

## RECIPE UNLIMITED CORPORATION

Note:

This Amended and Restated Management Information Circular (“**Circular**”) for the annual and general special meeting of shareholders (the “**Meeting**”) of Recipe Unlimited Corporation (the “**Company**”) to be held on Monday, May 9, 2022 originally dated April 1, 2022 and amended and restated on April 29, 2022, is being filed to amend and restate the Circular as follows:

1. The Circular, together with the notice of the Meeting and the form of proxy, originally proposed electing eight (8) directors at the Meeting including Mark Saunders. Following the original date of the Circular, Mr. Saunders resigned from his position as director. As such, the Circular is being amended and restated to remove Mr. Saunders as a management nominee for election to the Company’s Board of Directors.
2. As a result of Mr. Saunders’ resignation, only seven (7) management nominees are being put forward for election as directors at the Meeting. However, the Company’s articles and by-laws require that the Company’s Board of Directors have a minimum of eight (8) and a maximum of nine (9) directors. The Circular is being amended and restated to add a special resolution to approve the amendment of the Company’s articles and by-laws to provide that the Company’s Board of Directors have a minimum of three (3) and a maximum of ten (10) directors, to set the current number of directors at seven (7) and to authorize the Company’s Board of Directors to determine from time to time and in their sole discretion, the number of directors of the Company and the number of directors to be elected at annual and special meetings of the Company’s shareholders provided there are at least three (3) and no more than ten (10) directors.

The amended portions of this Amended and Restated Circular, which are underscored for ease of review, reflect the foregoing. To the best of the Company’s knowledge, no actions of the Company or its shareholders would have any effect other than the foregoing.

April 29, 2022



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual and Special Meeting of Shareholders of Recipe Unlimited Corporation (the “**Company**”) will be held on Monday, May 9, 2022 at 3:00 p.m. (Toronto time) in a virtual only format where shareholders may attend and participate in the meeting via live audio webcast at <https://web.lumiagm.com/252568173> for the following purposes:

- (a) to receive the annual audited consolidated financial statements of the Company for the financial year ended December 26, 2021 and the auditors’ report thereon;
- ~~(b)~~ (c) to consider and, if thought advisable, to pass a special resolution, the full text of which is set out in the accompanying Management Proxy Circular, approving the amendment of the Company’s articles and by-laws to provide that the Company’s Board of Directors have a minimum of three (3) and a maximum of ten (10) directors, to set the current number of directors at seven (7) and to authorize the Company’s Board of Directors to determine from time to time and in their sole discretion, the number of directors of the Company and the number of directors to be elected at annual and special meetings of the Company’s shareholders provided there are at least three (3) and no more than ten (10) directors;
- ~~(b)~~~~(c)~~ (c) to elect the directors who will serve until the end of the next annual meeting of shareholders;
- ~~(e)~~~~(d)~~ (d) to appoint the auditors, who will serve until the end of the next annual meeting of shareholders, and authorize the directors of the Company to fix the auditors’ remuneration;
- ~~(d)~~~~(c)~~ (c) to consider and, if thought advisable, to pass an ordinary resolution, the full text of which is out set out in Appendix “B” of the accompanying Management Proxy Circular, ratifying and confirming the grant of options to acquire 350,000 subordinate voting shares which were granted to certain officers of the Company on June 30, 2021;
- ~~(e)~~~~(f)~~ (f) to consider and, if thought advisable, to pass an ordinary resolution, the full text of which is ~~out~~ set out in Appendix “C” of the accompanying Management Proxy Circular, ratifying and approving the adoption of the Company’s Omnibus Long-Term Incentive Plan; and
- ~~(e)~~~~(g)~~ (g) to transact such other business as may properly come before the meeting.

By Order of the Board,

**KENNETH J. GRONDIN**  
**CHIEF FINANCIAL OFFICER**

April 1, 2022 as amended and restated on April 29, 2022

**The Company is holding the meeting as a completely virtual meeting, which will be conducted via live webcast, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to**

**participate at the meeting and engage with directors of the Company and management as well as other shareholders. Shareholders will not be able to attend the meeting in person.** Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the meeting online at <https://web.lumiagm.com/252568173>. Non-registered shareholders (being shareholders who hold their shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will not be able to vote at the meeting but will be able to attend the meeting as guests.

If you cannot attend the meeting, please complete and sign the enclosed form of proxy and return it in the envelope provided to Computershare Trust Company of Canada at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 (if delivered by mail or by hand); at (416) 263-9524 or (866) 249-7775 (if delivered by fax); or vote by Internet at [www.investorvote.com](http://www.investorvote.com) so that it is received by 3:00 p.m. (Toronto time) on Thursday, May 5, 2022. Please refer to the accompanying Management Proxy Circular for further information regarding completion and use of the proxy and other information pertaining to the meeting.

# MANAGEMENT PROXY CIRCULAR

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## SECTION I - GENERAL AND VOTING INFORMATION

### Solicitation of Proxies

The Company's management is soliciting the enclosed proxy for use at the Annual and Special Meeting of Shareholders to be held on May 9, 2022 and at any adjournment or postponement thereof. The Company will bear the cost of soliciting proxies. The Company will reimburse brokers, custodians, nominees and other fiduciaries for their reasonable charges and expenses incurred in forwarding proxy material to beneficial owners of shares. In addition to solicitation by mail, certain of the Company's officers and employees may solicit proxies personally or by a means of telecommunication. These persons will receive no compensation beyond their regular salaries for so doing.

The meeting will be held as a completely virtual meeting, which will be conducted via live webcast. Shareholders will not be able to attend the meeting in person. A summary of the information shareholders will need to attend the meeting online is provided below.

### Date of Information

The information contained in this Management Proxy Circular is given as at April 1, 2022, except where otherwise noted.

### Currency

Dollar amounts in this Management Proxy Circular are in Canadian dollars except as otherwise indicated.

### Voting by Proxy Before the Meeting

You may vote before the meeting by completing your form of proxy or voting instruction form in accordance with the instructions provided therein. Non-registered shareholders should also carefully follow all instructions provided by their intermediaries to ensure that their shares are voted at the meeting.

A properly executed proxy delivered to the Company's transfer agent, Computershare Trust Company of Canada ("Computershare"), at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 (if delivered by mail or by hand); at (416) 263-9524 or (866) 249-7775 (if delivered by fax); or by Internet at [www.investorvote.com](http://www.investorvote.com), so that it is received before 3:00 p.m. (Toronto time) on Thursday, May 5, 2021 (or, in the event of an adjournment or postponement, the last business day prior to the adjourned or postponed meeting); or to the chair or secretary of the meeting for which the proxy is given before the time of voting, will be voted or withheld from voting, as appropriate, at the meeting and, if a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the direction given. In the absence of such direction, such proxy will be voted with respect to the election of directors, and the appointment of auditors.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of matters identified in the notice of meeting and with respect to other matters which may properly come before the meeting. At the date of this Management Proxy Circular, the Company's management knows of no such amendments, variations or other matters.

The persons named in the enclosed proxy are two of the Company's officers. **If you wish to appoint some other person to represent you at the meeting, you may do so either by inserting such other person's name in the blank space provided in the enclosed proxy or by completing another form of proxy.** Such other person need not be a shareholder.

## Non-Registered Holders

Under governing law, only registered holders of the Company's subordinate voting shares and multiple voting shares (collectively, the "Shares"), or the persons they appoint as their proxies, are permitted to attend and vote at the meeting. However, in many cases, the Company's subordinate voting shares beneficially owned by a holder (a "Non-Registered Holder") are registered either:

- (a) in the name of an intermediary that the Non-Registered Holder deals with in respect of the shares, such as, among others, banks, trust companies, securities dealers, brokers, or trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a depository (such as CDS Clearing and Depository Services Inc. or Depository Trust Company).

In accordance with Canadian securities law, the Company is distributing copies of the notice of meeting, this Management Proxy Circular, the form of proxy, the annual audited consolidated financial statements of the Company for the financial year ended December 26, 2021 and the related management's discussion and analysis (collectively, the "meeting materials") to the depositories and intermediaries for onward distribution to Non-Registered Holders. The Company does not intend to pay for intermediaries to forward the meeting materials to Non-Registered Holders and Non-Registered Holders will not receive the meeting materials unless the intermediary assumes the cost of delivery.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, intermediaries will use service companies to forward the meeting materials to Non-Registered Holders. Non-Registered Holders who have not waived the right to receive meeting materials will:

- A. be given a proxy which has already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it as described above; or
- B. more typically, receive, as part of the meeting materials, a voting instruction form which must be completed, signed and delivered by the Non-Registered Holder in accordance with the directions on the voting instruction form (which may in some cases permit the completion of the voting instruction form by telephone or through the Internet).

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares they beneficially own. Should a Non-Registered Holder who receives either a proxy or a voting instruction form wish to attend and vote at the meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their intermediaries and their service companies.**

## How to Revoke a Proxy

If you have given a proxy, you may revoke it by an instrument in writing executed by you or by your attorney authorized in writing or, if you are a corporation, under your corporate seal or by an officer or attorney duly authorized, and deposited either at the Company's head office at any time up to and including the last business day preceding the day of the meeting, or any adjournment or postponement thereof, at which the proxy is to be used or with the chair or secretary of the meeting on the day of the meeting or any adjournment or postponement thereof. The exercise of a proxy does not constitute a written objection for the purposes of subsection 185(6) of the *Business Corporations Act* (Ontario) (the "OBCA").

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive meeting materials and to vote given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not required to act on a revocation of voting instruction form or of a waiver of the right to receive meeting materials and to vote that is not received by the intermediary at least seven days prior to the meeting.

### **How to Vote at the Meeting**

At the meeting, registered shareholders may vote by completing a ballot online, as further described below under “How to Attend the Virtual Only Meeting”. If you are a Non-Registered Holder and wish to attend, participate or vote at the meeting, you **MUST** insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary **AND** register yourself as your proxyholder, as described below under “How to Appoint a Proxyholder”. By doing so, you are instructing your intermediary to appoint you as its proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary.

Non-Registered Holders who have not duly appointed themselves as proxyholder will not be able to vote at the meeting but will be able to attend the meeting as guests. This is because the Company and the Company’s transfer agent, Computershare, do not have a record of the Non-Registered Holders of the Company, and, as a result, will have no knowledge of your shareholdings or entitlement to vote unless you appoint yourself as proxyholder.

### **How to Appoint a Proxyholder**

The following applies to shareholders who wish to appoint a person (a “**third party proxyholder**”) other than the management nominees identified in the form of proxy or voting instruction form as proxyholder, including non-registered shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the meeting.

Shareholders who wish to appoint a third party proxyholder to attend and participate at the meeting as their proxyholder and vote their shares **MUST** submit their form of proxy or voting instruction form, as applicable, appointing that person as proxyholder **AND** register that proxyholder online, as described below. Registering your proxyholder is an additional step to be completed **AFTER** you have submitted your form of proxy or voting instruction form. **Failure to register the proxyholder will result in the proxyholder not receiving a Control Number that is required to vote at the meeting and only being able to attend as a guest.**

- **Step 1: Submit your form of proxy or voting instruction form:** To appoint a third party proxyholder, insert that person’s name in the blank space provided in the form of proxy or voting instruction form (if permitted) and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed before registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.
- **Step 2: Register your proxyholder:** To register a third party proxyholder, shareholders must visit <http://www.computershare.com/RecipeUnlimited> by no later than 3:00 p.m. (Toronto time) on May 5, 2022 (the “**voting deadline**”) and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with a Control Number via email. **Without a Control Number, proxyholders will not be able to vote at the meeting but will be able to participate as a guest.**

### **How to Attend the Virtual Only Meeting**

The Company is holding the meeting as a completely virtual meeting, which will be conducted via live webcast. Shareholders will not be able to attend the meeting in person. In order to attend, participate or vote at the meeting (including for voting and asking questions at the meeting), shareholders must have a valid Control Number.



Attending the meeting online enables registered shareholders and duly appointed proxyholders, including non-registered shareholders who have duly appointed third party proxyholders, to participate at the meeting, ask questions and vote, all in real time. Registered shareholders and duly appointed third party proxyholders can vote at the appropriate times during the meeting. Guests, including Non-Registered Holders who have not duly appointed a third party proxyholder, can log into the meeting as set out below. Guests can listen to the meeting but are not able to vote.

- Log in online at <https://web.lumiagm.com/252568173>. It is recommended that you log in at least fifteen minutes before the meeting starts.
  - Click “Login” and then enter your Control Number and Password “recipe2022” (case sensitive).
- OR**
- Click “Guest” and then complete the online form.

**Registered shareholders:** The Control Number located on the form of proxy or in the email notification you received is your Control Number. If as a registered shareholder you are using your Control Number to login to the meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies for the meeting and will be provided the opportunity to vote by online ballot on the matters put forth at the meeting. If you do not wish to revoke a previously submitted proxy, as the case may be, you will not be able to participate at the meeting online.

**Duly appointed proxyholders:** Computershare will provide the proxyholder with a Control Number by e-mail after the proxy voting deadline has passed and the proxyholder has been duly appointed AND registered as described in “How to Appoint a Proxyholder” above.

If you attend the meeting online, it is important that you are connected to the internet at all times during the meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the meeting. You should allow ample time to check into the meeting online and complete the related procedure.

**United States Beneficial Owners:** To attend and vote at the virtual meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the meeting. Follow the instructions from your broker, bank or other agent included with these proxy materials, or contact your broker, bank or other agent to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to:

Computershare  
100 University Avenue  
8th Floor  
Toronto, Ontario  
M5J 2Y1

OR

Email at: [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com)

Requests for registration must be labeled as “Legal Proxy” and be received no later than May 5, 2022 by 3:00 p.m. (Toronto time). You will receive a confirmation of your registration by email after Computershare receives your registration materials. You may attend the meeting and vote your shares at <https://web.lumiagm.com/252568173> during the meeting. Please note that you are required to register your appointment at <http://www.computershare.com/RecipeUnlimited>.

## General Proxy Matters

If you are not sure whether you are a registered shareholder or a Non-Registered Holder or, for additional information regarding submissions of forms of proxy and voting instruction forms before the meeting, voting deadline, revocation of proxies and other general proxy matters, please see “Non-Registered Holders” above or contact Computershare:

**Phone:** 1-800-564-6253 (toll-free in Canada and the United States)  
514-982-7555 (from outside Canada and the United States)  
**Fax:** 1-888-453-0330 (toll-free in Canada and the United States)  
514-982-7635 (from outside Canada and the United States)  
**Mail:** 100 University Avenue, 8th Floor, Toronto ON M5J 2Y1  
**E-mail:** Service@Computershare.com

## Voting Shares and Principal Holders Thereof

As of March 15, 2022, the Company has 24,779,791 subordinate voting shares and 34,054,824 multiple voting shares outstanding (these are the Company’s only voting securities). Each subordinate voting share carries one vote per share at all meetings of shareholders except for separate meetings of holders of another class of shares. Each multiple voting share carries twenty-five votes per share at all meetings of shareholders except in certain circumstances (which have not occurred) set out in the Company’s constating documents and except for separate meetings of holders of another class of shares. The multiple voting shares are convertible into subordinate voting shares on a one-for-one basis at any time at the option of the holders thereof and automatically in certain other circumstances. The outstanding subordinate voting shares currently represent approximately 2.83% of the total votes attached to all classes of the Company’s outstanding voting securities.

The subordinate voting shares are “restricted securities” within the meaning of such term under applicable Canadian securities laws. Under applicable Canadian law, an offer to purchase multiple voting shares would not necessarily require that an offer be made to purchase subordinate voting shares. In accordance with the rules of the Toronto Stock Exchange (the “TSX”), the Company entered into a coattail agreement on April 10, 2015 with the holders of the multiple voting shares and a trustee (the “Coattail Agreement”). The Coattail Agreement is designed to ensure that, in the event of a take-over bid, the holders of subordinate voting shares will be entitled to participate on an equal footing with holders of multiple voting shares. The Coattail Agreement contains provisions customary for dual class, TSX-listed companies designed to prevent transactions that would otherwise deprive the holders of subordinate voting shares of rights under applicable provincial take-over bid legislation to which they would have been entitled if the multiple voting shares had been subordinate voting shares.

Each holder of the Company’s subordinate voting shares or multiple voting shares of record at the close of business on April 4, 2022 (the “record date” established for notice of the meeting and for voting in respect of the meeting) will be entitled to vote at the meeting or any adjournment or postponement thereof, either in person or by proxy. At least two shareholders, representing in person or by proxy at least 15% of the Company’s outstanding voting shares constitute a quorum at any meeting of shareholders.

The election of directors, the appointment of the Company’s auditors, and the approval and ratification of the Omnibus Long-Term Incentive Plan will each be determined by a majority of votes cast at the meeting by proxy or online. In accordance with the rules of the TSX, in order to be effective, the approval and ratification of the Prior Option Grant (as defined herein) must be passed by the affirmative vote of the majority of the voting shares cast at the Meeting, excluding any voting shares held by the officers to whom the Prior Option Grant was made.

As of March 15, 2022, Fairfax Financial Holdings Limited and its affiliates (“Fairfax”) owns 5,657,435 subordinate voting shares and 21,314,747 multiple voting shares, representing approximately 61.47% of the total votes attached to all classes of the Company’s voting shares (approximately 22.83% of the total votes attached to the subordinate voting shares and approximately 62.59% of the total votes attached to the multiple voting shares).

As of March 15, 2022, The Phelan family, through Cara Holdings Limited and its affiliates (“**Cara Holdings**”), owns 12,740,077 multiple voting shares, representing approximately 36.35% of the total votes attached to all classes of the Company’s voting shares (approximately 37.41% of the total votes attached to the multiple voting shares).

Fairfax and Cara Holdings, together with the Company, are parties to a shareholders agreement dated April 10, 2015 (“**Principal Shareholders Agreement**”), a copy of which was filed on SEDAR on the same date. The Principal Shareholders Agreement provides for, among other things, the automatic conversion of the multiple voting shares into subordinate voting shares in certain circumstances, as well as provides Fairfax and Cara Holdings with certain nomination, registration and other rights with respect to the Company.

As reported in an alternative monthly report filed on July 12, 2021, a number of entities affiliated with Fidelity Investments Canada ULC, had control or direction over 2,772,810 subordinate voting shares, representing approximately 0.32% of the votes attaching to all classes of the Company’s voting shares (approximately 11.19% of the total votes attached to subordinate voting shares) as of March 15, 2022.

To the knowledge of the Company’s directors and officers, there are no other persons who (directly or indirectly) beneficially own, or control or direct, shares carrying 10% or more of the votes attached to any class of the Company’s voting shares.

### **Additional Information**

You may obtain a copy of the Company’s latest annual information form, the Company’s annual audited consolidated financial statements for the financial year ended December 26, 2021 together with the report of the auditors thereon, management’s discussion and analysis of the Company’s financial condition and results of operations for the financial year ended December 26, 2021, any of the Company’s interim consolidated financial statements for periods subsequent to the end of the Company’s 2021 fiscal year and this Management Proxy Circular, upon request to the Company’s Corporate Secretary. If you are one of the Company’s securityholders, there will be no charge to you for these documents. You can also find these documents as well as additional information relating to the Company on its website ([www.recipeunlimited.com](http://www.recipeunlimited.com)) or on SEDAR ([www.sedar.com](http://www.sedar.com)).

### **Shareholder Proposals for Next Year’s Annual Meeting of Shareholders**

The OBCA permits certain eligible shareholders to submit shareholder proposals to us, which proposals may be included in a management proxy circular relating to an annual meeting of shareholders. The final date by which the Company must receive shareholder proposals for the Company’s annual meeting of shareholders to be held in 2023 is March 8, 2023.

## **SECTION II - BUSINESS OF THE MEETING**

The Company will address ~~five~~six items at the meeting:

1. receiving the annual audited consolidated financial statements of the Company for the financial year ended December 26, 2021, including the auditors’ report thereon;
2. to pass a special resolution, the full text of which is set out in this Management Proxy Circular, approving the amendment of the Company’s articles and by-laws to provide that the Company’s Board of Directors have a minimum of three (3) and a maximum of ten (10) directors, to set the current number of directors at seven (7) and to authorize the Company’s Board of Directors to determine from time to time and in their sole discretion, the number of directors of the Company and the number of directors to be elected at annual and special meetings of the Company’s shareholders provided there are at least three (3) and no more than ten (10) directors;
3. ~~2~~-electing directors who will serve until the end of the next annual meeting of shareholders;

4. ~~3.~~ appointing the auditors, who will serve until the end of the next meeting of shareholders, and authorizing the directors to fix the auditors' remuneration;
5. ~~4.~~ to pass an ordinary resolution, the full text of which is set out in Appendix "B" of this Management Proxy Circular, ratifying and confirming certain option grants, all as more particularly set forth in this Management Proxy Circular; and
6. ~~5.~~ to pass an ordinary resolution, the full text of which is set out in Appendix "C" of this Management Proxy Circular, ratifying and approving the adoption of the Company's Omnibus Long-Term Incentive Plan.

The Company will also consider other business that may properly come before the meeting. As of the date of this Management Proxy Circular, we are not aware of any changes to the items above or any other business to be considered at the meeting. If there are changes or new items, your proxyholder can vote your shares on these items as he or she sees fit. If any other matters properly come before the meeting, it is the intention of the persons named in the proxy form to vote in respect of those matters in accordance with their judgment.

## **1. Receiving the Annual Audited Consolidated Financial Statements**

The annual audited consolidated financial results for the financial year ended December 26, 2021, including the auditors' report thereon will be presented at the meeting and shareholders will be given the opportunity to discuss these results with management. No vote thereon is required or expected. These financial statements together with the management's discussion and analysis thereon are available under our profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at <https://recipeunlimited.investorroom.com>.

## **2. Amendment to Articles and By-Laws**

Currently, the Company's articles and by-laws provide that the Company's Board of Directors (the "Board") shall be comprised of a minimum of eight (8) and a maximum of nine (9) directors. At the Meeting, shareholders will be asked to consider for approval, the following special resolution (the "Articles Amendment Resolution") approving the amendment of the Company's articles and by-laws to provide that the Company's Board have a minimum of three (3) and a maximum of ten (10) directors, to set the current number of directors at seven (7) and to authorize the Company's Board to determine from time to time and in their sole discretion, the number of directors of the Company and the number of directors to be elected at annual and special meetings of the Company's shareholders provided there are at least three (3) and no more than ten (10) directors:

"BE IT RESOLVED that:

1. The Company is authorized to amend its articles to provide that the Company's Board of Directors have a minimum of three (3) and a maximum of ten (10) directors;
2. The Company is authorized to amend its by-laws to provide that the Company's Board of Directors have a minimum of three (3) and a maximum of ten (10) directors;
3. The number of directors shall be set at seven (7);
4. The Board of Directors is authorized to determine from time to time and in their sole discretion, the number of directors of the Company and the number of directors to be elected at annual and special meetings of the Company's shareholders provided that there are at least three (3) and no more than (10) directors;
5. Any director or officer of the Company is authorized and directed to sign all documents and do all things necessary or desirable to effect the foregoing amendments including the delivery of articles of amendment in prescribed form to the Director appointed under the *Business Corporations Act* (Ontario); and
6. Any one director or officer of the Company is authorized to execute and deliver all documents and do all acts or things as may be necessary or desirable to give effect to these resolutions."

