

This document is important and requires your immediate attention. If you have questions or need assistance, you should consult your investment dealer, broker or other professional adviser.

**AEGIS BRANDS INC.**  
**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**  
**AND**  
**MANAGEMENT INFORMATION CIRCULAR**

As of March 31, 2023

**Meeting to be held at**  
**Hockey Hall of Fame**  
**30 Yonge Street, Toronto, Ontario M5E 1X8**  
**on**  
**Friday, May 5, 2023 at 11:00 a.m. (Toronto Time)**

**Aegis Brands Inc.**  
2040 Yonge Street, Suite 200B  
Toronto, Ontario  
M4S 1Z9

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** to holders of **AEGIS BRANDS INC.** (the "**Corporation**") common shares (the "**Shareholders**") that an annual and special meeting of Shareholders will be held at the Hockey Hall of Fame, 30 Yonge Street, Toronto, Ontario M5E 1X8 on Friday, May 5, 2023 at 11:00 a.m. EDT for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 25, 2022;
2. to elect directors of the Corporation (the "**Directors**");
3. to appoint auditors for the Corporation and to authorize the Directors of the Corporation to fix the remuneration of the auditors;
4. to consider and, if thought fit, to pass, with or without variation, an ordinary resolution to approve the unallocated options issuable under the Corporation's incentive stock option plan;
5. to consider and, if thought fit, to pass, with or without variation, an ordinary resolution of disinterested shareholders to approve the re-pricing of certain stock options previously granted to insiders of the Corporation;
6. to transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

All Shareholders, other than CDS Clearing and Depository Services Inc. ("**CDS**"), must provide voting instructions in the manner described in the enclosed voting instruction form and in the accompanying management information circular. **Your shares will not be voted without your instructions.**

Registered Shareholders of the Corporation, including CDS, must deposit completed proxies with Computershare Investor Services Inc., Attention: Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or via the internet at [www.investorvote.com](http://www.investorvote.com) before 11:00 a.m. EDT on May 3, 2023 or not later than 5:00 p.m. EDT on the second last business day prior to any adjournment or postponement of the meeting. However, all Shareholders other than CDS must communicate their voting instructions well in advance of this deadline in order to allow their instructions to be processed before the deadline.

The Directors of the Corporation have fixed March 31, 2023 as the record date for the meeting.

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

DATED at Toronto, Ontario this 31<sup>st</sup> day of March, 2023.

**AEGIS BRANDS INC.**

Michael Bregman  
Chair of the Board of Directors

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AEGIS BRANDS INC.

MANAGEMENT INFORMATION CIRCULAR

(Containing information as at March 31, 2023 unless otherwise noted)

**THE MEETING**

This management information circular (this "**Circular**") is being sent to you as a holder of common shares (the "**Shares**") of Aegis Brands Inc. (the "**Corporation**") in connection with the annual and special meeting of shareholders of the Corporation ("**Shareholders**") to be held on Friday, May 5, 2023 (the "**Meeting**").

**Date, Time and Place of the Meeting**

The Meeting is to be held at the Hockey Hall of Fame, 30 Yonge Street, Toronto, Ontario M5E 1X8 on Friday, May 5, 2023 at 11:00 a.m. (Toronto time).

**Record Date and Quorum**

The directors of the Corporation ("**Directors**") have fixed March 31, 2023, as the record date (the "**Record Date**") for the Meeting. A quorum for the Meeting consists of two or more individuals deemed to be present at the Meeting either holding personally or representing by proxy not less in aggregate than 10% of the votes attached to all outstanding Shares.

**Solicitation of Proxies**

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

**APPOINTMENT OF PROXHOLDER**

Shareholders may wish to vote by proxy whether or not the Shareholders are able to attend the Meeting in person.

The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

**The persons named in the enclosed proxy are a director and officer of the Corporation. Each Shareholder has the right to appoint a proxyholder other than the persons designated, who need not be a Shareholder, to attend and to act for the Shareholder at the Meeting. To exercise such right, the names of the nominees of management of the Corporation should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided in the enclosed proxy or by completing and delivering another suitable form of proxy.**

Shareholders may submit the enclosed proxy by:

- a) Completing, dating and signing the enclosed proxy or some other suitable form of proxy and returning it to the Corporation's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by mail or by hand to Computershare Investor Services Inc. Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1;

- b) Using the internet through the website of Computershare at [www.investorvote.com](http://www.investorvote.com). The Shareholder must follow the instructions that appear on the screen and refer to the instructions on the enclosed proxy for the holder's account number and the proxy access number; or
- c) Telephoning (866) 732-8683 (toll free) or a telephone number given on the enclosed proxy to transmit voting choices. The Shareholder must follow the instructions of the voice response system and refer to the instructions on the enclosed proxy for the toll free number, the holder's account number and the proxy access number.

In all cases Shareholders' votes must be received not later than 11:00 am (Toronto Time) on May 3, 2023 or not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the holding of the Meeting or any adjournment thereof.

**The website or telephone may be used to appoint a proxy holder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, a Shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.**

### BENEFICIAL HOLDERS OF SHARES

The information set forth in this section is provided to beneficial holders of Shares who do not hold their Shares in their own name ("**Beneficial Shareholders**"). Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such Shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominees for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the shares registered in the name of CDS & Co. are held.

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "**NOBOs**". Beneficial Shareholders who have objected to their intermediary disclosing the ownership information about themselves to the Corporation are referred to as "**OBOs**". In accordance with the requirements of National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), the Corporation is sending the Notice of Meeting, this Circular, and either the voting instructions form or the form of proxy, as applicable, (collectively, the "**Meeting Materials**") directly to the NOBOs and indirectly, through intermediaries, to the OBOs. Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his or her broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Shares in that capacity.

As permitted under NI 54-101, the Corporation has used a NOBO list to send the Meeting Materials directly to the NOBOs whose names appear on that list. If you are a NOBO and the Corporation's transfer agent, Computershare, has sent these materials directly to you, your name and address and information about your holdings of Common Shares of the Corporation have been obtained from the intermediary holding such shares on your behalf in accordance with applicable securities regulatory requirements.

As a result, any NOBO of the Corporation can expect to receive a scannable voting information form ("**VIF**") from Computershare. Please complete and return the VIF to Computershare. Computershare will tabulate the results

of the VIFs received from the Corporation's NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIF's received by Computershare.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to Broadridge. Often Beneficial Shareholders are alternatively provided with a toll-free telephone number to vote their shares or website address where shares can be voted. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction request or a proxy with a Broadridge sticker on it cannot use that instruction request or proxy to vote Shares directly at the Meeting as the proxy must be returned as directed by Broadridge well in advance of the Meeting in order to have the shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or proxies as directed by Broadridge well in advance of the Meeting.**

#### REVOCABILITY OF PROXY

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or the Shareholder's attorney authorized in writing deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

#### EXERCISE OF DISCRETION BY PROXY

The Shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and, where the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares shall be voted on any ballot in accordance with the specification so made.

**In the absence of such specification, the Shares will be voted in favour of the matters to be acted upon. The persons appointed under the enclosed proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments or variations of those matters specified in the enclosed proxy and Notice of Annual and Special Meeting. At the time of printing this Circular, management of the Corporation knows of no such amendment, variation or other matter.**

#### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of the date hereof, the Corporation has 85,287,167 Shares issued and outstanding, each of which entitles the holder to one vote per Share. Each holder of Shares of record at the close of business on the Record Date will be entitled to one vote for each Share held on all matters proposed to come before the Meeting.

