

**BLENDER BITES LIMITED**

**NOTICE OF MEETING AND  
MANAGEMENT INFORMATION CIRCULAR**

for the

**ANNUAL GENERAL AND SPECIAL MEETING OF  
SHAREHOLDERS**

to be held on

**November 4, 2022**

## BLENDER BITES LIMITED

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON NOVEMBER 4, 2022

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of the holders of common shares (“**Shareholders**”) of Blender Bites Limited (the “**Company**”) will be held at 800-1199 West Hastings Street, Vancouver, British Columbia, on Friday, November 4, 2022, at 10:30 a.m. (Vancouver time) for the following purposes:

1. to receive and consider the audited financial statements of the Company for the financial years ended October 31, 2021 and October 31, 2020 and the reports of the auditors thereon;
2. to fix the number of directors at five (5);
3. to elect directors of the Company for the ensuing year;
4. to appoint the auditors for the ensuing year and to authorize the directors to fix their remuneration;
5. to consider, and if thought fit, to pass, with or without variation, an ordinary resolution to approve a new equity incentive plan for the Company as more particularly described in the accompanying management information circular; and
6. to transact such further business as may properly come before the Meeting or any adjournment or postponement thereof.

**DATED** this 27<sup>th</sup> day of September, 2022.

#### BY ORDER OF THE BOARD OF DIRECTORS

*(signed) “Chelsie Hodge”*

Chelsie Hodge  
Chief Executive Officer

This notice is accompanied by the management information circular, the form of proxy, the supplemental mailing card, and in the case of those shareholders of the Company (“**Shareholders**”) who have so requested through the completion and return of the supplemental mailing card provided by the Company in its last annual mailing, a copy of the Company’s audited financial statements, including the report of the auditors thereon, and management’s discussion and analysis for the financial year ended October 31, 2021. For those Shareholders who did not request to receive a copy of the audited financial statements, a copy is available upon request to the Company and can also be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**The Company intends to hold the Meeting in person. A Shareholder who is unable to attend the Meeting in person and who wishes to ensure that such Shareholder’s shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions and deposit deadlines set out in the form of proxy and in the Circular. The Company encourages Shareholders to vote their shares in advance of the Meeting via mail, facsimile or online. No management presentation will be made at the Meeting.**

If any Shareholder does wish to attend the Meeting in person, please contact Nicole Lacson by email at [nl@winchesteradvisory.com](mailto:nl@winchesteradvisory.com) in order for arrangements to be made. In the event that it is not possible or advisable to hold the Meeting in person, the Company will announce alternative arrangements for the Meeting as promptly as practicable, which may include holding the Meeting entirely by electronic means.

If you are a *registered shareholder*, instead of attending the Meeting in person, we encourage you to complete, sign, date and return the enclosed form of proxy to the Company’s Registrar and Transfer Agent, Endeavor Trust Corporation, Attention: Proxy Department, by email at: [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com), by mail at: 702-777 Hornby Street, Vancouver, BC V6Z 1S4, or by fax at: (604) 559-8908. Proxies must be received no later than 10:30 a.m. (Vancouver (PDT) time) on Wednesday, November 2, 2022, or if the Meeting is adjourned or postponed, no later than 48 hours preceding the time of such adjourned or postponed Meeting (excluding Saturdays, Sundays and statutory or civic holidays in the City of Vancouver, British Columbia). Late proxies may be accepted or rejected by the Chair of the Meeting at his discretion, and the Chair is under no obligation to accept or reject any particular late proxy.

If you are a *non-registered shareholder* of the Company and receive these materials through your broker or through another Intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other Intermediary. **If you are a non-registered shareholder and do not complete and return the materials in accordance with such instructions, you may lose the right to vote.**

If you have any questions about the procedures required to qualify to vote at the Meeting or about obtaining, completing and depositing the required form of proxy, you should contact Endeavor Trust Corporation by telephone at: (604) 559-8880.

