in office shall constitute a quorum for a meeting of the Board of Directors. A quorum shall be present for the entire duration of the meeting. If the Board of Directors is composed of a sole director, the decision of such director recorded in writing constitutes the meeting.

When the quorum is reached, notwithstanding any vacancy on the Board of Directors, the directors may exercise all their powers; however, no business shall be transacted at a meeting of directors unless at least twenty-five per cent (25%) of the directors present thereat are Resident Canadian directors, except where (a) a Resident Canadian director who is unable to be present approves in writing, or by telephonic, electronic or other communication facility, the business transacted at the meeting and (b) at least twenty-five per cent (25%) of the directors present thereat would have been Resident Canadian directors had that director been present at that meeting.

52. Meeting Chairperson and Secretary. Meetings of the Board of Directors shall be chaired by the Chairperson of the Board of Directors, if any, or, failing him or her, by the President and Chief Executive Officer of the Corporation if he or she is a director or, failing him or her, by a director designated for such purpose by the Chairperson of the Board or the President and Chief Executive Officer. The Secretary of the Corporation shall act as secretary of the meetings. The directors present at a meeting may nevertheless appoint any other person as Chairperson or secretary of such meeting.

53. Procedure. The meeting Chairperson ensures that the meeting is conducted smoothly and submits to the Board the motions on which a vote is to be taken and generally conducts the procedure thereat in all respects, in which regard his or her decision shall be final and binding on all the directors. Should the meeting Chairperson fail to submit a motion, any director may

submit it himself or herself before the meeting is adjourned or closed and, if such motion lies within the competence of the Board of Directors, the Board of Directors shall consider it. For such purpose, the agenda of each meeting of the Board of Directors shall be deemed to include a period for the submission of motions by the directors. Should the meeting Chairperson fail to carry out his or her duties in good faith, the directors may remove him or her at any time and replace him or her by another person.

54. Voting. Each director shall be entitled to one vote and all matters shall be decided by the majority of the votes cast. The vote shall be taken by a show of hands unless the meeting Chairperson or a director requests a ballot, in which case the vote shall be taken by ballot. If the vote is taken by ballot, the meeting secretary shall act as scrutineer and count the ballots. The fact of having voted by ballot shall not deprive a director of the right to express his or her dissidence in respect of the resolution concerned and to cause such dissidence to be entered. Voting by proxy shall not be permitted, and the meeting Chairperson shall have the casting vote in the case of an equality of votes.

55. Signed Resolution. A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors, shall be as valid as if it had been passed at a meeting of directors. A copy of each signed resolution shall be kept with the minutes of the proceedings of the directors.

### **OFFICERS**

56. Officers. The officers of the Corporation shall be the Chairperson of the Board, if appointed, the President and Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Secretary, and such other officers as the Board of Directors may appoint and whose duties it may determine by resolution. Subject to those powers which, pursuant to the Act, may only be exercised by the Board of Directors, the officers of the Corporation shall have the powers, functions and duties prescribed by the Board of Directors, in addition to those specified in the by-laws. The same person may hold more than one office. None of the officers shall be required to be a director or a shareholder of the Corporation.

The Board of Directors may also appoint other agents, officers and employees of the Corporation within or outside Canada; the titles, powers, authority, and duties of such persons shall be determined by the Board of Directors.

In case of the absence of an officer or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers and authority of such officer to any other officer or to a director of the Corporation.

57. Chairperson of the Board. Except as set forth herein, the Chairperson of the Board shall preside at all meetings of the Board of Directors.

58. President and Chief Executive Officer. The President and Chief Executive Officer shall be the chief officer of the Corporation and, subject to the control of the Board of Directors, shall supervise, administer and manage the business and affairs of the Corporation generally. The

President and Chief Executive Officer shall preside at all meetings of the shareholders and, in the event of the absence, inability or failure of the Chairperson of the Board to act, the President and Chief Executive Officer shall preside at all meetings of the Board of Directors.