As at the date hereof, to the knowledge of the Directors and the executive officers of the Corporation, Ewing Morris & Co. Investment Partners Ltd. ("**Ewing Morris**") beneficially owns directly or indirectly, or controls or directs voting securities of the Corporation carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation. As of the date hereof, Ewing Morris owns or exercises control over 9,278,350 Shares, representing approximately 10.88% of the issued and outstanding Shares.

Pursuant to a side letter agreement dated September 29, 2022 between Ewing Morris and the Corporation, Ewing Morris has a right to nominate one member of the Board of Directors to be included in each slate of directors

to be presented to the Shareholders of the Corporation at each annual general meeting where directors are to be elected, for so long as Ewing Morris holds at least 5% of the issued and outstanding Shares of the Corporation. In connection with the Meeting, Ewing Morris has advised the Corporation that it will not be nominating a member to the Board of Directors.

## ANNUAL AND SPECIAL MEETING BUSINESS

### Financial Statements

The audited consolidated financial statements of the Corporation for the year ended December 25, 2022 have been posted on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.aegisbrands.ca](http://www.aegisbrands.ca) and are available upon request.

At the Meeting, Shareholders will receive and consider the financial statements of the Corporation for the year ended December 25, 2022 and the auditors' reports thereon. No formal action is required or proposed to be taken at the Meeting with respect to the financial statements.

### Election of Directors

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

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

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

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

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

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



### Director Share Ownership, Position, and Principal Occupation

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

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

<u>Name, Position being nominated for and Municipality of Residence</u>	<u>Present Office</u>	<u>Principal Occupation (Preceding 5 Years)</u>	<u>DSUs or Shares Beneficially Owned, Controlled or Directed<sup>(1)</sup></u>
<b>STEVE PELTON</b> Director, Oakville, Ontario, Canada Non-Independent	Director since June 5, 2019	President and Chief Executive Officer of the Corporation from June 2019 to present. Senior Vice President at Recipe Unlimited Corporation (formerly Cara Operations Limited) from 2015 to 2019. Co-founder and former CEO of the Landing Group of restaurants until its acquisition in 2015 by Cara Operations Limited.	1,194,320 Shares
<b>MICHAEL BREGMAN<sup>(2)(3)</sup></b> Chair of the Board of Directors, Toronto, Ontario, Canada Independent	Director since December 20, 2013	Principal and Chief Executive Officer of Tailwind Capital Inc., a Toronto-based investment management firm, from 2003 to present. Director of Clairvest Group Inc.	3,462,487 Shares
<b>STEPHEN KELLEY<sup>(2)</sup></b> Director, Waterloo, Ontario, Canada Independent	Director since August 1, 2019	Chief Executive Officer of Stocom Research Trading & Investments Inc., an investment firm, from 2004 to present. Director of Wind Athletes Canada.	72,383 Shares
<b>ALTON McEWEN<sup>(3)</sup></b> Director, Carmel, California, USA Independent	Director since December 20, 2013	Former Chief Executive Officer of Distant Lands Coffee Company. Former Director of Swiss Water Decaffeinated Coffee Company, Inc. and Canadian Coffee Association.	130,300 Shares 149,195 DSUs
<b>MICHAEL SERRUYA<sup>(2)</sup></b> Director, Toronto, Ontario, Canada Independent	Director since August 10, 2017	Mr. Serruya was the Co-CEO, Chairman of the Board, and a Director of Kahala Corp. in August 2013. Shortly thereafter, Mr. Serruya was the CEO of Kahala Corp. on November 1, 2013 up to July 2016. Mr. Serruya has been the President of MOS Holdings Inc. in Ontario, Canada from 2000 to the present. Mr. Serruya is also one of the managing directors of the family-managed venture group, Serruya Private Equity Inc., since September 2014.	1,188,204 Shares
<b>AARON SERRUYA</b> Director, Toronto, Ontario, Canada Independent	Director since August 10, 2017	Since December 2015, Mr. Serruya has been President of Pinkberry Canada. Mr. Serruya has been President and a Director of Yogen Früz Canada Inc., since July, 1989. Mr. Serruya is also one of the managing directors and Secretary of the family-managed venture group, Serruya Private Equity Inc., since September 2014.	1,188,204 Shares

Notes:

- (1) Information furnished by the Nominees. See "Compensation of Directors – Directors' Deferred Share Unit Plan" below for more information with respect to the DSUs.
- (2) Member of the Audit Committee.
- (3) Member of the Governance Committee.

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

No proposed director of the Corporation:

- a) is, as at the date of this Circular, or has been within the ten years before the date of this Circular, a director or executive officer of any company (including the Corporation) 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; or
- b) has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director is, as at the date of this Circular, or was within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- a) was subject to an Order that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer; or
- b) was subject to an Order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event while that person was acting in the capacity as director, chief executive officer or chief financial officer,

nor has any proposed director been subject to:

- a) 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
- b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

For the purposes of the foregoing, an "Order" means 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 and, in each case, that was in effect for a period of more than 30 consecutive days.

### Attendance Record of Directors

The following table shows the attendance of each of the Nominees at meetings of the Board of Directors of the Corporation and committee meetings held during the 2022 fiscal year.

#### Summary of Attendance of Directors

<u>Director</u>	<u>Director Meetings Attended<sup>(5)</sup></u>	<u>Committee Meetings Attended</u>
Michael Bregman <sup>(2)</sup>	6/6	9/9
Steve Pelton <sup>(1)</sup>	6/6	N/A
Alton McEwen <sup>(2)</sup>	6/6	4/4
Michael Serruya <sup>(3)</sup>	5/6	5/5
Aaron Serruya <sup>(3)</sup>	2/6	N/A
Stephen Kelley <sup>(4)</sup>	6/6	5/5

(1) Mr. Pelton was appointed a Director on June 5, 2019.

(2) Messrs. Bregman and McEwen were each appointed as a Director on December 20, 2013.

(3) Messrs. Michael and Aaron Serruya were appointed Directors on August 10, 2017.

(4) Mr. Kelley was appointed a Director on August 1, 2019.

(5) In addition to the four regularly scheduled quarterly meetings, the Board met on 2 other occasions for general business updates from management.

### Appointment of Auditors

The persons named in the enclosed form of proxy intend to vote in favour of a resolution appointing Baker Tilly WM LLP, Chartered Professional Accountants, as auditors for the Corporation for the ensuing year and authorizing the Directors to fix the remuneration of the auditors unless the Shareholder who has given the proxy has directed that the Shares represented thereby be withheld from voting in respect of the appointment of auditors.

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

### Approval of Unallocated Options Under the Corporation's Incentive Stock Option Plan

At the Corporation's annual and special meeting of Shareholders held on September 24, 2020, the Shareholders approved the amended and restated stock option plan for the Corporation (the "**Option Plan**").

The purpose of the Option Plan is to attract and retain employees, officers and directors and to motivate them to advance the interests of the Corporation by affording them the opportunity to acquire an equity interest in the Corporation through options granted under the Option Plan to purchase Shares. The Option Plan is intended to benefit Shareholders by enabling the Corporation to attract and retain personnel of the highest calibre by offering to them an opportunity to share in any increase in the value of the Shares to which they have contributed.

Under the Option Plan, the aggregate number of Shares issuable pursuant to outstanding options to acquire Shares (the "**Options**") together with the aggregate number of Shares issuable under any other security-based compensation arrangement of the Corporation (as defined in the TSX Company Manual), shall not exceed 10% of the issued and outstanding Shares from time to time. In addition, the number of Shares (i) issued to the Corporation's insiders (as defined in the TSX Company Manual) in any one year period or (ii) issuable to insiders, at any time, under the Option Plan together with any other security-based compensation arrangement cannot, in either case, exceed 10% of the issued and outstanding Shares from time to time. A detailed description of the Option Plan is provided under the heading "*Key Terms of the Option Plan*".

