



**NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF
THE FRESH FACTORY B.C. LTD.
TO BE HELD ON
OCTOBER 9, 2025**

Dated as of September 4, 2025

THE FRESH FACTORY B.C. LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of the holders (the “**TFF Shareholders**”) of shares (“**TFF Shares**”) of The Fresh Factory B.C. Ltd. (“**TFF**” or the “**Corporation**”) will be held by telephone conference using dial-in instructions set out below at 1:00 p.m. (Eastern time), on October 9, 2025, and the Corporation invites TFF Shareholders to participate in that manner for the following purposes:

1. to receive and consider the annual audited consolidated financial statements of the Corporation for the financial year ended December 31, 2024, together with the auditor’s report thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint MNP LLP as the auditors of the Corporation for the ensuing year and to authorize the board of directors of the Corporation to fix their remuneration;
4. to consider and, if thought appropriate, to approve, with or without variation, an ordinary resolution ratifying and approving the Amended and Restated Stock Option Plan.
5. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Particulars of the foregoing matters are set forth in the management information circular for the Meeting dated September 4, 2025 (the “**Circular**”), which accompanies this Notice of Meeting (the “**Notice**”) and, together with management’s Instrument of Proxy (“**Proxy**”) or Voting Instruction Form (“**VIF**”) which also accompanies the Notice, form a part hereof and must be read in conjunction with this Notice. The board of directors of the Corporation has fixed the close of business on September 4, 2025 as the record date for the determination of the TFF Shareholders entitled to receive notice of the Meeting. Only TFF Shareholders whose names have been entered in the register of shareholders as of the close of business on September 4, 2025 will be entitled to receive notice of the Meeting, and vote in advance of the Meeting.

This year the Meeting will be held in a virtual-only format, which will be conducted via teleconference. Registered Shareholders and duly appointed proxy holders may participate in the Meeting via live teleconference. Specifically, Registered shareholders and duly appointed proxyholders who wish to have the opportunity to speak during the meeting and participate in telephone voting must pre-register before 1 PM ET on October 7, 2025 for the conference by navigating to:

<https://dpre register.com/sreg/10202210/ffbc8eb9fa>

All shareholders and stakeholders wishing to attend the Meeting by teleconference may do so on a listen-only basis by dialing the following toll free, or international toll number approximately five to ten minutes prior to the commencement of the Meeting and ask the operator to join the Meeting:

Canada/USA Toll Free: 1-844-763-8274

International Toll: +1-412-717-9224

Non-registered TFF Shareholders (being shareholders who beneficially own shares that are registered in the name of an intermediary such as a bank, trust company, securities broker or other nominee, or in the name of a depository of which the intermediary is a participant) who have not duly appointed themselves as proxyholder will be able to attend the Meeting by phone as guests, but guests will not be able to vote or ask questions at the Meeting. **For information with respect to TFF Shareholders who own their TFF Shares through an intermediary, see “General Proxy Information – Non-Registered Shareholders” in the Circular.**

If you are unable to call into the Meeting, please read the Instructions For Completion of Proxy (“**Instructions**”) on the reverse side of the Proxy or Instructions For Completion of VIF (“**VIF Instructions**”) enclosed herewith and then complete and return the Proxy or VIF within the time set out in the Instructions or VIF Instructions as the case may be. In addition, as set out in the Instructions and VIF Instructions, the enclosed Proxy or VIF is solicited by management of the Corporation but you may amend it if you so desire by striking out the names listed therein and inserting in the space provided the name of the person you wish to represent you at the Meeting.

A TFF Shareholder who wishes to appoint a person other than the proxyholders identified on the Proxy or VIF Instructions form (including a non-registered shareholder who wishes to appoint themselves as proxyholder in order to virtually attend the Meeting) must carefully follow the instructions in the Information Circular and on their Proxy or VIF form accompanying this Notice. These instructions include the additional step of registering such proxyholder with the transfer agent, Olympia Trust Company (“**Olympia**”), after submitting a form of proxy or voting instruction form.

Changes to the Meeting time, date or location and/or means of holding the Meeting may be announced by way of press release. Please monitor the Corporation’s press releases as well as its website at thefreshfactory.co for updated information. The Corporation advises you to check its website one week prior to the Meeting date for the most current information. The Corporation does not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

Whether or not you are able to attend the Meeting in person, you are encouraged to provide voting instructions on the enclosed Proxy or VIF as soon as possible. The Corporation’s transfer agent, Olympia, must receive your proxy no later than October 7, 2025 at 1:00 p.m. (Eastern time), or, if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and holidays in the Province of British Columbia) before any adjourned or postponed Meeting. You must send your proxy to the Corporation’s transfer agent by either using the envelope provided or by mailing the proxy to Olympia Trust Company, Proxy Department, PO Box 128 STN M, Calgary, Alberta, T2P 2H6. You may vote by email at proxy@olympiatrust.com, Attention: Proxy Department. You may also vote on the internet by going to: <https://css.olympiatrust.com/pxlogin> and following the instructions. You will need your 12-digit control number located on the form of proxy. If you wish to vote on the internet, you must do so no later than October 7, 2025 at 1:00 p.m. (Eastern time). If you vote using any other method, your proxy must be received by Olympia no later than October 7, 2025 at 1:00 p.m. (Eastern time).

If you are a non-registered TFF Shareholder (for example, if you hold TFF Shares in an account with a broker or another intermediary), you should follow the voting procedures described in the Proxy or VIF provided by your broker or intermediary or call your broker or intermediary for information as to how you can vote your TFF Shares. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. Therefore, each non-registered TFF Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting. Note that the deadlines set by your broker or intermediary for submitting your Proxy or VIF may be earlier than the dates described above.

TFF Shareholders should follow the instructions on the forms they receive and if they have any questions contact their intermediaries or Olympia Trust Company, the Corporation's transfer agent, toll free within North America at (833) 684-1546, at (587) 774-2340 outside of North America or by e-mail at cssinquiries@olympiatruster.com.

DATED this 4th day of September, 2025.

BY ORDER OF THE BOARD

(Signed) "Bill Besenhofer"

Bill Besenhofer, Co-Founder, Chief Executive Officer and a Director

THE FRESH FACTORY B.C. LTD.

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “Circular”) and accompanying form of proxy are furnished in connection with the solicitation of proxies by the management of The Fresh Factory B.C. Ltd. (“TFF” or the “Corporation”) for use at the annual and special meeting (the “Meeting”) of holders (the “TFF Shareholders”) of shares (“TFF Shares”) of TFF, to be held on October 9, 2025 at 1:00 p.m. (Eastern time), and at any adjournment or postponement thereof, for the purposes set forth in the accompanying notice of annual and special meeting (the “Notice of Meeting”). This year, the Meeting will be held in a virtual only format, which will be conducted via audio conference. TFF Shareholders and duly appointed proxyholders can attend the Meeting online by dial-in at the instructions provided below.

Registered shareholders and duly appointed proxyholders who wish to have the opportunity to speak during the meeting and participate in telephone voting must pre-register before 1 PM ET on October 7, 2025 for the conference by navigating to: <https://dpreister.com/sreg/10202210/ffbc8eb9fa>

All shareholders and stakeholders wishing to attend the Meeting by teleconference may do so on a listen-only basis by dialing the following toll free, or international toll number approximately five to ten minutes prior to the commencement of the Meeting and ask the operator to join the Meeting:

Canada/USA Toll Free: 1-844-763-8274

International Toll: +1-412-717-9224

Shareholders are urged to carefully read the Circular.

GENERAL MATTERS

Defined Terms

In this Circular, unless otherwise indicated or the context otherwise requires, terms defined in Appendix A – *Glossary of Terms* shall have the meanings attributed thereto. Words importing the singular include the plural and vice versa and words importing gender include all genders.

Information Contained in this Circular

The information contained in this Circular, unless otherwise indicated, is given as of September 4, 2025.

No person has been authorized by the Corporation to give any information (including any representations) in connection with the matters to be considered at the Meeting other than the information contained in this Circular. This Circular does not constitute a solicitation of a proxy by any person in any jurisdiction in which such a solicitation is not authorized or is unlawful. Information contained in this Circular should not be construed as legal, tax or financial advice.

Currency

Unless otherwise indicated, all references to “\$” or “dollars” set forth in this Circular are to Canadian dollars and all references to “US\$” or “U.S dollars” are to U.S. dollars.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of the Corporation for use at the Meeting of the TFF Shareholders to be held at 1:00 p.m. (Eastern time), on October 9, 2025 and at any adjournment or postponement thereof for the purposes set forth in the accompanying Notice of Meeting. This year, the Meeting will be held in a virtual only format, which will be conducted via audio conference. TFF Shareholders and duly appointed proxyholders can attend the Meeting online by dialing in using the instructions provided above or in the Notice of Meeting. The solicitation of proxies will be made primarily by mail and may be supplemented by telephone or other personal contact by the directors, officers and employees of the Corporation. Directors, officers and employees of the Corporation will not receive any extra compensation for such activities. In addition, the Corporation may retain a proxy solicitation agent or proxy solicitation service to solicit proxies, the cost of which will be borne by the Corporation. The Corporation may utilize the Broadridge QuickVote™ service to assist Non-Registered Shareholders with voting their TFF Shares. The Corporation may pay brokers or other persons holding TFF Shares in their own names, or in the names of nominees, for their reasonable expenses for sending forms of proxy and this Circular to Non-Registered Shareholders and obtaining proxies therefrom. The cost of any Such solicitation will be borne by the Corporation. such solicitation will be borne by the Corporation.

No person is authorized to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

Appointment of Proxies

A Registered Shareholder of the Corporation may vote in person at the Meeting or may appoint another person to represent such Shareholder as proxy and to vote the TFF Shares of such TFF Shareholder at the Meeting. In order to appoint another person as proxy, such TFF Shareholder must complete, execute and deliver the form of proxy accompanying this Circular, or another proper form of proxy, in the manner specified in the Notice of Meeting or deposit the completed and executed form of proxy with the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment or postponement thereof.

The persons named in the form of proxy accompanying this Circular are officers or other representatives of the Corporation. A TFF Shareholder has the right to appoint a person (who need not be a TFF Shareholder), other than the persons whose names appear in such form of proxy, to attend and act for and on behalf of such TFF Shareholder at the Meeting and at any adjournment or postponement thereof. Such right may be exercised by either striking out the names of the persons specified in the form of proxy and inserting the name of the person to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to Olympia Trust Company (“Olympia”) in time for use at the Meeting in the manner specified in the Notice of Meeting or depositing the completed and executed form of proxy with the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment or postponement thereof.

Revocation of Proxies

A Registered Shareholder of the Corporation who has given a proxy may revoke the proxy at any time prior to use by: (i) attending the Meeting and voting in person; (ii) depositing an instrument in writing, including another completed form of proxy bearing a later date or a revocation, executed by such Registered Shareholder or by his or her attorney authorized in writing, or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof: (a) to Olympia, at any time prior to 1:00 p.m. (Eastern time) on the last business day preceding the day of the Meeting or any adjournment or postponement thereof; or (b) with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof; or (iii) any other manner permitted by law.

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

Exercise of Discretion by Proxies

The TFF Shares represented by an appropriate form of proxy will be voted on any ballot or poll that may be conducted at the Meeting, or at any adjournment or postponement thereof, in accordance with the instructions contained on the form of proxy and, if the TFF Shareholder specifies a choice with respect to any matter to be acted on, the TFF Shares will be voted accordingly. **In the absence of instructions, such TFF Shares will be voted FOR each of the matters described in the Notice of Meeting by the persons designated in the form of proxy.**

The enclosed form of proxy, when properly completed and executed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters described in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment or postponement thereof, whether or not any of the amendments, variations or other matters are routine or contested. As at the date hereof, management of the Corporation knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matter which is not now known to management of the Corporation should properly be brought before the Meeting, or any adjournment or postponement thereof, the TFF Shares represented by such proxy will be voted on such matter in accordance with the judgment of the person named as proxy thereon.