## BLENDER BITES LIMITED

### MANAGEMENT INFORMATION CIRCULAR

#### ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON NOVEMBER 4, 2022

This management information circular (the “Circular”) and accompanying form of proxy are furnished in connection with the solicitation of proxies by management of Blender Bites Limited (the “Company”) for use at the annual general and special meeting (the “Meeting”) of the holders of the common shares (“Shareholders”) of the Company, to be held at 800-1199 West Hastings Street, Vancouver, British Columbia, on Friday, November 4, 2022 at 10:30 a.m. (Vancouver time) and any adjournment or postponement thereof, for the purposes set forth in the accompanying notice of meeting (the “Notice of Meeting”).

This Circular and the enclosed form of proxy will be mailed on October 14, 2022 to the registered holders of common shares of the Company (the “Common Shares”) of record at the close of business on September 27, 2022 (the “Record Date”).

The Company intends to hold the Meeting in person. A Shareholder of the Company who is unable to attend the Meeting in person and who wishes to ensure that such Shareholder’s shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions and deposit deadlines set out in the form of proxy and in the Circular. The Company encourages Shareholders to vote their shares in advance of the Meeting via mail, facsimile or online. No management presentation will be made at the Meeting.

In light of uncertainties surrounding COVID-19, if any Shareholder does wish to attend the Meeting in person, please contact Nicole Lacson by email at [nlacson@winchesteradvisory.com](mailto:nlacson@winchesteradvisory.com) in order for arrangements to be made. In the event it is not possible or advisable to hold the Meeting in person, the Company will announce alternative arrangements for the Meeting as promptly as practicable, which may include holding the Meeting entirely by electronic means.

Except to the extent otherwise stated herein, all information set forth herein is given as at the Record Date, and all dollar amounts set forth herein unless specifically noted otherwise are stated in Canadian dollars. Information set forth herein as to shareholdings is based upon information supplied by the respective persons holding such Common Shares.

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the Company’s management for use at the Meeting of the Company to be held on November 4, 2022, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

The Company will bear the cost of soliciting proxies on behalf of management. The Company will reimburse brokers, custodians, nominees and other fiduciaries for their reasonable charges and expenses incurred in forwarding this proxy material to beneficial owners of Common Shares. In addition to solicitation by mail, certain officers, directors and employees of the Company may solicit proxies by telephone or personally but will receive no compensation for so doing.

These materials are being sent to both registered and non-registered owners of Common Shares. If you are a Non-Registered Shareholder (as defined below), and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary

(as defined below) holding on your behalf. By choosing to send these materials to you directly, the Company, (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

### Voting by Non-Registered Shareholders

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold shares in their own name.**

Only registered shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders of the Company are “non-registered” shareholders (“**Non-Registered Shareholders**”) because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Common Shares (an Intermediary may include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS & Co.) of which an Intermediary is a participant. In accordance with applicable securities law requirements, the Company will have distributed copies of the Notice of Meeting, this Circular, the related form of proxy, supplemental mailing card, and in the case of those Shareholders who have so requested through the completion and return of the supplemental mailing card provided by the Company in its last annual mailing, a copy of the Company’s audited financial statements, including the report of the auditors thereon, and management’s discussion and analysis for the financial year ended October 31, 2021 (the “**Meeting Materials**”) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form **which is not signed by an Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to an Intermediary or its service company**, will constitute voting instructions which an Intermediary must follow. Typically, the voting instruction form will consist of a one-page pre-printed form. Sometimes, instead of the one-page pre-printed form, the voting instruction form may consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to an Intermediary or its service company in accordance with the instructions of an Intermediary or its service company; or
- (ii) be given a form of proxy **which has already been signed by an Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by an Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. **In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete, sign, date and return the enclosed form of proxy to the Company’s Registrar and Transfer Agent, Endeavor Trust Corporation, Attention: Proxy Department, by mail at: 702-777 Hornby Street, Vancouver, BC V6Z 1S4, by email at: proxy@endeavortrust.com, or by fax at: (604) 559,8908, no later than 10:30 a.m. (Vancouver (PDT) time) on Wednesday, November 2, 2022, or, if the Meeting is adjourned or postponed, no later than 48 hours**