As a special resolution, approval of the Articles Amendment Resolution will require that it be passed by two-thirds (66 2/3%) of the votes cast by shareholders thereon in person and by proxy.

[The persons named in the form of proxy intend to vote at the Meeting in favour of the Articles Amendment Resolution.](#)

**2-3. Election of Directors**

A board of ~~eight~~ seven directors (~~the “Board”~~) is to be elected at the meeting to serve until the next annual meeting of shareholders. Each of the current directors, other than David Aisenstat and Mark Saunders, has agreed to stand for election at the meeting. Each nominee is voted for on an individual basis. Pursuant to the Company’s bylaws and the Principal Shareholders Agreement, each of Fairfax and Cara Holdings is entitled to identify four director nominees for election and Fairfax and Cara Holdings have agreed that they will vote the multiple voting shares held by them for the election of such nominees. Unless a shareholder specifies otherwise in a proxy, the persons named in the accompanying proxy intend to vote in favour of the election of each of the director nominees listed in the Management Proxy Circular. All nominees have established their eligibility and willingness to serve as directors. As of the date hereof, management of the Company does not expect that any of the nominees will be unable to serve as a director. However, in case any of the nominees should become unable to serve and unless otherwise specified, the persons named in the proxy will have the right to use their discretion in selecting a substitute nominee or nominees. The following information is submitted with respect to the nominees for director:

Names of nominees, offices held in Recipe (or significant affiliates), principal occupations, and province and country of residence	Director since	Ownership or control over voting securities (subordinate voting shares) of Recipe <sup>(1)(2)</sup>
Kim Baird Owner, Kim Baird Strategic Consulting British Columbia, Canada	May 7, 2021	0
Christy Clark <sup>(4)</sup> Senior Advisor at Bennett Jones LLP Former Premier of British Columbia British Columbia, Canada	May 11, 2018	0
Stephen K. Gunn <sup>(3)</sup> Corporate Director Ontario, Canada	March 26, 2013	32,258
Christopher D. Hodgson <sup>(3)(4)</sup> President, Ontario Mining Association Ontario, Canada	April 10, 2015	0
Sean Regan <sup>(4)</sup> President of Cara Holdings Limited Ontario, Canada	April 10, 2015	0
Paul Rivett <sup>(3)</sup> Chairman of the Board of Recipe Unlimited Corporation Ontario, Canada	December 31, 2019	4,500
<del>Mark Saunders<sup>(4)</sup> Corporate Director Ontario, Canada</del>	<del>January 1, 2021</del>	<del>0</del>
Frank Hennessey Chief Executive Officer of Recipe Unlimited Corporation Ontario, Canada	N/A	0

Notes

- (1) Details on all outstanding options and share-based awards held by the Company's directors are described under "Executive Compensation Discussion and Analysis - Outstanding Option-Based Awards and Share-Based Awards" and "Director Compensation - Outstanding Options-Based Awards and Share Based Awards". None of the option-based or share-based awards mentioned in this footnote are included in the numbers of subordinate voting shares shown in the above table.
- (2) Mr. Regan is the President of Cara Holdings Limited, which beneficially owns, controls or directs, directly or indirectly 12,740,077 multiple voting shares, representing approximately 37.41% of the Company's issued and outstanding multiple voting shares.
- (3) Member of the Audit Committee (Chair - Stephen K. Gunn).
- ~~(4) Member of the Governance, Compensation and Nominating Committee (Chair - Mark Saunders). Mark Saunders became a member of the Governance, Compensation and Nominating Committee and assumed the role of Chair of such committee on May 7, 2021.~~

The information as to shares beneficially owned or controlled by each nominee, and certain of the biographical information provided below, not being within the Company's knowledge, has been furnished by such nominee.

*Legend:*

*BD - Board of Directors AC-Audit Committee GC&NC - Governance, Compensation and Nominating Committee*

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**Kim Baird** – Ms. Baird is the owner of Kim Baird Strategic Consulting, a senior advisor with Hill + Knowlton Strategies, and a member of the following boards: Canada Infrastructure Bank, Greater Vancouver Board of Trade, LaSalle College Vancouver, UBC Sauder Dhillon Centre Business Ethics Advisory Board, Clear Seas Centre for Responsible Marine Shipping, Upper Nicola Economic Development Corporation, the Chief Joe Mathias Scholarship Foundation and a member of the Metro Vancouver Regional Economic Prosperity Management Service Management Board. Ms. Baird was previously the elected Chief of the Tsawwassen First Nation for six terms from 1999 to 2012, has served as a board member of BC Hydro, and has been the recipient of numerous prestigious awards, including the Order of British Columbia and Member of the Order of Canada. Ms. Baird holds an Institute of Corporate Directors designation, a Doctor of Law Honoris Causa and an Associate Degree in General Arts.

Meetings Attended in 2021  
7 of 7 BD<sup>(1)</sup>

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**Christy Clark** - Ms. Clark is currently a senior advisor with the law firm Bennett Jones LLP. The Honorable Christy Clark led Canada's third largest province, British Columbia, for over six years - managing a government with \$52B in revenues, 18 ministries, 27 crown corporations and over 125,000 employees. Throughout her tenure, Ms. Clark demonstrated the strongest performance of any Canadian Premier for economic growth, fiscal management and job creation. Ms. Clark retired from political life in 2017 as the longest serving female Premier in Canadian history and the only woman Premier in Canada ever to be re-elected.

Meetings Attended in 2021  
10 of 10 BD  
6 of 7 GC&NC

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**Stephen K. Gunn** - Mr. Gunn is the former Co-Chair of Sleep Country Canada Inc. He co-founded Sleep Country Canada in 1994 and served as its Chief Executive Officer from 1997 to 2014. Mr. Gunn was a management consultant with McKinsey & Company from 1981 to 1987 and then co-founded and was President of Kenrick Capital. Mr. Gunn is the Chairman of the Board of Dollarama Inc. where he has been on the Board since 2009 and he is a director of Canada Goose Holdings Inc. and a member of the audit committee. Mr. Gunn holds a Master of Business Administration from the University of Western Ontario and a B.Sc. degree in Electrical Engineering from Queen's University.

Meetings Attended in 2021  
10 of 10 BD  
4 of 4 AC

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**Christopher D. Hodgson** - Mr. Hodgson is the President of the Ontario Mining Association, President of Chris Hodgson Enterprises, a director of Fairfax India Holdings Corporation, Fairfax Africa Holdings Corporation and a director of Hemlo Explorers Inc. Mr. Hodgson previously served as Lead Director for The Brick Ltd. As a member of Ontario's provincial parliament, Mr. Hodgson served as Minister of Natural Resources, Minister of Northern Development and Mines, Chairman of the Management Board of Cabinet, Commissioner of the Board of Internal Economy, and Minister of Municipal Affairs and Housing. Previously, he enjoyed a career in municipal government and real estate development and is an Honours Bachelor of Arts graduate from Trent University.

Meetings Attended in 2021  
10 of 10 BD  
4 of 4 AC  
7 of 7 GC&NC

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**Paul Rivett** – Mr. Rivett is the co-founder and Chairman of NordStar Capital Inc., a Canadian company he co-founded in 2020. NordStar is a long-term focused, relationship-based, innovative funding and advisory services firm. Prior to co-founding NordStar, Mr. Rivett served as the President of Fairfax Financial, a global insurance holdings and value investing company, where he worked for nearly two decades. Mr. Rivett currently serves on the boards of GreenFirst Forest Products, Torstar, a NordStar portfolio company, Recipe Unlimited Corporation, VerticalScope, Canadian Press, Boreal Carbon and Northstar Gaming. He has previously been a member of a number of notable boards, including Fairfax Africa, PEAK Athletics (Bauer & Easton Sports), TeamSnap, Golf Town & Sporting Life, Dexterra, Arctic Gateway Group, AGT Foods, MEGA Brands, Resolute Forest Products, Blue Ant Media and The Brick. Mr. Rivett holds a Bachelor’s Degree in Economics from the University of Toronto, a Master’s Degree in Industrial Relations from Queen’s University, and a Law Degree from Queen’s University. He is also a Canadian Securities Registered Portfolio Manager.

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Meetings Attended in 2021  
10 of 10 BD  
4 of 4 AC

**Sean Regan** - Mr. Regan is the President of Cara Holdings Limited, a position he has held since 2013. Mr. Regan was most recently Senior Vice President, Corporate Development at the Company in 2013, where he was responsible for acquisition and partnership opportunities and the Company’s gift card program. Prior to that, Mr. Regan ran the IT Group including the Call Centre Business at the Company from 2009 to 2013, at which time he led the Company’s business transformation process to the current cloud computing environment. Prior to his work at the Company, Mr. Regan was a commercial helicopter pilot operating in British Columbia. Mr. Regan holds a Master of Business Administration from the University of Western Ontario.

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Meetings Attended in 2021  
10 of 10 BD  
5 of 7 GC&NC

**Frank Hennessey** - Frank Hennessey is Chief Executive Officer of Recipe Unlimited Corporation, a multi-brand restaurant company with more than 20 brands across both Limited and Full Service categories. Frank has more than 30 years of restaurant, food manufacturing and grocery retail experience. Prior to joining Recipe, Frank was President, CEO and Corporate Director of Imvescor Restaurant Group, which was a publicly traded company, for four years and had great success turning the company around, growing sales, increasing shareholder returns; all of which culminated in a successful sale of the company. Previous to Imvescor, Frank held the position of President and CEO of Bento Sushi and was a Corporate Director of Golf Town. Frank holds an undergraduate degree from Western University and a Master of Business Administration from the Rotman School of Management at the University of Toronto.

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Meetings Attended in 2021  
N/A

~~**Mark Saunders** – Mr. Saunders has been a director of the Company since January 1, 2021. Mark is a former Toronto Police Chief and current director at Woodbine Entertainment Group. Mark also serves on the Board of Trustees for University Health Network, is appointed as the Special Advisor for the Ontario Place Redevelopment Project, and was a member of Ontario’s COVID-19 Vaccine Distribution Task Force. He holds a Bachelor of Arts degree in Justice Studies from Guelph Humber University. Mark was selected as a Canadian representative from the Canadian Associations of Chiefs of Police to participate in and complete the Leadership in Counter Terrorism Course (LinCT) which included studies in Scotland and Ireland, specializing in counter-terrorism with the supporting themes of leadership and intelligence. Mark later served a one year term as President of LinCT.~~

Meetings Attended in 2021  
10 of 10 BD  
4 of 4 GC&NC<sup>(2)</sup>

(1) Kim Baird became a board member on May 7, 2021. Meeting attendance is based on meetings held while the Director was a member of the board.

~~(2) Mark Saunders became a member of the Governance, Compensation and Nominating Committee and assumed the role of Chair of such committee on May 7, 2021. Committee meeting attendance is based on meetings held while the Director was a member of such committee.~~

#### *Cease Trade Orders*

To the knowledge of the Company and based upon information provided by the proposed director nominees, none of the proposed director nominees is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity), was subject to a cease trade order, an order similar to a cease trade order, or an order

that denied the company access to any exemption under securities legislation, in each case, for a period of more than 30 consecutive days.

#### *Bankruptcies*

As of the date hereof, to the knowledge of the Company and based upon information provided to it by the nominees for election to the Board of Directors, no such nominee is or has been, in the last 10 years, a director or executive officer of any company (including the Company) that, while such person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for Mr. Gunn who was previously a director of Golf Town Canada Inc., which was the issuer of equity securities and certain secured notes pursuant to an indenture dated July 24, 2012. Golf Town Canada Inc., together with certain of its Canadian affiliates (collectively, “**Golf Town**”), sought and obtained protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) pursuant to an Initial Order of the Ontario Superior Court of Justice dated September 14, 2016. In connection with the CCAA proceedings, Golf Town completed a going concern sale of substantially all of its business and assets to an entity owned by Fairfax Financial Holdings Limited and certain funds managed by CI Investments Inc.

#### *Securities Penalties or Sanctions*

As of the date hereof, to the knowledge of the Company and based upon information provided to it by the nominees for election to the Board of Directors, no such nominee has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Unless a shareholder specifies otherwise in a proxy, the persons named in the accompanying proxy intend to vote in favour of the election of each of the director nominees to serve as directors until the next annual meeting of shareholders.

#### **34. Appointment of Auditor and Remuneration**

The Board recommends that KPMG LLP be reappointed as auditors of the Company, and that the Board be authorized to fix the auditors’ remuneration. The auditors will serve until the end of the next annual meeting of shareholders or until a successor is appointed.

Information concerning fees paid to the Company’s external auditors for services they have rendered to the Company in each of the last two fiscal years can be found in the Company’s Annual Information Form under the heading “Audit Committee - External Auditor Service Fees”, which is available on SEDAR ([www.sedar.com](http://www.sedar.com)).

Unless a shareholder specifies otherwise in a proxy, the persons named in the accompanying proxy intend to vote in favour of the appointment of KPMG LLP as the Company’s auditors to hold office until the next annual meeting of shareholders and authorize the directors to fix KPMG LLP’s remuneration.

#### **45. Approval of Prior Option Grant**

At the meeting, shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution approving the ratification and confirmation of the Prior Option Grant (as defined below). In accordance with the rules of the TSX, in order to be effective, the approval and ratification of the Prior Option Grant must be passed by the affirmative vote of the majority of the voting shares cast at the Meeting, excluding any voting shares held by the officers to whom the Prior Option Grant was made. The full text of the resolution to ratify and confirm the Prior Option Grant is set out in Appendix “B” to this Management Proxy Circular.



On June 30, 2021, the Board approved the grant of an aggregate of 350,000 options (the “**Prior Options**”) to acquire subordinate voting shares of the Company, to certain officers of the Company (the “**Prior Option Grant**”), representing 1.41% of the issued and outstanding subordinate voting shares of the Company as of March 15, 2022. The Prior Option Grant was made as an incentive based on performance and for retention purposes. The Prior Options cannot be exercised until such time that the shareholders of the Company have ratified and confirmed the same. In the event that shareholders do not ratify and confirm the Prior Option Grant, the Prior Options will be cancelled forthwith.

The following table provides a summary of the Prior Option Grant.

Category of Optionholder	Issue Date	Number of Options (#)	Option Exercise Price (\$)	Option Expiration Date
Officers	June 30, 2021	350,000	\$21.6810	June 30, 2029

See “Executive Compensation Discussion and Analysis – Long-Term Incentive – Prior Option Grant” for a description of the terms, conditions and restrictions of the Prior Option Grant.

The foregoing description of the Prior Option Grant is intended as a summary only. The full text of the resolution to ratify and approve the Prior Option Grant is set out at Appendix “B” to this Circular.

If you do not specify how you want your shares voted, the individuals named as proxy holders in the enclosed proxy form intend to cast the votes represented by proxy at the meeting FOR the ratification and approval of the Prior Option Grant.

#### **5.6. Approval of Omnibus Long-Term Incentive Plan**

At the meeting, shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution approving the ratification and adoption of the Company’s Omnibus Long-Term Incentive Plan. The full text of the resolution to approve the Omnibus Long-Term Incentive Plan is set out in Appendix “C” to this Management Proxy Circular.

On March 3, 2022, the Board approved the adoption of the Omnibus Long-Term Incentive Plan, which replaced the Company’s existing Share Option Plan, PSU Plan and RSU Plan (each as defined below). The Board is of the view that the Omnibus Long-Term Incentive Plan is required in order to allow for a variety of equity-based awards that provide different types of incentives, including stock options, restricted share units (“RSUs”) and performance share units (“PSUs”), to be granted to our officers, employees, and consultants under a single equity-plan. For a description of the Omnibus Long-Term Incentive Plan, see “Compensation Discussion and Analysis – Long-term incentives – Omnibus Long-Term Incentive Plan”.

All prior options, PSUs and RSUs granted under the Company’s existing Share Option Plan, PSU Plan and RSU Plan, respectively, will continue to be governed by such plans in accordance with their terms at the time of grant; however, as of May 9, 2022, all new awards are governed by the Omnibus Long-Term Incentive Plan and, assuming the Omnibus Long-Term Incentive Plan is approved by shareholders, no further awards will be granted under the Share Option Plan, the PSU Plan or the RSU Plan.

The foregoing description of the Omnibus Long-Term Incentive Plan is intended as a summary only. See “Compensation Discussion and Analysis – Long-term incentives – Omnibus Long-Term Incentive Plan” for a description of the Omnibus Long-Term Incentive Plan.

Descriptions of the Omnibus Long-Term Incentive Plan do not purport to be complete and are subject to, and qualified in their entirety by reference to, all of the provisions of the Omnibus Long-Term Incentive Plan, which are set out in Appendix “D” of this Circular.

The full text of the resolution to ratify and approve the Omnibus Long-Term Incentive Plan thereunder is set out at Appendix “C” to this Circular.

If you do not specify how you want your shares voted, the individuals named as proxy holders in the enclosed proxy form intend to cast the votes represented by proxy at the meeting FOR the ratification and approval of the Omnibus Long-Term Incentive Plan.

## **Other Business**

The Company's management is not aware of any other matters which are to be presented at the meeting. However, if any matters other than those referred to herein should be presented at the meeting, the persons named in the enclosed proxy are authorized to vote the shares represented by the proxy in their discretion and in accordance with their best judgment.

## **SECTION III - EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS**

### **Overview**

The following discussion describes the significant elements of the compensation in 2021 of the Company's Chief Executive Officer; Chief Financial Officer; and three most highly compensated executive officers (collectively, the "**named executive officers**" or "**NEOs**"), namely:

- Frank Hennessey, Chief Executive Officer;
- Kenneth J. Grondin, Chief Financial Officer;
- Julie Denton, Chief People Officer;
- David Aisenstat, CEO and Director of The Keg Restaurants Ltd.; and
- Richard Scofield, President, Groupe St-Hubert.

### **Compensation Discussion and Analysis**

#### ***Overview***

The Governance, Compensation and Nominating Committee, in consultation with the Chief Executive Officer, is responsible for establishing, reviewing and overseeing the compensation policies of the Company and compensation of the executive officers. The Company's executive compensation program is designed to attract, retain and motivate highly qualified executives while also aligning the interests of the executives with the Company's shareholders.

The Company's executive compensation program is designed to (i) align the interests of the Company's executives with the Company's shareholders by linking compensation with the Company's performance, and (ii) to be competitive on a total compensation basis in order to attract and retain executives. The remuneration of the Company's NEOs consists of an annual base salary, an annual bonus and long-term equity incentives. Equity-based compensation has historically been awarded in the form of options granted under the Company's 2015 share option plan (the "Share Option Plan"), restricted share units ("RSUs") granted under the Company's 2018 equity settled restricted share unit plan (the "RSU Plan"), RSUs granted under the Company's 2019 cash settled restricted share unit plan (the "Cash Settled RSU Plan") and performance share units ("PSUs") granted under the Company's 2018 performance share unit plan (the "PSU Plan"). On March 3, 2022, the Board approved the adoption of the Omnibus Long-Term Incentive Plan, which replaced the Company's existing Share Option Plan, PSU Plan and RSU Plan. As of May 9, 2022 and assuming the Omnibus Long-Term Incentive Plan is approved by shareholders at the meeting, all new equity-based awards will be governed by the Omnibus Long-Term Incentive Plan and no further awards will be granted under the Share Option Plan, the PSU Plan or the RSU Plan. The Cash Settled RSU Plan will continue in its current form as complement to the Omnibus Long-Term Incentive Plan. Perquisites and personal benefits are not a significant element of compensation of the Company's executive officers.

Each year, the Company's Chief Executive Officer makes compensation recommendations to the Governance, Compensation and Nominating Committee in consideration of the achievements of the Company's executive team during the year and the Company's corporate objective to achieve a high rate of return on invested capital and build long-term shareholder value. The Governance, Compensation and Nominating Committee evaluates the factors considered by the Company's Chief Executive Officer along with information provided by the Company's human resources department gathered from third party sources and surveys detailing market compensation ranges for executive officers of similar enterprises and decides whether to approve or adjust the recommendations for compensation of the Company's executive officers. The Governance, Compensation

and Nominating Committee separately considers the compensation for the Company's Chief Executive Officer, as more fully described below.

Mr. Hennessey, as Chief Executive Officer, proposed to the Company's Governance, Compensation and Nominating Committee the remuneration of the Company's executive officers for 2021. The Governance, Compensation and Nominating Committee considered the proposals by Mr. Hennessey, which included a description of the accomplishments of the Company's executives. The Governance, Compensation and Nominating Committee evaluated and approved the compensation of the Company's executive officers for 2021. Details of the compensation awarded to the Company's named executive officers for 2019 to 2021 are shown in the "Summary Compensation Table" below.

### ***Compensation Risk***

In reviewing the compensation policies and practices of the Company each year, the Governance, Compensation and Nominating Committee seeks to ensure that the executive compensation program provides an appropriate balance of risk and reward consistent with the risk profile of the Company. The Governance, Compensation and Nominating Committee also seek to ensure that the Company's compensation practices do not encourage excessive risk-taking behaviour by the executive team. The Company's long-term incentive plan has been designed to focus on the long-term performance of the Company, which discourages executives from taking excessive risks in order to achieve short-term, unsustainable performance.

All of the Company's executives, including the NEOs, directors and senior employees are subject to the Company's insider trading policy, which prohibits trading in the securities of the Company while in possession of material undisclosed information about the Company. Under this policy, such individuals are also prohibited from entering into certain types of hedging transactions involving the securities of the Company, such as short sales, puts and calls, that are designed to hedge or offset any decrease in market value of the Company's equity securities. Furthermore, the Company permits executives, including the NEOs, to trade in the Company's securities, including the exercise of options, only during prescribed trading windows.

The Company has implemented a recoupment (clawback) policy as an additional approach to mitigate compensation risk. The clawback policy enables the board of directors to require reimbursement of all or a portion of incentive compensation paid or awarded to an executive officer after the date of implementation pursuant to the Company's long-term incentive plans where: (i) the Company restates previously issued financial statements (other than for a restatement caused by a change in applicable accounting rules or interpretations) and, (ii) in connection with such restatement, an executive officer engaged in gross negligence, fraud or willful misconduct.

### ***Base salaries***

A primary element of the Company's compensation program is base salary. The Company's view is that a competitive base salary is a necessary element for attracting and retaining qualified executive officers. The amount payable to an executive officer is determined based on the scope of the executive's responsibilities and prior experience, while taking into account competitive market compensation and overall market demand for such executives at the time of hire.

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

## *Annual bonuses*

Annual bonuses are designed to motivate executive officers to meet the Company's business objectives and, in particular, annual financial performance targets. Bonuses are earned and measured with reference to the individual personal performance and the Company's Operating EBITDA (as defined in the Company's Annual Information Form) and, where applicable, that of any specific brand(s) for which the applicable executive officer has responsibility. Annual bonus targets are set as a percentage of the relevant individuals' base salary (between 40% and 75% of base salary). The Company sets Operating EBITDA targets each year in connection with the annual budget process to ensure that bonus targets are realized at predetermined levels of Operating EBITDA growth, representing a significant improvement over the prior year and/or budget. Under the current program, all bonus payouts are rendered in cash. In the case of David Aisenstat, his Management Agreement (as defined below) provides that he will be entitled to an annual bonus of \$150,000 in the event that the President or Chief Financial Officer of The Keg receive an annual bonus.