As of the date hereof, there are 85,287,167 Shares and 1,705,000 Options outstanding. The details of the outstanding Options are as follows:

Number of Shares to be issued upon exercise of outstanding Options as at March 31, 2023	Weighted-average exercise price of outstanding Options	Number of Shares remaining available for future issues under equity compensation plans (excluding securities reflected in the first column) as at March 31, 2023
1,705,000 (2.0% of outstanding Shares)	\$0.62	6,823,716 (8.0% of outstanding Shares)

Pursuant to TSX rules, the Corporation is required to calculate and disclose the annual "burn rate" of the Option Plan for the three most recently completed financial years. The annual burn rate is equal to the number of Options granted under the Option Plan in the applicable year, divided by the weighted average number of securities outstanding in that year, expressed as a percentage. The Corporation's average burn rate over the last 2 years is 2.59%. A detailed description of the burn rate for the past 3 fiscal years is provided under the heading "*Burn Rate under the Corporation's Equity Compensation Plans*".

The rules of the TSX provide that all unallocated options issuable under a "rolling" stock option plan, such as the Option Plan, must be approved by Shareholders every three years after institution of the stock option plan. The Corporation is seeking approval by the Shareholders of all unallocated options in accordance with the rules and policies of the TSX.

At the Meeting, the Shareholders will be asked to consider an ordinary resolution approving all unallocated Options under the Option Plan. The Board of Directors has unanimously approved the unallocated options under the Option Plan and recommends that the Shareholders approve all unallocated options issuable under the Option Plan until May 5, 2026. A copy of the proposed form of resolution is set forth in Appendix "C" to the Circular.

If the resolution approving all unallocated Options under the Option Plan is approved by the Shareholders at the Meeting, then the Corporation will not be required to seek further approval of the unallocated options until May 5, 2026. If the resolution is not approved, then currently outstanding Options will continue in full force and be unaffected. However, no new grants of Options will be made, and the currently outstanding Options that are subsequently cancelled, terminated or expire will not be available to be re-granted by the Corporation until shareholder approval is obtained.

**It is intended that all proxies received will be voted in favour of the resolution to approve the unallocated options under the Option Plan, unless a proxy contains instructions to vote against the resolution. Greater than 50% of the votes of Shareholders present or represented by proxy is required to approve the unallocated options under the Option Plan.**

#### **Approval of Repricing of Options Under the Corporation's Incentive Stock Option Plan**

At the Meeting, Shareholders of the Corporation will be asked to consider and approve an ordinary resolution (the "**Option Amendment Resolution**") as set forth below to re-price an aggregate of 1,045,000 outstanding stock options of the Corporation previously issued to directors and employees of the Corporation pursuant to the option plan (the "**Repriced Options**") from an average exercise price of \$1.56 per Share to an exercise price of \$0.64 per Share (the "**Option Re-Pricing**"). All other terms of the Re-Priced Options will remain unchanged. The Option Re-Pricing is subject to the final approval of the TSX.

The Option Re-Pricing was unanimously approved by the Board of Directors on December 23, 2022 subject to disinterested Shareholder and TSX approval. Stock options are a key component of senior management's overall compensation and are intended to provide long-term rewards linked directly to the market value of the Shares. The Option Re-Pricing decision was taken as existing strike prices did not achieve this alignment after the Corporation's recapitalization in the fourth quarter of 2022. The Options have been repriced at \$0.64 per Share, being the five-day volume weighted average closing price of the Shares as at December 23, 2022.

The Repriced Options subject to the Option Amendment Resolution are as follows:

Participant	Title	Date of Grant	Expiry Date	No. of Options	Original Exercise Price	Amended Exercise Price
Steven Pelton	Director, President and Chief Executive Officer	May 8, 2019	May 8, 2029	480,304	\$1.77	\$0.64
Steven Pelton	Director, President and Chief Executive Officer	May 28, 2019	May 28, 2029	200,000	\$1.83	\$0.64
Steven Pelton	Director, President and Chief Executive Officer	May 28, 2019	May 28, 2029	69,696	\$1.83	\$0.64
Tara Ramsay	Vice President of People	December 19, 2020	December 19, 2030	50,000	\$0.95	\$0.64
Kate Burnett	President, Bridgehead (2000) Inc.	December 19, 2020	December 19, 2030	50,000	\$0.95	\$0.64
Laurie Ouellette	Chief Financial Officer, Bridgehead (2000) Inc.	December 19, 2020	December 19, 2030	20,000	\$0.95	\$0.64
Ian Clark	Director of Data and Technology, Bridgehead (2000) Inc.	December 19, 2020	December 19, 2030	25,000	\$0.95	\$0.64
Melinda Lee	Chief Financial Officer	August 12, 2021	August 12, 2031	150,000	\$0.96	\$0.64

In order to pass, the Option Amendment Resolution must be approved by a majority of the votes cast at the Meeting by all shareholders, present and in person or represented by proxy, excluding votes attaching to Shares beneficially owned by Shareholders who hold Repriced Options which are subject to the Option Re-Pricing, as well as any Shares owned by their associates (the "**Disinterested Shareholders**"). Based on the present shareholdings of the holders of the Repriced Options and their associates, a total of 1,398,805 Shares will be excluded from voting on the Option Re-Pricing Resolution, representing approximately 1.64% of the total issued and outstanding Shares as of the date hereof.

At the Meeting, the Disinterested Shareholders will be asked to consider an ordinary resolution approving the Option Amendment Resolution. The Board recommends that the Disinterested Shareholders approve the Option Amendment Resolution. A copy of the proposed form of resolution is set forth in Appendix "D" to the Circular.

**It is intended that all proxies received from Disinterested Shareholders will be voted in favour of the resolution to approve the Option Amendment Resolution, unless a proxy contains instructions to vote against the resolution. Greater than 50% of the votes of Disinterested Shareholders present or represented by proxy is required to approve the Option Amendment Resolution.**

## COMPENSATION OF DIRECTORS

### Director Compensation Table

The following indicates compensation provided to the Directors for the year ended December 25, 2022. Directors who served in any capacity for a portion of the fiscal year were compensated on a pro-rated basis.

Name	Fees paid in cash (\$) <sup>(1)</sup>	Share-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Steve Pelton, Director of the Corporation <sup>(2)</sup>	\$nil	-	-	-	-	\$nil
Michael Bregman, Director of the Corporation <sup>(3)</sup>	\$40,000	-	-	-	-	\$40,000
Alton McEwen, Director of the Corporation <sup>(3)</sup>	\$30,000	-	-	-	-	\$30,000
Michael Serruya, Director of the Corporation <sup>(4)</sup>	\$25,000	-	-	-	-	\$25,000
Aaron Serruya, Director of the Corporation <sup>(4)</sup>	\$25,000	-	-	-	-	\$25,000
Stephen Kelley, Director of the Corporation <sup>(5)</sup>	\$30,000	-	-	-	-	\$30,000

Notes:

- (1) Fees include a base cash retainer; these amounts are further explained below in "Summary of Board Compensation".
- (2) As President and Chief Executive Officer of the Corporation since June 2019, Mr. Pelton does not receive any compensation for his services as a Director of the Corporation.
- (3) Messrs. Bregman and McEwen were each appointed a Director on December 20, 2013.
- (4) Messrs. Michael and Aaron Serruya were appointed Directors on August 10, 2017.
- (5) Mr. Kelley was appointed a Director on August 1, 2019.