Signing of Proxy

The form of proxy must be signed by the Registered Shareholder or the duly appointed attorney thereof authorized in writing or, if the Registered Shareholder is a corporation, by an authorized officer or attorney of such corporation. A form of proxy signed by the person acting as attorney of the Registered Shareholder or in some other representative capacity, including an officer of a corporation which is a Registered Shareholder, should indicate the capacity in which such person is signing. A Registered Shareholder or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such Registered Shareholder or by or on behalf of his or her attorney, as the case may be.

Non-Registered Shareholders

Only Registered Shareholders or duly appointed proxy holders are permitted to vote in connection with the Meeting. Some TFF Shareholders are Non-Registered Shareholders because the TFF Shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary (each, an “**Intermediary**”) or in the name of a clearing agency.

Non-Registered Shareholders should note that only Registered Shareholders may vote in connection with the Meeting. If TFF Shares are listed in an account statement provided to a TFF Shareholder by an Intermediary, then in almost all cases those TFF Shares will not be registered in such TFF Shareholder's name on the records of the Corporation. Such TFF Shares will more likely be registered in the name of an Intermediary or an agent or nominee thereof. In Canada, the vast majority of such TFF Shares are registered under the name CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which company acts as nominee for many Intermediaries). TFF Shares held by Intermediaries (or their agents or nominees) on behalf of Non-Registered Shareholders can only be voted (for or against resolutions) at the direction of the applicable Non-Registered Shareholder. Without specific instructions, Intermediaries and their agents or nominees are prohibited from voting shares on behalf of Non-Registered Shareholders. Therefore, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires Intermediaries to forward all proxy-related materials to and seek voting instructions from Non-Registered Shareholders in advance of shareholder meetings. The various Intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their TFF Shares are voted in connection with the Meeting. Often the form of proxy supplied to a Non-Registered Shareholder by an Intermediary is identical to the form of proxy provided by the Corporation to Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder (i.e., the Intermediary or agent or nominee thereof) how to vote on behalf of the Non-Registered Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form (a "**VIF**"), mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting. For the purposes hereof, a Non-Registered Shareholder who receives a Broadridge VIF cannot use that form to vote TFF Shares directly in connection with the Meeting. **The VIF must be returned to Broadridge (or instructions respecting the voting of TFF Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the TFF Shares voted.**

There are two kinds of Non-Registered Shareholders: (i) those who object to their identity being known to the issuers of securities which they own ("**Objecting Beneficial Owners**" or "**OBOs**"), and (ii) those who do not object to their identity being made known to the issuers of securities which they own ("**Non-Objecting Beneficial Owners**" or "**NOBOs**"). Subject to the provisions of NI 54-101, issuers may deliver proxy-related materials directly to their NOBOs.

The Corporation is not sending proxy-related materials directly to NOBOs and accordingly, NOBOs can expect to receive a scannable VIF from Broadridge. These VIFs are to be completed and returned to Broadridge in the envelope provided or by facsimile. In addition, Broadridge provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Broadridge will tabulate the results of the VIFs received from the NOBOs and will provide appropriate instructions to Odyssey Trust, the transfer agent of the Corporation, with respect to the TFF Shares represented by the VIFs they receive. Please return your voting instructions as specified in the VIF.

The Corporation does not intend to pay for an Intermediary to deliver the proxy-related materials to its OBOs and, as such, the Corporation's OBOs will not receive the materials unless the OBO's Intermediary assumes the cost of delivery of the proxy-related materials.

Although Non-Registered Shareholders may not be recognized directly at the Meeting for the purposes of voting TFF Shares registered in the name of an Intermediary or an agent or nominee thereof, a Non-Registered Shareholder may attend the Meeting as proxy holder for the Registered Shareholder and vote its TFF Shares in that capacity. Should a Non-Registered Shareholder wish to attend the Meeting and indirectly vote its TFF Shares as proxy holder for an applicable Registered Shareholder, such Non-Registered Shareholder should enter its own name in the blank space on the form of proxy or VIF provided to such Non-Registered Shareholder and return same in accordance with the instructions provided thereon.

All references to TFF Shareholders in this Circular and the accompanying form of proxy and Notice of Meeting are to TFF Shareholders of record unless specifically stated otherwise.

Quorum

The quorum for any meeting of TFF Shareholders is two persons present at the meeting each of whom is entitled to vote at the meeting, and who hold or represent by proxy in the aggregate not less than 5% of the outstanding shares of the Corporation entitled to vote at the meeting. In the event that a quorum is not present at the time fixed for holding the Meeting, the Meeting shall stand adjourned to such date and to such time and place as may be determined by the TFF Shareholders present.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Record Date and Principal Holders

The TFF Board has fixed September 4, 2025 (the “**Record Date**”) as the record date for the determination of the TFF Shareholders entitled to receive the Notice of Meeting. TFF Shareholders of record at the close of business on the Record Date will be entitled to vote in connection with the Meeting and at any adjournment or postponement thereof.

The authorized share capital of the Corporation consists of an unlimited number of Subordinate Voting Shares and an unlimited number of Proportionate Voting Shares. As of the Record Date, there were a total of 10,446,777 Subordinate Voting Shares and 447,111 Proportionate Voting Shares. Each Proportionate Voting Share entitles the holder thereof to 100 votes and each Subordinate Voting Share entitles the holder thereof to one vote, in each case on all matters to be acted upon at the Meeting. See “*Description of Share Capital of the Corporation*” below for further details.

To the knowledge of the directors and executive officers of the Corporation, as of the Record Date, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to either the Subordinate Voting Shares or the Proportionate Voting Shares, except for the following:

Name of Shareholder	Number of Proportionate Voting Shares held⁽¹⁾⁽³⁾	Percentage of outstanding Proportionate Voting Shares⁽¹⁾	Number of Subordinate Voting Shares held⁽²⁾⁽³⁾	Percentage of outstanding Subordinate Voting Shares⁽²⁾
Nathan G. Laurell <i>Illinois, United States</i>	111,596	25%	180,056	1.7%

Notes:

(1) Based on a total of 447,111 Proportionate Voting Shares issued and outstanding on an undiluted basis as of the Record Date

(2) Based on a total of 10,446,777 Subordinate Voting Shares issued and outstanding on an undiluted basis as of the Record Date.

(3) 111,596 Proportionate Voting Shares and 56 Subordinate Voting Shares are registered in the name of the Nathan G. Laurell Revocable Trust, of which Nathan Laurell, the Executive Chair and a director of the Corporation, is the trustee. 180,000 Subordinate

Voting Shares are registered in the name of the Kristi L. McCoy Revocable Trust, the trustee of which is the spouse of Mr. Laurell.

Description of Share Capital of the Corporation

The Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable Canadian securities laws. The Corporation has complied with the requirements of Part 12 of NI 41-101 to be able to file a prospectus under which the Subordinate Voting Shares or securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, the Subordinate Voting Shares are distributed, as the Corporation received the requisite prior majority approval of shareholders of Corporation, at a meeting of shareholders of the Corporation held on October 18, 2021, in accordance with applicable law, including Section 12.3 of NI 41-101, to amend the rights and restrictions of its existing class of common shares, redesignate such class as the class of Subordinate Voting Shares and create the Proportionate Voting Shares (the “**Share Terms Amendment**”). The Share Terms Amendment constituted a “restricted security reorganization” within the meaning of such term under applicable Canadian securities laws.

As of the Record Date, the Subordinate Voting Shares represent approximately 19% of the voting rights attached to outstanding securities of the Corporation and the Proportionate Voting Shares represent approximately 81% of the voting rights attached to outstanding securities of the Corporation.

The following is a summary of the rights, privileges, restrictions and conditions attached to the Subordinate Voting Shares and the Proportionate Voting Shares but does not purport to be complete. Reference should be made to the articles of the Corporation and the full text of their provisions for a complete description thereof, which has been filed under the Corporation’s profile on SEDAR+ at www.sedarplus.ca.

Subordinate Voting Shares

Holders of Subordinate Voting Shares are entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation will have the right to vote. At each such meeting, holders of Subordinate Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share held.

As long as any Subordinate Voting Shares remain outstanding, the Corporation will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Subordinate Voting Shares. Holders of Subordinate Voting Shares will not be entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities of the Corporation.

Holders of Subordinate Voting Shares will be entitled to receive, as and when declared by the directors of the Corporation, dividends in cash or property of the Corporation. No dividend will be declared or paid on the Subordinate Voting Shares unless the Corporation simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Proportionate Voting Shares.

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of Subordinate Voting Shares will, subject to the prior rights of the holders of any shares of the Corporation ranking in priority to the Subordinate Voting Shares, be entitled to participate rateably along with all other holders of Proportionate Voting Shares (on an as-converted to Subordinate Voting Share basis) and Subordinate Voting Shares.

No subdivision or consolidation of the Subordinate Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares and Proportionate Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

In the event that an offer is made to purchase Proportionate Voting Shares:

1. if there is a published market for the Proportionate Voting Shares, and the offer is one which is required to be made to all or substantially all of the holders of Proportionate Voting Shares in a province or territory of Canada to which the requirement applies pursuant to (i) applicable securities laws or (ii) the rules of any stock exchange on which the Proportionate Voting Shares of the Corporation are listed, unless an identical offer concurrently is made to purchase Subordinate Voting Shares; or
2. if the Proportionate Voting Shares are not then listed, and the offer is one which would have been required to be made to all or substantially all the holders of Proportionate Voting Shares in a province or territory of Canada pursuant to (i) applicable securities laws or (ii) the rules of any stock exchange had the Proportionate Voting Shares been listed, then each Subordinate Voting Share shall become convertible at the option of the holder into Proportionate Voting Shares at the inverse of the Conversion Ratio (as defined below) then in effect at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Subordinate Voting Shares for the purpose of depositing the resulting Proportionate Voting Shares under the offer, and for no other reason. In such event, the Corporation shall deposit or shall cause its transfer agent to deposit under the offer the resulting Proportionate Voting Shares, on behalf of the holder. Should the Proportionate Voting Shares issued upon conversion and tendered in response to the offer be withdrawn by shareholders or not taken up by the offeror, or should the offer be abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Proportionate Voting Shares being taken up and paid for, the Proportionate Voting Shares resulting from the conversion shall be reconverted into Subordinate Voting Shares at the Conversion Ratio then in effect, and the Corporation shall send or cause the transfer agent to send to the holder a share certificate or acknowledgement representing the Subordinate Voting Shares.

Proportionate Voting Shares

Holders of Proportionate Voting Shares will be entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation will have the right to vote. At each such meeting, holders of Proportionate Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share into which such Proportionate Voting Share could be converted as of the record date (initially 100 votes per Proportionate Voting Share).

As long as any Proportionate Voting Shares remain outstanding, the Corporation will not, without the consent of the holders of the Proportionate Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Proportionate Voting Shares. Consent of the holders of a majority of the outstanding Proportionate Voting Shares by separate ordinary resolution shall be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Proportionate Voting Shares.

Holders of Proportionate Voting Shares will not be entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, Proportionate Voting Shares, or bonds, debentures or other securities of the Corporation.

The holders of the Proportionate Voting Shares will be entitled to receive such dividends, out of any cash or other assets of the Corporation Issuer legally available therefor, *pari passu* (on an as-converted to Subordinate Voting Share basis, assuming conversion of all Proportionate Voting Shares into Subordinate Voting Shares at the Conversion Ratio as of the record date fixed for the determination of the holders of Subordinate Voting Shares entitled to receive such dividend) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares. No dividend will be declared or paid on the Proportionate Voting Shares unless the Corporation simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Subordinate Voting Shares.

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of Proportionate Voting Shares will, subject to the prior rights of the holders of any shares of the Corporation ranking in priority to the Proportionate Voting Shares, be entitled to participate rateably along with all other holders of Proportionate Voting Shares (on an as-converted to Subordinate Voting Share basis) and Subordinate Voting Shares.

No subdivision or consolidation of the Subordinate Voting Shares or Proportionate Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares and Proportionate Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

The Proportionate Voting Shares will not be transferrable except: (i) to (A) an initial holder of Proportionate Voting Shares, (B) in respect of a holder of Proportionate Voting Shares that is an individual, the members of immediate family of such individual and any person controlled, directly or indirectly, by any such holder an affiliate or person controlled, directly or indirectly, and (C) in respect of a holder of Proportionate Voting Shares that is not an individual, an affiliate of that holder or the members of the immediate family of the individual that controls such holder (each, a “**Permitted Holder**”); and (ii) in compliance with U.S. securities laws. Subject to the conversion limitation described below, any Proportionate Voting Shares sold or transferred to a person who is not a Permitted Holder shall be automatically converted to Subordinate Voting Shares, unless otherwise determined by the directors.