**preceding the time of such adjourned or postponed Meeting (excluding Saturdays, Sundays and statutory or civic holidays in the City of Vancouver, British Columbia).**

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares that they beneficially own. Should a Non-Registered Shareholder that receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the person(s) named in the form of proxy and insert the Non-Registered Shareholder's or such other person's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

**A Non-Registered Shareholder may revoke a voting instruction form, proxy or waiver of the right to receive Meeting Materials and to vote at any time by written notice to the Intermediary, provided that an Intermediary is not required to act on a revocation of a voting instruction form, proxy 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.**

### **Manner of Voting of Proxies**

The Common Shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice on the Proxy with respect to any matter to be acted upon, the shares will be voted accordingly. On any poll, the persons named in the proxy (the "**Proxyholders**") will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the Proxyholder will do so in accordance with such direction.

To be voted, the accompanying form of proxy must be properly completed, signed, dated and returned to the offices of the Company's Registrar and Transfer Agent, Endeavor Trust Corporation, Attention: Proxy Department, (i) by mail at: 702-777 Hornby Street, Vancouver, BC V6Z 1S4; (ii) by fax at: (604)-559-8908; or by email at: proxy@endeavortrust.com, no later than 10:30 a.m. (Vancouver (PDT) time) on **Wednesday, November 2, 2022**, or, if the Meeting is adjourned or postponed, no later than 48 hours preceding the time of such adjourned or postponed Meeting (excluding Saturdays, Sundays and statutory or civic holidays in the City of Vancouver, British Columbia). Late proxies may be accepted or rejected by the Chair of the Meeting at his discretion, and the Chair is under no obligation to accept or reject any particular late proxy. **On any ballot that may be called for at the Meeting, the Common Shares represented by such form of proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder appearing on such form of proxy, and, if a choice is specified therein in respect of any matter to be acted upon, will be voted in accordance with the specification made. In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.**

**The accompanying form of proxy confers discretionary authority upon the person acting as Proxyholder thereunder with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting.** As at the date hereof, management knows of no such amendments, variations or any other matters, which may properly come before the Meeting.

### **Appointment of Proxies**

**Each Shareholder has the right to appoint a person other than the persons named in the accompanying form of proxy, who need not be a shareholder, to attend and act on his, her or its behalf at the Meeting.** Any Shareholder wishing to exercise such right may do so by striking out the names of the management nominees and inserting in the blank space provided in the accompanying form of proxy

the name of the person whom such Shareholder wishes to appoint as proxy. A Shareholder wishing to be represented by proxy at the Meeting, or any adjournment or postponement thereof, must in all cases deposit the properly completed, signed and dated proxy with the Company's registrar and transfer agent at the address or facsimile number and by the time specified under the heading "Manner Proxies Will be Voted", above.

### Revocability of Proxy

**A Shareholder giving a proxy has the power to revoke it.** Such revocation may be effected by written instrument revoking such proxy executed by the Shareholder or by his, her or its attorney authorized in writing or where the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and deposited at the office of the Company's Registrar and Transfer Agent, Endeavor Trust Corporation, at any time up to and including the last business day preceding the date of the Meeting or any adjournment or postponement thereof, or with the Chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof. If such written instrument is deposited with the Chair of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

### Voting Securities and Principal Holders of Voting Securities

The Company is authorized to issue an unlimited number of Common Shares without par value. As at the Record Date, a total of 4,091,672 Common Shares were issued and outstanding. Each Common Share carries the right to one vote at the Meeting. The quorum required for the Meeting is two persons holding or representing by proxy not less than 5% of the outstanding Common Shares entitled to vote at the Meeting.