### Summary of Board Compensation

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

### Directors' Deferred Share Unit Plan

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

Unless he or she elects not to participate in the DSU Plan, each Director will automatically participate in the DSU Plan (in such capacity, a "**Participant**") and will receive an award of Deferred Share Units (an "**Award**") for each fiscal year in which he or she is a Director. The Award for each fiscal year will be that number of Deferred Share Units equal to the Participant's director fees divided by the Share price on the date the Award is made. When dividends are declared by the Corporation, Participants will be credited with additional Deferred Share Units, the number of which is determined by dividing: (i) the product obtained by multiplying the amount of each dividend declared and paid by the Corporation on the Shares on a per share basis, by (ii) the Share price on the dividend payment date. Under the DSU Plan, 'director fees' include the basic annual fee earned by a director of the Board and any additional annual

fee earned by a Director by virtue of being the chair of the Board of Directors or the chair of a committee of the Board of Directors, but does not include meeting fees or any other fees earned by a Director. Share price is generally calculated as the volume-weighted average price of the Shares on the Toronto Stock Exchange (the "TSX") on the five most recent preceding days on which they were traded.

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

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

On January 14, 2022, Mr. McEwen provided the Corporation with his notice to elect not to participate in the DSU Plan going forward. As a result, in fiscal 2022, all director fees were paid in cash.

## **EXECUTIVE AND OTHER COMPENSATION**

The Governance Committee performs the function of a compensation committee for the Corporation and has the responsibility of, among other things, reviewing and making recommendations to the Board of Directors concerning the compensation of the senior management of the Corporation. The Governance Committee for the fiscal year 2022 consisted of Alton McEwen (chair), and Michael Bregman. All members of the Governance Committee are considered "independent" in accordance with the definition set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101").

Having served as executives, holding positions such as Chairman, Chief Executive Officer, and President, Messrs. McEwen and Bregman have adequate skills and experience related to making decisions on the suitability of the Corporation's compensation policies and practices. Mr. McEwen, the current Chair of the Governance Committee, has served in a similar capacity for another publicly-listed company for a number of years, and as part of this role, has had access to relevant information regarding compensation governance and applicable market practices, including access to compensation consultants and other experts from time to time, to give the Governance Committee the tools required to make decisions relating to the suitability of the Corporation's compensation policies and practices.

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

The responsibilities of the Governance Committee include:

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

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

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

### **Compensation Discussion and Analysis**

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

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

The key components of senior management compensation for the 2022 fiscal year consisted of base salary, short-term incentive plan and stock option plan. Other elements include prerequisites and a voluntary group registered retirement savings program.

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

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

### **Base Salary**

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

### **Short-Term Incentive Plan/Annual Cash Bonus**

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



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

The Board of Directors has approved a STIP for the CEO and CFO of the Corporation to take effect in the 2023 fiscal year. The STIP is measured on a combination of (1) increase in Aegis' share price over the year, (2) achievement over a baseline return on capital, and (3) achievement of non-financial personal objectives. More information about this new plan will be provided once it is in effect.

### **Option Plan**

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

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

### **Key Terms of the Option Plan**

#### *Maximum Limit of Stock Options Issuable*

Pursuant to the Option Plan the maximum number of Stock Options issuable is 10% of the total issued and outstanding Shares of the Corporation (calculated on a non-diluted basis), less any Shares underlying Options granted under the Option Plan or any other security-based compensation arrangement of the Corporation, if any, from time to time. As of the date of this Circular, the maximum number of Shares of the Corporation issuable under the Option Plan is 8,528,716 Shares in the aggregate. This maximum number includes 1,705,000 Shares already allocated under the Corporation's existing security-based compensation arrangements (representing 2.00% of the total issued and outstanding Shares of the Corporation) and up to an additional 6,823,716 Shares available for issuance in respect of grants of security-based awards moving forward (representing 8.00% of the total issued and outstanding Shares of the Corporation). The Option Plan is considered an "evergreen" plan whereby the number of Shares equivalent to the number of Stock Options and securities of any other security-based compensation arrangement of the Corporation that have been exercised, terminated, cancelled, repurchased or expired, at any time, are immediately re-reserved for issuance under the Plan and available for future issuances subject to the limits contained herein.

In accordance with the TSX's policies, the Corporation is required to obtain Shareholder approval by ordinary resolution of all unallocated Stock Options under the Option Plan every three years at the Corporation's Shareholder meeting for such year. See "*Approval of Unallocated Options Under the Corporation's Incentive Stock Option Plan*" for more information on the approval being sought at the Meeting for all of the unallocated Options under the Option Plan.

#### *Eligibility*

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

#### *Term, Vesting and Exercise Price of Options*

Unless otherwise provided in the Stock Option holder's ("**Option holder**") grant agreement and subject to earlier expiry in accordance with the terms of the Option Plan, each Stock Option shall expire between eight (8) and ten (10) years after the date of grant. The exercise price of the Stock Options shall be fixed at the date of grant, but in

no event shall the exercise price be less than the Fair Market Value of the Shares on the date of grant. "Fair Market Value" means, on any particular day, the volume weighted average closing price of a Share on the TSX (as defined in the Option Plan) for the five (5) preceding days on which the Shares were traded. Stock Options shall vest in accordance with the grant agreement entered into in respect of the Stock Options. Where a grant agreement does not specify the vesting date of a Stock Option, the Stock Options shall vest in equal annual amounts on each of the first five anniversaries of the date of grant.

#### *Plan Administration*

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

Subject to the terms of the Option Plan, the Board has the authority to:

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

#### *Limits on Grants with Respect to Insiders and Independent Directors*

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

- (a) The maximum number of Shares which may be issued to Insiders, having the meaning ascribed thereto in the TSX Company Manual, under the Option Plan, or when combined with any other security based compensation arrangements, within any one-year period, may not exceed ten percent (10%) of the Shares issued and outstanding.
- (b) The maximum number of Shares issuable to Insiders under the Option Plan, or when combined with any other security based compensation arrangements of the Corporation, at any time, may not exceed ten percent (10%) of the Shares issued and outstanding.
- (c) The aggregate number of Shares issuable to the "independent" members (as defined in NI 58-101) of the Board as a group under the Amended and Restated Plan or when combined with any other security-based compensation arrangements of the Corporation cannot at any time exceed 1% of the issued and outstanding Shares.
- (d) No Stock Options shall be granted to an individual "independent" member of the Board if such grant would result in such director, within a calendar year, receiving Stock Options that have, together with all other equity awards granted in such year to such director under any other security-based compensation arrangements of the Corporation, an aggregate value (determined as of the applicable dates of grant by the Board, acting reasonably, using appropriate, widely accepted valuation measures) in excess of \$100,000.

#### *Non-Transferability*

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

#### *Termination of Options*

Upon an Option holder's termination without cause, retirement, resignation, or failure to be re-elected as a Director of the Corporation or an affiliate, (i) the expiry date of any unvested Stock Options held by such Option holder will be the Option holder's Termination Date, and (ii) the expiry date of any vested Stock Options held by such

Option holder will be the date that is ninety (90) days after the Option holder's Termination Date. "**Termination Date**" means the date on which an Option holder ceases to be eligible to participate in the Option Plan as a result of termination of employment with the Corporation or an affiliate for any reason.

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

#### *Change of Control Event*

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

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

In addition, if an offer is made to purchase 50% or more of the outstanding Shares, a Participant is entitled to exercise his or her Stock Option with respect to all of the Shares subject to the Stock Option and not yet purchased thereunder and tender such Shares into such offer, conditional upon the take-up of Shares under such offer; provided that if the consideration offered to Shareholders is (i) not all cash, or (ii) securities of a reporting issuer in a transaction where such reporting issuer is a Qualifying Reporting Issuer (as defined in the Option Plan), then the Participant's entitlement to exercise his or her Stock Option shall only apply with respect to a Participant's vested Stock Options. If the Shares are not taken up under such offer, the Stock Option shall remain outstanding on the same terms and conditions and any funds tendered on the conditional exercise of the Stock Option shall be returned to the Participant forthwith.