Each Proportionate Voting Share shall have a restricted right to convert into 100 Subordinate Voting Shares (the “**Conversion Ratio**”), subject to adjustments for certain customary corporate changes. The ability to convert the Proportionate Voting Shares is subject to a restriction that the aggregate number of Subordinate Voting Shares and Proportionate Voting Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the U.S. Exchange Act), may not exceed forty percent (40%) of the aggregate number of Subordinate Voting Shares and Proportionate Voting Shares issued and outstanding after giving effect to such conversions and to a restriction on beneficial ownership of Subordinate Voting Shares exceeding certain levels. In addition, the Proportionate Voting Shares will automatically convert into Subordinate Voting Shares in certain circumstances, including upon the registration of the Subordinate Voting Shares under the U.S. Securities Act.

In the event that an offer is made to purchase Subordinate Voting Shares:

1. if there is a published market for the Subordinate Voting Shares, and the offer is one which is required to be made to all or substantially all the holders of Subordinate Voting Shares in a province or territory of Canada pursuant to (i) applicable securities legislation or (ii) the rules of a stock exchange on

which the Subordinate Voting Shares are then listed, unless an identical offer concurrently is made to purchase Proportionate Voting Shares; or

2. if the Subordinate Voting Shares are not then listed, and the offer is one which would have been required to be made to all or substantially all the holders of Subordinate Voting Shares in a province or territory of Canada pursuant to (i) applicable securities legislation or (ii) the rules of a stock exchange had the Subordinate Voting Shares been listed, then each Proportionate Voting Share shall become convertible at the option of the holder into Subordinate Voting Shares at the Conversion Ratio then in effect, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may be exercised in respect of Proportionate Voting Shares for the purpose of depositing the resulting Proportionate Voting Shares pursuant to the offer. Should the Subordinate Voting Shares issued upon conversion and tendered in response to the offer be withdrawn by shareholders or not taken up by the offeror, or should the offer be abandoned or withdrawn, the Subordinate Voting Shares resulting from the conversion shall be automatically reconverted, without further intervention on the part of the Corporation or on the part of the holder, into Proportionate Voting Shares at the inverse of the Conversion Ratio then in effect.

See “*Description of Share Capital*” in the Corporation’s (final) long form prospectus dated November 10, 2021, and available on SEDAR+ at www.sedarplus.ca, for details as to the share capital of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

Receipt of Financial Statements

The financial statements of the Corporation for the fiscal year ended December 31, 2024 and the report of the auditors thereon, will be submitted to the Meeting. Receipt at the Meeting of the auditor’s report and the Company’s audited financial statements for the fiscal year ended December 31, 2024 will not constitute approval or disapproval of any matters referred to therein.

Election of Directors

At the Meeting, the TFF Shareholders will be asked to elect the five (5) nominees set forth below as directors for the ensuing year. TFF’s directors are expected to hold office until its next annual general meeting of TFF Shareholders unless they resign prior thereto or are removed by the TFF Shareholders. TFF’s directors will be elected annually and, unless re-elected, will retire from office at the end of the next annual general meeting of TFF Shareholders.

Advance Notice Provisions

The Corporation’s articles contain advance notice provisions setting out advance notice requirements for the nomination of directors of the Corporation by a TFF Shareholder (who must also meet certain qualifications outlined in such provisions) (the “**Nominating Shareholder**”) at any annual meeting of TFF Shareholders, or for any special meeting of TFF Shareholders if one of the purposes for which the special meeting was called was the election of directors (the “**Advance Notice Provisions**”). The following description is a summary only and is qualified in its entirety by the full text of the applicable provisions of the articles of the Corporation, which has been filed under the Corporation’s profile on SEDAR+ at www.sedarplus.ca.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must give timely notice of such nomination in proper written form to the

secretary of the Corporation at the principal executive offices of the Corporation. To be timely, a Nominating Shareholder's notice to the secretary must be made: (i) the case of an annual meeting of TFF Shareholders, not less than 30 nor more than 50 days prior to the date of the annual meeting of TFF Shareholders; provided, however, that in the event that the annual meeting of TFF Shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of TFF Shareholders called for the purpose of electing directors (whether or not called for other purposes as well), 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 was made. The Advance Notice Provisions also prescribe the proper written form for a Nominating Shareholder's notice.

The chairperson of the applicable meeting of TFF Shareholders has the power and duty to determine whether a nomination was made in accordance with the notice procedures set forth in the Advance Notice Provisions and, if any proposed nomination is not in compliance with such provisions, to declare that such defective nomination be disregarded.

As of the date of this Circular, the Corporation has not received any nominations under the Advance Notice Provisions.

TFF Nominees

The following table sets out, for each of TFF's nominees, the individual's name, state and country of residence, position with TFF, principal occupation(s) during the last five years, and, to the best of the Corporation's knowledge, the number of TFF Shares directly or indirectly held by such nominees as of date of this Circular.

Name and State and Country of Residence⁽¹⁾	Position(s) with the Corporation	Principal Occupation(s)⁽¹⁾	Number of TFF Shares Directly or Indirectly Held⁽¹⁾
Nathan Laurell <i>Illinois, United States</i>	Executive Chair and a Director (since November 5, 2021)	Executive Chair of the Corporation (November 2021 to Present)	111,596 Proportionate Voting Shares 180,056 Subordinate Voting Shares
Bill Besenhofer ⁽²⁾ <i>Illinois, United States</i>	Chief Executive Officer and a Director (a director since November 5, 2021 and Chief Executive Officer since November 30, 2021)	Chief Executive Officer of the Corporation (November, 2021 to Present)	10,139 Proportionate Voting Shares 55 Subordinate Voting Shares
Jeff Cantalupo ⁽²⁾ <i>Illinois, United States</i>	Director (since November 5, 2021)	General Partner, Listen Ventures (July 2010 to Present)	38,718 Proportionate Voting Shares 100,079 Subordinate Voting Shares

Name and State and Country of Residence⁽¹⁾	Position(s) with the Corporation	Principal Occupation(s)⁽¹⁾	Number of TFF Shares Directly or Indirectly Held⁽¹⁾
Lindsay Levin <i>Texas, United States</i>	Director (since November 5, 2021)	Partner, Verde Associates (May 2021 to Present)	3,298 Proportionate Voting Shares 7,562 Subordinate Voting Shares
Tim Doelman ⁽²⁾ <i>Illinois, United States</i>	Director (since January 29, 2025)	Former CEO and co-founder of fairlife, LLC (served as CEO from 2020 to 2025)	11,111 Proportionate Voting Shares

Notes:

- (1) Information as to municipality of residence, principal occupation, securities beneficially owned or over which a director or officer exercises control or direction has been furnished by the respective individuals as of the date of this Circular.
- (2) Member of the Audit Committee (Mr. Cantalupo is the Chair).

Cease Trade Orders, Bankruptcies and Penalties

To the Corporation's knowledge, none of the nominees for election as a director of the Corporation is as at the date of this Circular, or has been, within the 10 years prior to the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was the subject of a cease trade or similar order, or an order that denied the other company access to any exemptions under applicable securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting as director, chief executive officer or chief financial officer; or
- (b) was the subject of a cease trade or similar order, or an order that denied the other company access to any exemptions under applicable securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that Person was acting in the capacity as director, chief executive officer or chief financial officer.

To the Corporation's knowledge, none of the nominees for election as a director of the Corporation is as at the date of this Circular, or has been, within the 10 years prior to 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 the assets of that company.

To the Corporation's knowledge, none of the nominees for election as a director of the Corporation is as at the date of this Circular, or has been, within the 10 years prior to 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 that Person.

To the Corporation's knowledge, none of the nominees for election as a director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to 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.

Management of the Corporation does not contemplate that any of the current nominees for election as a director of the Corporation will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named as proxyholders in the enclosed form of proxy reserve the right to vote for other nominees for election as directors of the Corporation at their discretion.

Shareholders have the option to: (i) vote for all of the directors of the Corporation listed in the table above; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Corporation will be voted FOR the election of each of the proposed nominees set forth in the table above.**

Appointment and Remuneration of Auditors

It is proposed that MNP LLP, the current auditors of the Corporation, be appointed as the auditors of the Corporation, to hold office until the close of the next annual meeting of Shareholders, or until a successor is appointed, and that the Directors be authorized to fix MNP LLP's remuneration. The Audit Committee has recommended to the Board, and the Board has approved, the nomination of MNP LLP for such appointment. MNP have been the auditors of the Corporation since November 5, 2021.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution to reappoint MNP LLP to serve as auditors of the Corporation until the next annual meeting of Shareholders and to authorize the directors of the Corporation to fix their remuneration as such. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

Unless the Shareholder has specifically instructed that his or her TFF Shares are to be withheld from voting in connection with the re-appointment of MNP LLP, the persons named in the accompanying proxy intend to vote FOR the re-appointment of MNP LLP as the auditors of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix their remuneration.

Approval of Amended and Restated Stock Option Plan

At the Meeting, Shareholders will be asked to vote for (i) the confirmation and approval of the amendment and restatement to the Company's existing Option Plan to make the changes summarized under the heading "Option Plan Amendments" below (the "**Option Plan Amendments**"). For reference, a blackline copy of the amended and restated stock option plan (the "**Amended and Restated Stock Option Plan**") reflecting the Option Plan Amendments as described below is attached to this Circular as Appendix "C". In order for the resolution described herein to pass, a simple majority of affirmative votes cast at the Meeting.

The Option Plan was originally adopted by the Board on November 5, 2021 and was last approved by Shareholders on July 10, 2024 to offer incentives to directors, officers, employees, consultants, management and others who provide services to the Company to act in the best interests of the Company. See below for a summary of the material terms of the existing Option Plan.

At the Meeting, Shareholders will be asked to approve the Option Plan Amendments and, as a result, the adoption of the Amended and Restated Stock Option Plan.

Option Plan Amendment

The principal change between the Option Plan and the Amended and Restated Stock Option Plan is to remedy a clerical error and reflect that the total number of TFF Shares issuable under the Amended and Restated Stock Option Plan is set at a maximum of 10% of the Subordinate Voting Shares, taken together with the number of Subordinate Voting Shares issuable on conversion of the Proportionate Voting Shares, measured at the time of grant.

The foregoing information is intended to be a brief description of the change between the Stock Option Plan and the Amended and Restated Stock Option Plan and is qualified in its entirety by the full text of the Amended and Restated Stock Option Plan, a blackline copy of which is attached as Appendix “C” of this Information Circular.

Description of the Amended and Restated Stock Option Plan

The Amended and Restated Stock Option Plan is a “rolling” stock option plan that sets the number of TFF Shares issuable thereunder at a maximum of 10% of the Subordinate Voting Shares, taken together with the number of Subordinate Voting Shares issuable on conversion of the Proportionate Voting Shares, measured at the time of grant.

Pursuant to the policies of the TSXV, a TSXV-listed issuer is required to obtain the approval of its shareholders for a “rolling” stock option plan at each annual meeting of shareholders. Accordingly, at the Meeting, Shareholders will be asked to approve an ordinary resolution to approve the Option Plan for the ensuing year.

The Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase TFF Shares. The Option Plan provides for a floating maximum limit of 10% of the outstanding TFF Shares as permitted by the policies of the TSXV. As at the date hereof, options to purchase a total of 3,334,822 TFF Shares have been issued to eligible participants under the Option Plan and remain outstanding. As at the date hereof, the number of TFF Shares remaining available for issuance under the Option Plan is 2,190,965.

For a summary of the Plan, please see “*Securities Authorized for Issuance Under Equity Compensation Plans – Summary of Stock Option Plan*” below. The full text of the Option Plan will be supplied free of charge to any Shareholder upon written request made directly to the Company at its registered head office located at 238 Tubeway Drive, Carol Stream, IL 60188, telephone: 1-877-743-8289.