For 2021, annual bonus targets were set based on personal performance objectives as well as improving Operating EBITDA performance as compared to 2020 and other goals and objectives that the Board deemed to be of strategic value to the long term growth of the Company. The overall portion of 2021 annual bonuses was generally paid out at 40% of target bonus for eligible participants. For 2022, annual bonus targets have been set based on personal performance objectives plus Operating EBITDA performance as compared to the Board-approved 2022 budget.

## *Long-term incentives*

### *Omnibus Long Term-Incentive Plan*

The Company is seeking shareholder ratification and approval at the meeting of the Omnibus Long-Term Incentive Plan. The Omnibus Long-Term Incentive Plan allows for a variety of equity based awards that provides different types of incentives, particularly options to acquire Subordinate Voting Shares, RSUs and PSUs, to be granted to our officers, employees, and consultants. Options, RSUs and PSUs are collectively referred to herein as "**Awards**". The Board is responsible for administering the Omnibus Long-Term Incentive Plan, and may delegate this responsibility to the Governance, Compensation and Nominating Committee. The following discussion is qualified in its entirety by the full text of the Omnibus Long-Term Incentive Plan attached at Appendix "D" of this Management Proxy Circular.

On March 3, 2022, the Board approved the adoption of the Omnibus Long-Term Incentive Plan, which replaced the Company's existing Share Option Plan, PSU Plan and RSU Plan. All prior options, PSUs and RSUs granted under the Company's existing Share Option Plan, PSU Plan and RSU Plan, respectively, will continue to be governed by the terms of such plans at the time of the respective awards; however, Awards granted hereafter will be granted under and governed by the Omnibus Long-Term Incentive Plan for which the Company is seeking shareholder ratification and approval at the meeting.

The Board, or if authorized by our Board, the Governance, Compensation and Nominating Committee shall from time to time grant Awards to eligible participants. Only Awards to acquire Subordinate Voting Shares may be granted under the Omnibus Long-Term Incentive Plan. Participation in the Omnibus Long-Term Incentive Plan is voluntary and, if an eligible person agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. Financial assistance is not available under the Omnibus Long-Term Incentive Plan.

The maximum number of Subordinate Voting Shares reserved for issuance upon the exercise or settlement for all Awards granted under the Omnibus Long-Term Incentive Plan and all other share compensation arrangements will be 10% of the aggregate number of Shares issued and outstanding from time to time, which represents 5,883,461 Shares as at March 15, 2022. There are currently no Awards outstanding under the Omnibus Long-Term Incentive Plan. As at March 15, 2022, 1,209,863 Options (consisting of 67,907 Options outstanding under the Legacy Share Option Plan, 791,956 Options outstanding under the Share Option Plan and 350,000 Options under the Prior Option Grant) were outstanding, representing approximately 2.06% of the Company's issued and outstanding Shares, 474,226 RSUs were outstanding under the RSU Plan, representing approximately 0.80% of the Company's issued and outstanding Shares, and no PSUs were outstanding under the PSU Plan. Accordingly, as at March 15, 2022, and assuming the Omnibus Long-Term Incentive Plan is approved by shareholders at the meeting, 4,199,372 Subordinate Voting Shares remained available for future issuance under the Omnibus Long-Term Incentive Plan, which represents 7.14% of the issued and outstanding Shares as at March 15, 2022.

For the purposes of calculating the maximum number of Subordinate Voting Shares reserved for issuance under the Omnibus Long-Term Incentive Plan, any issuance from treasury by the Company that is issued in reliance upon an exemption under applicable stock exchange rules applicable to share compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of the Company shall not be included.

All of the Subordinate Voting Shares in respect of which an Award is granted under the Omnibus Long-Term Incentive Plan covered by exercised, cancelled, terminated, expired or lapsed Awards, or settled in cash in lieu of settlement in Subordinate Voting Shares will automatically become available Subordinate Voting Shares for the purposes of Awards that may be subsequently granted under the Omnibus Long-Term Incentive Plan. Also, should the Company issue additional Shares in the future, the number of Subordinate Voting Shares issuable under the Omnibus Long-Term Incentive Plan will increase accordingly. As a result, the Omnibus Long-Term Incentive Plan is considered an “evergreen” plan since the Subordinate Voting Shares covered by Awards which have been exercised are available for subsequent grants under the Omnibus Long-Term Incentive Plan and the number of Awards available to grant increases as the number of issued and outstanding Shares increases.

The maximum number of Subordinate Voting Shares that may be (i) issued to insiders within any one (1) year period, or (ii) issuable to insiders at any time under the Omnibus Long-Term Incentive Plan, alone or when combined with all other share compensation arrangements of the Company, cannot exceed 10% of the Shares issued and outstanding from time to time.

All options granted under the Omnibus Long-Term Incentive Plan will be approved by the Board in accordance with the terms of the Omnibus Long-Term Incentive Plan with the exercise price determined on the applicable grant date, which shall not be less than the market price of the Subordinate Voting Shares at such time. For purposes of the Omnibus Long-Term Incentive Plan, in respect of options granted thereunder, the market price of the Subordinate Voting Shares shall be the volume weighted average closing price for the Subordinate Voting Shares on the TSX for up to the five trading days prior to which the option is granted.

An option shall be exercisable during a period established by our Board which shall commence on the date of the grant and shall terminate no later than eight years after the date of the granting of the option. The Omnibus Long-Term Incentive Plan provides that the exercise period shall automatically be extended if the date on which it is scheduled to terminate shall fall on or within nine business days immediately following a black-out period. In such cases, the extended exercise period shall terminate ten business days after the last day of the black-out period. In order to facilitate the payment of the exercise price of the options, the Omnibus Long-Term Incentive Plan has a cashless exercise feature pursuant to which a participant may elect to undertake either a broker assisted “cashless exercise” or an “option surrender” subject to the conditions set out in the Omnibus Long-Term Incentive Plan, including the consent of the Board.

Unless the Board decides otherwise, the Omnibus Long-Term Incentive Plan provides that options will vest as to thirty-three and one-third percent (33 1/3%) each year for three years, commencing on the first anniversary date following the date of grant.

In addition to options, the Omnibus Long-Term Incentive Plan also provides for Awards including RSUs and PSUs, which are subject to such restrictions and conditions as the Board determines at the time of grant, which may be based on continuing employment or service relationship, as the case may be, and/or the achievement of pre-established performance goals and objectives. Each RSU and PSU will be confirmed by a grant agreement, respectively to set forth the terms of the grant, which may be settled by the issuance of Subordinate Voting Shares from treasury or purchased on the secondary market, or cash-settled, or a combination of cash and Subordinate Voting Shares, as determined by the Board in accordance with the Omnibus Long-Term Incentive Plan and the applicable grant agreement. For purposes of the Omnibus Long-Term Incentive Plan, the market price of the Subordinate Voting Shares shall be the volume weighted average closing price for the Subordinate Voting Shares on the TSX for up to the five trading days prior to the settlement date.

Vested RSUs and PSUs shall be settled as soon as practicable following the date on which the Board determines that the applicable vesting conditions have been met with respect to such RSUs and PSUs, but in all cases such settlement period will be: (i) no later December 31<sup>st</sup> of the third year following the grant date of the applicable RSUs and PSUs where same are cash-settled or through purchases of Subordinate Voting Shares on the open market; or (ii) no later than December 31<sup>st</sup> of the tenth year following the grant date of the applicable RSUs and PSUs, where same are settled by the issuance of Subordinate Voting Shares from treasury.

The Omnibus Long-Term Incentive Plan also provides that appropriate adjustments, if any, will be made in connection with a stock dividend or split, combination or exchange of shares, merger, consolidation, spin-off, or other distribution (other

than normal cash dividends) of the Company’s assets to shareholders, or any other change in the Shares, in order to maintain the participants’ economic rights in respect of their Awards in connection with such events.

The following table describes the impact of certain events upon the rights of holders of Awards under the Omnibus Long-Term Incentive Plan, including termination for cause, resignation, retirement, termination other than for cause, and death or disability, subject to the terms of a participant’s employment agreement, grant agreement and the change of control provisions described below:

<b>Event Provisions</b>	<b>Provisions</b>		
	<b>Options</b>	<b>RSUs</b>	<b>PSUs</b>
Termination for cause	Forfeiture of all vested and unvested options.	Forfeiture of all unvested RSUs and vested RSUs that remains unsettled will automatically be settled on or immediately following the terminate date.	Forfeiture of all unvested PSUs and vested PSUs that remains unsettled will automatically be settled on or immediately following the terminate date.
Resignation/ Retirement/ Termination other than for cause/	Forfeiture of all unvested options and the earlier of the original expiry date and 90 days after termination/ resignation/retirement to exercise vested options.	Forfeiture of all unvested RSUs and vested RSUs that remain unsettled will automatically be settled on or immediately following the terminate date.	Forfeiture of all unvested PSUs and vested PSUs that remain unsettled will automatically be settled on or immediately following the terminate date.
Death or disability	12 month vesting period after death or disability for all unvested options and the earlier of the original expiry date and 12 months after death or disability to exercise vested options.	Unvested RSUs will continue to vest for 12 months after death or disability or until the vesting date (whichever is shorter and being the “applicable period”), and all vested units, including those that vest during the applicable period, will settle following the last date of the applicable period and all remaining unvested RSUs will be forfeited.	Unvested PSUs will continue to vest for 12 months after death or disability or until the vesting date (whichever is shorter and being the “applicable period”) and all vested units, including those that vest during the applicable period, will settle following the last date of the applicable period and all remaining unvested PSUs will be forfeited.

In connection with a change of control, the Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent value in the continuing entity, provided that the Board may, in its discretion, accelerate the vesting of Awards (i) if the required steps to cause the conversion or exchange or replacement of Awards are impossible or impracticable to take or are not being taken by the parties required to take such steps, or (ii) in the event of a takeover-bid or other transaction which would result in a change of control, to permit participants to conditionally exercise or settle Awards to be tendered to such take-over bid. If a participant is terminated without cause or resigns for Good Reason during the 12-month period following a change of control, any Awards then outstanding shall automatically vest, with the number of PSUs that vest to be calculated having regard to the pro rata achievement of any applicable performance criteria to the termination date.

The Board may, in its sole discretion, suspend or terminate the Omnibus Long-Term Incentive Plan at any time, or from time to time, amend or revise the terms of the Omnibus Long-Term Incentive Plan or of any Award granted under the Omnibus Long-Term Incentive Plan and any grant agreement or other agreement or document relating thereto, subject to any required regulatory and TSX approval, provided that such suspension, termination, amendment, or revision will not materially adversely affect the rights of any participant without the consent of the participant subject to the terms of the Omnibus Long-Term Incentive Plan and applicable laws.

The Board may suspend or terminate the Omnibus Long-Term Incentive Plan at any time, or from time to time amend or revise the terms of the Omnibus Long-Term Incentive Plan or of any granted Award, provided that no such suspension, termination, amendment or revision will be made, (i) except in compliance with applicable law and with the prior approval, if required, of the shareholders, the TSX or any other regulatory body having authority over us; and (ii) in the case of an amendment or revision, if it would materially adversely affect the rights of any participant, without the consent of the participant, provided however, subject to any applicable rules of the TSX, the Board may from time to time, in its absolute discretion and without the approval of shareholders, make the following amendments to the Omnibus Long-Term Incentive Plan or any outstanding Award:

- any amendment to the vesting and assignability provisions;
- any amendment regarding the effect of termination of a participant's employment, engagement, contract or office;
- any amendment which accelerates the date on which any Award may be exercised under the Omnibus Long-Term Incentive Plan;
- any amendment to add provisions permitting for the granting of cash-settled awards, a form of financial assistance, clawback or dividend equivalents and any amendment to a cash-settled award, financial assistance, clawback or dividend equivalent provision which is adopted;
- any amendment necessary to comply with applicable law or the requirements of the TSX or any other regulatory body;
- any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Omnibus Long-Term Incentive Plan or any agreement ancillary thereto, correct or supplement any provision of the Omnibus Long-Term Incentive Plan that is inconsistent with any other provision of the Omnibus Long-Term Incentive Plan, correct any grammatical or typographical errors or amend the definitions in the Omnibus Long-Term Incentive Plan;
- any amendment regarding the administration of the Omnibus Long-Term Incentive Plan; and
- any other amendment that does not require the approval of the holders of Shares pursuant to the amendment provisions of the Omnibus Long-Term Incentive Plan.

For greater certainty, our Board shall be required to obtain shareholder approval to make the following amendments:

- any increase in the maximum number of Subordinate Voting Shares that may be issuable pursuant to Awards granted under the Omnibus Long-Term Incentive Plan;
- any (i) reduction in the exercise price or purchase price (in respect of the settlement of RSUs or PSUs) of an Award, as applicable, benefitting an Insider (ii) extension of the term of an Award (including the expiry date of an option) benefitting an Insider; or (iii) amendment providing for the cancellation and reissue of Awards;
- any amendment to the amendment provisions of the Omnibus Long-Term Incentive Plan;
- increase the insider participation limit under the Omnibus Long-Term Incentive Plan; and
- any amendment to permit options to be transferable or assignable other than by will or by the laws of descent and distribution, except for permitted assignments in accordance with the terms of the Omnibus Long-Term Incentive Plan.

Except as specifically provided in the Omnibus Long-Term Incentive Plan and as approved by our Board, awards granted under the Omnibus Long-Term Incentive Plan are generally not transferable or assignable other than by will or the laws of descent and distribution.

The full text of the Omnibus Long-Term Incentive Plan is attached to this Circular as Appendix "D".

#### *Prior Option Grant*

The Prior Option Grant described under "Business of the Meeting – Approval of Prior Option Grant" in this Management Proxy Circular was awarded in accordance with and subject to the terms, conditions and restrictions of applicable grant agreements which incorporate the terms and conditions of the Share Option Plan (the "Prior Option Grant Agreements"). With the exception of the Prior Option Grant, for the last four years the Company has chosen not to issue options but to use a different long-term incentive for executives and eligible employees.

### *Administration*

The Prior Option Grant Agreements are administered by the Board, which interprets the Prior Option Grant Agreements and may adopt, amend, prescribe or rescind any administrative guidelines or other rules and regulations relating to the Prior Option Grant Agreements, as it deems appropriate, to the extent permitted by applicable law (including stock exchange rules).

To the extent permitted by law, the Board may delegate its powers under the Prior Option Grant Agreements to the Governance, Compensation and Nominating Committee. In such event, the Governance, Compensation and Nominating Committee will exercise the powers delegated to it by the Board in the manner and on such terms authorized by the Board, and all decisions made, or actions taken, by the Governance, Compensation and Nominating Committee arising in connection with the administration or interpretation of the Prior Option Grant Agreements, within its delegated authority, are final and conclusive.

### *Eligibility*

The Prior Option Grant was made to certain officers of the Company. No further Options are intended to be issued by the Company under the Share Option Plan. Any future option grants will be made pursuant to the Omnibus Long-Term Incentive Plan, assuming that it is approved by shareholders.

### *Subordinate Voting Shares Subject to the Prior Option Grants*

A total of 350,000 subordinate voting shares may be issued upon exercise of the Prior Options. All future option grants will be made pursuant to the Omnibus Long-Term Incentive Plan, assuming that it is approved by shareholders.

As at March 15, 2022, 1,209,863 Options were outstanding, representing approximately 2.06% of the Company's issued and outstanding shares. The total number of options outstanding includes 67,907 Options outstanding under the Legacy Share Option Plan, 791,956 Options outstanding under the Share Option Plan and 350,000 Options outstanding under the Prior Option Grant (which options are subject to shareholder approval at the Meeting). Assuming its approval, all future grants of Options will be made pursuant to the Omnibus Long-Term Incentive Plan.

### *Termination of Employment*

Unless otherwise permitted by the Board, upon a participant's qualified retirement, death or disability, any unvested Prior Options held by the participant as at the termination date will accelerate and vest on a *pro rata* basis up to the termination date. All of a participant's vested Prior Options may be exercised until the earlier of (i) the expiry date of the Prior Options, or (ii) 180 days after the termination date, after which time all Prior Options will expire. The concept of retirement is qualified in accordance with the terms of the Prior Option Grants.

Unless otherwise permitted by the Board, upon termination of a participant's employment without cause, any vested Prior Options held by the participant as at the termination date may be exercised until the earlier of (i) the expiry date of the Prior Options, or (ii) 90 days after the termination date, after which time all Prior Options will expire. Any unvested Prior Options held by the participant as at the termination date immediately expire.

Unless otherwise permitted by the Board, upon termination of a participant's employment for cause or the participant voluntarily resigns, any unvested Prior Options held by the participant as at the termination date immediately expire. If a participant's employment is terminated by voluntary resignation, then the participant's vested Prior Options continue to be exercisable until the earlier of (a) the expiry date of the Prior Options, or (b) 90 days after the termination date, after which time all Prior Options will expire. If a participant's employment is terminated for cause, any vested Prior Options may be exercised until the earlier of (i) the expiry date of the Prior Options, or (ii) 90 days after the termination date (provided the



termination is not due to a criminal act, in which case all vested Prior Options will immediately expire), after which time all Prior Options will expire.

#### *Adjustments*

In the event of any change in the Company's capital structure, the payment of an extraordinary stock dividend or any other change made in the capitalization of the Company, that, in the opinion of the Board, would warrant the amendment or replacement of any existing Prior Options (collectively, the "**Adjustment Events**"), the Prior Option Grant Agreements provide for appropriate adjustments in the number of subordinate voting shares that may be acquired upon the exercise of Prior Options or the exercise price of outstanding Prior Options (collectively, the "**Adjustments**"), as necessary in order to preserve proportionately the rights and obligations of the participants under the Share Option Plan.

In the event of an amalgamation, combination, merger or other reorganization involving the Company by exchange of subordinate voting shares, by sale or lease of assets or otherwise, that, in the opinion of the Board, warrants the replacement or amendment of any existing Prior Options, the Board may make Adjustments in order to preserve proportionately the rights and obligations of the participants under the Prior Option Grant Agreements.

In the event that the Board determines that the Adjustments would not preserve proportionately the rights and obligations of the participants, or the Board otherwise determines it is appropriate, the Board may permit the vesting and/or exercise of any outstanding Options that are not otherwise vested and/or exercisable and the cancellation of any outstanding Options which are not exercised within any specified period.

#### *Amendment or Discontinuance*

The Board may, at any time, amend, suspend or terminate the Prior Option Grant Agreements, or any portion thereof, subject to applicable law (including stock exchange rules) that requires the approval of securityholders or any governmental or regulatory body, provided that no such action may be taken that adversely alters or impairs any rights of a participant under any Prior Option previously granted without the consent of such affected participant.

Notwithstanding the above, the Board may make amendments to the Prior Option Grant Agreements without seeking securityholder approval, including, for example (and without limitation), housekeeping amendments, amendments to comply with applicable laws or to qualify for favourable treatment under tax laws or amendments to accelerate vesting. The following types of amendments cannot be made without obtaining securityholder approval:

1. amendments to the number of subordinate voting shares issuable under the Prior Option Grant Agreements;
2. increases in the length of the period after a blackout period during which Prior Options may be exercised;
3. amendments which would result in the exercise price for any Prior Option being lower than the Fair Market Value (as defined in the Prior Option Grant Agreements) at the time the Prior Option is granted;
4. reductions to the exercise price of a Prior Option, other than pursuant to an Adjustment Event;
5. extension of the term of a Prior Option held by an insider beyond the expiry of its exercise period;
6. amendments to the amendment provisions;
7. permitting awards to be transferred or assigned, other than for normal estate settlement purposes; and
8. amendments required to be approved by securityholders under applicable law (including the rules, regulations and policies of the TSX).

### *Assignment*

Except as required by law and subject to the retirement, death or disability of a participant, no assignment or transfer of Prior Options, whether voluntary, involuntary, by operation of law or otherwise, is permitted.

### *Change of Control*

In the event of a change of control of the Company (which occurs when Fairfax and Cara Holdings cease to have control) (a "**Change of Control**"), all unvested Prior Options will vest and become exercisable on an accelerated basis and, if requested by the participant, the Company will pay each participant an amount in cash equal to the whole number of subordinate voting shares covered by the Prior Option to be tendered multiplied by the amount by which the price paid for a subordinate voting share pursuant to the Change of Control exceeds the exercise price of the Prior Options, net of withholding taxes. The Company will pay the foregoing amounts contemporaneously with completion of the transaction resulting in the Change of Control.

### *Share Option Plan*

The Share Option Plan was first adopted by the Company in 2015 in order to motivate and provide rewards for the senior management team and other plan participants to achieve long-term goals of improving the performance of the Company and increasing shareholder value. Under the Share Option Plan, the Company awarded long-term incentives in the form of options, the values of which were directly linked to the change in value of the subordinate voting shares. Other than the Prior Options, no awards have been granted under the Share Option Plan since May 11, 2018 and no additional awards will be made under the Share Option Plan. However, options previously granted under this plan continue to be governed by the provisions of the Share Option Plan.

Under the Share Option Plan, there are currently outstanding Options to purchase an aggregate of 1,209,863 subordinate voting shares, representing approximately 2.06% of the Company's issued and outstanding Shares as at March 15, 2022.

### *Legacy Share Option Plan (the "Legacy Share Option Plan")*

The Legacy Share Option Plan is part of a legacy compensation program pursuant to which certain employees of the Company were granted options to purchase shares in the capital of the Company. No awards have been granted under the Legacy Share Option Plan since December 4, 2014 and no additional awards will be made under the Legacy Share Option Plan, but options previously granted under this plan continue to be governed by the provisions of the Legacy Share Option Plan.

Under the Legacy Share Option Plan, there are currently outstanding Options to purchase an aggregate of 67,907 subordinate voting shares, representing approximately 0.12% of the Company's issued and outstanding Shares as at March 15, 2022.

### *Cash Settled Restricted Share Unit Plan*

The Board approved the Cash Settled RSU Plan on January 1, 2019 as a compensation vehicle to align director and employees' interests with the Company's successful performance. The Cash Settled RSU Plan is complementary to the Company's other compensation programs, including the Omnibus Long-Term Incentive Plan, and acts as a long term incentive plan with the purpose of assisting the Company in attracting, retaining and motivating key employees in the long-term success of the Company and to promote a greater alignment of their interests with the interests of the Company's shareholders. The RSUs issued under the Cash Settled RSU Plan (the "**Cash Settled RSUs**") are notional shares that have the same value at any given time as the subordinate voting shares, but do not entitle a Participant (as defined in the Cash Settled RSU Plan) to any shareholder rights or to the right to receive any subordinate voting shares or dividends on subordinate voting shares. The Cash Settled RSU Plan involves no share issuances from treasury and is settled entirely in cash.

The Company's key employees are eligible to participate in the Cash Settled RSU Plan which is administered by the Board. The Board has sole and complete authority in its discretion to determine which individuals (from among the Participants) to whom Cash Settled RSUs may be granted.

Unless otherwise specified by the Plan Administrator (as defined in the Cash Settled RSU Plan) at the time of granting a Cash Settled RSU and except as otherwise specified by the Plan Administrator at the time of granting a Cash Settled RSU and except as otherwise provided in the Cash Settled RSU, each earned Cash Settled RSU will vest on the third (3rd) anniversary of the date of grant of such Cash Settled RSU unless vesting is accelerated as provided for in the Cash Settled RSU Plan. Unless otherwise specified by the Plan Administrator at the time of granting a Cash Settled RSU and except as otherwise provided in the Cash Settled RSU Plan, each vested Cash Settled RSU will be settled ninety days after the date of vesting.