59. Chief Financial Officer. Subject to the authority of the President and Chief Executive Officer, the Chief Financial Officer shall have general charge of the finances of the Corporation. He or she shall deposit the money and other valuable effects of the Corporation in the name and to the credit of the Corporation in a bank or another deposit institution designated by the Board of Directors.

60. Chief Operating Officer. The Chief Operating Officer shall, subject to the authority of the President and Chief Executive Officer, manage the operations of the Corporation generally. He or she shall comply with all instructions received from the Board of Directors and shall give to the Board of Directors or the members thereof the information that they require concerning the affairs of the Corporation. The Board of Directors may delegate to such Chief Operating Officer any of the powers of the Board except those that by law a Chief Operating Officer has no authority to exercise.

61. Secretary. The Secretary shall attend to the preparation and sending of all notices of the Corporation. He or she shall act as secretary at all shareholders' meetings and shall keep the minutes of all meetings of the Board of Directors, the committees of directors and the shareholders in a book or books to be kept for that purpose. He or she shall have charge of the records of the Corporation including books containing the names and addresses of the members of the Board of Directors of the Corporation, together with copies of all reports made by the Corporation and such other books or documents as the directors may prescribe. He or she shall be responsible for the keeping and filing of all books, reports, certificates and all other documents required by law to be kept and filed by the Corporation. He or she shall be subject to the control of the President and Chief Executive Officer.

62. Removal, Discharge and Resignation. The Board of Directors may, by the affirmative vote of the absolute majority of the Board, remove any officer, with or without cause, at any time. Any agent or employee who is not an officer of the Corporation may be discharged by the President and Chief Executive Officer or any other officer authorized for such purpose, with or without cause, at any time.

Any officer may resign his or her office at any time by delivering his or her resignation in writing to the President and Chief Executive Officer or the Secretary of the Corporation, or at a meeting of the Board of Directors, unless otherwise agreed.

63. Vacancy. Any vacancy occurring in the office of any officer may be filled by the Board of Directors.

64. Remuneration. The remuneration of all officers shall be fixed by the Board of Directors. The remuneration of all other agents, officers and employees of the Corporation shall be fixed by the President and Chief Executive Officer or any other officer authorized for such purpose.

## **COMMITTEES**

65. **Audit Committee.** The Board of Directors shall elect from among its number an audit committee to be composed of at least three (3) directors. Members of the audit committee shall remain in office at the pleasure of the Board and while still directors. The audit committee shall have the powers and duties provided or required by the rules of the Act, of any Stock Exchange upon which the securities of the Corporation are listed and/or of any relevant securities regulatory authority.

66. **GHRC Committee.** The Board of Directors shall elect from among its number a governance, human resources and compensation committee (the “**GHRC Committee**”) to be composed of at least three (3) directors. Members of the GHRC Committee shall remain in office at the pleasure of the Board and while still directors.

67. **Other Committees.** The Board of Directors may appoint any other committee that it may deem fit and delegate to such committee or committees any of the powers of the Board except those which, under the Act, a committee of directors has no authority to exercise. The members of any such committee need not be members of the Board of Directors. Except as otherwise provided by the Board of Directors, each such committee shall have the power to fix its quorum, which quorum shall consist of no less than a majority of its members, to appoint its own president, and to determine its own procedure.

## **INDEMNIFICATION OF DIRECTORS AND OFFICERS**

68. **Indemnity.** Subject to the limitations provided by the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation’s request as a director or officer, or a person acting in a similar capacity, of another entity, and his or her heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal, administrative or investigative or other proceeding in which he or she is involved by reason of being or having been a director or officer of the Corporation or as a director or officer, or a person acting in a similar capacity, of such entity, if:

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, the entity; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

69. **Insurance.** The Corporation may purchase and maintain insurance for the benefit of any person referred to in Section 68 against such liability as the Board of Directors may from time to time determine, and as permitted by the Act.