Resolution Approving the Amended and Restated Stock Option Plan

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, to approve, with or without variation, an ordinary resolution ratifying and approving the Option Plan Amendments (the “**Stock Option Plan Resolution**”). Should the Stock Option Plan Resolution not receive the required Shareholder approvals at the Meeting, the Amended and Restated Stock Option Plan will not be adopted, and the existing Option Plan will remain in place. The text of the Stock Option Plan Resolution is set out below:

“**BE IT RESOLVED**, as an ordinary resolution of Shareholders that:

1. The amended and restated stock option plan (the “**Amended and Restated Stock Option Plan**”) of the Corporation in substantially the form described in, and appended to, the management information circular of the Company dated September 4, 2025, be and the same is hereby ratified, confirmed and

approved, subject to acceptance by the TSX Venture Exchange and shareholder approval of the amended and restated restricted share unit plan, and shall thereafter continue and remain in effect until ratification is required pursuant to the rules of the TSX Venture Exchange or other applicable regulatory requirements.

2. The board of directors are authorized on behalf of the Corporation to make any amendments to the Amended and Restated Stock Option Plan as may be required by regulatory authorities, without further approval of the shareholders of the Corporation, in order to ensure adoption of the Amended and Restated Stock Option Plan.

3. Any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or instructions FOR the resolution approving the Amended and Restated Stock Option Plan. The directors of the Company recommend that Shareholders vote in favour of the resolution approving the Amended and Restated Stock Option Plan.

STATEMENT OF EXECUTIVE COMPENSATION

Introduction

The Corporation was incorporated on October 2, 2018 under the *Business Corporations Act* (British Columbia) under the name “1181718 B.C. Ltd.” On October 27, 2021, the Corporation changed its name to “The Fresh Factory B.C. Ltd.” in connection with a series of transactions resulting in the acquisition of The Fresh Factory, PBC.

The following information is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (“**Form 51-102F6V**”), and provides details of all compensation for each of the directors and Named Executive Officers (as defined below) of the Corporation for the years ended December 31, 2023 and 2022.

For the purposes hereof, a Named Executive Officer or NEO of the Corporation means each of the following individuals:

- (a) each chief executive officer of the Corporation (“**CEO**”);
- (b) each chief financial officer of the Corporation (“**CFO**”);
- (c) the Corporation’s most highly compensated executive officer, other than the CEO and CFO, at the end of the Corporation’s most recently completed financial year whose total compensation was more than C\$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

Director and Named Executive Officer Compensation – Excluding Compensation Securities

The following table sets forth information concerning all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each Named Executive Officer and director, other than stock options and other compensation securities, for each of the two most recently completed financial years.

Name and Position	Fiscal Year Ended Dec 31,	Salary, Consulting Fee, Retainer or Commission (US\$)	Bonus (US\$)	Committee or Meeting Fees (US\$)	Value of Perquisites (US\$)	Value of All Other Compensation⁽¹⁾ (US\$)	Total Compensation (US\$)
Bill Besenhofer <i>Chief Executive Officer and a Director</i>	2024	225,500	102,000	nil	nil	19,598	347,098
	2023	220,000	26,400	nil	nil	18,759	265,159
John Mikulich ⁽²⁾ <i>Former Chief Financial Officer and Corporate Secretary</i>	2024	205,000	90,000	nil	nil	19,598	314,598
	2023	200,000	24,000	nil	nil	18,759	242,759
Nathan Laurell <i>Executive Director</i>	2024	nil	nil	nil	nil	nil	nil
	2023	nil	nil	nil	nil	nil	nil
Jeff Cantalupo <i>Director</i>	2024	nil	nil	nil	nil	nil	nil
	2023	nil	nil	nil	nil	nil	nil
Lindsay Levin <i>Director</i>	2024	nil	nil	nil	nil	nil	nil
	2023	nil	nil	nil	nil	nil	nil
Besar Xhelili ⁽³⁾ <i>Former Director</i>	2024	nil	nil	nil	nil	nil	nil
	2023	nil	nil	nil	nil	nil	nil

Note:

(1) Healthcare Benefits and Insurance.

(2) Mr. Mikulich resigned as Chief Financial Officer and Corporate Secretary of the Corporation on May 31, 2025 and was replaced by Mr. Mike Welgarz.

(3) Mr. Xhelili resigned as a director of the Corporation on January 29, 2025 and was replaced by Mr. Tim Doelman.

Stock Options and Other Compensation Securities

No Named Executive Officer or director of the Corporation was granted or issued any compensation securities by the Corporation or any of its subsidiaries during the year ended December 31, 2024.

No Named Executive Officer or director of the Corporation exercised compensation securities during the financial year ended December 31, 2024.

Stock Option Plan and Other Incentive Plans

The Corporation adopted the Option Plan on November 5, 2021, as amended September 4, 2025, the principal terms of which are described below.

Purpose

The purpose of the Option Plan is to advance the interests of the Corporation by: (a) providing eligible persons, being directors, employees, officers or eligible contractors of the Corporation or its affiliates (collectively, the “**Eligible Persons**”), with additional incentives through equity ownership; (b) increasing the proprietary interest of Eligible Persons in the success of the Corporation; (c) encouraging Eligible Persons to remain with the Corporation or its affiliates; and (d) attracting new directors, employees, officers and service providers.

Eligible Participants

Options may be granted to Eligible Persons. Subject to the provisions of the Option Plan, the TFF Board has the authority to determine the terms, limitations, restrictions and conditions applicable to the vesting or to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed on the sale or other disposition of shares acquired on exercise of an Option.

Vesting

The TFF Board will establish vesting and other terms and conditions for an Option at the time each Option is granted.

Securities Issuable under the Option Plan

The aggregate number of TFF Shares reserved for issuance for all Options granted under the Option Plan and for all other security-based compensation arrangements of the Corporation must not exceed 10% of the then issued and outstanding Subordinate Voting Shares, taken together with the number of Subordinate Voting Shares issuable on conversion of the Proportionate Voting Shares, measured at the time of grant. (the “**Outstanding Issue**”).

The maximum number of Subordinate Voting Shares issuable to any one person under the Option Plan is 5% of the Outstanding Issue less the aggregate number of Subordinate Voting Shares reserved for issuance to such person under any other security-based compensation arrangements of the Corporation.

The maximum number of Subordinate Voting Shares issuable to insiders under the Option Plan and any other security-based compensation arrangements of Corporation Issuer is 10% of the Outstanding Issue. The maximum number of Subordinate Voting Shares which may be issued to insiders under the Option Plan and any other security-based compensation arrangements of the Corporation within a 12-month period is 10% of the Outstanding Issue. In addition, no more than 2% of the total Outstanding Issue at the time of grant may be granted to any one consultant in any 12-month period, and no more than an aggregate of 2% of the total Outstanding Issue at the time of grant may be granted to all persons engaged to conduct Investor Relations Activities (as defined in the policies of the TSXV) in any 12-month period.

Exercise Price and Term

Each Option is confirmed by an option agreement or option grant letter or other form of confirmation (electronic or otherwise) as prescribed by the TFF Board from time to time. The TFF Board shall establish the exercise price of an Option at the time the Option is granted. The exercise price may not be less than the Market Price (as defined in the Option Plan) on the date of grant, being the greater of the closing Market Price of the Subordinate Voting Shares on the TSXV on: (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options. In the event that the Subordinate Voting Shares are not then listed and posted for trading on the TSXV or such other stock exchange or quotation system on which the Subordinate Voting Shares are listed or quoted from time to time, the Market Price shall be the fair market value of such Subordinate Voting Shares as determined by the Board in its sole discretion. The maximum term of an Option is five (5) years.

In the event that any Option expires during, or within 48 hours after, a Corporation-imposed blackout period on the trading of securities of the Corporation, such expiry becomes the tenth day after the end of the blackout period.

Cessation or Termination of Options

Subject to specific exceptions and restrictions outlined in the Option Plan, Options are not assignable and will terminate as follows:

(1) if a participant ceases to be an Eligible Person for any reason other than death or termination for cause, their Options will be cancelled:

a. 90 days after the participant ceases to be an Eligible Person or otherwise in accordance with the terms of the participant's employment agreement;

b. such longer period as may be determined by the TFF Board, but not exceeding the original expiry date of the Option; or

c. immediately if the Options are unvested at the date the participant ceases to be an Eligible Person unless the Board determines otherwise;

(2) if a participant ceases to be an Eligible Person because their relationship with the Corporation or an affiliate is terminated for cause by the Corporation or an affiliate, their Options will be cancelled immediately after the participant ceases to be an Eligible Person; or

(3) if a participant ceases to be an Eligible Person as a result of their death, all Options unvested at the date of the participant's death will vest immediately and their Options will be cancelled:

a. 180 days after their death; or

b. such longer period as may be determined by the TFF Board, but not exceeding the original expiry date of the Option to a maximum of 12 months.

Assignability

Options are non-assignable and non-transferable by a participant otherwise than by will or the laws of descent and distribution and are exercisable only by the participant during the lifetime of the participant and only by the participant's legal representative after death of the participant (in accordance with the

Option Plan). However, Options granted to a participant may be assigned to a Permitted Assign (as such term is defined in the Option Plan) of such participant, following which such Options will be non-assignable and non-transferable by such permitted assign, except to another permitted assign, otherwise than by will or the laws of descent and distribution, and will be exercisable only by such permitted assign during the lifetime of such permitted assign and only by such permitted assign's legal representative after death of such permitted assign.

Amendment Provisions

Subject to any applicable regulatory or stock exchange requirements or restrictions in the Option Plan, the TFF Board may at any time and without shareholder approval, terminate the Option Plan or amend the provisions of the Option Plan or any Options granted under it, including without limitation amendments:

- (1) deemed by the Board to be necessary or advisable because of any change in applicable securities laws or other laws;
- (2) relating to the administration of the Option Plan;
- (3) to the vesting provisions of any outstanding Options;
- (4) to postpone or adjust any exercise of any Option or the issuance of any TFF Shares pursuant to the Option Plan as the Board in its discretion may deem necessary in order to permit the Company to effect or maintain registration of the Option Plan or the TFF Shares issuable pursuant to the Plan under the securities laws of any applicable jurisdiction, or to determine that the TFF Shares and the Option Plan are exempt from such registration; and
- (5) fundamental or otherwise, not requiring Shareholder approval under applicable laws or the rules of an Exchange, including amendments of a "clerical" or "housekeeping" nature and amendments to ensure that the Options granted under the Option Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an eligible person under the Option Plan may from time to time be resident or a citizen.

The Board may not make any of the following amendments to the Option Plan without first having obtained the approval of a majority of shareholders voting at a shareholders meeting:

- (1) the inclusion of a cashless exercise feature with respect to the exercise of Options under the terms of the Option Plan;
- (2) in order to increase the maximum number of TFF Shares which may be issued under the Option Plan or to increase the insider participation limits;
- (3) to increase the ability of the Board to amend the Option Plan without Shareholder approval;
- (4) to the definitions of "Eligible Person" and "Permitted Assigns" under the Option Plan;
- (5) the exercise price of any Option issued under the Option Plan where such amendment reduces the exercise price of such Option (for this purpose, a cancellation or termination of an Option of a participant prior to its expiry for the purpose of re-issuing Options to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option), and provided that disinterested shareholder approval will be required if the reduction of the exercise price is for Options granted to an Insider;

- (6) relating to the transferability of Options; or
- (7) the term of any Option issued under the Option Plan.

In determining the number of Options to be granted to the executive officers, the TFF Board considers a number of factors including the amount and term of Options previously granted, base salary and annual performance incentives awarded to the executives and commensurate with those offered by other companies in our industry; and the exercise price of any outstanding Options to ensure that such grants are in accordance with TSXV policies.

The above is a summary description of the material terms of the Options Plan, with such description being qualified in its entirety by reference to the full text of the Option Plan. The full text of the Option Plan will be available upon written request made directly to the Corporation at its registered office located at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, BC, V6C 3E8.

Other than the Option Plan, as at the date of this Circular the Corporation does not have any other incentive or compensation-based security plans under which awards are granted.

Employment, Consulting and Management Agreements

There are no contracts in place under which compensation was provided during the financial year ended December 31, 2024 in respect of services provided to the Corporation or any of its subsidiaries that were performed by a Named Executive Officer or director.