Earning of the Cash Settled RSUs will be subject to such performance conditions as outlined in the Cash Settled RSU Plan and the individual grant agreements.

#### RSU Plan

The Company is seeking shareholder approval of the Omnibus Long-Term Incentive Plan at the meeting. The Omnibus Long-Term Incentive Plan will allow for a variety of equity based Awards, including equity-settled RSUs. Accordingly, the Company is not seeking shareholder approval of the RSU Plan at the meeting. As of March 15, 2022, 474,226 RSUs were outstanding under the RSU Plan, representing approximately 0.80% of the Company's issued and outstanding Shares. Following the closing of the meeting and assuming the approval of the Omnibus Long-Term Incentive Plan by shareholders at the meeting, no further RSUs will be granted under the RSU Plan.

#### PSU Plan

The Company is seeking shareholder approval of the Omnibus Long-Term Incentive Plan at the meeting. The Omnibus Long-Term Incentive Plan will allow for a variety of equity based Awards, including PSUs. Accordingly, the Company is not seeking shareholder approval of the PSU Plan at the meeting. As of March 15, 2022, 0 PSUs were outstanding under the PSU Plan. Following the closing of the meeting and assuming the approval of the Omnibus Long-Term Incentive Plan by shareholders at the meeting, no further PSUs will be granted under the PSU Plan.

## Summary Compensation Table

The following table sets out the compensation earned by, paid to, or awarded to the NEOs during each of, 2019, 2020 and 2021:

Name and Position/Title	Year	Salary	Share-Based Awards	Option-Based Awards <sup>(1)(2)</sup>	Non-Equity Incentive Plan Compensation (Bonus) <sup>(3)(4)</sup>	All Other Compensation	Total Compensation
Frank Hennessey Chief Executive Officer	2021	\$600,000	—	\$1,153,133	\$120,000	\$200,000	\$2,073,133
	2020	\$484,615 <sup>(8)</sup>	—	—	\$120,000	\$200,000 <sup>(5)</sup>	\$804,615
	2019	\$600,000	—	—	\$10,071	\$200,000 <sup>(6)</sup>	\$810,071
Kenneth J. Grondin Chief Financial Officer	2021	\$550,000	—	\$461,250	\$95,000	\$200,000	\$1,306,250
	2020	\$468,510 <sup>(9)</sup>	—	—	\$85,000	\$200,000 <sup>(5)</sup>	\$763,510
	2019	\$425,000	—	—	\$10,127	\$200,000 <sup>(6)</sup>	\$635,127
David Aisenstat Director and Vice Chair	2021	\$750,000	—	—	—	\$46,875	\$796,875 <sup>(7)</sup>
	2020	\$727,124 <sup>(10)</sup>	—	—	—	—	\$727,124 <sup>(7)</sup>
	2019	\$750,000	—	—	—	—	\$750,000 <sup>(7)</sup>
Julie Denton Chief People Officer	2021	\$425,000	—	—	\$75,000	\$650,000	\$1,150,000
	2020	\$370,048 <sup>(11)</sup>	—	—	\$75,000	\$200,000 <sup>(5)</sup>	\$650,000
	2019	\$340,000	—	—	\$16,720	\$200,000 <sup>(6)</sup>	\$556,720
Richard Scofield President of Groupe St-Hubert	2021	\$400,000	—	—	\$104,000	\$500,000	\$1,004,000
	2020	\$269,325 <sup>(12)</sup>	—	—	\$104,000	\$200,000 <sup>(5)</sup>	\$573,325
	2019	\$350,000	—	—	\$157,450	\$200,000 <sup>(6)</sup>	\$707,450

### Notes:

- (1) In June 2021, Mr. Grondin was awarded 100,000 options and Mr. Hennessey was awarded 250,000 options. The options have been valued using the Black-Scholes option-pricing model as at the date of grant. The fair value of the options was determined using a risk free rate of 2.22% per annum, an expected life of 7.5 years, volatility of 26% and an expected dividend yield of 1.55%.
- (2) In 2019 and 2020, no stock options were granted.
- (3) Amounts in respect of 2020 reflect the annual bonuses awarded to NEOs in 2021 in respect of Fiscal 2020
- (4) Amounts in respect of 2019 reflect the annual bonuses awarded to NEOs in 2020 in respect of Fiscal 2019.
- (5) Amounts reflect grants under the 2020 Cash Settled RSU program. RSU's were granted on January 2, 2020 at a 5-day VWAP of \$19.22. RSU's cliff vest and must be exercised on the third anniversary of the grant date.
- (6) Amounts reflect grants under the new 2019 Cash Settled RSU program. RSU's were granted on January 2, 2019 at a 5-day VWAP of \$25.53. RSU's cliff vest and must be exercised on the third anniversary of the grant date.
- (7) David Aisenstat did not receive any compensation for his position as a Director of the Company during Fiscal 2021, Fiscal 2020, or Fiscal 2019.
- (8) In 2020 due to COVID-19, Mr. Hennessey took a voluntary salary reduction. His 2020 annualized salary would have been \$600,000 had the salary reduction not occurred.
- (9) In 2020 due to COVID-19, Mr. Grondin took a voluntary salary reduction. His 2020 annualized salary would have been \$475,000 had the salary reduction not occurred.
- (10) In 2020 due to COVID-19, Mr. Aisenstat took a voluntary salary reduction. His 2020 annualized salary would have been \$750,000 had the salary reduction not occurred.
- (11) In 2020 due to COVID-19, Ms. Denton took a voluntary salary reduction. Her 2020 annualized salary would have been \$375,000 had the salary reduction not occurred.
- (12) In 2020 due to COVID-19, Mr. Scofield took a voluntary salary reduction. His 2020 annualized salary would have been \$359,100 had the salary reduction not occurred.

## Employment Agreements, Termination and Change of Control Benefits

The Company has written employment agreements with each of its NEOs other than Mr. Aisenstat who provides his services to the Company through The Herbert A. Jackson General Partnership (“**Holdco**”) by way of a management agreement, and each executive is entitled to receive compensation established by the Company as well as other benefits in accordance with plans available to the most senior employees (including health, dental, life insurance, accidental death and dismemberment, sick days and short-term disability and long-term disability). The Company's NEO employment contracts contain provisions relating to a change of control of the Company.

### *Mr. Hennessey*

Mr. Hennessey's employment agreement provides that the Company may terminate his employment at any time, without cause, by providing him with notice of termination. If Mr. Hennessey's employment is terminated without cause, or Mr. Hennessey terminates his employment as a result of constructive dismissal, he will be entitled to receive his base salary in effect as of the termination date for one (1) year following the termination date, a pro-rated annual bonus based on the number of days worked prior to the termination date (subject to achievement of the applicable performance criteria), entitlements under any Company incentive plans in accordance with plan terms, the reimbursement of expenses properly incurred in the course of his employment up to the termination date, accrued but unpaid vacation pay up to the termination date, the continuation of life, health and dental insurance coverage for one (1) year following the termination date, and any additional payments required by applicable employment standards legislation (collectively, the "**Severance Entitlements**"). The Severance Entitlements are conditioned on Mr. Hennessey's execution of a release of claims. The estimated incremental value of the Severance Entitlements assuming his termination occurred on December 26, 2021 is \$1.6 million.

In addition to the Severance Entitlements, in the case of termination without cause, or termination by Mr. Hennessey as a result of constructive dismissal, he is entitled to pro rata vesting of his RSUs (with an estimated incremental value of \$0.9 million, assuming the termination occurred on December 26, 2021 and based on the closing price of the subordinate voting shares on the TSX on December 24, 2021). Mr. Hennessey is also entitled to the Severance Entitlements and pro rata vesting of his RSUs if his employment is not renewed or extended at the completion of the five-year term of his employment agreement (ending on April 30, 2023).

If Mr. Hennessey's employment is terminated for cause or due to his resignation, death or incapacity, he or his estate, as applicable, will be entitled to accrued but unpaid base salary and vacation pay up to the termination date, the reimbursement of expenses properly incurred in the course of his employment up to the termination date, his entitlements under any Company incentive plans in accordance with plan terms, and any additional payments required by applicable employment standards legislation. In addition, Mr. Hennessey is entitled to pro rata vesting of RSUs if his employment is terminated due to his death or incapacity.

Mr. Hennessey's employment agreement contains customary confidentiality covenants and certain restrictive covenants that will continue to apply following the termination of his employment, including non-solicitation and non-competition provisions which are both in effect during his employment and for the 12 months following the termination of his employment.

Mr. Hennessey's employment agreement employment agreements include a change of control provision that accelerates vesting of any Options, PSUs or RSUs if a party other than Fairfax and/or Cara Holdings controls the Company. If there is a change of control, Mr. Hennessey shall have a right to terminate his employment agreement within three (3) months of such an occurrence and he would be entitled to receive a one (1) year severance package.

### *Mr. Grondin*

The executive employment agreement in respect of Mr. Grondin provides that the Company may terminate Mr. Grondin's employment at any time, without cause, by providing Mr. Grondin with notice of termination. If Mr. Grondin's employment is terminated without cause, or Mr. Grondin terminates employment as a result of constructive dismissal, he will be entitled to receive his base salary in effect as of the termination date for two (2) years following the termination date, a pro-rated annual bonus based on the number of days worked prior to the termination date (subject to achievement of the applicable performance criteria), entitlements under any Company incentive plans in accordance with plan terms, the reimbursement of expenses properly incurred in the course of employment up to the termination date, accrued but unpaid vacation pay up to the termination date, the continuation of life, health and dental insurance coverage for two (2) years following the termination date, and any additional payments required by applicable employment standards legislation (collectively, the "**Severance Entitlements**"). These entitlements are conditioned on Mr. Grondin's execution of a release of claims. The estimated

incremental value of the Severance Entitlements assuming the termination occurred on December 26, 2021 is \$1.9 million for Mr. Grondin.

In addition to the Severance Entitlements, in the case of termination without cause, or termination by Mr. Grondin as a result of constructive dismissal, Mr. Grondin is entitled to *pro rata* vesting of his outstanding options and RSUs (with an estimated incremental value of \$0.9 million, respectively, assuming the termination occurred on December 26, 2021 and based on the closing price of the subordinate voting shares on the TSX on December 24, 2021).

If Mr. Grondin's employment is terminated for cause or due to his resignation, death or incapacity, he or his estate, as applicable, will be entitled to accrued but unpaid base salary and vacation pay up to the termination date, the reimbursement of expenses properly incurred in the course of Mr. Grondin's employment up to the termination date, Mr. Grondin's entitlements under any Company incentive plans in accordance with plan terms, and any additional payments required by applicable employment standards legislation. In addition, Mr. Grondin is entitled to *pro rata* vesting of options and RSUs if his employment is terminated due to his death or incapacity.

Mr. Grondin's executive employment agreement contains customary confidentiality covenants and certain restrictive covenants that will continue to apply following the termination of his employment, including non-solicitation and non-competition provisions which are both in effect during Mr. Grondin's employment and for the 24 months following the termination of his employment.

Mr. Grondin's employment agreement includes a change of control provision that accelerates vesting of any Options, PSUs or RSUs if a party other than Fairfax and/or Cara Holdings controls the Company. If there is a change of control, Mr. Grondin shall have a right to terminate his employment agreement within three (3) months of such an occurrence and he would be entitled to receive a two (2) year severance package.

#### ***Ms. Denton***

The executive employment agreement in respect of Ms. Denton provides that the Company may terminate Ms. Denton's employment at any time, without cause, by providing Ms. Denton with notice of termination. If Ms. Denton's employment is terminated without cause, or Ms. Denton's terminates employment as a result of constructive dismissal, she will be entitled to receive her base salary in effect as of the termination date for one (1) year following the termination date, a pro-rated annual bonus based on the number of days worked prior to the termination date (subject to achievement of the applicable performance criteria), entitlements under any Company incentive plans in accordance with plan terms, the reimbursement of expenses properly incurred in the course of employment up to the termination date, accrued but unpaid vacation pay up to the termination date, the continuation of life, health and dental insurance coverage for one (1) year following the termination date, and any additional payments required by applicable employment standards legislation (collectively, the "**Severance Entitlements**"). These entitlements are conditioned on Ms. Denton's execution of a release of claims. The estimated incremental value of the Severance Entitlements assuming the termination occurred on December 26, 2021 is \$0.5 million for Ms. Denton.

If Ms. Denton's employment is terminated for cause or due to her resignation, death or incapacity, she or her estate, as applicable, will be entitled to accrued but unpaid base salary and vacation pay up to the termination date, the reimbursement of expenses properly incurred in the course of Ms. Denton's employment up to the termination date, Ms. Denton's entitlements under any Company incentive plans in accordance with plan terms, and any additional payments required by applicable employment standards legislation.

Ms. Denton's executive employment agreement contains customary confidentiality covenants and certain restrictive covenants that will continue to apply following the termination of her employment, including non-solicitation and non-competition provisions which are both in effect during Ms. Denton's employment and for the 12 months following the termination of her employment.

### ***Mr. Aisenstat***

Mr. Aisenstat provides his services to the Company through the Holdco, by way of an amended and restated management agreement among the Company, KRL, Holdco and Mr. Aisenstat (the “**Management Agreement**”). The Management Agreement is not intended and will not operate to make Mr. Aisenstat an employee of the Company or KRL for any purpose whatsoever. The Management Agreement provides that the Company and KRL may terminate the Management Agreement at any time, without cause, by providing Holdco and Mr. Aisenstat with notice of termination. If the Management Agreement is terminated without cause, (i) Holdco will be entitled to receive its fees and bonus accrued up to the termination date, (ii) Holdco and Mr. Aisenstat will be entitled to the reimbursement of their expenses properly incurred by Mr. Aisenstat in connection with the performance of his duties under the Management Agreement up to the termination date and (iii) Holdco will be entitled to receive its consulting fees until the end of the term of the Management Agreement (collectively, the “**Entitlements**”). In the event that the Company or KRL breach the Management Agreement in a material respect or engage in conduct which would constitute “constructive dismissal” were Mr. Aisenstat an employee of the Company (including any removal of Mr. Aisenstat from the board of directors of KRL), Holdco and Mr. Aisenstat shall be entitled to require that this be deemed a termination of the Management Agreement without cause entitling Holdco and Mr. Aisenstat to the Entitlements they would have received had the Management Agreement been terminated without cause. The Entitlements are conditioned on Holdco and Mr. Aisenstat’s execution of a release of claims. The estimated incremental value of the Entitlements assuming the termination occurred on December 26, 2021 is \$2.9 million.

The Management Agreement provides that KRL may terminate the Management Agreement at any time, for cause or due to death or disability of Mr. Aisenstat, by providing Holdco and Mr. Aisenstat with notice of termination. If the Management Agreement is terminated for cause or due to death or disability of Mr. Aisenstat, Holdco will be entitled to accrued but unpaid consulting fees up to the termination date and the reimbursement of expenses properly incurred by Mr. Aisenstat in connection with the performance of his duties under the Management Agreement up to the termination date.

The Management Agreement contains customary confidentiality covenants and certain restrictive covenants that will continue to apply following the termination of the Management Agreement, including non-solicitation and non-competition provisions which are both in effect during the term of the Management Agreement and a non-solicitation which extends for the 30 months following the termination of the Management Agreement.

### ***Mr. Scofield***

The executive employment agreement in respect of Mr. Richard Scofield provides that the Company may terminate Mr. Scofield’s employment at any time, without cause, by providing Mr. Scofield with notice of termination. If Mr. Scofield’s employment is terminated without cause, or Mr. Scofield terminates employment as a result of constructive dismissal, he will be entitled to receive his base salary in effect as of the termination date for two (2) years following the termination date, a pro-rated annual bonus based on the number of days worked prior to the termination date (subject to achievement of the applicable performance criteria), entitlements under any Company incentive plans in accordance with plan terms, the reimbursement of expenses properly incurred in the course of employment up to the termination date, accrued but unpaid vacation pay up to the termination date, the continuation of life, health and dental insurance coverage for two (2) years following the termination date, and any additional payments required by applicable employment standards legislation (collectively, the “**Severance Entitlements**”). These entitlements are conditioned on Mr. Scofield’s execution of a release of claims. The estimated incremental value of the Severance Entitlements assuming the termination occurred on December 26, 2021 is \$1.1 million for Mr. Scofield.

If Mr. Scofield’s employment is terminated for cause or due to his resignation, death or incapacity, he or his estate, as applicable, will be entitled to accrued but unpaid base salary and vacation pay up to the termination date, the reimbursement of expenses properly incurred in the course of Mr. Scofield’s employment up to the termination date, Mr. Scofield’s entitlements under any Company incentive plans in accordance with plan terms, and any additional payments required by applicable employment standards legislation.

Mr. Scofield's executive employment agreement contains customary confidentiality covenants and certain restrictive covenants that will continue to apply following the termination of his employment, including non-solicitation and non-competition provisions which are both in effect during Mr. Scofield's employment and for the 24 months following the termination of his employment.

***Entitlements under the Share Option Plan and Legacy Share Option Plan***

In the event of a Change of Control, all unvested options will vest and become exercisable on an accelerated basis pursuant to the Share Option Plan and the Legacy Share Option Plan, the estimated incremental value of which would be nil for Mr. Grondin and nil for Mr. Hennessey assuming the Change of Control occurred on December 26, 2021 and based on the closing price of the subordinate voting shares on the TSX on December 24, 2021.

***Entitlements under the RSU Plan***

In the event of a Change of Control, all granted and unvested RSUs that have earned the applicable Performance Conditions (as defined in the RSU Plan) shall vest on an accelerated basis pursuant to the RSU Plan, the estimated incremental value of which would be \$6.0 million, assuming the Change of Control occurred on December 26, 2021 and based on the closing price of the subordinate voting shares on the TSX on December 24, 2021.

**Outstanding Option-Based Awards and Share-Based Awards**

The following table sets out information concerning the outstanding option-based and share-based awards held by each of the NEOs as at December 26, 2021.



Name and Position/Title	Option-Based Awards				Share-Based Awards			
	Number of shares underlying unexercised options	Option exercise price	Option vesting date	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(3)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
Frank Hennessey Chief Executive Officer	60,000	\$27.17	May 10, 2019	May 10, 2028	nil	37,500	\$660,000	\$760,848
	60,000	\$27.17	May 10, 2020	May 10, 2028	nil			
	60,000	\$27.17	May 10, 2021	May 10, 2028	nil			
	60,000	\$27.17	May 10, 2022	May 10, 2028	nil			
	60,000	\$27.17	May 10, 2023	May 10, 2028	nil			
	250,000	\$21.68	June 30, 2024	June 30, 2029	nil			
Kenneth J. Grondin Chief Financial Officer	10,000	\$32.37	December 4, 2018	December 4, 2023	nil	37,500	\$660,000	\$714,454
	20,000	\$24.64	January 4, 2020	January 4, 2025	nil			
	150,000	\$27.39	May 10, 2023	May 10, 2028	nil			
	100,000	\$21.68	June 30, 2024	June 30, 2029	nil			
David Aisenstat Director and Vice Chair						nil	nil	nil
	nil	n/a	n/a	n/a	nil			
Julie Denton Chief People Officer	nil	n/a	n/a	n/a	nil	nil	nil	nil
Richard Scofield President, Groupe St-Hubert	3,159	\$30.14	September 2, 2019	September 2, 2024	nil	nil	nil	\$134,464
	10,000	\$24.64	January 4, 2020	January 4, 2025	nil			

**Notes:**

- (1) Options feature a tiered performance vesting mechanism whereby vesting occurs when certain performance measures are achieved within the first five years.
- (2) Market or payout value was determined by multiplying the number of shares that have not vested by the closing price of a subordinate voting shares on the TSX on December 24, 2021 (the last trading day of the Company's 2021 fiscal year) (\$17.60).

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

The following table sets out the value of option-based and share-based awards held by the Company's NEOs that vested during fiscal 2021, as well as the value of non-equity incentive plan compensation that NEOs earned during fiscal 2021:

Name	Option-Based Awards -Value vested during the year	Share-Based Awards -Value vested during the year	Non-equity incentive plan compensation - Value earned during the year <sup>(1)</sup>
Frank Hennessey	\$—	\$760,848	\$320,000
Kenneth J. Grondin	\$—	\$714,458	\$295,000
Julie Denton	\$—	\$—	\$725,000
David Aisenstat	\$—	\$—	\$—
Richard Scofield	\$—	\$134,464	\$604,000

**Notes:**

- (1) Amounts reflect the annual bonuses paid to NEOs in 2021 in respect of fiscal 2020 as well as grants under the Cash Settled RSU program. RSU's were granted on January 1, 2021 at a 5-day VWAP of \$16.285. Most RSU's cliff vest and must be exercised on the third anniversary of the grant date. Ms. Denton and Mr. Scofield were granted special cash settled RSUs some of which vested on January 1, 2022 with the balance vesting on January 1, 2023 and January 1, 2024.

**Securities Authorized for Issuance Under Equity Compensation Plans**

The following table sets out information on the Company's equity compensation plans as at December 26, 2021. For a description of our equity-based incentive compensation plans, see "Executive Compensation Discussion and Analysis" – "Long-term incentives":

Plan Category	Number of securities to be issued upon exercise of outstanding options, RSUs, PSU's, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
<i>Equity compensation plans not approved by securityholders</i>			
<i>Omnibus Long-Term Incentive Plan<sup>(1)</sup></i>			1,571,370 <sup>(2)</sup>
<i>Prior Grants<sup>(3)</sup></i>	350,000	\$21.68	0
<i>Equity compensation plans approved by securityholders</i>			
<i>Share Option Plan<sup>(4)</sup></i>	1,141,956	\$30.15	0
<i>Legacy Share Option Plan</i>	76,059	\$8.51	0
<i>RSU Plan<sup>(4)</sup></i>	361,115	N/A	0
<i>PSU Plan<sup>(4)</sup></i>	N/A	N/A	0

**Notes:**

- (1) The Omnibus Long-Term Incentive Plan has been approved by the Board of Directors and is subject to shareholder ratification and approval at the meeting.
- (2) Represents the aggregate number of securities available for future issuance under the Company's Omnibus Long-Term Incentive Plan, assuming shareholder ratification and approval at the meeting.
- (3) Subject to shareholder ratification and confirmation at the meeting. Represents the grant of 350,000 options to Messrs. Grondin and Hennessey on June 30, 2021, in accordance with the terms of the Share Option Plan. See "Business of the Meeting – Approval of the Prior Option Grant".
- (4) On March 3, 2022, the Board approved the adoption of the Omnibus Long-Term Incentive Plan, which replaced the Company's existing Share Option Plan, PSU Plan and RSU Plan. At the close of the meeting and assuming that the Omnibus Long-Term Incentive Plan is approved by shareholders at the meeting, no further awards will be granted under the Share Option Plan, the PSU Plan or the RSU Plan.

**Security Based Award Burn Rate for the Last Three Years**

Pursuant to TSX rules, the Company is required to calculate and disclose the annual "burn rate" of its Options and any other security based awards for the three most recently completed financial years. The annual burn rate is equal to the number of Options and any other security based awards granted in the applicable year, divided by the weighted average number of Shares outstanding in that year, expressed as a percentage. The Company's average burn rate over the last three financial years is 0.2%.