To the best of the directors' and officers' knowledge, no person beneficially owns or exercises control or direction, directly or indirectly, over voting securities carrying more than 10% of the voting rights attached to the voting securities of the Company, other than as set forth below.

Name of Shareholder	Number of Shares Owned <sup>(1)</sup>	Percentage of Outstanding Shares <sup>(2)</sup>
Chelsie Hodge	643,849	15.74%

**Note:**

- (1) Based on information provided by such persons to the Company or disclosed in their insider filings provided at [www.sedi.ca](http://www.sedi.ca).  
(2) Based on 4,091,672 Common Shares issued and outstanding as of the date of this Circular.

Only Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting or at any adjournment or postponement thereof (subject to, in the case of voting by proxy to the timely deposit of a properly completed, signed, and dated proxy with Endeavor Trust Corporation as specified herein and in the Notice of Meeting). **In the absence of instructions to the contrary, the proxyholders intend to vote the Common Shares represented by each proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.**

### INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, to the best of management's knowledge, none of the directors ("**Directors**") or executive officers ("**Officers**") of the Company, or any person who has held such a position since the beginning of the Company's last financial year, nor any proposed nominee for election as a Director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest,

direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

### **Notice and Access**

The Company is not relying on the notice-and-access delivery procedures outlined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* to distribute copies of this information circular, proxy or voter information form.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Audited Financial Statements**

The audited financial statements of the Company for the financial years ended October 31, 2021 and October 31, 2020, together with the reports of the auditors thereon (collectively, the “**Financial Statements**”) will be presented before the Meeting, but no vote thereon is required. The Financial Statements and related management’s discussion and analysis are available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Fixing the Number of Directors**

The board of directors of the Company (the “**Board**”) presently consists of five (5) directors and management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of fixing the number of directors for the ensuing year at five (5).

Unless the Shareholder has specified in the proxy that his, her or its Common Shares are to be withheld from voting in the appointment of the auditor, the persons named in the accompanying form of proxy will vote the Common Shares represented thereby in favour of fixing the number of directors of the Company at five (5) for the ensuing year.

### **Election of Directors**

Five (5) Directors are to be elected at the Meeting to serve until the next annual meeting of shareholders or until their respective successors are duly appointed. All of the following persons whose names are set out below have been nominated by the Board for election as Directors at the Meeting. The term of office of all present Directors of the Company expires when the new Directors have been elected at the Meeting.

Unless a Shareholder has specified in the proxy that his, her or its Common Shares are to be withheld from voting in the election of Directors, the persons named in the accompanying form of proxy will vote the Common Shares represented thereby in favour of electing as Directors the nominees named below, provided that if any one or more of such nominees should become unavailable for election for any reason, the persons named in the accompanying form of proxy, unless instructed to withhold from voting, will vote the Common Shares represented thereby in favour of the election of the remaining nominees as Directors and such other substitute nominee(s) as the acting Chair of the Board, may designate. The Company has been informed by each nominee that they are willing to stand for election and to serve as a Director.

### **Information Concerning Nominees Submitted by Management**

The following table sets out the names of the persons proposed to be nominated by management for election as a Director, the province or state and country in which they are ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which each has been a Director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected Director and the number of Common Shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Circular.