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

#### *Amendments to the Option Plan*

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

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

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

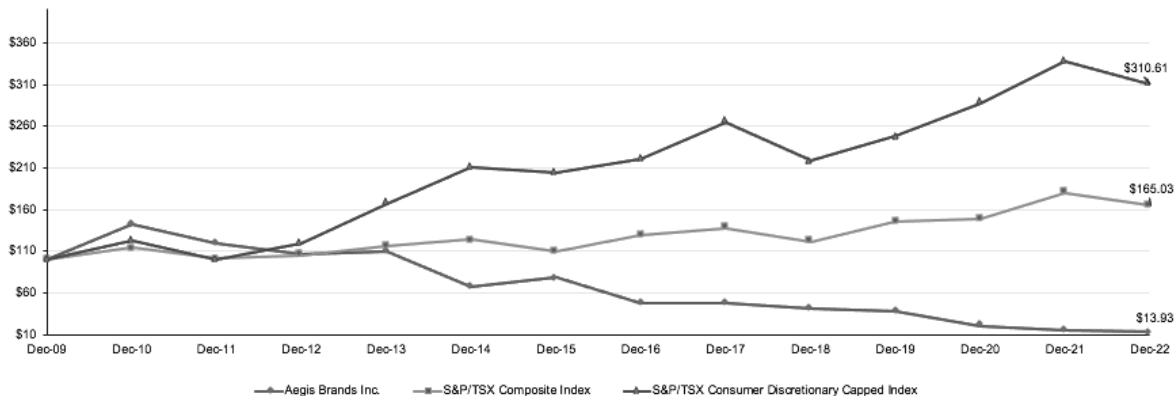
- a) any increase in the maximum number of Shares that may be issuable from treasury pursuant to Options granted under the Plan, including an increase to the maximum number of Shares or a change from a fixed maximum percentage of Shares to a fixed maximum number, other than an adjustment pursuant to a change in capitalization;
- b) any reduction in the exercise price after a Stock Option has been granted or any cancellation of a Stock Option and the substitution of that Stock Option with a new Stock Option with a reduced exercise price, except in the case of an adjustment pursuant to a change in capitalization;
- c) any extension of the expiry date of a Stock Option, except in case of an extension due to a black-out period;
- d) amending the provisions relating to the transferability of a Stock Option, other than for transfers by will or the law of succession or to corporations controlled by the individual or family trusts;
- e) amending any limits on the participation of Insiders in the Option Plan that would result in Shareholder approval to be required on a disinterested basis;
- f) amending the limits with respect to Insiders and independent directors under the Option Plan; and
- g) any amendment to the amendment provisions of the Option Plan or granting additional powers to the Board to amend the Plan or entitlements without Shareholder approval.

#### **Other Benefits**

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

#### **Performance Graph**

The following graph compares the total cumulative Shareholder return for \$100 invested in Shares (assuming reinvestment of dividends) with the cumulative return of each of the S&P/TSX Composite Index and the S&P/TSX Consumer Discretionary Capped Index for the period from inception to December 31, 2022.



### Management Summary Compensation Table

The following table provides a summary of compensation including base salary, short-term incentive plan, long-term incentive plan and amounts otherwise earned by the named executive officers from the period ended December 26, 2020 to the period ended December 25, 2022. Certain aspects of this compensation are dealt with in further detail in the following tables below.

Name and principal position	Year	Salary	Option-based compensation <sup>(1)</sup>	Share-based compensation <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			
Steve Pelton <sup>(5)</sup> President and Chief Executive Officer	2022	\$380,000	\$147,633	-	-	-	-	\$10,915	\$538,548
	2021	\$380,000	\$75,996	\$73,069	-	-	-	\$11,916	\$540,981
	2020	\$277,696	\$120,346	-	-	-	-	\$12,192	\$410,234
Melinda Lee <sup>(6)</sup> Chief Financial Officer	2022	\$275,000	\$13,604	-	\$40,000	-	-	\$1,224	\$329,828
	2021	\$137,500	\$2,866	-	-	-	-	\$674	\$141,040
	2020	-	-	-	-	-	-	-	-
Tara Ramsay <sup>(7)</sup> Vice President of People	2022	\$170,000	\$5,347	-	\$25,500	-	-	\$4,294	\$205,141
	2021	\$170,000	\$4,706	\$21,186	\$25,000	-	-	\$1,040	\$221,932
	2020	\$144,639	-	-	-	-	-	\$938	\$145,307
Kate Burnett <sup>(8)</sup> President, Bridgehead (2000) Inc. ("Bridgehead")	2022	\$150,000	\$11,095	-	\$35,000	-	-	\$2,276	\$198,371
	2021	\$150,000	\$4,706	-	\$5,000	-	-	\$2,125	\$161,831
	2020	\$119,423	-	-	-	-	-	\$2,295	\$121,718
Laurie Ouellette <sup>(9)</sup> Chief Financial Officer, Bridgehead	2022	\$130,000	\$2,670	-	\$23,500	-	-	\$309	\$156,479
	2021	\$130,000	\$1,882	-	\$4,000	-	-	\$10,325	\$146,207
	2020	\$119,423	-	-	-	-	-	\$9,491	\$128,914

Notes:

- (1) Amounts in this column represent the fair value of Stock Options granted that were recognized as share-based compensation expense by the Corporation. The Black-Scholes option pricing model was used to calculate an option valuation. The 2022 amounts reflect the repricing of certain options on December 23, 2022 as disclosed in this Circular. See "Approval of Repricing of Options Under the Corporation's Incentive Stock Option Plan" for more information.
- (2) Amounts in this column include the issuance of the Deferred Compensation Shares as approved at the June 25, 2021 Annual and Special Meeting of Shareholders.
- (3) Annual incentive plans relate to the STIP cash bonus program.
- (4) All other compensation includes termination payments, signing bonuses, car allowances, and other benefits.

- (5) Mr. Pelton joined the Corporation in May 2019 and was appointed Director, President and Chief Executive Officer on June 5, 2019. Included in Mr. Pelton's option based compensation over the 3 years is \$91,592 related to the repricing of his stock options as disclosed in this Circular.
- (6) Ms. Lee was appointed the Corporation's Chief Financial Officer on June 28, 2021. Included in Ms. Lee's option based compensation over the 3 years is \$1,892 related to the repricing of her stock options as disclosed in this Circular.
- (7) Ms. Ramsay joined the Corporation on September 16, 2019. Included in Ms. Ramsay's option based compensation over the 3 years is \$1,383 related to the repricing of her stock options as disclosed in this Circular.
- (8) Ms. Burnett joined the Corporation on January 9, 2020 when the Corporation acquired Bridgehead. Included in Ms. Burnett's option based compensation over the 3 years is \$1,383 related to the repricing of her stock options as disclosed in this Circular.
- (9) Ms. Ouellette joined the Corporation on January 9, 2020 when the Corporation acquired Bridgehead. Included in Ms. Ouellette's option based compensation over the 3 years is \$553 related to the repricing of her stock options as disclosed in this Circular.