Oversight and Description of Director and Named Executive Officer Compensation

The Corporation does not have a compensation committee or a formal compensation policy. The Corporation relies solely on the directors to determine the compensation of the Named Executive Officers. In determining compensation, the directors consider industry standards and the Corporation's financial situation, but the Corporation does not have any formal objectives or criteria. The performance of each executive officer is informally monitored by the directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

In establishing compensation for NEOs, the TFF Board as a whole seeks to accomplish the following goals:

- To recruit and subsequently retain highly qualified executive officers by competitive offering overall compensation;
- To motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met; and
- To align the interests of executive officers with the long-term interests of shareholders through participation in the Option Plan.

When considering the appropriate executive compensation to be paid to our officers, the TFF Board as a whole have regard to a number of factors including: (i) recruiting and retaining executives critical to the success of the Corporation and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Corporation's shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations generally; and (v) available financial resources.

Salary, wages or contractor payments for each NEO are based on the position held, the related responsibilities and functions performed by the NEO and salary ranges paid to executives at similar companies. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Corporation, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Corporation's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Corporation in compensating, attracting, retaining and motivating the officers, directors and employees of the Corporation and to closely align the personal interest of such persons to the interest of the shareholders.

The exercise price of the stock options granted is determined by the market price at the time of grant. At this time the TFF Board has not established any performance criteria or goals. There were no significant changes to the Corporation's compensation policies during or after the most recently completed financial year that could or would have affected the Named Executive Officers' compensation.

Elements of Named Executive Officer Compensation

The compensation of the NEOs has included three major elements: (a) base salary, (b) incentive and signing bonuses, and (c) equity incentives, consisting of Stock Options. These three principal elements of compensation are described below.

Base Salary

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries were determined on an individual basis, taking into consideration the past, current and potential contribution to the Corporation's success, the position and responsibilities of the NEOs and competitive industry pay practices for other high growth, premium brand companies of similar size and revenue growth potential.

Bonus

Bonuses may be awarded based on qualitative and/or quantitative performance standards, and are intended to reward performance of the NEO, and may also be awarded as a recruitment incentive. The determination of an NEO's performance may vary from year to year depending on economic conditions and conditions in the cannabis industry, and may be based on various financial, operational or similar measures such as stock price performance, the meeting of financial targets against budget, the meeting of acquisition objectives and balance sheet performance.

Stock Options

The Option Plan provides for the issuance by the Corporation of Options from time to time to directors, officers, employees and consultants.

Benchmarking

The Corporation may establish an appropriate comparator group for purposes of setting the future compensation of current and future NEOs.

Pension Disclosure

The Corporation does not have a pension plan and does not provide any pension plan benefits.

AUDIT COMMITTEE

Pursuant to section 224(1) of the BCBCA, the policies of the TSXV and NI 52-110, the Corporation is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not executive officers, control persons or employees of the Corporation or an affiliate of the Corporation. NI 52-110 requires the Corporation, as a venture issuer, to disclose annually in its management information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. The charter of the Audit Committee is attached to this Circular as Appendix B.

Composition of the Audit Committee

As of the date of this Circular, the Audit Committee is comprised of:

Bill Besenhofer	Non-Independent ⁽¹⁾	Financially literate ⁽²⁾
Jeff Cantalupo	Independent ⁽¹⁾	Financially literate ⁽²⁾
Tim Doelman	Independent ⁽¹⁾	Financially literate ⁽²⁾

Notes:

(1) A member of the Audit Committee is independent if he or she has no direct or indirect “material relationship” with the Corporation. A material relationship is a relationship which could, in the view of the TFF Board, be reasonably expected to interfere with the exercise of a member’s independent judgment.

(2) A member of the Audit Committee 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.

Relevant Education and Experience

Bill Besenhofer

Mr. Besenhofer has over 20+ years of experience in operations including executive management building and leading operations teams. He was co-founder and COO of The Fresh Factory PBC, a predecessor to the Corporation, where he oversaw all daily operations. He began his career in Healthcare at Cardinal Health, a Top 20 Fortune 500 multinational integrated health care service company as a lean six-sigma black belt with a focus on operational process, improving cost-effectiveness, and optimizing performance. Bill most recently was the Operating Partner/COO for GreatPoint Ventures, a San Francisco-based venture fund where he maintained operational oversight and managed funds with investments in industry-leading companies such as BeyondMeat, Truvian, and VIM Healthcare. Bill is a mentor, facilitator, and motivator who has guided multiple portfolio businesses to instill sound processes and achieve challenging goals.

Jeff Cantalupo

Mr. Cantalupo began his career helping large brands innovate while at Leo Burnett. He now helps innovators create brands as the founder and managing partner of Listen, a consumer-focused venture capital

firm. With \$100M under management across three funds, Listen has invested in over 20 early stage brands. Jeff brings deep experience in the Health and Wellness movement having led Listen’s seed investments in both Calm, the world’s largest mental fitness brand and Factor, the leading fresh-prepared healthy meals brand where Jeff served as a founding board member through its recent exit to Hello Fresh. In addition to Listen, Jeff serves as an Adjunct Professor at Northwestern’s Kellogg School of Management teaching Brand Strategy and is active in the community serving as a member of the Economic Club of Chicago and Board Member for Ronald McDonald House Charities Chicagoland and Northwest Indiana.

Tim Doelman

Mr. Doelman brings has over 30 years of experience in the food and beverage manufacturing industry, with a proven record of scaling operations, driving growth, and fostering innovation. He served as the Chief Executive Officer of fairlife, LLC from 2020 to 2025, and is a founding member of the company, playing a pivotal role in its evolution from inception to reaching over \$1B in retail sales by 2021. Before becoming CEO, Mr. Doelman served as fairlife’s Chief Operating Officer, where he led efforts to reinvent the dairy industry with innovative products and processing technologies. He also served as CEO of Athletes HoneyMilk, launching Core Power, and he co-founded The Good Cow Company in 1999, where he developed key technologies that influenced fairlife’s success.

Audit Committee Oversight

At no time since the commencement of the Corporation’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the TFF Board.

Reliance on Certain Exemptions

The Corporation is a “venture issuer” as defined in NI 52-110 and as such is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval Policies and Procedures

The charter of the Audit Committee provides that the duties of the Audit Committee as they relate to the external auditor of the Corporation, include that it must (i) review and pre-approve non-audit services to be provided to the Corporation by the external auditor; (ii) review and approve the engagement letters of the external auditor, including for permissible non-audit services, including the fees to be paid for such services; and (iii) review the nature of and fees for any non-audit services performed for the Corporation by the external auditor and consider whether the nature and extent of such services could detract from the external auditor’s independence in carrying out the audit function.

External Auditor Service Fees (By Category)

Aggregate fees paid to the external auditors of the Corporation during the financial years ended December 31, 2023 and 2024 were as follows:

Financial Year Ended	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
December 31, 2024	\$157,119	nil	\$13,544	nil
December 31, 2023	\$156,000	nil	\$21,750	nil

Notes:

- (1) Fees charged for the audit and review of the Corporation's financial statements or for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements, including comfort letters, consents and review of securities filings.
- (2) Fees charged for assurance and related services reasonably related to the performance of an audit or review of the Corporation's financial statements, and not included under "Audit Fees".
- (3) Fees charged for tax compliance, tax advice and tax planning services.
- (4) Fees charged for products and services, other than the services disclosed in any other column.

STATEMENT OF CORPORATE GOVERNANCE

Corporate Governance

Corporate governance relates to the activities of the TFF Board, the members of which are elected by TFF Shareholders and are accountable to the Corporation, and takes into account the role of the individual members of management who are appointed by the TFF Board and who are charged with the day-to-day management of the Corporation. National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to certain reporting issuers in Canada. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices.

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, the Corporation is required to disclose its corporate governance practices, as summarized below. The TFF Board will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the TFF Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The TFF Board facilitates its exercise of independent judgment in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The TFF Board requires management to provide complete and accurate information with respect to the Corporation's activities and to provide relevant information concerning the industry in which the Corporation operates in order to identify and manage risks. The TFF Board is responsible for monitoring the Corporation's officers, who in turn are responsible for the maintenance of internal controls and management information systems.

As of the date of this Circular, the TFF Board has five directors, of whom three are independent within the meaning of NI 52-110. The TFF Board members are Nathan Laurell, Bill Besenhofer, Jeff Cantalupo, Lindsay Levin and Tim Doelman.

Jeff Cantalupo, Lindsay Levin and Tim Doelman are independent directors. Nathan Laurell and Bill Besenhofer are not considered independent because of their executive positions with the Corporation.

Directorships

None of the current directors of the Corporation or the nominees for election as directors of the Corporation at the Meeting currently serve on the board of directors of other issuers that are reporting issuers (or the equivalent).

Orientation and Continuing Education

Each new director is given an outline of the nature of the Corporation's business, its corporate strategy and current issues within the Corporation. New directors are also required to meet with management of the Corporation to discuss and better understand the Corporation's business and are given the opportunity to meet with counsel to the Corporation to discuss their legal obligations as director of the Corporation.

In addition, management of the Corporation takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Corporation as a whole. The Corporation continually reviews the latest securities rules and stock exchange policies. Any changes or new requirements are then brought to the attention of the Corporation's directors either by way of director or committee meetings or by direct communications from management to the directors.

Ethical Business Conduct

The TFF Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the TFF Board in which the director has an interest have been sufficient to ensure that the TFF Board operates independently of management and in the best interests of the Corporation. Further, the Corporation's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Corporation's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The TFF Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of TFF Shareholders, taking into account the number required to carry out the TFF Board's duties effectively and to maintain a diversity of views and experience. In this regard, the TFF Board as a whole is responsible for the qualification criteria for the selection of directors to serve on the TFF Board and annually reviewing the appropriate experience, skills and characteristics required of each existing and new director of the Corporation. It is also responsible for implementing a procedure to reasonably identify, with as much advance notice as practicable, impending vacancies on the TFF Board, so as to allow sufficient time for recruitment and introduction of proposed nominees to the existing members of the TFF Board.

In recommending nominations to the TFF Board, the TFF Board is to (i) consider whether the candidate's competencies, skills and personal qualities are aligned with the Corporation's needs and any criteria for selecting new directors; (ii) consider the commitment of time and resources that the candidate is able to devote to the Corporation as a member of the TFF Board in light of what the Corporation expects from the candidate; (iii) consider the recommendations of the Chair of the TFF Board, if any; and (iv) ensure that the candidate understands the demands and expectations of being a director of the Corporation.

Compensation

Please refer to "*Statement of Executive Compensation – Oversight and Description of Director and Named Executive Officer Compensation*" above for a description of the process undertaken to date for the determination of the compensation of the directors and NEOs the Corporation.

Other Board Committees

The TFF Board has no committees other than the Audit Committee.

Assessments

The TFF Board monitors the adequacy of information given to directors, communication between the TFF Board and management and the strategic direction and processes of the TFF Board and committees.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out securities issued and authorized for issuance under equity compensation plans of the Corporation as at December 31, 2024.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by securityholders	3,228,917 Options ⁽¹⁾	US\$1.00	1,219,746
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
TOTAL	3,228,917	US\$1.00	1,953,540

Note:

(1) Represents the outstanding securities issued under the Option Plan as at December 31, 2024. For further details as to the Option Plan, see “Statement of Executive Compensation – Stock Option Plan” above.

OTHER BUSINESS

As at the date hereof, management of the Corporation is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the TFF Shares represented thereby in accordance with their judgment on such matter.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Management of TFF is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any Person who has been a director or executive officer of TFF at any time since the beginning of TFF’s last financial year or who is proposed to be a director of TFF or of any associate or affiliate of any such Persons, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Circular and the Corporation’s financial statements, no informed person of TFF, proposed director of TFF, or any associate or affiliate of any such Person, has or has had any material interest, direct or indirect, in any transaction since the commencement of TFF’s most recently completed financial year or in any proposed transaction which in either such case has materially affected or will materially affect TFF or any of its subsidiaries on a consolidated basis.

ADDITIONAL INFORMATION

Additional information relating to TFF can be found under its profile on SEDAR+ at www.sedarplus.ca. Financial and other information is provided in TFF's audited consolidated financial statements and management's discussion and analysis for the financial year ended December 31, 2024, which can be found under its profile on SEDAR+ at www.sedarplus.ca. and will be sent without charge to any securityholder upon request by contacting the Investor Relations Department of TFF by telephone at 1-877-495-1638 or by email at healthyinvestors@thefreshfactory.co.