Name, Province and Municipality of Residence <sup>(1)</sup>	Position Held with the Company	Principal Occupation <sup>(1)</sup>	No. of Common Shares Beneficially Owned or Controlled (1)
<b>Chelsie Hodge</b> Vancouver, BC, Canada	Director and Chief Executive Officer since September 17, 2015 of Blender Bites Holdings Limited and since September 20, 2021 of Blender Bites Limited	From September 2015 to present, Ms. Hodge has served as the CEO of the Company.	643,235
<b>Patrick Morris</b> <sup>(2)</sup> Vancouver, BC, Canada	Director since August 17, 2018	For the past five years, Mr. Morris has acted as a corporate consultant and served as a director and officer of several publicly listed companies.	Nil
<b>Christopher Mackay</b> <sup>(2)</sup> Vancouver, BC, Canada	Director since September 20, 2021	From 2010 to present, Mr. Mackay has served as the President of Strand Development.	Nil
<b>Grant Smith</b> <sup>(2)</sup> Markham, ON, Canada	Director since September 20, 2021	From April 2020 to present, Mr. Smith has served as the President and CEO of Pond Technologies Holdings Inc. From September 2018 to present, Mr. Smith has also served as the President of Pond's subsidiary, Pond Naturals Inc. From February 2009 to September 2018, Mr. Smith served as President of RFI Canada Partnership, which was sold to Pond Technologies Holdings Inc. in 2018.	1,000
<b>Nima Bahrami</b> Vancouver, BC, Canada	Director since November 22, 2021	Mr. Bahrami is the CEO and President of a private dairy alternatives company, Bettermoo(d) Holdings Corp. From March 2021 to present, Mr. Bahrami has served as the corporate communications coordinator for Thoughtful Brands Inc. and from May 2018 to March 2021, Mr. Bahrami served as an independent corporate consultant.	Nil

**Notes:**

(1) The information as to the province and country of residence, principal occupation and Common Shares beneficially owned or over which a Director exercises control or direction, directly or indirectly, not being within the knowledge of the Company, has been furnished by the respective Directors individually as of the Record Date of this Circular.

(2) Member of the Audit Committee.

The Company does not currently have an Executive Committee of its Board of Directors. Pursuant to National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), the Company is required to have an audit committee of its Board of Directors (the “**Audit Committee**”). As at the date of this Circular, the members of the Audit Committee are Patrick Morris, Christopher Mackay and Grant Smith.

## **Director Biographies**

### ***Chelsie Hodge***

Ms. Hodge has had an interest in nutrition and emerging ingredient trends since an early age, and strongly believes in the power of food as medicine. Chelsie got her start in the plant-based sector in 2006 while working for category disrupter, VEGA. At VEGA, she received a crash course on the ins and outs of entrepreneurship and what it takes to start a consumer goods brand. Chelsie also has a keen interest in capital markets and has been a consultant to various public companies for over 12 years, assisting with investor relations activities, capital raises and IPO transactions. Chelsie obtained her bachelor’s degree in Business Administration from Capilano University in April 2005.

### ***Patrick Morris***

Mr. Morris is an entrepreneur and capital markets executive with 20 years of experience raising funds for microcap companies in a number of industries including pharmaceutical cannabis, resource exploration, blockchain technologies, finance and business related to the future of food. Since its inception in late 2019, Mr. Morris has served as CEO and Director of Eat Beyond Global Holdings Inc (CSE:EATS), Canada’s first publicly traded investment issuer specifically focussed on investing in the future of food. Mr. Morris also co-created and co-produced Canada’s first nationally syndicated radio show about growth stock opportunities which was broadcast on fourteen of the top-rated news talk stations across Canada.

### ***Christopher Mackay***

Mr. Mackay is the President of Strand Development and is responsible for overseeing Strand Development’s real estate activities in the United States. These roles range from the initial sourcing and analysis of new acquisitions and development projects to the disposition and subsequent distributions from these projects, monitoring the status of each project as it comes to fruition and dealing with banks and any financing or refinancing situations. Mr. Mackay started at Strand Development in 2010, working in the company’s Atlanta office, and proceeded to work his way up to the company’s headquarters in Vancouver by way of Santa Monica. Strand Development currently has over 3,000 homes in the United States spread between metros such as San Francisco, Los Angeles, Atlanta, Chicago, Denver, Las Vegas, Orlando, Portland, Reno and Seattle. Chris has maintained a relatively low profile; however, he passionately supports and assists in the background in numerous causes such as: Arts Umbrella, East End Boys Club, The Vancouver Sports Club, Zajac Ranch (receiving the Zajac Nights Raising the Bar Award in 2019), and The Table Church. Chris earned diplomas from The Sauder School of Business and The Real Estate Council of British Columbia for the Real Estate Trading Services course and Mortgage Brokerage in British Columbia course in December 2012 and January 2013, respectively.