Financial Year End	Burn Rate (%)
December 29, 2019	0.0% (no security based awards granted)
December 27, 2020	0.0% (no security based awards granted)
December 26, 2021	0.6%

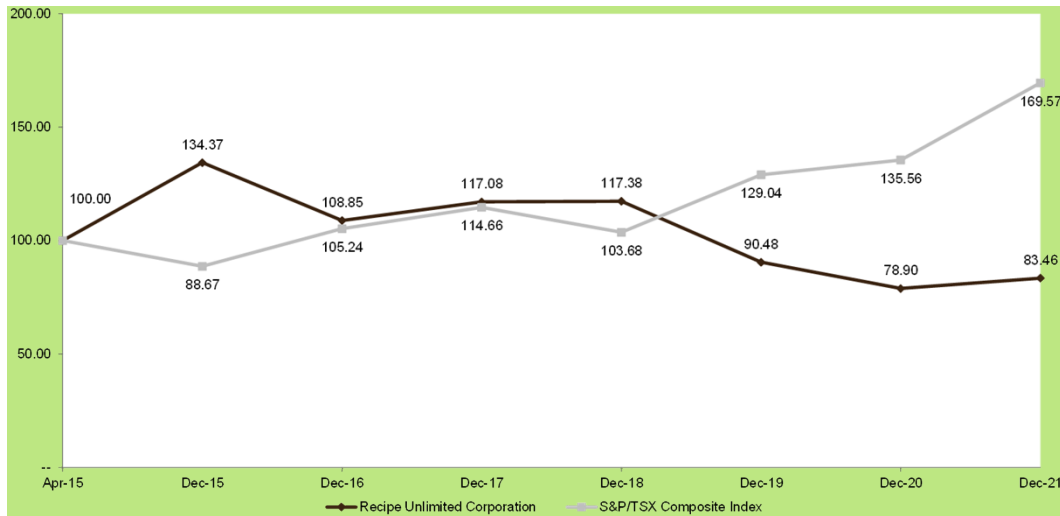
*Exercise and Vesting*

The exercise price for the Prior Options is \$21.6810. Each Prior Option will vest on the third (3<sup>rd</sup>) anniversary of the date of grant, being June 30, 2024. The Prior Options expire on the eighth anniversary of the date of grant, being June 30, 2029. If the expiry date falls during a blackout period, the expiry date will automatically extend until 10 business days after the end of the blackout period. The Prior Option Agreements also provide for earlier expiration of the Prior Options upon the occurrence of certain events, including the termination of the participant's employment (as further described below).

In order to facilitate the payment of the exercise price in respect of the Prior Options, the Prior Option Agreements have a cashless exercise feature. The participant may elect to receive (i) an amount in cash per Prior Option equal to the cash proceeds realized upon the sale of the subordinate voting shares by a securities dealer in the capital markets, less the applicable exercise price and any applicable withholding taxes, (ii) an aggregate number of subordinate voting shares that is equal to the number of subordinate voting shares underlying the Prior Options minus the number of subordinate voting shares sold by a securities dealer in the capital markets as required to realize cash proceeds equal to the applicable exercise price and any applicable withholding taxes, or (iii) a combination of (i) and (ii). The transfer cost incurred to sell the subordinate voting shares will be deducted from the net proceeds payable to the participant.

## Performance Graph

The graph below compares the cumulative total shareholder return on \$100 invested in the Company's subordinate voting shares on April 10, 2015, the date of the Company's initial public offering, with the cumulative annual total return of the S&P/TSX Composite Total Return Index over the same period, assuming reinvestment of all cash dividends of the Company since April 10, 2015.



Illustrated by the performance graph above as shareholder returns for Recipe shareholders decline, total compensation for Recipe's executive officers decreases. As shareholder returns increase so do total compensation for Recipe's executive officers.

## SECTION IV - DIRECTOR COMPENSATION

### Directors' Compensation

The Board, through the Governance, Compensation and Nominating Committee, is responsible for reviewing and approving the directors' compensation arrangements and any changes to those arrangements.

The Governance, Compensation and Nominating Committee established the compensation arrangements for each director that is not an employee of the Company or one of its affiliates. The directors' compensation program is designed to attract, retain and motivate the most qualified individuals to serve on the Board. Non-employee directors are entitled to an annual retainer of \$50,000 (Mr. Gunn is entitled to an additional \$15,000 to compensate for additional committee work required in his role as Chair of the Audit Committee) and are entitled to receive all or a proportion of their annual retainer in deferred share units ("DSUs") under the deferred share unit plan (the "Deferred Share Unit Plan"). Directors have the option to convert their annual cash retainer into DSUs at a 10% premium. There are no additional fees based on meeting attendance. In addition, non-management directors joining the Board are granted annual DSUs with a value of approximately \$30,000. Unless otherwise specified, DSUs granted under the Deferred Share Unit Plan will vest on a *pro rata* basis calculated from the first day of the applicable 12-month period (or such prorated period as contemplated by the Deferred Share Unit Plan) that is determined by the Board pursuant to a participant's DSU agreement until the last day of the applicable service period. DSUs may not be exercised until the participant is no longer a Board member.

A DSU is a unit, equivalent in value to a subordinate voting share, credited by means of a bookkeeping entry in the books of the Company, to an account in the name of the director. DSUs accumulate additional DSUs at the same rate as dividends, if any, paid on the subordinate voting shares. Following the end of the director's tenure as a member of the Board, the director will be paid in cash the Market Value of the subordinate voting shares represented by the DSUs.

For fiscal 2021 each of Messrs. Gunn, Rivett, Saunders, Regan and Hodgson and Meses. Clark and Baird received DSUs in accordance with the table below.

Directors are reimbursed for their reasonable out-of-pocket expenses incurred in serving as directors. In addition, directors will be entitled to receive remuneration for services rendered to the Company in any other capacity, except in respect of their service as directors of any of the Company's subsidiaries. Directors who are employees of and who receive a salary from the Company or one of its affiliates or subsidiaries will not be entitled to receive any remuneration for serving as directors but will be entitled to reimbursement of their reasonable out-of-pocket expenses incurred in serving as directors.

The following table sets out the compensation provided to the Company's directors during fiscal 2021.

Name	Fees Earned <sup>(1)</sup>	Share-based awards	Option-based awards	Non-equity incentive plan compensation	Cash Retainer	All other compensation	Total Compensation
Christy Clark	\$ 85,000	—	—	—	—	—	\$ 85,000
Stephen K. Gunn	\$ 101,500	—	—	—	—	—	\$ 101,500
Christopher D. Hodgson	\$ 85,000	—	—	—	—	—	\$ 85,000
Kim Baird	\$ 19,562	—	—	—	\$32,603	—	\$ 52,166
Mark Saunders	\$ 85,000	—	—	—	—	—	\$ 85,000
Sean Regan	\$ 30,000	—	—	—	\$50,000	—	\$ 80,000
Paul Rivett	\$ 85,000	—	—	—	—	—	\$ 85,000

Notes:

- (1) Amounts reflect the value of DSUs granted to the directors in lieu of receiving an annual cash retainer for serving on the Board. The value is calculated by multiplying the number of DSUs granted by the closing price of the subordinated voting shares on the TSX on the date of grant.

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

The following table sets out the value of option-based and share-based awards held by the Company's directors that vested during fiscal 2021, as well as the value of non-equity incentive plan compensation that directors earned during fiscal 2021:

Name	Option-Based Awards -Value vested during the year	Share-Based Awards -Value vested during the year <sup>(1)</sup>	Non-equity incentive plan compensation - Value earned during the year
Christy Clark	—	\$85,000	—
Stephen K. Gunn	—	\$85,000	—
Christopher D. Hodgson	—	\$85,000	—
Kim Baird	—	\$19,562	\$32,603
Mark Saunders	—	\$85,000	—
Sean Regan	—	\$30,000	\$50,000
Paul Rivett	—	\$85,000	—

Notes:

- (1) Amounts reflect the value of DSUs granted to the directors in lieu of receiving an annual cash retainer for serving on the Board. The value is calculated by multiplying the number of DSUs granted by the closing price of the subordinate voting shares on the TSX on the date the DSUs vest. DSUs held by a director will not be paid out until after the director resigns, dies or otherwise ceases to be engaged by the Company.

**Directors' and Officers' Insurance**

The directors and officers of the Company and its subsidiaries are covered by directors' and officers' liability insurance. Under this insurance coverage, the Company and its subsidiaries will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of the directors and officers of the Company and its subsidiaries, subject to a deductible for each loss, which will be paid by the Company. Individual directors and officers of the Company and its subsidiaries will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by the Company or its subsidiaries. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts.

The Company's directors' and officers' liability insurance program provides an aggregate limit of liability of USD\$10 million, with a deductible to the Company of between \$nil and USD\$0.5 million per loss, varying with the nature of the loss. The annual premium for this directors' and officers' liability insurance is USD\$145,000.

This insurance forms part of a blended insurance program with Fairfax Financial Holdings Limited that provides excess coverage above the Company's USD\$10 million directors' and officers' liability insurance program mentioned above. Fairfax Financial Holdings Limited currently purchases USD\$100 million of blended directors' and officers' liability, errors and omissions, employment practices liability, fiduciary and bond coverage and an additional USD\$135 million of side "A" directors' & officers' liability insurance which covers both legal defense expenses and payments of settlements that arise from claims brought against directors and officers, when those costs cannot be indemnified by the Company and claims are in excess of the blended limits.

### **Indebtedness of Directors and Executive Officers**

As at March 15, 2022, other than a \$200,000 non-interest bearing loan to a former senior employee of KRL, there was no indebtedness owing to the Company or any of its subsidiaries by any directors, executive officers, employees or former directors, executive officers or employees of the Company or any of its subsidiaries. In addition, no director or officer, proposed nominee for election as a director of the Company, nor any associate of any director, officer or proposed nominee was indebted to the Company in the Company's 2021 fiscal year.

## **SECTION V - CORPORATE GOVERNANCE**

### **Statement of Corporate Governance Practices**

The Company's corporate governance policies and practices are reviewed regularly by the Company's Board and updated as necessary or advisable. The Company's corporate governance practices are in compliance with all applicable rules and substantially comply with all applicable policies and guidelines, including those of the Canadian Securities Administrators. A description of the Company's corporate governance practices is set out below.

#### ***Independent Directors***

Following the meeting, and assuming the election of all of the Board nominees, the Board is expected to consist of ~~eight~~ seven directors, the majority (~~seven~~ six) of whom (Messrs. Gunn, Hodgson, Regan, ~~and Rivett and Saunders~~, and Meses. Baird and Clark) are considered "independent" under Canadian securities laws. In making this determination, the Board considered, among other things, that none of those individuals (i) is, or has been within the last three years, an employee or member of management of the Company or related to any member of management, (ii) is associated with the Company's auditor or has any family member that is associated with the Company's auditor, (iii) receives any direct or indirect compensation (including to family members) from the Company except in connection with Board related work, (iv) works or has worked at a company for which any member of the Company's management was a member of the compensation committee, or (v) has (other than possibly as an insured under an insurance policy issued on usual commercial terms) any material business or other relationship with the Company or the Company's principal shareholders. Mr. Hennessey is not considered to be "independent" within the meaning of applicable securities law as a result of his position as Chief Executive Officer of the Company.

The independent directors, non-independent directors and members of management met during the Company's 2021 fiscal year during regularly scheduled Board meetings, including via in-camera sessions. The independent directors met, generally following or during every Board meeting (for a total of 10 meetings). The size of the Board and the nature of the Company's operations ensure that open and candid discussion among the independent directors is possible and encouraged.

## **Corporate Governance Guidelines (including Board Mandate)**

The Board mandate sets out the overall governance principles that apply to the directors.

The mandate of the Board is to provide governance and stewardship to the Company and its business. In fulfilling its mandate, the Board has adopted a written charter setting out its responsibility for, among other things, (i) participating in the development of and approving a strategic plan for the Company; (ii) supervising the activities and managing the affairs of the Company; (iii) approving major decisions regarding the Company; (iv) defining the roles and responsibilities of management and delegating management authority to the Chief Executive Officer; (v) reviewing and approving the business objectives to be met by management; (vi) assessing the performance of and overseeing management; (vii) reviewing the Company's debt strategy; (viii) identifying and managing risk exposure; (ix) ensuring the integrity and adequacy of the Company's internal controls and management information systems; (x) succession planning; (xi) establishing committees of the Board, where required or prudent, and defining their mandate; (xii) maintaining records and providing reports to shareholders; (xiii) ensuring effective and adequate communication with shareholders, other stakeholders and the public; (xiv) determining the amount and timing of dividends, if any, to shareholders; and (xv) monitoring the social responsibility, integrity and ethics of the Company.

The Company's Board has delegated to management responsibility for the Company's day-to-day operations, including for all matters not specifically assigned to the Board or any committee of the Board.

The current mandate of the Board is set out in Schedule "A".

The Board has adopted a written position description for the Chair of the Board, which sets out the Chair's key responsibilities, including, as applicable, duties relating to setting Board meeting agendas, chairing Board and shareholder meetings, director development and communicating with shareholders and regulators. The Board has also adopted a written position description for each of the committee chairs which sets out each of the committee chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

The Board has also adopted a written position description for the Chief Executive Officer which sets out the key responsibilities of the Chief Executive Officer. The primary functions of the Chief Executive Officer are to lead management of the business and affairs of the Company, to lead the implementation of the resolutions and the policies of the Board, to supervise day-to-day management and to communicate with shareholders and regulators. The Board has also developed a mandate for the Chief Executive Officer setting out key responsibilities, including duties relating to the Company's strategic planning and operational direction, Board interaction, succession planning and communication with shareholders. The Chief Executive Officer mandate is reviewed and considered by the Board annually.

### **Audit Committee**

The Audit Committee is currently comprised of three directors, Stephen K. Gunn, Paul Rivett and Christopher D. Hodgson, each of whom is "independent" and "financially literate" within the meaning of NI 52-110 and all of whom are residents of Canada.

Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional information concerning the members of the Audit Committee, please see the information above under the heading "Election of Directors".

The responsibilities of the Audit Committee include: (i) reviewing the Company's procedures for internal control with the Company's auditors and Chief Financial Officer; (ii) reviewing and approving the engagement of the auditors; (iii) reviewing annual and quarterly financial statements and all other material continuous disclosure documents, including the Company's annual information form and management's discussion and analysis; (iv) assessing the Company's financial and

accounting personnel; (v) assessing the Company's accounting policies; (vi) reviewing the Company's risk management procedures; (vii) reviewing any significant transactions outside the Company's ordinary course of business and any legal matters that may significantly affect the Company's financial statements; (viii) overseeing the work and confirming the independence of the external auditors; and (ix) reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management. The Audit Committee reviews the Company's quarterly results and makes a recommendation to the Board with respect to approving such quarterly results. The text of the Company's Audit Committee Charter can be found on the Company's website ([www.recipeunlimited.com](http://www.recipeunlimited.com)) or in the Company's Annual Information Form as Appendix "A", which is available on SEDAR ([www.sedar.com](http://www.sedar.com)).

The Audit Committee has an annual approval of audit and non-audit services provided by the Company's auditor.

### **Governance, Compensation and Nominating Committee**

The Governance, Compensation and Nominating Committee is comprised of ~~four~~ three directors, all of whom are determined by the Board to be independent and all of whom are residents of Canada, and is charged with reviewing, overseeing and evaluating the corporate governance, compensation and nominating policies of the Company. Following the meeting, the Governance, Compensation and Nominating Committee is expected to be comprised of ~~Mark Saunders (independent), who will act as Chair of this committee,~~ Christopher D. Hodgson (independent), Christy Clark (independent) and Sean Regan (independent). The responsibilities of the committee include: (i) assessing the effectiveness of the Board, each of its committees and individual directors; (ii) overseeing the recruitment and selection of candidates as directors; (iii) organizing an orientation and education program for new directors; (iv) considering and approving proposals by the directors to engage outside advisors on behalf of the Board as a whole or on behalf of the independent directors; (v) reviewing and making recommendations to the Board concerning any change in the number of directors composing the Board; (vi) considering questions of management succession; (vii) administering any share purchase plan of the Company and any other compensation incentive programs; (viii) assessing the performance of management of the Company; (ix) reviewing and approving the compensation paid by the Company, if any, to the officers of the Company; and (x) reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to directors and officers of the Company. The current members of the Governance, Compensation and Nominating Committee all have a working familiarity with human resources and compensation matters. In establishing the compensation of the directors, the Governance, Compensation and Nominating Committee will examine the time commitment, responsibilities and risks associated with being a director and compensation paid by companies similar to us. In approving the compensation of the Chief Executive Officer and other executive officers, the important factors for evaluating performance are the Company's corporate objectives, as more fully described above under the heading "Executive Compensation Discussion and Analysis".

### **Selection of Directors**

The Company seeks as directors committed individuals who have a high degree of integrity, sound practical and commercial judgment and an interest in the long-term best interests of the Company and the Company's shareholders. With this goal in mind, each year the Board determines what competencies and skills the Board as a whole should possess (taking into account the Company's particular business and what competencies and skills each existing director possesses). The Board makes these determinations at a time suitable for the Governance, Compensation and Nominating Committee to reflect them in its recommendations for nominees to the Board. In making its recommendations, the Governance, Compensation and Nominating Committee also considers the competencies and skills any new nominee may possess, the independence requirements and the requirements for any distinctive expertise.

### **Succession Planning**

While the Board remains always aware of the succession planning needs of the Company, responsibilities in respect of day-to-day succession planning review and initiatives have been delegated to the Governance, Compensation and Nominating Committee. The Governance, Compensation and Nominating Committee succession planning process involves

working with the Chief Executive Officer to review the internal talent pool, selecting potential candidates, selecting executive development opportunities, and evaluating performance and progress, as well as planning for illness, disability and other unscheduled absences. This includes long-range planning for executive recruitment, development and succession to ensure leadership sustainability and continuity.

### **Strategic Planning Oversight**

As part of the Board's mandate, the Board participates in the development, review and approval of the Company's strategy. The Board reviews with management the Company's strategic objectives, specifically in relation to the review and approval of the Company's annual business plan. Annually, the Board reviews with management to discuss whether there are any adjustments to the strategy given the current and expected future economic climate, opportunities and risks or any new strategic initiatives.

### **Environmental and Social Risk Management**

In 2021, the Company formed a cross-functional Corporate Social Responsibility Task Force (the "CSR Taskforce"), with a mandate to identify, inform, and implement key priorities across three corporate social responsibility pillars. The CSR Task Force typically meets on a weekly basis to assess progress, identify issues and risks, discuss interdependencies and prepare materials to support quarterly updates and discussions with the Company's CSR Steering Committee and other senior leaders. The CSR Task Force reports to the Company's CSR Steering Committee, which is comprised of the CEO and members of the Company's Executive Leadership and Senior Leadership teams. The CSR Steering Committee defines the Company's CSR vision, provides strategic guidance and budget approvals for CSR priorities, and addresses escalated risks and issues. Select CSR Steering Committee members also share updates concerning CSR priorities, progress and risks with the Board's Governance, Compensation & Nominating Committee, gathering feedback where appropriate.

The Company's Board of Directors is kept updated on CSR priorities and progress through the CEO's standing quarterly progress report. The Board is responsible for monitoring the social responsibility, integrity and ethics of Recipe.

For further information about the Company's approach to corporate social responsibility and environmental and social risk management, please see the Company's 2020 Corporate Social Responsibility Report available at [www.recipeunlimited.com](http://www.recipeunlimited.com).

### **Diversity**

The Governance, Compensation and Nominating Committee believes that having a diverse Board and senior management team strengthens the diversity of thought and provides broader perspectives in order to enhance Board and senior management performance. The Governance, Compensation and Nominating Committee identifies director candidates to the Board and from time to time, candidates for senior management roles for the Company that possess the necessary skills and experiences to strengthen the Board and the senior management team of the Company with a goal to increase diversity within the Company.

The Governance, Compensation and Nominating Committee does not specifically define diversity, but values diversity of thought, experience, perspective, education, race, gender and national origin as part of its overall annual evaluation of director nominees for election or re-election as well as candidates for management positions. Gender and geography are of particular importance to the Company in ensuring diversity within the Board and management. Recommendations concerning director nominees are, foremost, based on merit and performance, but diversity is taken into consideration, as it is beneficial that diversity of backgrounds, views and experiences be present at the Board and management levels.

The Company attempts to recruit and select board and management candidates that represent both gender diversity and business understanding and experience. However, the Board does not support fixed percentages for any selection criteria, as the composition of the Board and management is based on the numerous factors established by the selection criteria and it



is ultimately the skills, experience, character and behavioral qualities that are most important to determining the value which an individual could bring to the Board or management of the Company.

At the senior management level of the Company, 38% or 47 of 125 members of the Company's leadership team are female. There are currently two female directors (28.5% of the Board). The Company does not have a formal policy on the representation of women on the Board or senior management of the Company. The Governance, Compensation and Nominating Committee takes gender into consideration as part of its overall recruitment and selection process in respect of its Board and senior management and will continue to do so. However, the Board does not believe that quotas or strict rules set forth in a formal policy necessarily result in the identification or selection of the best candidates. As such, the Company does not see any meaningful value in adopting a formal policy in this respect at this time as it does not believe that it would further enhance gender diversity beyond the current recruitment and selection process carried out by the Governance, Compensation and Nominating Committee.

The Board is mindful of the benefit of diversity on the Board and management of the Company and the need to maximize the effectiveness of the Board and management and their respective decision-making abilities. Accordingly, in searches for new directors, the Governance, Compensation and Nominating Committee will consider the level of female representation and diversity on the Board and management and this will be one of several factors used in its search process. This will be achieved through continuously monitoring the level of female representation on the Board and in senior management positions and, where appropriate, recruiting qualified female candidates as part of the Company's overall recruitment and selection process to fill Board or senior management positions, as the need arises, through vacancies, growth or otherwise. Where a qualified female candidate can offer the Company a unique skill set or perspective (whether by virtue of such candidate's gender or otherwise), the Governance, Compensation and Nominating Committee anticipates that it would typically select such a female candidate over a male candidate. Where the Governance, Compensation and Nominating Committee believes that a male candidate and a female candidate each offer the Company substantially the same skill set and perspective, such Committee anticipates that it will consider numerous other factors beyond gender and the overall level of female representation in deciding the candidate to whom the offer will be made.

### **Orientation and Continuing Education of Directors**

Each new director receives a comprehensive orientation from the Company's Chair, including an overview of the role of the Board, the Board committees and each individual member, the nature and operation of the Company's business and the contribution and time commitment the new director is expected to make. The orientation includes access to the Company's senior management and facilities. The Company's directors are invited to ask questions at any time of any officer or director of the Company.

The Board is responsible for considering from time to time appropriate continuing education for directors, which may include presentations from management, site visits and presentations from industry experts. Each director is expected to maintain the necessary level of expertise to perform his or her responsibilities as a director and, as discussed in more detail below, is subject to an annual evaluation.

### **Board Performance Evaluation**

The Governance, Compensation and Nominating Committee is responsible, along with the Chair of the Board, for establishing and implementing procedures to evaluate the effectiveness of the Board, committees of the Board and the contributions of individual Board members. The Governance, Compensation and Nominating Committee takes reasonable steps to evaluate and assess, on an annual basis, directors' performance and effectiveness of the Board, Board committees, individual members, the Board Chair and committee Chairs. The assessment addresses, among other things, individual director independence, individual director and overall Board skills, and individual director financial literacy. The Board receives and considers the recommendations from the Governance, Compensation and Nominating Committee regarding the results of the evaluation of the performance and effectiveness of the Board, Board committees and individual members.