70. Reimbursement and Advance of Costs. Subject to a contract specifying and restraining this obligation, the Corporation shall reimburse the director, officer and any other agent for the reasonable and necessary costs paid by him or her during the execution of his or her duties. This reimbursement shall be done after the presentation of all relevant documents. Moreover, the Corporation shall at his or her request advance moneys to such individual for the costs, charges and expenses referred to in Section 68, and the individual must repay the moneys if he or she does not fulfil the conditions set out in Section 68.

### **SHARE CAPITAL**

71. Issue and Stock Options. Subject to all provisions contained in the Articles of the Corporation or in a Unanimous Shareholders Agreement limiting the allocation or issue of shares of the share capital of the Corporation, the directors may accept subscriptions for, allot, distribute, issue, in whole or in part, the unissued shares of the Corporation, grant options thereon or otherwise dispose thereof to any person, corporation, company, body corporate or other entity, upon the conditions and for the lawful consideration in compliance with the Articles of the Corporation which is determined by the directors, without any requirement to offer such unissued shares to persons who are already shareholders rateably to the shares held by them.

72. Share Certificates and Share Transfers. Certificates representing the shares of the share capital of the Corporation shall bear the signature of (a) at least one of the Corporation's directors or officers, or (b) a registrar or transfer agent of the Corporation, or an individual on their behalf. Such signatures may be engraved, lithographed or otherwise mechanically reproduced. Any certificate bearing a facsimile of the signatures of such authorized officers shall be deemed to have been signed manually, notwithstanding the fact that the deemed signatory has since ceased to be an officer of the Corporation.

73. Registration of Transfer. Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with a transfer endorsed thereon or delivered therewith duly executed by the registered holder or by his or her attorney or successor duly appointed, or, if no share certificate has been issued by the Corporation in respect of such share, unless or until either: (a) a duly executed transfer in respect thereof has been presented for registration, or (b) the transfer of ownership is conducted electronically in accordance with the provisions of an electronic, book-entry, direct registration service or other non-certificated entry or position maintained by the registrar and/or transfer agent of such shares; in each case, together with such reasonable assurance or evidence of signature, identification and authority to transfer as the Board may from time to time prescribe, and upon payment of all applicable taxes and any fees prescribed by the Board.

74. Transfer Agents and Registrars. The Board may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers. One person may be appointed to any number of the aforesaid positions. The Board may at any time terminate any such appointment.

75. Securities Register. A central securities register shall be maintained by the Corporation or its agent at the registered office or at any other place in Canada designated by the directors.

The directors may from time to time provide that one (1) or more branch securities registers shall be maintained at such places within Canada or elsewhere as may be designated by a resolution and may appoint officers or agents to maintain the same and to effect and record therein transfers of shares of the share capital of the Corporation.

76. Lost or Destroyed Certificates. The Board of Directors may, upon conditions it shall establish, direct that one or more new certificates of shares may be issued to replace any certificate or certificates of shares theretofore issued by the Corporation that have been worn out, lost, stolen, or destroyed, and the Board of Directors, when authorizing the issuance of such new certificate or certificates, may, in its discretion, and as a condition precedent thereto, require the owner of the worn-out, lost, stolen or destroyed certificate or certificates or his or her legal representatives to give to the Corporation, a bond in such sum as it may direct, as indemnity against any claim that may be made against them for or in respect of the shares represented by such certificates alleged to have been worn out, lost, stolen or destroyed.

### **DIVIDENDS**

77. Dividends. The Board of Directors may, periodically and in compliance with the law, declare and pay dividends to the shareholders, in accordance with their respective rights.

The Board of Directors may stipulate that a dividend be payable, in whole or in part, in shares of the Corporation.

A transfer of shares shall not transfer the right to the dividends declared thereon before the registration of the transfer of shares. When two (2) or more persons are registered as joint holders of one share, each of them may give a valid receipt for any dividend payable or paid on such share.