### ***Grant Smith***

Mr. Smith has over 25 years of experience in the food and beverage industry with a focus on organics and wellness. He also has a strong track record of building strategic relationships and driving sustainable growth within an organization. After over 15 years of technical sales of primarily nutritionally focused ingredients, Mr. Smith formed RFI Canada Partnership, a company dedicated to nutritional wellness via nutritional ingredients, which then merged with Pond Technologies Holdings Inc. to continue serving producers and consumers with natural and organic products, including algae extracts. Mr. Smith obtained his Bachelor of Science degree in Nutrition and a minor in Human Kinetics from the University of Guelph in 1993.

***Nima Bahrami***

Mr. Bahrami has extensive experience in management, business development and entrepreneurship in the finance and natural health space. He has successfully founded and established natural health and wellness corporations and product lines, and focuses on consulting with publicly traded companies to integrate these well developed and ready to sell product lines. Mr. Bahrami holds an MBA with Distinction from Cardiff University.

**Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions**

For purposes of the disclosure in this section, an “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

To the best of knowledge of the Company except as noted below, none of the proposed Directors, including any personal holding company of a proposed Director:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to an order that was issued while the proposed Director was acting in the capacity as a director, chief executive officer or chief financial officer of the company or
  - (ii) was subject to an order that was issued after the proposed Director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director;
- (d) 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 since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed Director, or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed Director.

Mr. Patrick Morris was (and remains) a director of Core One labs Inc. (“**Core One**”) on May 3, 2021 when the British Columbia Securities Commission (“**BCSC**”) issued a cease trade order against Core One for failure to file its audited financial statements for the year ended December 31, 2020 and related management discussion and analysis. Core One was unable to file its December 31, 2020 financial statements and management discussion and analysis by the required filing deadline because it experienced significant delays in preparing them due to the COVID-19 pandemic, which prevented travel to its operations in the United States from Vancouver, BC, Canada. The cease trade order was lifted on June 29, 2021. A management cease trade order was issued to Core on May 3, 2022 for failure to file its financial statements in the required time. Core’s annual financial statements were subsequently filed and the BCSC issued a revocation order on July 11, 2022.

Mr. Morris was a director of Binovi Technologies Corp. (“**Binovi**”) (formerly, Eyecarrot Innovations Corp.) from April 8, 2020 to March 29, 2022, a company publicly traded on the Toronto venture exchange. A management cease trade order was issued to Binovi on August 14, 2020 for failure to file its annual financial statements in the required time. Binovi’s annual financial statements were subsequently filed and the BCSC issued a revocation order on September 14, 2020. A management cease trade order was issued to Binovi on June 29, 2021, for failure to file its annual financial statements in the required time. Binovi’s annual financial statements were subsequently filed and the BCSC issued a revocation order on July 28, 2021. A management cease trade order was issued to Binovi on September 15, 2020, for failure to file its interim financial statements in the required time. Binovi’s interim financial statements were subsequently filed and the BCSC issued a revocation order on September 29, 2020.

Mr. Morris was the CEO and a director of Victory Mountain Ventures Ltd. (“**Victory**”) from February 18, 2014 to March 27, 2015. Victory was previously a publicly traded company on the TSX Venture Exchange. A cease trade order was issued by the BCSC to Victory on May 8, 2015 and by the Alberta Securities Commission on August 7, 2015 for failure to file its financial statements and MD&A in the required time. The common shares of Victory were delisted from the NEX board of the TSX Venture Exchange on May 19, 2016, and the cease trade orders remain in place.