The directors believe that the members of the Governance, Compensation and Nominating Committee individually and collectively possess the requisite knowledge, skill and experience in governance and compensation matters, including human resource management, executive compensation matters and general business leadership, to fulfill the Governance, Compensation and Nominating Committee's mandate. All members of the Governance, Compensation and Nominating Committee have substantial knowledge and experience as current and former senior executives of large and complex organizations and/or on the boards of other publicly traded entities.

### **Ethical Business Conduct**

The Company has adopted a written code of conduct (the “**Code of Conduct**”) that applies to all directors, officers, and management of the Company and its subsidiaries. The objective of the Code of Conduct is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Company and its subsidiaries. The Code of Conduct addresses conflicts of interest, protection of the Company's assets, confidentiality, fair dealing with securityholders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct is required to avoid or fully disclose interests or relationships that are harmful or detrimental to the Company's best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Board has ultimate responsibility for the stewardship of the Code of Conduct and monitors compliance through the Governance, Compensation and Nominating Committee. Employees and directors are required to annually certify that they have not violated the Code of Conduct. You may obtain a copy of the Code of Conduct upon request to the Company's Corporate Secretary. If you are one of the Company's securityholders, there will be no charge to you for this document. You can also find the Code of Conduct on the Company's website ([www.recipeunlimited.com](http://www.recipeunlimited.com)) or on SEDAR ([www.sedar.com](http://www.sedar.com)).

### **Term Limits**

The Company does not impose term limits on its directors as it takes the view that term limits are an arbitrary mechanism for removing directors which can result in valuable, experienced directors being forced to leave the Board solely because of length of service. Instead, the Company believes that directors should be assessed based on their ability to continue to make a meaningful contribution. The Company's annual performance review of directors assesses the strengths and weaknesses of directors and, in its view, is a more meaningful way to evaluate the performance of directors and to make determinations about whether a director should be removed due to under-performance.

## **Approval**

The Company's Board has approved the contents of this Management Proxy Circular and the sending thereof to the Company's shareholders, directors and auditor.

Dated April 1, 2022

By Order of the Board,  
**KENNETH J. GRONDIN**  
**CHIEF FINANCIAL OFFICER**

**Recipe Unlimited Corporation**  
199 Four Valley Drive, Vaughan, Ontario, Canada L4K 0B8

**APPENDIX “A”  
RECIPE UNLIMITED CORPORATION**

**MANDATE OF THE BOARD OF DIRECTORS**

**1. Statement of Purpose**

The Board of Directors (the “**Board**”) is responsible for the stewardship of Recipe Unlimited Corporation (“**Recipe**”) and for supervising the management of the business and affairs of Recipe. Accordingly, the Board acts as the ultimate decision-making body of Recipe, except with respect to those matters that must be approved by the shareholders. The Board has the power to delegate its authority and duties to committees or individual members and to senior management as it determines appropriate, subject to any applicable law. The Board explicitly delegates to senior management responsibility for the day to day operations of Recipe, including for all matters not specifically assigned to the Board or to any committee of the Board. Where a committee of the Board or senior management is responsible for making recommendations to the Board, the Board will carefully consider those recommendations.

**2. Board Mandate**

The directors’ primary responsibility is to act in good faith and to exercise their business judgment in what they reasonably believe to be the best interests of Recipe. In fulfilling its responsibilities, the Board is, among other matters, responsible for the following:

- Determining, from time to time, the appropriate criteria against which to evaluate performance, and set strategic goals and objectives within this context;
- Monitoring performance against both strategic goals and objectives of Recipe;
- Appointing the CEO and other corporate officers;
- Delegating to the CEO the authority to manage and supervise the business of Recipe, including making any decisions regarding Recipe’s ordinary course of business and operations that are not specifically reserved to the Board under the terms of that delegation of authority;
- Determining what, if any, executive limitations may be required in the exercise of the authority delegated to management;
- On an ongoing basis, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and the other executive officers create a culture of integrity throughout Recipe;
- Monitoring and evaluating the performance of the CEO and the other executive officers against the corporate objectives;
- Succession planning;
- Participating in the development of and approving a long-term strategic plan for Recipe;
- Reviewing and approving the business and investment objectives to be met by management and ensuring they are consistent with long-term goals;
- Satisfying itself that Recipe is pursuing a sound strategic direction in accordance with the corporate objectives;

- Reviewing operating and financial performance results relative to established corporate objectives;
- Approving an annual fiscal plan and setting targets and budgets against which to measure executive performance and the performance of Recipe;
- Ensuring that it understands the principal risks of Recipe's business, and that appropriate systems to manage these risks are implemented;
- Ensuring that the materials and information provided by Recipe to the Board and its committees are sufficient in their scope and content and in their timing to allow the Board and its committees to satisfy their duties and obligations;
- Reviewing and approving Recipe's annual and interim financial statements and related management's discussion and analysis, annual information form, annual report (if any) and management proxy circular;
- Overseeing Recipe's compliance with applicable audit, accounting and reporting requirements, including in the areas of internal control over financial reporting and disclosure controls and procedures;
- Confirming the integrity of Recipe's internal control and management information systems;
- Approving any securities issuances and repurchases by Recipe;
- Determining the amount and timing of dividends to shareholders, if any;
- Approving the nomination of directors;
- Maintaining records and providing reports to shareholders;
- Establishing committees of the Board, where required or prudent, and defining their respective mandates;
- Approving the charters of the Board committees and approving the appointment of directors to Board committees and the appointment of the Chairs of those committees;
- Satisfying itself that a process is in place with respect to the appointment, development, evaluation and succession of senior management;
- Adopting a communications policy for Recipe (including ensuring the timeliness and integrity of communications to shareholders, other stakeholders and the public and establishing suitable mechanisms to receive shareholder views); and
- Monitoring the social responsibility, integrity and ethics of Recipe.

### 3. **Independence of Directors**

The Board is comprised of a greater number of independent members than non-independent members. For this purpose, a director is independent if he or she would be independent within the meaning of National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, as the same may be amended from time to time. On an annual basis, the Board will determine which of its directors is independent based on the rules of applicable stock exchanges and securities regulatory authorities and will publish its determinations in the management circular for Recipe's annual meeting of shareholders.

Directors have an on-going obligation to inform the Board of any material changes in their circumstances or relationships that may affect the Board's determination as to their independence and, depending on the nature of the change, a director may be asked to resign as a result.

At any time that Recipe has a Chair of the Board who is not "independent" within the meaning of applicable securities laws and stock exchange rules, the Chair of the Board shall be responsible for ensuring that the Directors who are independent of management have opportunities to meet without management present. Discussions are to be led by an independent director who will provide feedback subsequently to the Chair of the Board. Independent directors will be encouraged by the Chair of the Board to have open and candid discussions with the Chair.

#### 4. **Board Size**

The Board is currently comprised of seven (7) members all of which are independent. The Board will periodically review whether its current size is appropriate. The size of the Board will, in any case, be within the minimum and maximum number provided for in the articles and the by-laws of Recipe.

#### 5. **Committees**

The Board will have an Audit Committee, and a Governance, Compensation and Nominating Committee, the charters of each of which will be as established by the Board from time to time. The Board may, from time to time, establish and maintain additional or different committees as it deems necessary or appropriate.

Circumstances may warrant the establishment of new committees, the disbanding of current committees or the reassignment of authority and responsibilities amongst committees. The authority and responsibilities of each committee are set out in a written mandate approved by the Board. At least annually, each mandate shall be reviewed and, on the recommendation of the Governance, Compensation and Nominating Committee, approved by the Board. Each Committee Chair shall provide a report to the Board on material matters considered by the Committee at the next regular Board meeting following such Committee's meeting.

#### 6. **Board Meetings**

##### *Agenda*

The Chair is responsible for establishing the agenda for each Board meeting.

##### *Frequency of Meetings*

The Board will meet as often as the Board considers appropriate to fulfill its duties, but in any event at least once per quarter.

##### *Responsibilities of Directors with Respect to Meetings*

Directors are expected to regularly attend Board meetings and Committee meetings (as applicable) and to review in advance all materials for Board meetings and Committee meetings (as applicable).

##### *Minutes*

Regular minutes of Board and Committee proceedings will be kept and will be circulated on a timely basis to all directors and Committee members, as applicable, and the Chair (and to other directors, by request for review and approval).

### *Attendance at Meetings*

The Board (or any Committee) may invite, at its discretion, non-directors to attend a meeting. Any member of management will attend a meeting if invited by the directors. The Chair may attend any Committee meeting.

### *Meetings of Independent Directors*

After each meeting of the Board, the independent directors may meet without the non-Independent Director. In addition, separate, regularly scheduled meetings of the independent directors of the Board may be held, at which members of management are not present. The agenda for each Board meeting (and each Committee meeting to which members of management have been invited) will afford an opportunity for the independent directors to meet separately.

### *Residency*

Applicable residency requirements will be complied with in respect of any Board or Committee meeting.

## **7. Communications with Shareholders and Others**

The Board will ensure that there is timely communication of material corporate information to shareholders.

Shareholders and others, including other securityholders, may contact the Board with any questions or concerns, including complaints with respect to accounting, internal accounting controls, or auditing matters, by contacting the Chief Financial Officer of Recipe at:

199 Four Valley Drive  
Vaughan, Ontario, Canada L4K 0B8

## **8. Service on other Boards and Audit Committees**

The Board believes that its members should be permitted to serve on the boards of other public entities so long as these commitments do not materially interfere with and are not incompatible with their ability to fulfill their duties as a member of the Board.

## **9. Code of Conduct**

The Board will adopt a Code of Business Conduct and Ethics (the “Code”). The Board expects all directors, officers and employees of Recipe and its subsidiaries to conduct themselves in accordance with the highest ethical standards, and to adhere to the Code. Any waiver of the Code for directors or executive officers may only be made by the Board or one of its Committees and will be promptly disclosed by Recipe, as required by applicable law, including the requirements of any applicable stock exchanges.

**APPENDIX “B”**  
**RESOLUTION APPROVING PRIOR OPTION GRANT**

WHEREAS,

1. On June 30, 2021, the board of directors of Recipe Unlimited Corporation (the “**Company**”) granted, subject to the approval of the shareholders of the Company, options exercisable to acquire 350,000 subordinate voting shares of the Company to certain officers, pursuant to grant agreements that incorporate the terms of the Company’s 2015 Share Option Plan dated April 10, 2015 (the “**Prior Option Grant**”).

BE IT RESOLVED THAT:

1. The Prior Option Grant be and hereby are ratified, approved and confirmed.
2. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.



**APPENDIX “C”**  
**OMNIBUS LONG-TERM INCENTIVE PLAN RESOLUTION**

BE IT RESOLVED THAT:

1. The Omnibus Long-Term Incentive Plan (the “**Omnibus Long-Term Incentive Plan**”) of Recipe Unlimited Corporation (the “**Company**”), as approved by the Company’s board of directors on March 3, 2022 and reflected in the copy of such Omnibus Long-Term Incentive Plan attached as Appendix “D” to the Management Proxy Circular of the Company dated April 1, 2022 (the “**Circular**”), be and hereby is ratified, approved and authorized.
2. The aggregate number of Subordinate Voting Shares reserved and available for grant and issuance pursuant to Awards under the Omnibus Long-Term Incentive Plan, together with any other share based compensation arrangement and subject to the terms of the Omnibus Long-Term Incentive Plan (which exclude from the maximum issuable any awards granted as an employment inducement under Toronto Stock Exchange rules), shall not exceed 10% of the issued and outstanding Subordinate Voting Shares and Multiple Voting Shares of the Company from time to time.
3. All unallocated entitlements under the Omnibus Long-Term Incentive Plan be and hereby are approved.
4. The Company has the ability to continue granting awards under the Omnibus Long-Term Incentive Plan until May 9, 2025, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought.
5. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

**APPENDIX “D”**

**RECIPE UNLIMITED CORPORATION  
OMNIBUS LONG-TERM INCENTIVE PLAN**

RECIPE UNLIMITED CORPORATION

**OMNIBUS LONG-TERM INCENTIVE PLAN**

Effective as of March 3, 2022

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**RECIPE UNLIMITED CORPORATION  
OMNIBUS LONG-TERM INCENTIVE PLAN**

Recipe Unlimited Corporation (the “**Company**”) hereby establishes an Omnibus Long-Term Incentive Plan for certain qualified officers, employees and Consultants (as defined herein), providing ongoing services to the Company and/or its Subsidiaries (as defined herein).

**ARTICLE 1  
INTERPRETATION**

**Section 1.1 Defined Terms**

For the purposes of this Plan, the following terms have the following meanings:

- (a) “**Active Employment**” means, in the case where the Participant is an officer or employee, the period during which the Participant performs work for the Company or an Affiliate. For certainty, “Active Employment” in the case of an employee (including an employee who is an officer) shall be deemed to include, as applicable, (i) any period of vacation, disability, or other leave permitted by legislation, and (ii) any period constituting the minimum notice of termination period that is required to be provided to an employee pursuant to applicable employment standards legislation (if any). For certainty, “Active Employment” shall be deemed to exclude any other period that follows or ought to have followed, as applicable, the later of (i) the end of the minimum notice of termination period that is required to be provided to an employee pursuant to applicable employment standards legislation (if any), or (ii) the Participant’s last day of performing work for the Company or an Affiliate (including any period of vacation, disability, or other leave permitted by legislation) whether that period arises from a contractual or common law right;
- (b) “**Active Engagement**” means any period in which a Participant who is not an employee of the Company provides services to the Company or an Affiliate. For certainty, “Active Engagement” shall exclude any period that follows, or ought to have followed, a Participant’s last day of providing services to the Company or an Affiliate, including at common law;
- (c) “**Awards**” means Options, RSUs and/or PSUs granted to a Participant pursuant to the terms of this Plan;
- (d) “**Award Agreement**” means, individually or collectively, a Stock Option Certificate, RSU Agreement, and/or PSU Agreement, as the context requires;
- (e) “**Affiliate**” means any Person that is controlled by the Company or that is controlled by the same Person that controls the Company;
- (f) “**Associate**” has the meaning specified in Section 1 of the *Securities Act* (Ontario);
- (g) “**Black-Out Period**” means the period of time when, pursuant to the Company’s policies in effect from time to time, securities of the Company may not be traded by Insiders or other specified persons, as applicable;
- (h) “**Board**” means the board of directors of the Company as constituted from time to time;
- (i) “**Broker**” has the meaning specified in Section 8.1(8);

- (j) **“Business Day”** means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are authorized or obligated by law to close for business in Toronto, Ontario;
- (k) **“Cancellation”** has the meaning specified in Section 2.4(6);
- (l) **“Cause”** means (i) if the Participant is a party to an enforceable contractual termination provision within a written employment agreement in which “cause” or “just cause” is defined, “cause” or “just cause” as defined therein; (ii) if the Participant does not have an employment agreement with an enforceable contractual termination provision, or the employment agreement does not contain a definition of “cause” or “just cause”, the definition included in the Award Agreement (if applicable), or (iii) in all other cases, (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (B) any material breach by the Participant of his or her obligations under any code of ethics, code of business conduct or any applicable policies or procedures of the Company or Affiliate in effect from time to time; (C) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud that would be permitted under applicable law to be grounds for termination for cause; (D) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee; or (E) with respect to Ontario Participants only, ESA Cause. Any rights the Company or an Affiliate may have hereunder in respect of the events giving rise to Cause shall be in addition to the rights the Company or Affiliate may have under any other agreement with the Participant or at law or in equity. If, subsequent to a Participant’s termination of Employment, it is discovered that such Participant’s Employment could have been terminated for Cause, the Participant’s Employment shall, at the election of the Board, in its sole discretion, be deemed to have been terminated for Cause retroactively to the date the events giving rise to Cause occurred;
- (m) **“Cash Equivalent”** means, in the case of Share Units, the amount of money equal to the Market Price multiplied by the number of vested Share Units in the Participant’s Account, net of any applicable taxes in accordance with Section 8.1(7), on the applicable settlement date;
- (n) **“Change of Control Event”** means, unless the Board determines otherwise or as otherwise provided in an Award Agreement, the happening, in a single transaction or in a series of related transactions, of any of the following events:
  - (i) the sale, lease, exchange, license or other disposition of all or substantially all of the Company’s assets to a Person other than to (i) a Person that was an Affiliate of the Company at the time of such sale, lease, exchange, license or other disposition, or (ii) Fairfax or the Phelan Shareholder Group or Related Entities of either of them;
  - (ii) any transaction (including an arrangement, amalgamation, merger, consolidation or similar transaction) pursuant to which any Person or group of Persons acting jointly or in concert acquires the direct or indirect beneficial ownership of 50% or more of either the outstanding Shares and Multiple Voting Shares, collectively, or securities having aggregate voting power in the election of directors of the Company, other than any such acquisition by Fairfax Company or the Phelan Group Shareholder or any combination of the two, together with any Related Entities of Fairfax Company or the Phelan Group Shareholder;
  - (iii) individuals who, on the Effective Date, are members of the Board, together with any new directors whose election or appointment by such Board, or whose

nomination for election was approved or recommended by a vote of a majority of the directors of the Company then still in office who were entitled to vote (such persons referred to here as the “**Continuing Directors**”), cease for any reason to constitute at least a majority of the members of the Board; provided, that any director identified, nominated or appointed by Fairfax or the Phelan Shareholder Group shall constitute a Continuing Director;

- (iv) the passing of a resolution by the Board or Shareholders to (i) liquidate all or substantially all of the assets of the Company, (ii) wind up the Company’s business, or (iii) commence proceedings for such a liquidation, winding-up or re-arrangement pursuant to a plan of compromise or plan of arrangement under the Companies’ Creditors Arrangement Act; or
- (v) notwithstanding any of the foregoing, any other matter determined by the Board to be a Change of Control Event for purposes of this Plan;

provided however, unless otherwise determined by the Board, that any one or more of the following events shall not constitute a Change of Control Event: (i) a change of control by virtue of any other transaction with a Fairfax Company or a Phelan Group Shareholder; or (ii) a change of control by virtue of the Phelan Group Shareholders completing a transaction with a Phelan Group Shareholders company;

- (o) “**Code**” means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder;
- (p) “**continuing entity**” has the meaning specified in Section 5.1(1);
- (q) “**Company**” means Recipe Unlimited Corporation, a company existing under the laws of Canada, and includes any successor company thereto;
- (r) “**Consultant**” means an individual, other than an employee, executive officer or director of the Company or of an Affiliate, that for a period of 12 months or more,
  - (i) is engaged to provide services to the Company or an Affiliate, other than services provided in relation to a distribution of the Company’s securities;
  - (ii) provides the services under a written contract with the Company or an Affiliate; and
  - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate;

and includes, for an individual consultant, a Company of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

- (r) “**Disability**” means (i) if the Participant has an employment agreement in which “disability” is defined, “disability” as defined therein; (ii) if the Participant does not have an employment agreement or the employment agreement does not contain a definition of “disability”, “disability” as defined in the Award Agreement (if applicable), or (iii) in all other cases, the inability of a Participant to perform substantially all of such Participant’s duties and responsibilities to the Company or any Affiliate as a result of any illness, injury, accident or condition of either a physical or psychological nature suffered by such Participant, with or without reasonable accommodation, for a continuous period of 9 months or more or for an

aggregate period of 12 months or more during any consecutive 24 month period, despite the provision of reasonable accommodations by the Company or an Affiliate;

- (s) **“Effective Date”** has the meaning specified in Section 9.15;
- (t) **“Eligible Person”** has the meaning specified in Section 2.3;
- (u) **“ESA Cause”** means any wilful misconduct, disobedience or wilful neglect of duty by the Participant that is not trivial and has not been condoned by the Company or an Affiliate;
- (v) **“Exercise Price”** has the meaning specified in Section 3.2;
- (w) **“Expiry Date”** has the meaning specified in Section 3.4(1);
- (x) **“Fairfax Company”** means Fairfax Financial Holdings Limited (and any of its successors) and all of its Related Entities, collectively;
- (y) **“Good Reason”** means (i) if the Participant has an employment agreement in which “good reason” is defined, “good reason” as defined therein; (ii) if the Participant does not have an employment agreement or the employment agreement does not contain a definition of “good reason”, “good reason” as defined in the Award Agreement (if applicable), or (iii) in all other cases:
  - A. a substantial diminution in the Participant’s authorities, duties, responsibilities, status (including officers, titles, and reporting requirements) from those in effect immediately prior to a Change of Control Event;
  - B. the Company requires the Participant to be based at a location in excess of one hundred (100) kilometers from the location of the Participant’s principal job location or office immediately prior to a Change of Control Event, except for required travel on Company business to an extent substantially consistent with the Participant’s business obligations immediately prior to a Change of Control Event;
  - C. a reduction in the Participant’s base salary (other than as part of a broader reduction of salaries to a number of employees of the Company due to financial circumstances of the Company), or a substantial reduction in the Participant’s target compensation under any incentive compensation plan, as in effect as of the date of a Change of Control Event;
  - D. the failure to increase the Participant’s base salary in a manner consistent (both as to frequency and percentage increase) with practices in effect immediately prior to the Change of Control Event or with practices implemented subsequent to the Change of Control Event with respect to similarly positioned employees; or
  - E. the failure of the Company to continue in effect the Participant’s participation in the Company’s Share Compensation Arrangements and any employee benefit and retirement plans, policies or practices, at a level substantially similar or superior to and on a basis consistent with the relative levels of participation of other similarly-positioned employees, as existed immediately prior to a Change of Control Event.
- (x) **“Insider”** means a “reporting insider” of the Company as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions* and the TSX Company Manual in respect of the rules governing security-based compensation arrangements, as amended from time to time;



- (x) **"Market Price"** means at any date when the market value of Shares of the Company is to be determined, (a) if the Shares are listed on any Stock Exchange, the volume weighted average closing price for the Shares on such Stock Exchange for up to the five (5) trading days prior to such date; or (c) if the Shares are not listed on any Stock Exchange, then the price determined by the Board using good faith discretion and, for U.S. Taxpayers, in a manner consistent with the requirements of Section 409A;
- (y) **"Maximum Issuable"** has the meaning specified in Section 2.4(3).
- (z) **"Multiple Voting Shares"** means the multiple voting shares in the capital of the Company;
- (aa) **"Ontario Participant"** means a Participant that is employed in or resides in the province of Ontario;
- (bb) **"Option"** means an option to purchase Shares granted to an Eligible Person pursuant to the terms of this Plan;
- (cc) **"Option Period"** has the meaning specified in Section 3.4(1);
- (dd) **"Participant"** means an Eligible Person to whom Awards have been granted and are outstanding;
- (ee) **"Participant's Account"** means an account maintained by the Company to reflect each Participant's participation in RSUs and/or PSUs under this Plan;
- (ff) **"Performance Criteria"** means criteria established by the Board which, without limitation, may include criteria based on the Participant's personal performance, the financial performance of the Company and/or of its Affiliates and/or achievement of corporate goals and strategic initiatives, and that may be used to determine the vesting of the Awards, when applicable;
- (gg) **"Performance Period"** means the period determined by the Board pursuant to Section 4.3;
- (hh) **"Permitted Assign"** means for any Participant:
  - (i) a trustee, custodian or administrator acting on behalf of, or for the benefit of such person or a spouse of such person;
  - (ii) a wholly owned or controlled holding entity of such person or the spouse of such person;
  - (iii) an RRSP or a RRIF of such person or the spouse of such person; or
  - (iv) a spouse of such person;
- (ii) **"Person"** means an individual, corporation, company, cooperative partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;
- (jj) **"Phelan Group Shareholders"** means Cara Holdings Limited and its Related Entities, together with the Related Entities of Gail Regan, Rosemary Phelan and Holiday Phelan-Johnson, and their respective permitted assigns;
- (kk) **"Plan"** means this Recipe Unlimited Corporation Omnibus Long-Term Incentive Plan, as it may be amended from time to time;