APPROVAL

The contents of this Circular and the sending thereof to the TFF Shareholders have been approved by the TFF Board.

DATED this 4th day of September, 2025.

BY ORDER OF THE BOARD

(Signed) "Bill Besenhofer"

Bill Besenhofer, Co-Founder and Chief Executive Officer

APPENDIX A GLOSSARY OF TERMS

In this Circular, unless the subject matter or context is inconsistent therewith, the following terms have the meanings set forth below and grammatical variations thereof shall have the corresponding meanings.

“Audit Committee” means the audit committee of the TFF Board as the same is constituted from time to time;

“BCBCA” means the *Business Corporations Act* (British Columbia) and the regulations thereunder, as amended from time to time;

“Circular” means the Notice of Meeting and accompanying management information circular, including all appendices to such management information circular, to be sent to the TFF Shareholders in connection with the Meeting, as amended, supplemented or otherwise modified from time to time;

“including” means including without limitation, and **“include”** and **“includes”** each have a corresponding meaning;

“Meeting” means the annual general meeting of TFF Shareholders to be held via teleconference at 1:00 p.m. (Eastern time), on July 10, 2024, including any adjournment(s) or postponement(s) thereof;

“NI 41-101” means National Instrument 41-101 – *General Prospectus Requirements*;

“NI 52-110” means National Instrument 52-110 – *Audit Committees*;

“NI 54-101” means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

“Non-Registered Shareholder” means a TFF Shareholder whose TFF Shares are held by an Intermediary with whom the TFF Shareholder deals in respect of such TFF Shares;

“Olympia” means Olympia Trust Company;

“Option Plan” means the incentive stock plan of TFF originally approved on November 5, 2021, as amended;

“Options” means the options of TFF to purchase Subordinate Voting Shares issued pursuant to the Option Plan;

“Person” means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other entity;

“Proportionate Voting Shares” means the proportionate voting shares in the capital of the Corporation;

“Registered Shareholder” means a TFF Shareholder who is in possession of a DRS Statement or a physical share certificate, or who is entitled to receive a DRS Statement or a physical share certificate, in respect of the applicable TFF Shares and whose name and address are recorded in the Corporation’s shareholders’ register maintained by Olympia, the registrar and transfer agent of the Corporation, or the Corporation, as applicable, in respect of such TFF Shares;

“SEDAR+” means the System for Electronic Document Analysis and Retrieval +;

“Subordinate Voting Shares” means the subordinate voting shares in the capital of the Corporation;

“TFF” or the **“Corporation”** means The Fresh Factory B.C. Ltd., a corporation existing under the laws of the Province of British Columbia;

“TFF Board” means the board of directors of TFF as the same is constituted from time to time;

“TFF Shareholder” means a registered or beneficial holder of TFF Shares, as the context requires;

“TFF Shares” means the Subordinate Voting Shares and Proportionate Voting Shares, or either such class of shares, as appropriate in the context;

“TSXV” means the TSX Venture Exchange;

“Transaction” means the business combination effected on November 5, 2021 among The Fresh Factory, PBC, the Corporation and Fresh Factory Merger Sub Inc., a direct, wholly-owned subsidiary of the Corporation, pursuant to which the Fresh Factory, PBC completed a reverse takeover of the Corporation; and

“United States” or **“U.S.”** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

APPENDIX B

AUDIT COMMITTEE CHARTER

Purpose

The Audit Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) of The Fresh Factory B.C. Ltd. (the “Company”). The Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Company. This Charter shall govern the operations of the Committee.

The Committee’s primary duties and responsibilities are to:

- a) conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- b) assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures;
- c) review and approve the interim financial statements and management’s discussion and analysis of the Company’s financial position and operating results;
- d) review the annual financial statements and management’s discussion and analysis of the Company’s financial position and operating results and report thereon to the Board for approval of same;
- e) select and monitor the independence and performance of the Company’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration;
- f) provide oversight to related party transactions entered into by the Company; and
- g) provide oversight of all disclosure relating to, and information derived from, financial statements and management’s discussion and analysis.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties as set out in this Charter.

Authority of the Audit Committee

The Committee shall have the authority to:

- a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- b) set and pay the compensation for advisors employed by the Committee; and

- c) communicate directly with the internal and external auditors of the Company.

Composition and Meetings

- a) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. Unless a Chair is elected by the Board, the members of the Committee shall designate from amongst from among themselves a member who shall serve as Chair.
- b) The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Canadian Securities Exchange, the Business Corporations Act (British Columbia), and all applicable securities regulatory authorities. Each member of the Committee shall be financially literate (as defined in National Instrument 52-110 – Audit Committees (“NI 52-110”)).
- c) At least a majority of the members of the Committee shall be “independent” (as defined in NI 52-110) and shall be remunerated only in accordance with applicable laws and regulations.
- d) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by electronic conference shall constitute a quorum.
- e) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- f) If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- g) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, email or other communication equipment, by giving at least 48 hours’ notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of electronic conference or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- h) Any member of the Committee may participate in the meeting of the Committee by means of electronic conference call or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- i) The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting. Any director of the Company may attend meetings of the Committee, and the Committee may invite such officers, directors and employees of the Company and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.

j) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

k) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary.

l) The Committee members will be appointed annually at the first meeting of the Board following the annual general meeting of shareholders of the Company.

Responsibilities

a) Financial Accounting and Reporting Process and Internal Controls

- i. The Committee shall review and approve the interim financial statements and related management's discussion and analysis before the Company publicly discloses this information to satisfy itself that the financial statements are presented in accordance with applicable accounting principles. The Committee shall review the annual audited financial statements and related management's discussion and analysis before the Company publicly discloses this information to satisfy itself that the financial statements are presented in accordance with applicable accounting principles, report thereon and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall consider whether the Company's financial disclosures are complete, accurate, prepared in accordance with International Financial Reporting Standards and fairly present the financial position of the Company. The Committee shall also satisfy itself that, in the case of the annual financial statements, the audit function has been effectively carried out by the auditors and, in the case of the interim financial statements, that the review function has been effectively carried out.
- ii. The Committee shall review and assess the adequacy and effectiveness of the Company's systems of internal control and management information systems through discussion with management and the external auditor to ensure that the Company maintains appropriate systems, is able to assess the pertinent risks of the Company and that the risk of a material misstatement in the financial disclosures can be detected.
- iii. The Committee shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, management's discussion and analysis and annual and interim financial press releases, and periodically assess the adequacy of these procedures in consultation with any disclosure committee of the Company.
- iv. The Committee shall review any press releases containing disclosure regarding financial information that are required to be reviewed by the Committee under any applicable laws or otherwise pursuant to the policies of the Company (including before the Company publicly discloses this information).
- v. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the

Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, deems appropriate.

- vi. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to minimize such risks.
- vii. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
- viii. The Committee be responsible for monitoring compliance with any code of corporate conduct adopted by the Board and shall periodically review and make recommendations regarding such code.
- ix. The Committee shall establish procedures for:
 - 1. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - 2. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- x. The Committee shall have the authority to adopt such policies and procedures as it deems appropriate to operate effectively.

b) Independent Auditors

- i. The Committee shall be directly responsible for the selection, appointment, compensation and oversight of the external auditors and the external auditors shall report directly to the Committee.
- ii. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors.
- iii. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, confirm, support and assure the independence and objectivity of the external auditors. The Committee shall establish procedures to receive and respond to complaints with respect to accounting, internal accounting controls and auditing matters.
- iv. The Committee shall review the external auditor's audit plan, including scope, procedures and timing of the audit.
- v. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
- vi. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within International Financial Reporting Standards that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Company and the external auditors.
- vii. The Committee shall review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.

viii. The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

ix. The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.

c) Other Activities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

Performance Evaluation

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board.

Access to Information

The Committee shall be granted unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors, officers and employees of the Company will be directed to cooperate as requested by members of the Committee.

Currency of this Charter

This Charter of the Committee was initially adopted by the Board on November 5, 2021.

APPENDIX C
AMENDED AND RESTATED STOCK OPTION PLAN

[SEE ATTACHED]

THE FRESH FACTORY B.C. LTD.

~~2021~~2025 Stock Option Plan

Approved by the Shareholders on ~~November 5, 2021~~October 9], 2025

ARTICLE 1 GENERAL PROVISIONS

1.1 Interpretation

- (a) For the purposes of the Plan, the following terms have the following meanings:

“10% Shareholder” means a US Participant who, at the time an ISO is granted, owns securities representing more than 10% of the voting power of all classes of shares of the Company or any Subsidiary, taking into account the attribution rules under section 424(d) of the IRS Code;

“Affiliate” means an affiliate of the Company within the meaning of Section 1.3 of NI 45-106;

“Associate” has the meaning set out in Section 2.22 of NI 45-106;

“Board” means the board of directors of the Company or if established and duly authorized to act, a committee appointed for such purpose by the board of directors of the Company to administer the Plan;

“Change of Control” means the occurrence of any one or more of the following events:

- (i) the Company is not the surviving entity in a merger, amalgamation or other reorganization (or survives only as a subsidiary of an entity other than a previously wholly-owned subsidiary of the Company);
- (ii) the Company sells, leases or exchanges assets representing more than 50% of the fair market value of its assets to any other person or entity (other than an Affiliate of the Company);
- (iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;
- (iv) any person, entity or group of persons or entities acting jointly or in concert (the “Acquiror”) acquires, or acquires control (including, without limitation, the power to vote or direct the voting) of, for the first time, voting securities of the Company which, when added to the voting securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or Associates and/or affiliates of the Acquiror to cast or direct the casting of 40% or more of the votes attached to all of the Company's outstanding voting securities which may be cast to elect directors of the Company or the successor company (regardless of whether a meeting has been called to elect directors) and as a result of such acquisition of control, directors of the Company holding such office immediately before such acquisition of control shall not constitute a majority of the Board;
- (v) as a result of or in connection with: (A) the contested election of directors or (B) a transaction referred to in paragraph (i) above, the nominees named in the most recent management information circular of the Company for election to the board of directors of the Company shall not constitute a majority of the Board;
or

- (vi) the Board adopts a resolution to the effect that a Change of Control has occurred or is imminent.

For the purposes of the text above, “voting securities” means subordinate voting shares of the Company and any other shares entitled to vote for the election of directors, and shall include any securities, whether or not issued by the Company, which are not shares entitled to vote for the election of directors but which are convertible into or exchangeable for shares which are entitled to vote for the election of directors, including any options or rights to purchase such shares or securities;

“**Company**” means The Fresh Factory B.C. Ltd., and includes any successor companies;

“**Eligible Contractor**” means a person who is not an employee, officer or director of the Company that:

- (i) is engaged to provide on a *bona fide* basis consulting, technical, management or other services to the Company or any Affiliate under a written contract with the Company or the Affiliate;
- (ii) in the reasonable opinion of the Board, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate; and
- (iii) who otherwise qualifies as a “consultant” under section 2.22 of NI 45-106;

“**Eligible Person**” means, subject to all applicable laws, (A) in respect of any grant of Options by the Company, any director, employee, officer or Eligible Contractor of (i) the Company or (ii) any Affiliate (and includes any such person (other than an Eligible Contractor) who is on a leave of absence authorized by the Board or the board of directors of any Affiliate), and (B) in respect of any assignment of Options by a person in (A) above pursuant to Section 2.5, means any Permitted Assign of such person as the context requires;

“**Exchange**” means the TSXV or such other stock exchange or quotation system on which the Shares are listed or quoted from time to time;

“**Exchange Rate**” means the noon spot rate published by the Bank of Canada on the date the Option is granted;

“**Holding Entity**” has the meaning set out in Section 2.22 of NI 45-106;

“**ISO**” means an Option granted to a US Participant that is intended to qualify as an “incentive stock option” within the meaning of section 422 of the IRS Code;

“**Insider**” means any officer, director or other “insider” as defined by the Toronto Stock Exchange Company Manual, from time to time;

“**IRS Code**” means the United States Internal Revenue Code of 1986, as amended and the regulations and other guidance issued under the code;