### **FISCAL YEAR AND AUDIT**

78. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

79. Audit. The shareholders, at each annual meeting, shall appoint an Auditor, who shall hold such office until the next annual meeting or until a successor has been appointed, unless he or she dies or resigns or his or her position otherwise becomes vacant. At least once in every fiscal year such Auditor shall examine the accounts of the Corporation and the financial statements to be presented at the annual meeting and shall report thereon to the shareholders. The remuneration of the Auditor shall be fixed by the shareholders or, if not so fixed, by the Board of Directors.

The Auditor shall be independent of the Corporation, of its affiliates, or the directors or officers of the Corporation or its affiliates in accordance with the Act. The shareholders may remove the Auditor from office at any time at a special meeting. A vacancy created by the removal of the Auditor may be filled at the meeting at which the Auditor is removed or, if not so

filled, may be filled by the Board of Directors. Any other vacancy which may occur shall be filled by the directors in accordance with Section 166 of the Act.

The shareholders may decide not to appoint an auditor for any fiscal year, by resolution receiving the consent of all the shareholders including those who otherwise are not qualified to vote. The resolution shall be valid only until the next annual meeting.

### **CORPORATION'S REPRESENTATION FOR CERTAIN PURPOSES**

80. **Declaration.** The President and Chief Executive Officer, the Chairperson of the Board of Directors, the Chief Operating Officer, the Secretary and the Chief Financial Officer and each of them and, with the authorization of the Board of Directors, any other officer, employee or person shall be authorized and empowered to answer for the Corporation to all writs, orders or examinations upon articulated facts issued by any court and to declare for and on behalf of the Corporation any answer to writs of attachment by way of garnishment in which the Corporation is garnishee and to sign all affidavits and sworn declarations in connection therewith or any and all judicial proceedings to which the Corporation is a party and to make demands for assignment of property or petition for winding-up or receivership orders upon any debtor of the Corporation and to attend and vote at all meetings of creditors of the Corporation's debtors and grant proxies in connection therewith.

81. **Representation at Meetings.** The President and Chief Executive Officer, the Chairperson of the Board of Directors, the Chief Operating Officer, the Secretary and the Chief Financial Officer or any one of them or any other officer or person authorized by the Board of Directors shall represent the Corporation and attend and vote at any and all meetings of shareholders or members of any entity in which the Corporation holds shares or is otherwise interested, and any action taken or vote cast by them at any such meeting shall be deemed to be the act or vote of the Corporation.

### **MISCELLANEOUS PROVISIONS**

82. **Conflict with the Articles.** In the event of conflict between the provisions of a by-law and those of the Articles, the latter shall prevail.

83. **Amendments.** The Board of Directors is empowered to adopt, abrogate or modified a by-law, but these measures apply only until the next annual or special meeting of shareholders. If the adoption, abrogation or modification is not confirmed or modified by Ordinary Resolution during the annual or special meeting, it will cease to apply, but only from this date. Any shareholder shall, according to Section 137 of the Act, propose the adoption, modification or abrogation of a by-law during an annual meeting.

84. **Repeal and Effective Date.** This By-Law is effective as of the date of the resolution of the Board of Directors of the Corporation, that is, on November 28, 2017. As a result, the general by-law in force prior to the date of such resolution of the Board, that is, the "General By-Laws" adopted as of March 24, 2015, shall be repealed on the date of the resolution of the Board. This repeal shall not affect any past application of the general by-law, nor affect the validity of steps

taken, resolutions adopted, or rights, privileges or obligations stemming from the general by-law prior to said repeal, nor of any contract entered into or commitment made under the former general by-law.

*(s) Jonathan Ferrari*

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Jonathan Ferrari

President and Chief Executive Officer

**ANNEXE E**  
**HEAD OFFICE RELOCATION SPECIAL RESOLUTION**

IT IS HEREBY RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Company be, and it hereby is, authorized and empowered to amend its articles to provide that the province of the registered office of the Company be changed from the Ontario to Québec; and
2. any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all instruments and documents that such director and officer may, in his or her discretion, determine to be necessary or desirable in order to give full effect to the intent and purpose of this resolution.