

FORM 51-102F3

MATERIAL CHANGE REPORT

UNDER NATIONAL INSTRUMENT 51-102

Item 1 Name and Address of Company

Crailar Technologies Inc. (the “Company”) (“CRAiLAR”)
Suite 305 - 4420 Chatterton Way
Victoria, British Columbia V8X 5J2

Item 2 Date of Material Change

June 25, 2014.

Item 3 News Release

A news release was issued by the Company on June 25, 2014 and distributed through Canada Newswire.

Item 4 Summary of Material Change

The Company announced that Mr. Klaus Flock has joined the board of directors and was issued 35,000 stock options exercisable at a price of US\$0.84/CDN\$0.90 per common share for a term of five year. The options vest over a period of 12 months.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that Mr. Klaus Flock, currently CFO of adidas Group America, has agreed to join the Company’s Board of Directors.

Mr. Flock is an 18-year veteran with adidas Group AG, where he has held numerous executive level positions for the company throughout Europe, Asia and North America. Upon returning from Indonesia in 2006, where he was Managing Director of adidas Indonesia, he was appointed CFO of TaylorMade-adidas Golf until late 2011. Since that time, he has held the position of CFO for adidas Group America, based in Portland, Oregon. Mr. Flock is a graduate of the Universität Stuttgart with a Diplom-Kfm in accounting and finance.

“We are truly pleased Klaus has accepted our nomination, and grateful to adidas AG for allowing him to participate in this capacity. Klaus’s insight into the industry, knowledge of supply chains and global financial experience elevates our board structure to a new level with a further reaching global scope. We look forward to his active participation with CRAiLAR and welcome him to the CRAiLAR team ” said Ken Barker, CEO of CRAiLAR Technologies.

Commensurate with his appointment, the Company has granted Mr. Flock, in accordance with its current share option plan, a stock option to acquire up to an aggregate of 35,000 common shares of the Company at an exercise price of US\$0.84/CDN\$0.90 per common share for a period of five years and have been granted in accordance with the terms of the Company's 2011 Fixed Stock Option Plan. The options will vest over a period of twelve months.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Guy Prevost, Corporate Controller and Compliance Officer
Suite 305 – 4420 Chatterton Way, Victoria, BC V8X 5J2
Telephone: (250) 658-8582.

Item 9 Date of Report

June 25, 2014.