### Option-Based Awards – Fair Value

The following tables provide information with respect to option-based awards held by the Corporation's NEOs and Directors as at the Corporation's most recently completed fiscal year ended December 25, 2022.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised Stock Options <sup>(1)</sup>	Option exercise price	Option expiration date	Value of unexercised in-the-money Stock Options	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
<b>Steve Pelton</b> President and Chief Executive Officer	480,304	\$0.64 <sup>(2)</sup>	2029/05/08	\$23,055	-	-	-
<b>Steve Pelton</b> President and Chief Executive Officer	200,000	\$0.64 <sup>(2)</sup>	2029/05/28	\$9,600	-	-	-
<b>Steve Pelton</b> President and Chief Executive Officer	69,696	\$0.64 <sup>(2)</sup>	2029/05/28	\$3,345	-	-	-
<b>Steve Pelton</b> President and Chief Executive Officer	50,000	\$0.71	2030/03/18	-	-	-	-
<b>Melinda Lee</b> Chief Financial Officer	150,000	\$0.64 <sup>(2)</sup>	2031/08/12	\$2,400	-	-	-
<b>Melinda Lee</b> Chief Financial Officer	30,000	\$0.71	2030/03/18	-	-	-	-
<b>Tara Ramsay</b> Vice President of People	50,000	\$0.64 <sup>(2)</sup>	2030/12/29	\$2,400	-	-	-
<b>Tara Ramsay</b> Vice President of People	10,000	\$0.71	2030/03/18	-	-	-	-

<b>Kate Burnett</b> President, Bridgehead	50,000	\$0.64 <sup>(2)</sup>	2030/12/29	\$2,400	-	-	-
<b>Kate Burnett</b> President, Bridgehead	100,000	\$0.71	2030/03/18	\$200	-	-	-
<b>Laurie Ouellette</b> Chief Financial Officer, Bridgehead	20,000	\$0.64 <sup>(2)</sup>	2030/12/29	\$960	-	-	-
<b>Laurie Ouellette</b> Chief Financial Officer, Bridgehead	10,000	\$0.71	2030/03/18	\$60	-	-	-

Notes:

- (1) The Option Plan was adopted on May 28, 2019.
- (2) The 2022 amounts reflect the repricing of certain options on December 23, 2022 as disclosed in this Circular. See "*Approval of Repricing of Options Under the Corporation's Incentive Stock Option Plan*" for more information.

The following table sets forth the value of the NEOs' and Directors' option-based awards and share-based awards that vested during 2021.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)
Steve Pelton President and Chief Executive Officer	\$36,000	-
Melinda Lee Chief Financial Officer	\$2,400	-
Tara Ramsay Vice President of People	\$2,400	-
Kate Burnett President, Bridgehead	\$2,600	-
Laurie Ouellette Chief Financial Officer, Bridgehead	\$1,020	-
Michael Bregman Director of the Corporation	-	-
Alton McEwen Director of the Corporation	-	-
Michael Serruya Director of the Corporation	-	-
Aaron Serruya Director of the Corporation	-	-
Stephen Kelley Director of the Corporation	-	-

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

The following table provides a summary, as at the Corporation's fiscal year ended December 25, 2022, of the Corporation's compensation plans under which equity securities of the Corporation are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of remaining securities available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	1,575,000	\$0.62	1,789,799 <sup>(1)</sup>

Equity compensation plans not approved by security holders	-	-	-
Total	1,575,000	\$0.62	1,789,799

Notes:

- 1) For information as at March 31, 2023, see "Approval of Unallocated Options Under the Corporation's Incentive Stock Option Plan]" for more information.

### Burn Rate under the Corporation's Equity Compensation Plans

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

	2020	2021	2022
Number of DSUs granted	21,282 (0.09% burn rate)	31,446 (0.14% burn rate)	0
Number of Stock Options granted	-	640,000 (2.77% burn rate)	590,000 (2.42% burn rate)
Weighted average number of Shares outstanding	22,839,842	23,066,671	24,346,416
Total burn rate <sup>(1)</sup>	0.09%	2.91%	2.42%

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

### Employment Agreements, Severance and Other Termination Benefits

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

Mr. Pelton's employment with the Corporation commenced in May of 2019. Mr. Pelton was subsequently appointed as President and Chief Executive Officer effective June 5, 2019. Pursuant to Mr. Pelton's employment agreement, he will receive a base salary of \$380,000 per annum and is eligible for a bonus each year. The Corporation granted Mr. Pelton Stock Options to acquire 927,098 shares. Of the Stock Options granted to Mr. Pelton, 177,098 expired at the end of June 2020, and the remaining Stock Options will expire at the end of May 2029, which is 10 years after the date of grant. In accordance with the terms of the employment agreement, the Corporation issued Mr. Pelton 515,241 Shares in the capital of the Corporation at \$1.70 per share. Mr. Pelton paid \$200,000 in cash from his own personal funds for 117,647 shares. He purchased an additional 397,594 shares using the proceeds of two loans advanced to Mr. Pelton by the Corporation – a five-year loan of \$500,000 repayable in June 2024 and a one-year loan of \$176,000 repayable in June 2020, both loans accruing interest at 4.0% per annum. The loan of \$176,000 plus accrued interest was repaid by Mr. Pelton on June 30, 2020 in accordance with the terms of the employment and loan agreement. Mr. Pelton's employment agreement provides that upon termination of his employment with the Corporation, without cause, he will be entitled to a severance payment of \$260,000, such sum payable on a lump sum basis. As of the date of this Circular, Mr. Pelton's salary is \$395,000 and he has been granted a total of 850,000 Stock Options.

Ms. Lee's employment with the Corporation commenced on June 28, 2021. Pursuant to Ms. Lee's employment agreement, she will receive a base salary of \$275,000 per annum and is eligible for a bonus each year. The Corporation has granted Ms. Lee Stock Options to acquire 150,000 shares. The Stock Options will expire at the end of June 2031, which is 10 years after the date of grant. Ms. Lee's employment agreement provides that upon



termination of her employment with the Corporation without cause, she will be entitled to a severance payment equal to 6 months base salary, or \$141,625, such sum payable on a lump sum basis. As of the date of this Circular, Ms. Lee's salary is \$283,250 and she has been granted a total of 210,000 Stock Options.

Ms. Ramsay's employment with the Corporation commenced in September 2019. Pursuant to Ms. Ramsay's agreement employment, she will receive a base salary of \$170,000 per annum and is eligible for a bonus each year. The Corporation has granted Ms. Ramsay Stock Options to acquire 50,000 shares. The Stock Options will expire at the end of December 2030, which is 10 years after the date of grant. All payments, benefits and allowances made or provided to Ms. Ramsay as set out in Ms. Ramsay's employment agreement upon a termination of her employment with the Corporation, without cause, are subject to the requirements of the *Employment Standards Act, 2000* or such other employment/labour standards legislation as may be applicable. As of the date of this Circular, Ms. Ramsay's salary is \$175,950 and she has been granted a total of 70,000 Stock Options.

Ms. Burnett's employment with the Corporation commenced in January 2020. Pursuant to Ms. Burnett's agreement employment, she will receive a base salary of \$115,000 per annum and is eligible for a bonus each year. The Corporation has granted Ms. Burnett Stock Options to acquire 50,000 shares. The Stock Options will expire at the end of December 2030, which is 10 years after the date of grant. Ms. Burnett's employment agreement provides that upon termination of her employment with the Corporation without cause, she will be entitled to a severance payment equal to four months base salary, or 4 weeks per year of service, which includes pay in lieu of notice and severance payments under the *Employment Standards Act, 2000*, payable through salary continuance, or in a lump sum, as determined by the Corporation. Benefits and allowances will continue for the pay in lieu of notice period. As of the date of this Circular, Ms. Burnett's salary is \$154,500 and she has been granted a total of 180,000 Stock Options.