- (ll) **"PSU"** means a performance share unit awarded to a Participant to receive a payment in the form of Shares (the Cash Equivalent or a combination of Shares and the Cash Equivalent) as provided in Article 4 hereof and subject to Performance Criteria and the terms and conditions of this Plan;
- (mm) **"PSU Agreement"** means a notice from the Company to a Participant evidencing the grant of PSUs and the terms and conditions thereof as the Board may approve from time to time;
- (nn) **"Related Entity"** means, with respect to Fairfax Company or the Phelan Group Shareholders, an entity that controls, is controlled by, or is under common control with, that Person;
- (oo) **"RSU"** means a restricted share unit awarded to a Participant to receive a payment in the form of Shares (the Cash Equivalent or a combination of Shares and the Cash Equivalent) as provided in Article 4 hereof and subject to the terms and conditions of this Plan;
- (pp) **"RSU Agreement"** means a notice from the Company to a Participant evidencing the grant of RSUs and the terms and conditions thereof as the Board may approve from time to time;
- (qq) **"Restriction Period"** means any period of time during which a Share Unit is not vested and the Participant holding such Share Unit remains ineligible to receive Shares as determined by the Board in its absolute discretion;
- (rr) **"Retirement"** means (i) if the Participant has an employment agreement in which "retirement" is defined, "retirement" as defined therein; (ii) if the Participant does not have an employment agreement or the employment agreement does not contain a definition of "retirement", "retirement" as defined in the Award Agreement (if applicable); and (iii) in all other cases, the cessation of the employment of a Participant with the Company or an Affiliate which is deemed to be a retirement by a resolution of the Board in its sole discretion;
- (ss) **"Section 409A"** means section 409A of the Code and the regulations and guidance promulgated thereunder;
- (tt) **"Shares"** means the issued and outstanding Subordinate Voting Shares;
- (uu) **"Subordinate Voting Shares"** means the subordinate voting shares in the capital of the Company;
- (vv) **"Share Compensation Arrangement"** means any stock option, employee stock option plan or any other compensation or incentive mechanism of the Company involving the issuance or potential issuance of Shares from treasury to one or more Eligible Persons of the Company or a Subsidiary, including without limitation this Plan. For greater certainty, a "Share Compensation Arrangement" does not include a security-based compensation arrangement used as an inducement to person(s) or company(ies) not previously employed by and not previously an Insider of the Company;
- (ww) **"Share Unit"** means an RSU and/or PSU, as the context requires;
- (xx) **"Share Unit Vesting Determination Date"** means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to an RSU and/or PSU have been met, and as a result, establishes the number of RSUs and/or PSUs that become vested, if any;

- (yy) **“Shareholders”** means the holders of Subordinate Voting Shares and Multiple Voting Shares in the capital of the Company, as the context requires;
- (zz) **“Stock Exchange”** means the Toronto Stock Exchange or, if the Shares are not listed or posted for trading on the Toronto Stock Exchange at a particular date, any other stock exchange on which the majority of the trading volume and value of the Shares are listed or posted for trading;
- (aaa) **“Stock Option Certificate”** means a notice from the Company to a Participant evidencing the grant of Options and the terms and conditions thereof, as the Board may approve from time to time;
- (bbb) **“Subsidiary”** means a company, partnership or other body corporate that is controlled, directly or indirectly, by the Company;
- (ccc) **“Tax Act”** means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;
- (ddd) **“Termination Date”** means the date on which a Participant ceases to be an Eligible Person as a result of the termination of their employment or retention with the Company or an Affiliate for any reason, including death, Retirement, resignation or termination with Cause, without Cause or as a result of Disability. For the purposes of this definition and the Plan, a Participant’s employment or retention with the Company or an Affiliate shall be considered to have terminated on the last day of the Participant’s Active Employment or Active Engagement with the Company of an Affiliate as the case may be, whether such day is selected by agreement with the Participant, or unilaterally by the Participant or the Company or an Affiliate, and whether with or without advance notice to the Participant.;
- (eee) **“U.S. Taxpayer”** means any Participant for whom an Award is subject to taxation under the Code; and
- (fff) **“Withholding Obligations”** has the meaning specified in Section 8.1(7).

In this Plan, words importing the singular number include the plural and vice versa and words importing a gender include any other gender. Unless otherwise specified, all references to money amounts are to Canadian currency and all section references are to sections of this Plan.

## **ARTICLE 2 PURPOSE AND ADMINISTRATION**

### **Section 2.1 Purpose**

The purpose of this Plan is to advance the interests of the Company by: (i) providing Eligible Persons with additional incentives; (ii) encouraging stock ownership by such Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the success of the Company; (iv) promoting growth and profitability of the Company; (v) encouraging Eligible Persons to take into account long-term corporate performance; (vi) rewarding Eligible Persons for sustained contributions to the Company and/or significant performance achievements of the Company; and (vii) enhancing the Company’s ability to attract, retain and motivate Eligible Persons.

### **Section 2.2 Administration**

- (1) This Plan shall be administered and interpreted by the Board, or where the Board has delegated the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board, such committee or member. In such circumstances, all

references to the Board in this Plan include reference to such committee and/or member of the Board, as applicable, except as otherwise determined by the Board.

- (2) Subject to the terms and conditions set forth in this Plan, the Board is authorized to provide for the granting, exercise or settlement and method of exercise or settlement of Awards, all at such times and on such terms (which may vary between Awards granted from time to time) as it determines. In addition, the Board shall have the sole and absolute discretion to: (i) designate Participants; (ii) determine the type, size, and terms, and conditions (including Performance Criteria) of Awards to be granted; (iii) determine the method by which an Award may be canceled, forfeited, or suspended; (iv) determine the circumstances under which the delivery of cash with respect to an Award may be deferred either automatically or at the Participant's or the Board's election; (v) interpret and administer, reconcile any inconsistency in, correct any defect in, and supply any omission in the Plan, any Award Agreement and any Award granted under, the Plan; (vi) establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Board shall deem appropriate for the proper administration of the Plan; (vii) accelerate the vesting, delivery, or exercisability of, or payment for or lapse of restrictions on, or waive or impose any condition, restriction or requirement in respect of, Awards (including for greater certainty in respect of any leave of absence of a Participant); (viii) with respect to any Share Unit, add provisions permitting for the granting of a dividend equivalent subject to the same vesting conditions applicable to the related Share Units; (ix) designate one or more Shares subject to any Option as "non-qualified securities" within the meaning of section 110 of the *Tax Act*; and (x) make any other determination and take any other action that the Board deems necessary or desirable for the administration of the Plan or to comply with any applicable law.
- (3) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Award Agreement or other document or any Award granted pursuant to this Plan.
- (4) Unless otherwise expressly provided in this Plan, all designations, determinations, interpretations, and other decisions regarding this Plan or any Award or any documents evidencing any Award granted pursuant to this Plan shall be within the sole discretion of the Board, may be made at any time, and shall be final, conclusive, and binding upon all persons or entities, including, without limitation, the Company, any Affiliate, any Participant, any holder or beneficiary of any Award, and any Shareholder.
- (5) The day-to-day administration of this Plan may be delegated to such officers and employees of the Company as the Board determines.

### **Section 2.3 Eligible Persons**

- (1) The persons who shall be eligible to receive Options, RSUs and PSUs shall be the officers, employees or Consultants of or to the Company or a Subsidiary, providing ongoing services to the Company and/or its Subsidiaries (collectively, "**Eligible Persons**").
- (2) Participation in this Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Person's relationship, employment or appointment with the Company or an Affiliate.
- (3) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to this Plan shall in no way be construed as a guarantee of employment or appointment by the Company or an Affiliate.

## **Section 2.4 Shares Reserved**

- (1) Subject to 90, the securities that may be acquired by Participants under this Plan will consist of authorized but unissued Shares.
- (2) The Company will at all times during the term of this Plan ensure that it is authorized to issue such number of Shares as are sufficient to satisfy the requirements of this Plan.
- (3) Subject to Section 2.4(7) the aggregate number of Shares issuable under this Plan and under all other Share Compensation Arrangements (the "**Maximum Issuable**") shall not exceed 10% of the total number of Shares issued and outstanding from time to time (assuming the conversion of all of the issued and outstanding Multiple Voting Shares to Shares).
- (4) This Plan is considered an "evergreen" plan, since (i) any Shares subject to an Award which has been exercised, settled in cash by a Participant or for any reason is cancelled or terminated without having been exercised or settled in Shares will again be available for grants under this Plan, and (ii) the number of Awards available to grant will increase as the number of issued and outstanding Shares increases from time to time. Fractional shares will not be issued and will be treated as specified in Section 8.1(4).
- (5) All Shares issued from treasury pursuant to the exercise or the vesting of Awards granted under this Plan shall, when the applicable Exercise Price or purchase price (in respect of the settlement of RSUs or PSUs), if any, is received by the Company in connection therewith, be so issued as fully paid and non-assessable Shares.
- (6) For the purposes of Section 2.4(3), in the event that the Company cancels or purchases to cancel any of its issued and outstanding Shares ("**Cancellation**") and as a result of such Cancellation, the Company exceeds the limit set out in Section 2.4(3), no approval of the Shareholders will be required for the issuance of Shares on the exercise or settlement of any Awards which were granted prior to such Cancellation.
- (7) Any issuance from treasury by the Company that is or was issued in reliance upon an exemption under applicable Stock Exchange rules applicable to security based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an Insider of the Company shall not be included in determining the Maximum Issuable under Section 2.4(3).
- (8) The number of Shares that are (i) issued to Insiders within any one year period, or (ii) issuable to Insiders at any time, in each case, under this Plan alone or when combined with all other Share Compensation Arrangements, shall not exceed 10% of the total number of Shares issued and outstanding from time to time (assuming the conversion of all of the issued and outstanding Multiple Voting Shares to Shares).

## **ARTICLE 3 OPTIONS**

### **Section 3.1 Grants of Options**

- (1) Options will be evidenced by a Stock Option Certificate, which shall be in a form approved for use under this Plan from time to time.
- (2) Subject to the provisions of this Plan, the Board has the authority to determine the limitations, restrictions and conditions, if any, in addition to those set forth in Section 2.2(2) and Section 3.3, applicable to the exercise of an Option. An Eligible Person may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion.

- (3) The Board may from time to time, in its discretion, grant Options to any Eligible Person upon the terms, conditions and limitations set forth in this Plan and such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine, provided that Options granted to any Participant must be approved by the Shareholders if the rules of any Stock Exchange require such approval. Despite the foregoing, no Option will be granted where such grant is restricted pursuant to the terms of any trading policies or other restrictions imposed by the Company.

### **Section 3.2 Exercise Price**

An Option may be exercised at a price (the “**Exercise Price**”) established by the Board at the time that the Option is granted, but in no event can the Exercise Price be less than the Market Price on the date that the Option is granted. The Exercise Price is subject to adjustment in accordance with the provisions of Section 7.1 hereof.

### **Section 3.3 Vesting**

Subject to Section 6.1, unless as otherwise provided in a Participant’s employment agreement or Stock Option Certificate or as otherwise determined by the Board, in its sole discretion, all Options granted under this Plan will vest over a three-year period following the date of the grant, with thirty-three and one-third percent (33 1/3%) of the total number of Options forming part of any grant to vest commencing on the first anniversary of the grant date and therefore on each subsequent anniversary date. Options may be subject to additional vesting conditions as may be determined by the Board at the time of grant, including performance vesting conditions.

### **Section 3.4 Exercise of Options**

- (1) The period during which an Option may be exercised (the “**Option Period**”) will be determined by the Board at the time the Option is granted and set out in the Stock Option Certificate in respect of such Option, provided that:
- (a) all Options expire on the date (the “**Expiry Date**”) set out by the Board on the date of grant and as described in the applicable Stock Option Certificate provided that no Option will be exercisable for a period exceeding eight (8) years from the date the Option is granted;
  - (b) Options may not be exercised until they have vested;
  - (c) the Option Period will be automatically reduced in accordance with Section 6.1 upon the occurrence of any of the events referred to in such section; and
  - (d) no Option in respect of which Shareholder approval is required under the rules of any Stock Exchange will be exercisable until such time as such Option has been approved by the Shareholders.
- (2) Despite any other provision of this Plan, if the Expiry Date of an Option falls during a Black-Out Period or within nine (9) Business Days immediately following a date upon which a Participant is prohibited from exercising an Option due to a Black-Out Period (but, for greater certainty, not a cease trade order or other restriction imposed by any person other than the Company), then the Expiry Date of such Option will be automatically extended to the tenth (10th) Business Day following the date the relevant Black-Out Period is lifted, terminated or removed (provided that, for U.S. Taxpayers such extension does not violate Section 409A).
- (3) Subject to Section 8.1(7) and Section 3.5, the Exercise Price of each Share purchased under an Option must be paid in full in cash or by bank draft or certified cheque at the time of such exercise,

and upon receipt of payment in full, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable.

- (4) Subject to Section 8.1(7), upon the exercise of Options pursuant to this Section 3.4, the Company will immediately deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his or her legal or personal representative) or to the order thereof, the number of Shares with respect to which Options have been exercised.
- (5) Subject to the other provisions of this Plan and any vesting limitations imposed by the Board at the time of grant, Options may be exercised, in whole or in part, at any time or from time to time, by a Participant by notice given to the Company as required by the Board from time to time.

### **Section 3.5 Cashless Exercise**

Notwithstanding Section 3.4(3), subject to any conditions or limitations established by the Board, a grant of Options may specify that the Exercise Price will be payable, at the option of the Participant and with the agreement of the Board, in the form of: (i) a broker assisted “cashless exercise” pursuant to which the Company or its designee (including third party administrators) may deliver a copy of irrevocable instructions to a Broker engaged for such purposes to sell the Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required Withholding Obligations against delivery of the Shares to settle the applicable trade in accordance with Section 8.1(7); or (ii) an “option surrender” procedure effected by withholding the minimum number of Shares otherwise deliverable in respect of an Option that are needed to pay for the Exercise Price and all applicable required Withholding Obligations, whereby the Participant elects to receive (a) a cash payment equal to the Market Price of the Shares as at the date of surrender less the aggregate Exercise Price and all applicable required Withholding Obligations, or (b) that number of Shares calculated using the following formula, provided that arrangements satisfactory to the Company have been made to pay any applicable Withholding Obligations:

$$X = (Y * (A-B)) / A$$

Where:

X = the number of Shares to be issued to the Participant upon exercising such Options; provided that if the foregoing calculation results in a negative number, then no Shares shall be issued

Y = the number of Shares underlying the Options to be Surrendered

A = the Market Price of the Shares as at the date of the Surrender

B = the Exercise Price of such Options

In all events of a cashless exercise or option surrender pursuant to this Section 3.5: (a) the Participant shall comply with Section 8.1(7) of the Plan with regards to any applicable required Withholding Obligations; and (b) shall comply with all such other procedures and policies as the Board may prescribe or determine to be necessary or advisable from time to time including prior written consent of the Board, in connection with such exercise.

## **ARTICLE 4 SHARE UNITS**

### **Section 4.1 Nature of Share Units**

A Share Unit is an Award of RSUs or PSUs entitling the recipient to acquire Shares, at such purchase price (which may be zero) as determined by the Board, subject to such restrictions, limitations

and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established Performance Criteria.

#### **Section 4.2 Share Unit Awards**

- (1) Subject to the provisions of this Plan, or any approval of Shareholders or Stock Exchange approval which may be required, the Board shall, from time to time, in its sole discretion: (i) designate the Eligible Persons who may receive RSUs and/or PSUs under this Plan; (ii) fix the number of RSUs and/or PSUs, if any, to be granted to each Eligible Person and the date or dates on which such RSUs and/or PSUs shall be granted; and (iii) determine the relevant conditions and vesting provisions (including, in the case of PSUs, the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs and/or PSUs, in each case to the terms and conditions prescribed in this Plan and in any RSU Agreement or PSU Agreement, as applicable. For greater certainty, the Board may reduce or eliminate any Restriction Period in respect of an RSU or PSU from time to time and at any time and for any reason, including but not limited to circumstances involving death or Disability of a Participant.
- (2) Each RSU will be evidenced by an RSU Agreement that sets forth the restrictions, limitations and conditions for each RSU and may include, without limitation, the vesting and terms of the RSUs and the provisions applicable in the event employment or service terminates, and shall contain such terms that may be considered necessary in order that the RSUs will comply with any provisions respecting RSUs in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any Stock Exchange having authority over the Company.
- (3) Each PSU will be evidenced by a PSU Agreement that sets forth the restrictions, limitations and conditions for each PSU and may include, without limitation, the applicable Performance Period and Performance Criteria, vesting and terms of the PSUs and the provisions applicable in the event employment or service terminates, and shall contain such terms that may be considered necessary in order that the PSUs will comply with any provisions respecting RSUs in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any Stock Exchange having authority over the Company.
- (4) Any RSUs or PSUs that are awarded to an Eligible Person who is a resident of Canada or employed in Canada (each for purposes of the Tax Act) may be structured so as to be considered to be a plan described in section 7 of the Tax Act and shall in any event be structured in such other manner to ensure that such award is not a “salary deferral arrangement” as defined in the Tax Act (or any successor to such provisions).
- (5) Subject to the vesting and other conditions and provisions set forth herein and in the RSU Agreement and/or PSU Agreement, the Board shall determine whether each RSU and/or PSU awarded to a Participant shall entitle the Participant: (i) to receive one Share issued from treasury or purchased on the secondary market; (ii) to receive the Cash Equivalent of one Share; (iii) to receive either one Share from treasury, the Cash Equivalent of one Share or a combination of cash and Shares, as the Board may determine in its sole discretion on settlement; or (iv) to elect to receive either one Share from treasury, the Cash Equivalent of one Share or a combination of cash and Shares.
- (6) The applicable settlement period in respect of a particular Share Unit shall be determined by the Board. Except as otherwise provided in the Award Agreement or any other provision of the Plan, all vested RSUs and PSUs shall be settled as soon as practicable following the Share Unit Vesting Determination Date, as applicable, but in all cases prior to (i) December 31<sup>st</sup> of the third year following the date of grant of Share Unit, if such Share Unit shall be settled by payment of the Cash Equivalent or through purchases by the Company on the Participant’s behalf on the open



market, or (ii) December 31<sup>st</sup> of the tenth year following the date of grant of Share Unit, if the RSU Agreement or PSU Agreement, as applicable, provides that such Share Unit shall be settled by issuance of Shares from treasury. Following the receipt of such settlement, the PSUs and RSUs so settled shall be of no value whatsoever and shall be removed from the Participant's Account. For Participants who are U.S. Taxpayers, settlement of RSUs and PSUs shall occur as soon as practicable following vesting of the Award, or in such other manner as does not result in the imposition of tax on such Participant by operation of Section 409A.

### **Section 4.3 Performance Criteria and Performance Period Applicable to PSU Awards**

For each award of PSUs, the Board shall establish (i) any Performance Criteria and other vesting conditions; and (ii) the period in which any Performance Criteria and other vesting conditions must be met (the "**Performance Period**"), in order for such PSUs to be considered vested and for the Participant to be entitled to have his or her PSUs settled in accordance with Section 4.2(5) above in exchange for all or a portion of the PSUs held by such Participant.

## **ARTICLE 5 CHANGE OF CONTROL**

### **Section 5.1 Change of Control**

- (1) Despite any other provision of this Plan, but subject to Section 9.8, in the event of a Change of Control Event, all unvested Awards then outstanding will be, as applicable, substituted by or replaced with awards of the surviving Company (or any affiliate thereof) or the potential successor (or any affiliate thereto) (the "**continuing entity**") on the same terms and conditions as the original Awards, subject to appropriate adjustments that do not diminish the value of the original Awards.
- (2) If within 12 months of a Change of Control Event, a Participant's service, engagement, consulting relationship, office or employment with the Company, an Affiliate or the continuing entity is terminated without Cause, or the Participant resigns from his or her employment for Good Reason, the vesting of all Awards then held by such Participant (and, if applicable, the time during which such Awards may be exercised or settled, as applicable) will be accelerated in full, except that in the event that an Award is subject to vesting upon the attainment of Performance Criteria, then the number or value, as applicable, of Awards that vest will be calculated having regard to the pro rata achievement of any applicable Performance Criteria up to the Termination Date.
- (3) If, upon a Change of Control Event, the continuing entity fails to comply with Section 5.1(1) above, the vesting of all then outstanding Awards (and, if applicable, the time during which such Awards may be exercised or settled, as applicable) will, at the discretion of the Board, be accelerated in full.
- (4) No fractional Shares or other security will be issued upon the exercise or settlement of any Award and accordingly, if as a result of a Change of Control Event, a Participant would become entitled to a fractional Share or other security, such Participant will have the right to acquire only the next lowest whole number of Shares or other security and no payment or other adjustment will be made with respect to the fractional interest so disregarded.
- (5) Despite anything else to the contrary in this Plan, in the event of a potential Change of Control Event, the Board will have the power, in its sole discretion, to modify the terms of this Plan and/or the Awards to assist the Participants in tendering to a take-over bid or other transaction leading to a Change of Control Event. For greater certainty, in the event of a take-over bid or other transaction leading to a Change of Control Event, the Board has the power, in its sole discretion, to accelerate the vesting of Awards and to permit Participants to conditionally exercise or settle their Awards, as applicable, such conditional exercise to be conditional upon the take-up by such offeror of the Shares or other securities tendered to such take-over bid in accordance with the

terms of the take-over bid (or the effectiveness of such other transaction leading to a Change of Control Event). If, however, the potential Change of Control Event referred to in this Section 5.1(5) is not completed within the time specified (as the same may be extended), then despite this Section 5.1(5) or the definition of "Change of Control Event": (i) any conditional exercise or settlement of vested Awards, as applicable, will be deemed to be null, void and of no effect, and such conditionally exercised or settled Awards will for all purposes be deemed not to have been exercised or settled, and (ii) Awards which vested pursuant to this Section 5.1(5) will be returned by the Participant to the Company and reinstated as authorized but unissued Shares and the original terms applicable to such Awards will be reinstated.

- (6) If the Board has, pursuant to the provisions of Section 5.1(5), permitted the conditional exercise or settlement of Awards in connection with a potential Change of Control Event, then the Board will have the power, in its sole discretion, to terminate, immediately following actual completion of such Change of Control Event and on such terms as it sees fit, any Awards not exercised or settled (including all unvested Awards), as applicable.