### **Appointment of Auditor**

The Board proposes to nominate Crowe MacKay LLP, Chartered Professional Accountants, for re-appointment as the auditor of the Company to hold such position until the next annual meeting of Shareholders.

Unless the Shareholder has specified in the proxy that his, her or its Common Shares are to be withheld from voting in the appointment of the auditor, the persons named in the accompanying form of proxy will vote the Common Shares represented thereby in favour of appointing Crowe MacKay LLP as auditor of the Company and authorizing the directors to fix their remuneration.

### **Ratification of New Equity Incentive Plan**

At the annual general and special meeting of shareholders of the Company held on November 5, 2021, the Shareholders of the Company approved the Company’s former 20% rolling Option Plan (as defined below) and an RSU Plan (as defined below) (together, the “**Plans**”).

On September 1, 2022, the Board passed a resolution to approve a new equity incentive plan (the “**New Plan**”) which will replace the existing Plans in their entirety upon approval by the Shareholders. Pursuant to the Board’s authority to govern the implementation and administration of the New Plan, all previously granted and outstanding stock options/RSUs shall be governed by the provisions of the New Plan upon its implementation.

### ***Material Terms of the New Plan***

The New Plan is a 20% “rolling” equity incentive plan pursuant to which the maximum number of shares reserved for issuance under the New Plan, together with all of the Company’s other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of shares, shall not result in the number of shares reserved for issuance pursuant to awards under the New Plan (“**Awards**”) exceeding 20% of the issued and outstanding shares of the Company as at the date of grant of any grant. Furthermore, the aggregate number of Common Shares issued or issuable to persons providing “investor relations activities” (as defined in CSE policies) as compensation within a 12-month period, may not exceed 2% of the total number of Common Shares then outstanding, or such other percentage as permitted by the policies of the CSE. Pursuant to the terms of the New Plan, in addition to the ability to award options (“**Options**”) to acquire shares of the Company to Participants (as defined below), the Company has the availability to award restricted share units (“**RSUs**”), deferred share units (“**DSUs**”), and performance share units (“**PSUs**”). A complete copy of the New Plan is attached hereto as Appendix “A”. Shareholders are encouraged to review the New Plan in its entirety.

The purpose of the New Plan is to promote the interests of the Company and its shareholders by aiding the Company in attracting and retaining directors, officers, employees and consultants, and advisors capable of assuring the future success of the Company, to offer such persons incentives to put forth maximum efforts for the success of the Company’s business and to compensate such persons through various stock and cash-based arrangements and provide them with opportunities for stock ownership in the Company, thereby aligning the interests of such persons with the Company’s shareholders.

The New Plan provides that:

1. All directors, officers, employees and consultants (“**Participants**”) are eligible to participate in the New Plan. Eligibility to participate does not confer any employee or director any right to receive any grant of an Award pursuant to the New Plan. The extent to which any employee or director is entitled to receive a grant of an Award pursuant to the New Plan will be determined in the sole and absolute discretion of the Board.
2. Awards of Options, RSUs, PSUs and DSUs, may be made under the New Plan. All Awards are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined in the sole and absolute discretion of the Board, subject to such limitations provided in the New Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations of the New Plan and in accordance with applicable law, the Board may accelerate or defer the vesting or payment of Awards, cancel or modify outstanding Awards (other than Options), and waive any condition imposed with respect to Awards or Shares issued pursuant to Awards.
3. No Awards granted under the New Plan or any right thereunder or in respect thereof shall be transferable or assignable (other than upon the death of the Participant).
4. The maximum number of common shares issuable under the New Plan shall not exceed 20% of the number of common shares of the Company issued and outstanding as of each award date, inclusive of all common shares reserved for issuance pursuant to previously granted Awards.
5. Awards vest as the board of directors of the Company may determine.
6. The exercise price of the Options granted under the New Plan will be determined by the Board; but will not be less than the greater of the closing market price of the Company’s common shares on the CSE on (a) the trading day prior to the date of grant of the applicable Award; and (b) the date of grant of the applicable Award.