Ms. Ouellette's employment with the Corporation commenced in January 2020. Pursuant to Ms. Ouellette's agreement employment, she will receive a base salary of \$115,000 per annum and is eligible for a bonus each year. The Corporation has granted Ms. Ouellette Stock Options to acquire 20,000 shares. The Stock Options will expire at the end of December 2030, which is 10 years after the date of grant. Ms. Ouellette's employment agreement provides that upon termination of her employment with the Corporation without cause, she will be entitled to a severance payment equal to 12 months base salary, or 4 weeks per year of service, which includes pay in lieu of notice and severance payments under the *Employment Standards Act, 2000*, payable through salary continuance, or in a lump sum, as determined by the Corporation. Benefits and allowances will continue for the pay in lieu of notice period. As of the date of this Circular, Ms. Ouellette's salary is \$133,900 and she has been granted a total of 30,000 Stock Options. Ms. Ouellette's last day of employment with the Corporation is March 31, 2023.

**Indebtedness of Directors and Executive Officers**

Except as described below, no other Director, Nominee, officer of the Corporation or any of their associates is currently or was at any time during the fiscal year ended December 25, 2022, indebted to the Corporation and no indebtedness of such persons has been the subject of a guarantee, support agreement, letter of credit or other similar agreement provided by the Corporation.

*Aggregate Indebtedness*

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

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

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

The table below presents amounts outstanding for each individual who is, or at any time during the fiscal year ended December 25, 2022 was, a Director, Nominee or officer of the Corporation, and each associate of any such Director, Nominee, officer of the Corporation.

Name and Principal Position	Involvement of Company	Largest Amount Outstanding during the Fiscal Year Ended December 25, 2022	Amount Currently Outstanding as of March 31, 2023	Financially Assisted Securities Purchases during the Fiscal Year Ended December 25, 2022	Security for Indebtedness	Amount Forgiven during the Fiscal Year Ended December 25, 2022	Maturity Date
Steven Pelton	Lender	\$500,000	\$500,000	nil	294,241 Shares	\$0	June 5, 2024

On July 3, 2019, as part of the employment arrangements for Steven Pelton, the Corporation's new President and CEO, the Corporation agreed to provide Mr. Pelton with various forms of compensation under his employment agreement dated May 7, 2019. Among the forms of compensation provided to Mr. Pelton, the Corporation issued Mr. Pelton 515,241 Shares in the capital of the Corporation at \$1.70 per share, at an aggregate subscription price of \$875,909.80. Mr. Pelton satisfied the aggregate subscription price for the 515,241 Shares in part with \$200,000 in cash of Mr. Pelton's own personal funds and the remainder \$675,909.80 was funded by Mr. Pelton through two separate loans from the Corporation to Mr. Pelton as follows: (i) a five-year loan of \$500,000 repayable in June 2024, and (ii) a one-year loan of \$176,000 repayable in June 2020, both loans accruing interest at 4.0% per annum (the "**Pelton Loan Agreements**"). The loan of \$176,000 plus accrued interest was repaid by Mr. Pelton on June 30, 2020 in accordance with the terms of the employment and loan agreement. The Pelton Loan Agreements are limited in recourse to the 294,241 Shares, which were pledged in favour of the Corporation pursuant to a pledge agreement and depositary agreement between the Corporation and Mr. Pelton.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of the Directors of the Corporation, no informed person of the Corporation (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*), no proposed Director of the Corporation and no known associate or affiliate of any such informed person or proposed Director, during the fiscal year ended December 25, 2022, has or has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction which has or would materially affect the Corporation or any of its subsidiaries.

### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Corporation purchases directors' and officers' liability insurance annually, with the latest policy effective December 31, 2022. The program total limit is \$5 million annual aggregate and is subject to a deductible of \$100,000 borne by the Corporation.

### **CORPORATE GOVERNANCE**

The Corporation is committed to maintaining high standards of governance. The Corporation has continued to refine its governance practices in light of Canadian regulatory initiatives, particularly NI 58-101, National Policy 58-201, *Corporate Governance Guidelines* ("**NP 58-201**") and National Instrument 52-110, *Audit Committees* ("**NI 52-110**"). The Corporation's current governance practices are disclosed below in accordance with NI 58-101. The information required by Form 52-110F1 of NI 52-110 is contained in the 2022 Annual Information Form under the heading "Audit Committee" and in Schedule A of the Corporation's 2022 Annual Information Form.

#### **Board of Directors**

The Board of Directors is elected by the Shareholders and is responsible for the overall stewardship of the affairs of the Corporation. The Board of Directors discharges its responsibilities directly and through its committees,

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

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

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

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

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

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

In addition, from time to time as circumstances dictate, the non-independent Directors and any representatives of management in attendance at meetings of the Board will be excused. It is anticipated that independent Directors' meetings will be held as deemed appropriate during 2023.

As part of its mandate, the Governance Committee will review on an annual basis the contributions of the Directors and consider whether the composition of the Board of Directors promotes effectiveness and efficiency in its decision-making. As discussed below, the Governance Committee will assess the contribution and the performance of the Directors, both individually and collectively, and the standing committees of the Board of Directors.

Currently, there are no members of management on the Board of Directors other than Mr. Pelton. Mr. Pelton was appointed as the Director, President and CEO of the Corporation (formerly Second Cup) in June of 2019.

The Corporation acknowledges the value of the contribution of women on the Board of Directors and in the ranks of our executive officers. The Corporation's senior management and the members of its Board have diverse backgrounds and expertise and were selected on the belief that the Corporation and its stakeholders would benefit from such a broad range of talent and experiences. Currently, there are no directors who are women on the Board of

Directors, two (66.7%) of the Corporation's executive officers are women, two (100%) of Bridgehead's executive officers are women, and two (33.3%) of St. Louis' executive officers are women. While the Corporation has not adopted a written policy relating specifically to the identification and nomination of women Directors, the mandate of the Governance Committee ensures that the most suitable candidates are identified and nominated based on competency, integrity, skills and breadth of experience, regardless of gender. The Corporation seeks to attract and maintain diversity at the executive and board of directors' levels informally through the recruitment efforts of management in discussion with directors prior to proposing nominees to the Board as a whole for consideration. Although the level of representation of women is one of many factors taken into consideration in making Board and executive officer appointments, emphasis is placed on hiring or advancing the most qualified individuals. Specific targets have not been set regarding the level of representation of women directors or executive officers; as such, the proportion of women on the Board of Directors does not influence the nomination of candidates for the Board of Directors or the appointment of executive officers.

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

The following Directors serve on Boards of other publicly-traded companies:

Michael Serruya	MedMen Enterprises Inc. (CSE:MMEN) The One Group (NASDAQ:STKS)
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### **Position Descriptions**

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

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

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

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

### **Orientation and Continuing Education**

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

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

## **Ethical Business Conduct**

As part of the Corporation's commitment to effective corporate governance, all Directors and officers of the Corporation must act in accordance with the Corporation's Code of Conduct (the "**Code**"). The Code has been adopted by the Board of Directors and requires every Director, officer, and employee, as the case may be, to observe high standards of business and personal ethics as they carry out their duties and responsibilities. The Code is a guide that is intended to sensitize these individuals to significant legal and ethical issues that frequently arise and to the mechanisms available to report illegal or unethical conduct. The Code addresses ethical conduct, conflicts of interest and compliance with the law. The Code is administered by management, although the Board of Directors has the ultimate responsibility for monitoring compliance with the Code, including granting any departures or waivers from the Code. A copy of the Code may be obtained on request from the administrative office of the Corporation at 2040 Yonge Street, Suite 200B, Toronto, Ontario, M4S 1Z9 or on the SEDAR website, [www.sedar.com](http://www.sedar.com). Any updates or amendments to the Code will be filed on SEDAR.