## **ARTICLE 6 TERMINATION OF SERVICE**

### **Section 6.1 Termination**

- (1) Except as otherwise set out in a Participant's employment agreement or Award Agreement or as otherwise determined by the Board, in its sole discretion:
- (a) if (A) a Participant ceases to be an Eligible Person as a result of his or her resignation or Retirement, or (B) other than in connection with a Change of Control Event as described in Section 5.1(2), a Participant ceases to be an Eligible Person as a result of such Participant's service, consulting relationship, engagement, office or employment with the Company or an Affiliate having been terminated without Cause or the Participant resigns from his or her employment for Good Reason,
- (i) each vested Option will cease to be exercisable on the earlier of the original Expiry Date of the Option and ninety (90) days following the Termination Date;
  - (ii) the Participant shall be entitled to receive and the Company will issue forthwith Shares or pay the Cash Equivalent or combination thereof, in accordance with the applicable Award Agreement, in satisfaction of any vested and unsettled RSUs and PSUs held by the Participant on the Termination Date, and
  - (iii) each unvested Award held by the Participant will automatically terminate and become void on the Termination Date;
- (b) if a Participant ceases to be an Eligible Person by reason of death or Disability,
- (i) each unvested Option held by such Participant will continue to vest for a period of 12 months from the Termination Date and all vested Options, including those that vest during such 12 month period, held by such Participant will continue to be exercisable (if applicable, by the Participant's legal representative or by the legal representative of the Participant's estate) for a period of up to the earlier of 12 months from the Termination Date and the original Expiry Date of the Option, and afterwards each vested Option held by such Participant will cease to be exercisable and all unvested Options will terminate and become void; and
  - (ii) all RSUs and PSUs will continue to vest for a maximum period of 12 months from the Termination Date or until the vesting date set out in the Participant's Award

Agreement (whichever is shorter and being the “**Applicable Period**”), and all vested RSUs or PSUs, including those that vest during the Applicable Period, shall settle following the last date of the Applicable Period, after which all remaining unvested and unsettled RSUs and PSUs granted to such Participant shall terminate and become void; and

- (c) if a Participant ceases to be an Eligible Person as a result of such Participant’s service, consulting relationship, engagement, office or employment with the Company or an Affiliate having been terminated for Cause,
  - (i) each (A) Option, whether vested or unvested, and (B) unvested RSU and PSU held by the Participant will automatically terminate and become void on the Termination Date, and
  - (ii) the Participant shall be entitled to receive and the Company will issue forthwith Shares or pay the Cash Equivalent or combination thereof, in accordance with the applicable Award Agreement, in satisfaction of any vested and unsettled RSUs or PSUs held by the Participant on the Termination Date.
- (2) No Participant shall have any entitlement to damages or other compensation arising from or related to not receiving any Awards which would have, but for this Plan or any Award Agreement, vested or accrued to the Participant after such Participant’s Termination Date, including but not limited to damages in lieu of notice of termination at common law. Notwithstanding the foregoing, nothing herein is intended to limit any statutory entitlements on termination and such statutory entitlements shall, if required, apply despite any language to the contrary.

## **ARTICLE 7 ADJUSTMENTS AND AMENDMENTS**

### **Section 7.1 Adjustment.**

In the event of any stock dividend, stock split, combination or exchange of Shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of the Company’s assets to shareholders, or any other change in the Shares, the Board will make such proportionate adjustments, if any, as the Board in its discretion, subject to regulatory approval, may deem appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to (i) the number or kind of Shares or other securities reserved for issuance pursuant to the Plan; and (ii) the number or kind of Shares or other securities subject to unexercised Awards previously granted and the exercise price of those Awards provided, however, that no substitution or adjustment will obligate the Company to issue or sell fractional Shares. The existence of any Awards does not affect in any way the right or power of the Company or an Affiliate or any of their respective shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the capital structure or the business of, or any amalgamation, merger or consolidation involving, to create or issue any bonds, debentures, shares or other securities of, or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of or any sale or transfer of all or any part of the assets or the business of, or to effect any other corporate act or proceeding relating to, whether of a similar character or otherwise, the Company or such Affiliate, whether or not any such action would have an adverse effect on the Plan or any Award granted hereunder.

### **Section 7.2 Dividend Share Units.**

For certainty, unless the Board determines otherwise at the time of grant or issuance of the Award, although normal cash dividends may be declared and paid on the Shares, Participants shall not receive any additional RSUs and/or PSUs, as applicable, on any dividend payment date with respect to the Shares.

### **Section 7.3     Amendment or Discontinuance**

- (1) The Board may suspend or terminate this Plan at any time, or from time to time amend or revise the terms of this Plan or of any Award granted under this Plan and any Award Agreement or other agreement or document relating to it, provided that no such suspension, termination, amendment or revision will be made:
  - (a) except in compliance with applicable law and with the prior approval, if required, of any Stock Exchange or any other regulatory body having authority over the Company, this Plan or the Shareholders; and
  - (b) in the case of an amendment or revision to an outstanding Award, if it would materially adversely affect the rights of any Participant, without the consent of the Participant.
- (2) If this Plan is terminated, the provisions of this Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Award or any rights granted pursuant to this Plan remain outstanding and, despite the termination of this Plan, the Board may make such amendments to this Plan or to the terms of any outstanding Awards as they would have been entitled to make if this Plan were still in effect.
- (3) Subject to any applicable rules of any Stock Exchange, the Board may from time to time, in its absolute discretion and without the approval of Shareholders, make amendments to this Plan or any Awards, which may include but are not limited to:
  - (a) any amendment to the vesting and assignability provisions of this Plan and any Award;
  - (b) any amendment regarding the effect of any termination of a Participant's employment, engagement, contract, service or office;
  - (c) any amendment which accelerates the date on which any Award may be exercised under this Plan;
  - (d) any amendment to add provisions permitting for the granting of cash-settled awards, a form of financial assistance, clawback, or dividend equivalents and any amendment to a cash-settled award, financial assistance, clawback or dividend equivalent provision which is adopted;
  - (e) any amendment necessary to comply with applicable law or the requirements of any Stock Exchange or any other regulatory body having authority over the Company, this Plan or the Shareholders;
  - (f) any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of this Plan or any agreement ancillary thereto, correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan, correct any grammatical or typographical errors or amend the definitions in this Plan regarding administration of this Plan;
  - (g) any amendment regarding the administration of this Plan; and
  - (h) any other amendment, fundamental or otherwise, that does not require the approval of Shareholders under Section 7.3(4).
- (4) Shareholder approval is required for the following amendments to this Plan:

- (a) any increase in the maximum number of Shares that may be issuable pursuant to Awards granted under this Plan as set out in Section 2.4(3), other than an adjustment pursuant to Section 7.1;
- (b) any (i) reduction in the Exercise Price or purchase price (in respect of the settlement of RSUs and/or PSUs) of an Award, as applicable benefitting an Insider, other than an adjustment pursuant to Section 7.1, (ii) extension of the term of an Award, including the Expiry Date of an Option, benefitting an Insider, except in the case of an extension due to a Black-Out Period, or (iii) amendment providing for the cancellation and reissue of Awards, other than an adjustment pursuant to Section 7.1;
- (c) any amendment to remove or to exceed the insider participation limit set out in Section 2.4(8);
- (d) any amendment which would permit Options to be transferable or assignable other than by will or the laws of descent and distribution (provided that Options may be transferred or assigned by a Participant to a Permitted Assign with the Board's prior written consent and subject to such conditions as the Board may stipulate, as set out in Section 8.1(3)); and
- (e) any amendment to Section 7.3(3) or Section 7.3(4).

## **ARTICLE 8 GENERAL CONDITIONS**

### **Section 8.1 General Conditions applicable to Awards.**

Each Award, as applicable, shall be subject to the following conditions:

- (1) **No Rights as a Shareholder** – Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person's name on the share register for the Shares.
- (2) **Conformity to Plan** – In the event that an Award is granted or an Award Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (3) **Non-Transferability** – Except as set forth herein, Awards are not transferable. Awards may be exercised only by:
  - (a) the Participant to whom the Awards were granted;
  - (b) with the Board's prior written approval and subject to such conditions as the Board may stipulate, such Participant's family or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the Participant is and remains the annuitant;
  - (c) upon the Participant's death, by the legal representative of the Participant's estate; or

- (d) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant;

provided that any such legal representative shall first deliver evidence satisfactory to the Company of entitlement to exercise any Award. A person exercising an Award may subscribe for Shares only in the person's own name or in the person's capacity as a legal representative.

- (4) **Fractional Shares** – No fractional Shares will be issued upon the exercise or settlement of Awards granted under this Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise or settlement of an Award, or from an adjustment pursuant to Section 7.1, such Participant will only have the right to purchase the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.
- (5) **No Guarantee** – For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Company to grant any Awards in the future nor shall it entitle the Participant to receive future grants. No amount will be paid to or in respect of a Participant under the Plan or pursuant to any other arrangement, and no Awards will be granted to such Participant to compensate for any downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon or in respect of the Participant for such purpose.
- (6) **Quotation of Shares** – So long as the Shares are listed on any Stock Exchange, the Company must apply to such Stock Exchange for the listing or quotation, as applicable, of the Shares issued upon the exercise or settlement of all Awards granted under this Plan, however, the Company cannot guarantee that such Shares will be listed or quoted on such Stock Exchange.
- (7) **Tax Withholdings** – Despite any other provision contained in this Plan, in connection with the exercise or settlement of an Award by a Participant from time to time, the Company may withhold from any amount payable to a Participant, including the issuance of Shares to a Participant upon the exercise or settlement of such Participant's Awards, such amounts as are required by law to be withheld or deducted as a consequence of his or her exercise or settlement of Awards or other participation in this Plan ("**Withholding Obligations**"). The Company has the right, in its sole discretion, to satisfy any Withholding Obligations by:
  - (a) selling or causing to be sold, on behalf of any Participant, such number of Shares issued to the Participant on the exercise or settlement of Awards as is sufficient to fund the Withholding Obligations;
  - (b) retaining the amount necessary to satisfy the Withholding Obligations from any amount which would otherwise be delivered, provided or paid to the Participant by the Company, whether under this Plan or otherwise;
  - (c) requiring the Participant, as a condition of exercise to (i) remit the amount of any such Withholding Obligations to the Company in advance; (ii) reimburse the Company for any such Withholding Obligations; or (iii) cause a broker who sells Shares acquired by the Participant on behalf of the Participant to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligation and to remit such amount directly to the Company; and/or
  - (d) making such other arrangements as the Company may reasonably require.
- (8) **Broker Assisted Exercise** - The sale of Shares by the Company, or by a broker engaged by the Company (the "**Broker**"), under Section 3.5 or under any other provision of the Plan will be made on any Stock Exchange. The Participant consents to such sale and grants to the Company an irrevocable power of attorney to effect the sale of such Shares on his or her behalf and

acknowledges and agrees that (i) the number of Shares sold will be, at a minimum, sufficient to fund the Withholding Obligations net of all selling costs, which costs are the responsibility of the Participant and which the Participant hereby authorizes to be deducted from the proceeds of such sale; (ii) in effecting the sale of any such Shares, the Company or the Broker will exercise its sole judgment as to the timing and the manner of sale and will not be obligated to seek or obtain a minimum price; and (iii) neither the Company nor the Broker will be liable for any loss arising out of such sale of the Shares including any loss relating to the pricing, manner or timing of the sales or any delay in transferring any Shares to a Participant or otherwise. The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.

- (9) **Clawback** – In the sole discretion of the Board, all Awards granted under the Plan, and Shares delivered upon exercise or settlement of vested Awards or the Cash Equivalent thereof, are subject to clawback and recapture in accordance with (a) the Company’s applicable clawback policies in effect from time to time, and (b) any applicable clawback or similar provisions in the Participant’s (i) employment agreement, and/or (ii) Award Agreement, in each case to the extent permitted by law.
- (10) **Acceptance of Terms** – Participation in the Plan by any Participant shall be construed as acceptance of the terms and conditions of the Plan by the Participant and as to the Participant’s agreement to be bound thereby.

## **ARTICLE 9 MISCELLANEOUS**

### **Section 9.1 Right to Adopt Other Share Compensation Arrangements**

Nothing contained in this Plan will prevent the Board from adopting other or additional Share Compensation Arrangements or compensation arrangements, subject to any required Shareholder or Stock Exchange approval.

### **Section 9.2 Right to Issue Other Shares**

The Company is not by virtue of this Plan restricted in any way from declaring and paying stock dividends, issuing further Shares, or varying or amending its share capital or corporate structure.

### **Section 9.3 Non-qualified Stock Options; Exemption from Section 409A**

Options granted to U.S. Taxpayers are not intended to satisfy the requirements of Section 422 of the Code as “incentive stock options”. Despite any provision of the Plan to the contrary, it is intended that Awards granted under the Plan to U.S. Taxpayers be exempt from or comply with the requirements of Section 409A, and all provisions of the Plan will be construed and interpreted in a manner consistent with such intention. In furtherance of the foregoing and notwithstanding anything to the contrary in the Plan or otherwise, any Option issued to a U.S. Taxpayer shall have an Exercise Price that is no less than “fair market value” on the grant date which value shall be determined in accordance with Section 409A.

### **Section 9.4 Discretionary Nature of Awards**

This Plan does not grant any Participant or any employee of the Company or its Affiliates the right or obligation to serve or continue to serve as a Consultant, officer or employee, as the case may be, of the Company or its Affiliates. The awarding of Awards to any Eligible Person is a matter to be determined solely in the discretion of the Board. This Plan will not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Shares or any other securities in the capital of the Company other than as specifically provided for in this Plan. The grant of an Award to, or the exercise or

settlement of an Award by, a Participant under this Plan does not create the right for such Participant to receive additional grants of Awards under this Plan.

#### **Section 9.5 Future Value of Shares**

The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale. The Company makes no representation or warranty as to the future market value of the Shares or with respect to any present or future income tax matters affecting the Participant resulting from the grant or exercise or settlement of an Award and/or transactions in the Shares. Neither the Company, nor any of its directors, officers, employees, Shareholders or agents will be liable for anything done or omitted to be done by such person or any other person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares under this Plan, with respect to any fluctuations in the market price of Shares or in any other manner related to this Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under this Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

#### **Section 9.6 No Rights to Property or Assets of the Company**

Participants (and their legal personal representatives) have no legal or equitable rights, claims, or interest in any specific property or assets of the Company or any Affiliate. No assets of the Company or any Affiliate will be held in any way as collateral security for the fulfillment of the obligations of the Company or any Affiliate under this Plan. Any and all of the Company's or any Affiliate's assets are, and remain, the general unpledged, unrestricted assets of the Company or Affiliate. The Company's or any Affiliate's obligation under this Plan are merely that of an unfunded and unsecured promise of the Company or such Affiliate to pay money and/or issue Shares in the future, and the rights of Participants (and their legal personal representatives) are no greater than those of unsecured general creditors.

#### **Section 9.7 Foreign Jurisdictions**

The Board may adopt such rules or regulations and vary the terms of this Plan and any Award issued in accordance with this Plan as it considers necessary to address tax or other requirements of any applicable non-Canadian jurisdiction, including, without limitation, Section 409A.

#### **Section 9.8 Compliance with Legislation**

- (1) This Plan, the terms of the issue or grant of, and the grant and exercise or settlement of, any Award under this Plan, and the Company's obligation to sell and deliver Shares upon the exercise or settlement of Awards, is subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of any Stock 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 is not obliged by any provision of this Plan or the grant of any Award under this Plan to issue or sell Shares if, in the opinion of the Board, such action would constitute a violation by the Company or a Participant of any laws, rules and regulations, including the rules and regulations of any Stock Exchange, or any condition of such approvals.
- (2) The Participant agrees to fully cooperate with the Company in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Company with such laws, rule and requirements, including all tax withholding and remittance obligations and such representations or agreements as the Company or counsel for the Company may consider appropriate to avoid violation of applicable securities laws.



- (3) No Award will be granted, and no Shares issued under this Plan, where such grant, issue or sale would require registration of this Plan or of Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Award or purported issue of Shares under this plan in violation of this provision is void.
- (4) The Company shall be prohibited from offering to sell or selling, any Shares pursuant to an Award to any U.S. Taxpayer unless such Shares have been properly registered for sale pursuant to the U.S. Securities Act of 1933, as amended (the "Securities Act"), with the Securities and Exchange Commission or unless such shares may be offered or sold without such registration pursuant to and in compliance with the terms of an available exemption. The Company shall be under no obligation to register for sale under the U.S. Securities Act any of the Shares to be offered or sold under the Plan. Shares issued or sold to Participants pursuant to the exercise or settlement of Awards may be subject to limitations on sale or resale under applicable securities laws. Without limiting the generality of the foregoing, the Board may cause a legend or legends to be put on any such certificates of Shares delivered under the Plan to make appropriate reference to such restrictions or may cause such Shares delivered under the Plan in book-entry form to be held subject to the Company's instructions or subject to appropriate stop-transfer orders or other restrictions.
- (5) If Shares cannot be issued to a Participant upon the exercise or settlement of an Award due to legal or regulatory restrictions, the obligation of the Company to issue such Shares will terminate and any funds paid to the Company in connection with the exercise or settlement of such Award will be returned to the applicable Participant as soon as practicable.
- (6) Any Awards issued to a Participant that is a U.S. Taxpayer shall be subject to the special terms and conditions set forth in the Addendum hereto, or as otherwise noted in the Plan.

#### **Section 9.9 Use of an Administrative Agent and Trustee**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Company and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

#### **Section 9.10 Notice**

Any notice required to be given by this Plan must be in writing and be given by registered mail, prepaid postage, or delivered by courier or by facsimile transmission addressed, if to the Company, to the office of the Company in Toronto, Ontario, Attention: Legal Department; or if to a Participant, to such Participant by electronic mail at his or her email address, by hand delivery or courier at his or her address as it appears on the books of the Company or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

#### **Section 9.11 Successors and Assigns.**

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the personal legal representatives of a Participant, or any receiver or trustee in bankruptcy or representative of the Company's or Participant's creditors.

**Section 9.12 Severability.**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

**Section 9.13 No Liability.**

No member of the Board, or any committee or other subdelegate shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder.

**Section 9.14 Governing Law**

This Plan is governed by the laws of Ontario and the federal laws of Canada applicable therein.

**Section 9.15 Effective Date**

This Plan has been effective as of March 3, 2022, as amended or amended and restated from time to time (the "**Effective Date**").

**ADDENDUM FOR U.S. TAXPAYERS  
RECIPE UNLIMITED CORPORATION  
OMNIBUS LONG-TERM INCENTIVE PLAN**

The provisions of this Addendum apply to Awards held by a U.S. Taxpayer. All capitalized terms used in this Addendum but not defined in Section 1 below have the meanings attributed to them in the Plan. The Section references set forth below match the Section references in the Plan. This Addendum shall have no other effect on any other terms and provisions of the Plan except as set forth below.

**1. Definitions**

**“Separation from Service”** means, with respect to a U.S. Taxpayer, any event that may qualify as a separation from service under U.S. Treasury Regulation Section 1.409A-1(h). A U.S. Taxpayer shall be deemed to have separated from service if he or she dies, retires, or otherwise has a termination of employment as defined under Treasury Regulation Section 1.409A-1(h).

**“Specified Employee”** has the meaning set forth in U.S. Treasury Regulation Section 1.409A-1(i).

**2. Settlement and Termination of Employment**

- (i) Notwithstanding anything to the contrary in the Plan and except as otherwise set forth in an Award Agreement, or otherwise, any RSUs or PSUs issued to a U.S. Taxpayer shall be settled within thirty (30) days following the earlier of (a) the scheduled vesting date of the Award which shall be set forth in writing in the applicable Award Agreement, or (b) any earlier vesting date as a result of a Change in Control Event, termination of employment or other circumstance, as specified in the Plan or Award Agreement.
- (ii) Notwithstanding Section 6.1 of the Plan, if a U.S. Taxpayer ceases to be an Eligible Person by reason of death or Disability, a prorated portion of any RSUs and PSUs then held by such Participant shall immediately become vested as of the U.S. Taxpayer's Separation from Service based on the number of Share Units that were otherwise scheduled to vest during the applicable period, and such vested RSUs and/or PSUs shall be settled within thirty (30) days following such U.S. Taxpayer's Separation from Service.
- (iii) Subject to Section 8.1(7), in connection with the settlement of any Share Units issued to a U.S. Taxpayer, the Company shall (a) issue from treasury the number of Shares that is equal to the number of vested Share Units held by the U.S. Taxpayer (rounded down to the nearest whole number), as fully paid and non-assessable Shares, (b) deliver to the U.S. Taxpayer an amount in cash (net of the applicable tax withholdings) equal to the number of vested Share Units held by the U.S. Taxpayer multiplied by the Market Price as at such date, or (c) a combination of (i) and (ii). Upon settlement of such Share Units, the corresponding number of Share Units shall be cancelled, and the U.S. Taxpayer shall have no further rights, title or interest with respect thereto.

**3. Compliance with 409A**

- (i) Each grant of Share Units to a U.S. Taxpayer is intended to be exempt from Code Section 409A. However, to the extent any Award is subject to Section 409A, then all payments to be made upon a U.S. Taxpayer's Termination Date shall only be made upon a Separation from Service.
- (ii) If on the date of the U.S. Taxpayer's Separation from Service the Company's shares (or shares of any other Company that is required to be aggregated with the Company in accordance with the requirements of Section 409A) is publicly traded on an established securities market or otherwise and the U.S. Taxpayer is a Specified Employee, then the benefits payable to the Participant under the Plan that are payable due to the U.S. Taxpayer's Separation from Service, to the extent subject to Section 409A, shall be postponed until the date that is six months following the U.S. Taxpayer's Separation from Service, or, if earlier, the U.S. Taxpayer's death. Following any applicable six month delay, all such delayed payments will be paid in a single lump sum on the earliest date permitted under Section 409A.
- (iii) In the event that the timing of payments in respect of any Award that would otherwise be considered “nonqualified deferred compensation” subject to Code Section 409A would be accelerated upon the

occurrence of (a) a Change of Control Event, no such acceleration shall be permitted unless the event giving rise to the Change of Control Event satisfies the definition of a change in the ownership or effective control of a Company, or a change in the ownership of a substantial portion of the assets of a Company pursuant to Code Section 409A; or (b) a “disability” or “incapacity”, no such acceleration shall be permitted unless the “disability” or “incapacity” also satisfies the definition of “Disability” pursuant to Code Section 409A.

#### 4. Miscellaneous

- (iv) If any provision of the Plan, an Award Agreement or any Award issued to a U.S. Taxpayer contravenes Section 409A or could cause the U.S. Taxpayer to incur any tax, interest or penalties under Section 409A, the Board may, in its sole discretion and without the U.S. Taxpayer’s consent, modify such provision to: (i) comply with, or avoid being subject to, Section 409A, or to avoid incurring taxes, interest and penalties under Section 409A; and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Taxpayer of the applicable provision without materially increasing the cost to the Company or contravening Section 409A.
- (v) Notwithstanding anything to the contrary in the Plan or otherwise, the Board shall retain the power and authority to amend or modify this Addendum to the extent the Board in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A. Such amendments may be made without the approval of any U.S. Taxpayer.
- (vi) The Company shall have no obligation to modify the Plan or any Share Unit and does not guarantee that Share Units will not be subject to taxes, interest and penalties under Section 409A. Each Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or in respect of such Participant in connection with the Plan or any Award granted thereunder (including any taxes and penalties under Section 409A), and none of the Company or any of its Affiliates shall have any obligation to indemnify or otherwise hold such Participant (or any beneficiary) harmless from any or all of such taxes or penalties.