“**Market Price**” means the greater of the closing Market Price of the Shares on the CSE on: (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options. In the event that the Shares are not then listed and posted for trading on

an Exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion;

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*, as may be amended or replaced from time to time;

“**NQSO**” means any Option granted to a US Participant that is not an ISO;

“**Option**” means an option to purchase Shares granted to an Eligible Person pursuant to the terms of the Plan;

“**Participant**” means an Eligible Person to whom an Option has been granted;

“**Permitted Assign**” means:

- (i) a Holding Entity of a Participant; or
- (ii) a RRSP, RRIF or TFSA of a Participant;

“**Plan**” means this 2021 stock option plan of the Company, as it may be amended from time to time;

“**Proportionate Voting Shares**” means [the proportionate voting shares in the capital of the Company;](#)

“**Resignation**” means the cessation of board membership by a director, or employment (as an officer or employee) of the Participant with the Company or an Affiliate as a result of resignation;

“**Retirement**” means the Participant ceasing to be an employee, officer or director of the Company or an Affiliate after attaining a stipulated age in accordance with the Company’s normal retirement policy or earlier with the Company’s consent;

“**Retirement Date**” means the date on which a Participant satisfies the conditions for Retirement, as agreed between the Participant and the Company;

“**RRIF**” means a trust governed by a “registered retirement income fund” as defined in the *Income Tax Act* (Canada);

“**RRSP**” means a trust governed by a “registered retirement savings plan” as defined in the *Income Tax Act* (Canada);

“**Shares**” means the subordinate voting shares in the capital of the Company;

“**Shareholder**” means a holder of Shares;

“**Subsidiary**” means a “subsidiary corporation”, whether now or hereafter existing, as defined in section 424(f) of the IRS Code;

“**TSXV**” means the TSX Venture;

“**Termination Date**” means the date on which the Participant ceases to be an Eligible Person subject to section 2.6(b): (i) in the case of a director, the Termination Date occurs on the termination of board membership of the director by the Company or any Affiliate, the failure to re-elect or re-appoint the individual as a director of the Company or an

Affiliate or the date of his Resignation, other than through Retirement; (ii) in the case of an employee, the Termination Date occurs on the date of termination of the employment of the employee, indicated in the Company's notice of termination, with or without cause, as the context requires by the Company or an Affiliate, or the effective date of his Resignation, other than through Retirement, or in the case of an officer, upon removal of or failure to re-elect or re-appoint the individual as an officer of the Company or an Affiliate, or the effective date of his Resignation, other than through Retirement, (iii) in the case of an Eligible Contractor, the date of termination of the services of the Eligible Contractor;

"TFSA" means a trust governed by a "tax-free savings account" as described in the *Income Tax Act* (Canada); and

"US Participant" means a Participant that is subject to federal income tax in the United States of America pursuant to the IRS Code and any relevant tax convention.

- (b) In the Plan, words imparting the singular number only shall include the plural and vice versa and words imparting the masculine shall include the feminine.
- (c) The Plan and all matters to which reference is made in the Plan shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the applicable laws of Canada.

1.2 Purpose

The purpose of the Plan is to advance the interests of the Company by:

- (a) providing Eligible Persons with additional incentive;
- (b) encouraging equity ownership in the Company by such Eligible Persons;
- (c) increasing the proprietary interest of Eligible Persons in the success of the Company;
- (d) encouraging Eligible Persons to remain with the Company or its Affiliates; and
- (e) attracting new directors, employees, officers and service providers.

1.3 Administration

- (a) The Plan shall be administered by the Board and the Board shall have full authority to administer this Plan, including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Board may deem necessary in order to comply with the requirements of the Plan.
- (b) Subject to the limitations of the Plan, the Board shall have the authority to:
 - (i) grant Options;
 - (ii) determine the terms, limitations, restrictions, vesting requirements and conditions respecting Option granted;
 - (iii) interpret the Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it shall from

time to time deem advisable subject to required prior approval by any applicable regulatory authority or Shareholders;

- (iv) add a cashless exercise feature to the Plan; and
 - (v) make all other determinations and take all other actions in connection with the implementation and administration of the Plan.
- (c) The Board's guidelines, rules, regulations, interpretations and determinations pursuant to or relating to the Plan shall be conclusive and binding upon the Company and all other persons, including without limitation all Participants. No member of the Board or any person acting pursuant to the authority delegated by it under the Plan shall be personally liable for any action or determination in connection with the Plan made or taken in good faith.

1.4 Shares Reserved

- (a) The aggregate number of Shares which may be reserved for issuance under the Plan and all other security-based compensation arrangements of the Company shall not exceed 10% of the Shares (on a non-diluted basis) ~~issued and outstanding from,~~ taken together with the number of Shares issuable on conversion of the Proportionate Voting Shares, measured at the time of grant. No fractional Shares shall be issued and the Board may determine the manner in which fractional share values shall be treated. If any Options granted under the Plan are cancelled or terminated in accordance with the Plan without being exercised then the Shares subject to those Options will again be available to be granted under the Plan.
- (b) For greater certainty, any increase in the issued and outstanding Shares will result in an increase in the available number of the Shares issuable under the Plan, and exercises of Options will make new grants available under the Plan.
- (c) The maximum number of Shares which may be reserved for issuance to any one person under the Plan shall be 5% of the Shares issued and outstanding at the time of the grant (on a non-diluted basis), taken together with the number of Subordinate Voting Shares issuable on conversion of the Proportionate Voting Shares, measured at the time of grant, less the aggregate number of Shares reserved for issuance to such person under any other security based compensation arrangements of the Company.
- (d) no more than 2% of the total issued and outstanding Shares, taken together with the number of Subordinate Voting Shares issuable on conversion of the Proportionate Voting Shares, measured at the time of grant, may be granted to any one consultant in any 12-month period.
- (e) no more than an aggregate of 2% of the total issued and outstanding Shares, taken together with the number of Subordinate Voting Shares issuable on conversion of the Proportionate Voting Shares, measured at the time of grant, may be granted to all persons engaged to conduct Investor Relations Activities (as defined in the policies of the Exchange) in any 12-month period.
- (f) If there is a change in or substitution or exchange of the outstanding Shares by reason of any stock dividend or split, recapitalization, merger, amalgamation, arrangement, consolidation, reorganization, combination or exchange of shares, or other corporate

change, the Board shall make, subject to the prior approval (if required) of the relevant Exchange(s), appropriate substitution or adjustment in:

- (i) the number or kind of securities reserved for issuance pursuant to the Plan; and
 - (ii) the number or kind of securities subject to unexercised Options granted and the option exercise price of such securities; provided however that no substitution or adjustment shall obligate the Company to issue or sell fractional securities.
- (g) The Company shall at all times during the term of the Plan reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

1.5 Limits with respect to Insiders

- (a) The maximum number of Shares issuable to Insiders under the Plan and any other security based compensation arrangements of the Company shall be 10% of the Shares issued and outstanding ~~at the time of the grant~~ (on a non-diluted basis), taken together with the number of Subordinate Voting Shares issuable on conversion of the Proportionate Voting Shares, measured at the time of grant.
- (b) The maximum number of Shares which may be issued to Insiders under the Plan and any other security based compensation arrangements of the Company within a 12 month period shall be 10% of the Shares, issued and outstanding at the time of the issuance (on a non-diluted basis), taken together with the number of Subordinate Voting Shares issuable on conversion of the Proportionate Voting Shares, measured at the time of grant.

1.6 Non-Exclusivity

Nothing contained in the Plan shall prevent the Board from maintaining or adopting other or additional compensation arrangements, subject to any required approvals.

1.7 Amendment or Termination

- (a) Subject to Section 1.7(b) below, the Board may at any time, and from time to time, and without Shareholder approval amend any provision of the Plan, or the terms of any Options granted, or terminate the Plan, subject to any applicable regulatory or Exchange requirements or approvals at the time of such amendment or termination, including, without limitation, making amendments:
 - (i) deemed by the Board to be necessary or advisable because of any change in applicable securities laws or other laws;
 - (ii) to Section 1.3 relating to the administration of the Plan;
 - (iii) to the vesting provisions of any outstanding Options;
 - (iv) to postpone or adjust any exercise of any Option or the issuance of any Shares pursuant to the Plan as the Board in its discretion may deem necessary in order to permit the Company to effect or maintain registration of the Plan or the Shares issuable pursuant to the Plan under the securities laws of any applicable jurisdiction, or to determine that the Shares and the Plan are exempt from such registration; and

- (v) fundamental or otherwise, not requiring Shareholder approval under applicable laws or the rules of an Exchange, including amendments of a “clerical” or “housekeeping” nature and amendments to ensure that the Options granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an Eligible Person may from time to time be resident or a citizen.
- (b) Notwithstanding Section 1.7(a), the Board shall not be permitted to amend the following without first having obtained the approval of a majority of the holders of the Shares voting at a duly called and held meeting of Shareholders and, in the case of the addition of a cashless exercise feature, the approval of the Exchange, and in the case of an amendment to Section 1.5 so as to increase the Insider participation limits, approval of a majority of the Shareholders voting at a duly called and held meeting of Shareholders excluding shares voted by Insiders who are Eligible Persons:
 - (i) the inclusion of a cashless exercise feature with respect to the exercise of Options under the terms of this Plan;
 - (ii) Section 1.4(a) in order to increase the maximum number of Shares which may be issued under the Plan or Section 1.5 so as to increase the Insider participation limits;
 - (iii) Section 2.2 or this Section 1.7 so as to increase the ability of the Board to amend the Plan without Shareholder approval;
 - (iv) the definitions of “Eligible Person” and “Permitted Assigns”;
 - (v) subject to Section 1.4(d), the exercise price of any Option issued under the Plan where such amendment reduces the exercise price of such Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its expiry for the purpose of re-issuing Options to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option), and provided that disinterested shareholder approval will be required if the reduction of the exercise price is for Options granted to an Insider;
 - (vi) to Section 2.5 relating to the transferability of Options; or
 - (vii) the term of any Option issued under the Plan.
- (c) Disinterested shareholder approval shall be required for any extension of the term of Options or the reduction in the exercise price of the Options if the optionholder is an Insider of the Company at the time of a proposed amendment to the term or exercise price.
- (d) Any amendment or termination of an Option shall not materially and adversely alter the terms or conditions of any Option or materially and adversely impair any right of any Participant under any Option granted before the date of any such amendment or termination without the consent of such Participant, except as otherwise required by law or as provided in the Plan.
- (e) If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules adopted by the Board and in force at such time, will continue in effect as long as any Options under the Plan or any rights pursuant thereto remain outstanding.

However, notwithstanding the termination of the Plan, the Board may make any amendments to the Plan or Options it would be entitled to make if the Plan were still in effect.

1.8 Compliance with Legislation

The Plan, the grant and exercise of Options under the Plan and the Company's obligation to sell and deliver Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of the Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obligated by any provision of the Plan or the grant of any Option under the Plan to issue Shares in violation of such laws, rules and regulations or any condition of such approvals. In addition, the Company shall have no obligation to issue any Shares pursuant to the Plan unless such Shares shall have been duly listed with the Exchange. The Company shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for issuances of such Shares in compliance with applicable laws and for the admission to listing of such Shares on the Exchange. Shares issued and sold to Participants may be subject to limitations on sale or resale under applicable securities laws.

ARTICLE 2 OPTIONS

2.1 Grants

- (a) Subject to the provisions of the Plan, the Board shall have the authority to determine the terms, limitations, restrictions and conditions, if any, applicable to the vesting or to the exercise of an Option, including without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Shares acquired upon exercise of the Option, and the nature of the events, if any. An Eligible Person may receive Options on more than one occasion under the Plan and may receive separate Options on any one occasion. In addition (and without limitation to the preceding text), at the sole discretion of the Board, at the time of the grant, Options may be made subject to any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Board from time to time (e.g. to address matters such as fraud, or other significant misconduct of a Participant).
- (b) The award of an Option to an Eligible Person at any time shall neither entitle such Eligible Person to receive nor preclude such Eligible Person from receiving a subsequent Option.
- (c) Options may be granted so that they qualify as ISOs under section 422 of the IRS Code in accordance with the requirements and limitations in Section 4.3 below.
- (d) Each Option shall be confirmed by an option agreement (electronic or otherwise) as prescribed by the Board from time to time. Subject to specific variations approved by the Board in respect of any Options all terms and conditions set out in the Plan will be incorporated by reference into and form part of any Option granted under the Plan.
- (e) The Company covenants that all employees, service providers, consultants or individuals employed by companies providing management services to the Company shall be *bona*

fide employees, service providers, consultants or employees of such consultants or service providers of the Company or its subsidiaries.