## **Nomination of Directors**

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

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

## **Renewal of Directors**

The Governance Committee, in addition to identifying and nominating candidates for the Board of Directors, is also responsible for identifying the need to renew the Board. The Corporation has not adopted term limits relating to the duration of service of Directors as a mechanism of Board renewal. Alternatively, the Governance Committee performs a periodic review to determine whether or not changes are required to the composition of the Board of Directors, and makes recommendations accordingly. The review for renewal considers such factors as Director competencies, skills and personal qualities, as well as the contributions made by each individual Director to the effective operation of the Board. At this time, the Board does not believe that it is in the best interest of the Corporation to establish term limits on a director's mandate or a mandatory retirement age. The Board is of the opinion that term limits may disadvantage the Corporation through the loss of beneficial contributions of directors who have developed increasing knowledge of the Corporation, its operations, and the industry over a period.

## **Compensation of Directors and Officers**

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

The Governance Committee is also responsible for reviewing officer compensation. See "*Executive and Other Compensation*" for more information.

## **Assessments**

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

## **Audit Committee**

The Audit Committee for the fiscal year 2022 consisted of Mr. Kelley, as the Chair of the Audit Committee, Mr. Michael Serruya and Mr. Bregman. All Directors who served on the Audit Committee in the fiscal year 2022 were independent, as required by NI 52-110. The members of the committee are appointed by the Board of Directors from among its members annually, and as necessary to fill vacancies, and the Board of Directors generally appoints the chair of the Audit Committee.

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

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

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

Additional information relating to the Audit Committee and a copy of the Audit Committee's charter is set out in the 2022 annual information form of the Corporation dated March 20, 2023.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditor of the Corporation is Baker Tilly WM LLP, Chartered Professional Accountants. The transfer agent and registrar for the Shares is Computershare Investor Services Inc., 100 University Avenue, Toronto, Ontario.

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

Except Steven Pelton, Melinda Lee, Tara Ramsay, Laurie Ouellette and Kate Burnett as recipients of Repriced Options under the Option Amendment Resolution, none of the Directors or executive officers of the Corporation who have been a Director or executive officer since the commencement of the Corporation's last financial year, the Nominees, nor any associate or affiliate of any of the foregoing, has any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting. See "*Approval of Repricing of Options Under the Corporation's Incentive Stock Option Plan*" for more information.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is included in its 2022 annual information form, its audited consolidated financial statements for the year ended December 25, 2022 and the related management's discussion and analysis. Copies of these documents may be obtained from the SEDAR website at [www.sedar.com](http://www.sedar.com), or upon request from the Chief Financial Officer of the Corporation: 2040 Yonge Street, Suite 200B, Toronto, Ontario M4S 1Z9 (email [investors@aegisbrands.ca](mailto:investors@aegisbrands.ca)). Financial information is provided in the Corporation's consolidated financial statements and management's discussion and analysis for the year ended December 25, 2022.

## SHAREHOLDER PROPOSALS

Shareholders who comply with the applicable provisions of the *Business Corporations Act* (Ontario) are, subject to certain conditions in the *Business Corporations Act* (Ontario), entitled to have the Corporation include in its management proxy circular any matter that the person proposes to raise at an annual meeting. Any Shareholder who intends to make such a proposal to be considered by the Corporation for the 2023 annual and special meeting must arrange for the Corporation to receive the proposal at its administrative office, located at 2040 Yonge Street, Suite 200B, Toronto, Ontario, M4S 1Z9, no later than March 5, 2024.

## OTHER BUSINESS

Management is not aware of any amendments or variations to matters identified in the notice of the Meeting or of any other matters that are to be presented for action at the Meeting, other than those described in the notice. If any amendment, variation or other business is properly brought before the meeting, the enclosed form of proxy and voting instruction confers discretion on the persons named on the form of proxy to vote on such matters.

## APPROVAL OF CIRCULAR

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

**DATED** at Toronto, Ontario, this 31<sup>st</sup> day of March, 2023.

## BY ORDER OF THE DIRECTORS

Michael Bregman  
Chair of the Board of Directors

**APPENDIX A: CHARTER FOR THE BOARD OF DIRECTORS**

**AEGIS BRANDS INC.  
CHARTER FOR THE BOARD OF DIRECTORS**

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## AEGIS BRANDS INC.

### CHARTER FOR THE BOARD OF DIRECTORS

#### INTRODUCTION

##### Terminology:

"**Board of Directors**" means the board of directors of the Corporation.

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

"**Corporation**" means Aegis Brands Inc.

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

#### DUTIES OF DIRECTORS

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

##### **Oversight of the Corporation**

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

##### **Monitoring of Financial Performance and Other Financial Reporting Matters**

1. The Board of Directors will review all financial statements, material change reports and such other additional information regarding the financial position or business of the Corporation necessary to comply with any continuous disclosure obligations applicable to the Corporation.
2. The Board of Directors is responsible for overseeing the Corporation's compliance with its undertakings to applicable securities regulatory authorities regarding financial statements and other information regarding its financial position or business, and regarding insider reporting and trading.

3. The Board of Directors shall be responsible for approving the unaudited quarterly and audited annual financial statements of the Corporation and the notes thereto and auditors' reports thereon, as applicable, and the Management's Discussion and Analysis accompanying such financial statements, as well as annual reports, management information circulars, annual information forms and other securities law filings of the Corporation.
4. The Board of Directors is responsible for reviewing and approving material transactions involving the Corporation and those matters which the Board of Directors is required to approve under the applicable law including the payment of dividends, the purchase and issuance of shares, acquisitions and dispositions of material assets by the Corporation and material expenditures by the Corporation.

#### **Policies and Procedures**

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

#### **Communications and Reporting**

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

## APPENDIX B: ADVANCE NOTICE POLICY

### INTRODUCTION

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

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

#### Section 1.1

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

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

#### Section 1.2

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

#### Section 1.3

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

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

meeting is made by the Corporation.

#### Section 1.4

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

#### Section 1.5

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

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

## Section 1.6

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

## Section 1.7 Additional Matters

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

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

March 22, 2013

## APPENDIX C: RESOLUTION APPROVING UNALLOCATED OPTIONS

**WHEREAS** capitalized terms used herein but not otherwise defined shall have the meanings ascribed thereto in the management information circular of Aegis Brands Inc. (the "**Corporation**") dated March 31, 2023;

**AND WHEREAS** the Board of Directors approved the Option Plan on May 28, 2019;

**AND WHEREAS** the Shareholders approved the Option Plan on September 24, 2020;

**AND WHEREAS** the Option Plan is considered a "rolling" plan as it does not have a fixed maximum number of Shares that may be issued pursuant to options granted under the Option Plan;

**AND WHEREAS** the rules of the Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, must be approved by the Shareholders every three (3) years;

**NOW THEREFORE BE IT RESOLVED** as an ordinary resolution of the Shareholders of the Corporation that:

1. all unallocated options issuable under the Option Plan be and are hereby approved;
2. the Corporation is authorized to continue granting options under the Option Plan until May 5, 2026, which is the date that is three (3) years from the date of the Meeting; and
3. any officer or director of the Corporation is hereby authorized, for and on behalf of the Corporation, to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to this resolution.

#### **APPENDIX D: OPTION AMENDMENT RESOLUTION**

**WHEREAS** capitalized terms used herein but not otherwise defined shall have the meanings ascribed thereto in the management information circular of Aegis Brands Inc. (the "**Corporation**") dated March 31, 2023 (the "**Circular**");

**NOW THEREFORE BE IT RESOLVED** as an ordinary resolution of the Disinterested Shareholders of the Corporation that:

1. subject to the final acceptance of the Toronto Stock Exchange, the exercise price of stock options exercisable for an aggregate of up to 1,045,000 Shares, as more particularly described in the Circular, is hereby amended to an exercise price of \$0.64;
2. the Board of Directors is hereby authorized in its absolute discretion to determine whether or not to proceed with the above resolution without further ratification or approval by the Shareholders; and
3. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all other documents and do all such other acts and things as may be necessary or desirable to give effect to the foregoing resolutions.