2.2 Option Exercise Price

- (a) The Board will establish the exercise price of an Option at the time each Option is granted based on the terms set out under Section 2.2(b).
- (b) Subject to Section 4.3(e), the exercise price of an Option as established by the Board pursuant to Section 2.2(a) will not be less than the Market Price.

2.3 Exercise of Options

- (a) Options granted must be exercised no later than five years after the date of grant or such lesser period as the Board may approve. In the event that any Option expires during, or within 48 hours after a Company-imposed blackout period on the trading of securities of the Company, such expiry will become the tenth day after the end of the blackout period. A minimum of 100 Shares must be purchased by a Participant upon exercise of Options at any one time (or, if less the remainder of Shares available for purchase pursuant to all Options granted to such Participant).
- (b) The exercise price (and any applicable withholding taxes) of each Option to purchase Shares shall be paid in full by the Participant by certified cheque, or in another manner deemed acceptable to the Company, at the time of such exercise, and upon receipt of payment in full, but subject to the terms of the Plan and the related option agreement, the number of Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable.
- (c) Subject to the provisions of the Plan and the related option agreement, an Option may be exercised from time to time as advised by the Company from time to time and upon payment in full of the Option exercise price of the Shares to be purchased and any applicable withholding taxes. Certificates for such Shares shall be issued and delivered to the Participant within a reasonable period of time following the receipt of such notice and payment but in any event not exceeding five business days.

2.4 Withholding Taxes

For certainty and notwithstanding any other provision of the Plan, the Company or any Affiliate may take such steps as it considers necessary or appropriate for the deduction or withholding of any income taxes or other amounts which the Company or any Affiliate is required by any law or regulation of any governmental authority whatsoever to deduct or withhold in connection with any Share issued pursuant to the Plan, including, without limiting the generality of the foregoing, (a) withholding of all or any portion of any amount otherwise owing to a Participant; (b) the suspension of the issue of Shares to be issued under the Plan, until such time as the Participant has paid to the Company or any Affiliate an amount equal to any amount which the Company or Affiliate is required to deduct or withhold by law with respect to such taxes or other amounts together with the exercise price for the Shares; and/or (c) withholding and causing to be sold, by it as a trustee on behalf of a Participant, such number of Shares as it determines to be necessary to satisfy the withholding obligation. By participating in the Plan, the Participant consents to any such sale and authorizes the Company or any Affiliate, as applicable, to effect the sale of such Shares on behalf of the Participant and to remit the appropriate amount to the applicable governmental authorities. Neither the Company nor any applicable Affiliate shall be responsible for obtaining any particular price for the Shares nor shall the Company or any applicable

Affiliate be required to issue any Shares under the Plan unless the Participant has made suitable arrangements with the Company and any applicable Affiliate to fund any withholding obligation.

2.5 Transfer of Options

- (a) Subject to Section 2.5(b), Options shall be non-assignable and non-transferable by the Participants otherwise than by will or the laws of descent and distribution, and shall be exercisable only by the Participant during the lifetime of the Participant and only by the Participant's legal representative after death of the Participant in accordance with the Plan.
- (b) Notwithstanding Section 2.5(a), Options may, with the prior approval of the Board, be assigned by a Participant to a Permitted Assign of such Participant, following which such Options shall be non-assignable and non-transferable by such Permitted Assign, except, with the prior approval of the Board, to another Permitted Assign, otherwise than by will or the laws of descent and distribution, and shall be exercisable only by such Permitted Assign during the lifetime of such Permitted Assign and only by such Permitted Assign's legal representative after death of such Permitted Assign in accordance with the Plan. Notwithstanding the foregoing, an ISO may not be transferred or assigned in any manner other than (i) by will or the laws of descent and distribution or (ii) to the extent required by a domestic relations order. An improper transfer of any Options will not create any rights in the purported transferee, will cause the immediate termination of the Options, and the Company will not issue any Shares upon the attempted exercise of improperly transferred Options.

2.6 Termination, Retirement or Death

- (a) Except as otherwise determined by the Board and subject to the limitation that Options may not be exercised later than five years from their date of grant:
 - (i) if a Participant ceases to be an Eligible Person for any reason whatsoever other than death, Retirement or termination for cause, each vested Option held by the Participant will cease to be exercisable 90 days after the Termination Date, or in accordance with the Participant's employment agreement that was previously approved by the Board or such longer period as determined by the Board up to a maximum period of 12 months; for greater certainty, such determination may be made at any time subsequent to the date of grant of Options, but none will be outstanding for a period that exceeds the expiry date of the Option. If any portion of an Option is not vested by a Participant's Termination Date, that portion of the Option may not be exercised by the Participant unless the Board determines otherwise.
 - (ii) If a Participant ceases to be an Eligible Person because his relationship with the Company or an Affiliate is terminated by the Company or the Affiliate, as applicable, for cause, his Options shall cease to be exercisable immediately upon such termination on the Termination Date.
 - (iii) if a Participant retires, upon such Retirement the Participant's unvested Options will vest on his or her Retirement Date and the Participant may exercise these Options within 180 days following his or her Retirement Date or such longer period as determined by the Board, for greater certainty such determination may be made at any time after the date of grant of the Options, provided that no

Option shall remain outstanding for any period which exceeds the earlier of (i) the expiry date of such Option; and (ii) 12 months following the Retirement Date of the Participant.

- (iv) If a Participant dies, upon such death the Participant's Options will immediately vest and the legal representative of the Participant may exercise the Participant's Options within 180 days following the death of the Participant or such longer period as determined by the Board, for greater certainty such determination may be made at any time after the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds the earlier of (i) the expiry date of such Option; and (ii) 12 months following the date of death of the Participant.
- (v) Notwithstanding the foregoing, an ISO may not be exercisable by a US Participant beyond the earlier of the date that is three months following the US Participant's termination of employment with the Company and all Subsidiaries for reasons other than death or disability or the expiry date of such ISO. In the event of the death of a US Participant (including during the three month period after the US Participant's Termination Date) or in the event of a termination of employment due to disability (as determined under section 422(c)(6) of the IRS Code), no ISO still held by such US Participant may be exercised beyond the earlier of the date that is 12 months after the date of such death or disability or the expiry date of such ISO.
- (b) Any Participant to whom an Option is granted under the Plan who subsequently ceases to hold the position in which he or she received such Option shall continue to be eligible to hold such Option as a Participant as long as he or she otherwise falls within the definition of "Eligible Person" in any capacity.
- (c) Notwithstanding any determination made by the Board, any grant of Options must expire within a reasonable period of time as so determined by the Board, and not to exceed 12 months, following the date on which a Participant ceases to be an Eligible Person under this Plan.

ARTICLE 3 CHANGE OF CONTROL

3.1 Change of Control

- (a) In the event of a proposed Change of Control, the Board may, in its discretion, and on such terms as it sees fit, accelerate the vesting of all of a Participant's unvested Options to a date determined by the Board, such that all of a Participant's Options will immediately vest at such time. In such event, all Options so vested will be exercisable from such date until their respective expiry dates so as to permit the Participant to participate in such Change of Control. For greater certainty, upon a Change of Control, Participants shall not be treated any more favourably than Shareholders with respect to the consideration that the Participants may be entitled to receive for their Shares.
- (b) If a Participant elects to exercise its Options following a Change of Control, the Participant shall be entitled to receive, and shall accept, in lieu of the number of Shares which he was entitled upon such exercise, the kind and amount of shares and other securities, property or cash which such holder could have been entitled to receive as a

result of such Change of Control, on the effective date thereof, had he been the registered holder of the number of Shares to which he was entitled to purchase upon exercise of such Options.

3.2 Right to Terminate Options on Sale of Company

Notwithstanding any other provision of the Plan, if the Board at any time by resolution declares it advisable to do so in connection with any proposed Change of Control (collectively, the “**Proposed Transaction**”), the Company may give written notice to all Participants advising them that, within 30-days or such greater period as the Board determines in its sole discretion after the date of the notice and not thereafter, each Participant must advise the Board whether the Participant desires to exercise its Options before the closing of the Proposed Transaction, and that upon the failure of a Participant to provide such notice within the 30-day period or such greater period as the Board determines in its sole discretion, all rights of the Participant will terminate, provided that the Proposed Transaction is completed within 180 days after the date of the notice. If the Proposed Transaction is not completed within the 180-day period, no right under any Option will be exercised or affected by the notice, except that the Option may not be exercised between the date of expiration of the 30-day period or such greater period as the Board determines in its sole discretion and the day after the expiration of the 180-day period. If a Participant gives notice that the Participant desires to exercise its Options before the closing of the Proposed Transaction, then all Options which the Participant elected by notice to exercise will be exercised immediately before the effective date of the Proposed Transaction or such earlier time as may be required to complete the Proposed Transaction.

ARTICLE 4 MISCELLANEOUS PROVISIONS

4.1 No Rights as Shareholder

The holder of an Option shall not have any rights as a Shareholder with respect to any of the Shares underlying an Option until such holder has exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the exercise price in respect of which the Option is being exercised and paying applicable withholding taxes).

4.2 No Rights to Continued Employment or Engagement

Nothing in the Plan or any Option shall confer upon a Participant any right to continue in the employment or engagement of the Company or any Affiliate or affect in any way the right of the Company or any Affiliate to terminate his employment or engagement at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any Affiliate to extend the employment or engagement of any Participant beyond the date on which he would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or any Affiliate, or beyond the date on which his relationship with the Company or any Affiliate would otherwise be terminated pursuant to the provisions of any employment, consulting or other contract for services with the Company or any Affiliate.

4.3 Special Requirements for US Participants

- (a) Notwithstanding any other provision of the Plan to the contrary, the aggregate number of Shares available for ISOs shall not exceed 10% of the Shares (on a non-diluted basis)

issued and outstanding from time to time, subject to adjustment pursuant to Section 1.4 of the Plan and subject to the provisions of sections 422 and 424 of the IRS Code.

- (b) Individuals eligible to receive ISOs are US Participants who are employees of the Company or a Subsidiary.
- (c) Each option agreement or grant letter shall specify whether the related Option is an ISO or a NQSO. If no such specification is made, the related Option will be an NQSO.
- (d) An ISO shall be treated as a NQSO to the extent that the aggregate Market Price (determined as of the applicable grant date) with respect to which ISOs are exercisable by the US Participant for the first time during any calendar year (pursuant to the Plan and all other plans of the Company and of any Affiliate for purposes of section 422 of the IRS Code) will exceed US\$100,000 or any other limitation subsequently set out in section 422(d) of the IRS Code. If two or more Options designated as ISOs first become exercisable in the same calendar year, the \$100,000 limit shall be applied to the Options in the order in which they were granted, and any Shares whose value exceeds the limit shall be deemed to be covered by an NQSO.
- (e) The exercise price per Share of an ISO granted to a 10% Shareholder will be not less than 110% of the Market Price on the applicable grant date and such ISO shall not be exercisable later than the expiration of five years after the date of grant.
- (f) An ISO may only be granted within the 10-year period beginning from the earlier of the date the Plan is adopted by the Board or the date the Plan is approved by Shareholders.
- (g) If the Board determines to extend the exercise period of an ISO pursuant to its authority under Section 2.3 above or to make any other revision to the terms of an ISO, such Option shall thereafter be treated as a NQSO to the extent required under sections 422 and 424 of the IRS Code.
- (h) No NQSO shall be granted to a US Participant unless, with respect to such US Participant, the Shares constitute “service recipient stock” under section 409A of the IRS Code. Notwithstanding any provision in the Plan to the contrary, any revision to the terms of an NQSO granted to a US Participant shall be made only if it does not create adverse tax consequences under section 409A of the IRS Code.

ARTICLE 5 ADOPTION

5.1 Effectiveness

The Plan shall be effective upon the approval by the Shareholders.