7. The term of Options shall be five years from the date such Option is granted, or such greater or lesser duration as the Board may determine at the date of grant.
8. Participants have the right to exercise Options on a cashless basis.

### ***Shareholder Approval of the New Plan***

At the Meeting, Shareholders will be asked to approve the following ordinary resolution (the “**New Plan Resolution**”), which must be approved by at least a majority of the votes cast by shareholders represented in person or by proxy at the Meeting who vote in respect of the New Plan Resolution:

“RESOLVED, as an ordinary resolution of the shareholders of Blender Bites Limited (the “Company”), that:

1. the Company’s equity incentive plan (the “New Plan”), as set forth in the Company’s Information Circular dated September 27, 2022, be and is hereby ratified, confirmed and approved, such that it replaces the Company’s previously approved 20% rolling stock option plan and restricted share unit plan;
2. the board of directors of the Company be authorized in its absolute discretion to administer the New Plan and amend or modify the New Plan to satisfy the requirements or requests of any regulatory authorities, including the Canadian Securities Exchange (the “CSE”), in accordance with its terms and conditions and with the policies of the CSE, without requiring further approval of the shareholders of the Company;
3. subject to the effectiveness of the New Plan, all existing stock options of the Company issued under the existing 20% rolling stock option plan and any restricted share units issued under the existing restricted share unit plan, shall be amended such that they are governed by the terms of the New Plan and no longer governed by the existing 20% rolling stock option plan and restricted share unit plan;
4. the Company is authorized to reserve and issue common shares in the share capital of the Company for issuance upon vesting of the restricted share units, deferred share units, performance share units and stock options granted pursuant to the New Plan;
5. any one director or officer of the Company be and is hereby authorized to make any and all additions, deletions and modifications to the New Plan as may be necessary or advisable to give effect to this ordinary resolution or as may be required by applicable regulatory authorities;
6. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the New Plan required by the CSE or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the New Plan; and
7. notwithstanding approval of the shareholders of the Company as herein provided, the board of directors may, in its sole discretion, revoke this resolution before it is acted upon without further approval of the shareholders of the Company.”

The Board considers that the ability to grant incentives is an important component of its compensation strategy and is necessary to enable the Company to attract and retain qualified directors, officers, employees and consultants. **The Board therefore recommends that Shareholders vote “For” the resolution approving the proposed new incentive plan.** Unless otherwise instructed, the persons named in the enclosed form of Proxy will vote “IN FAVOUR” of the above resolution.

## DIRECTOR AND EXECUTIVE OFFICER COMPENSATION

The following information regarding executive compensation is presented in accordance with *National Instrument Form 51-102F6V – Statement of Executive Compensation* (“NI 51-102”) and sets forth compensation for each of the following persons (the “Named Executive Officers” or “NEOs”) and Directors of the Company:

- (a) the Company’s Chief Executive Officer (“CEO”);
- (b) the Company’s Chief Financial Officer (“CFO”);
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of NI 51-102, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

### Director and Named Executive Officer Compensation (excluding Compensation Securities)

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each current and former director and NEO, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or a Director of the Company for services provided and for services to be provided, directly or indirectly, to the Company for the years ended October 31, 2020 and 2021.

Name and Position	Year <sup>(1)</sup>	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees <sup>(2)</sup> (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Patrick Morris Director	2021	Nil	Nil	N/A	N/A	Nil	Nil
	2020	Nil	Nil	N/A	N/A	Nil	Nil
Geoff Balderson <sup>(3)</sup> CFO, Former Corporate Secretary and Former Director	2021	10,000	Nil	N/A	N/A	Nil	10,000
	2020	20,160	Nil	N/A	N/A	Nil	20,160
Grant Smith <sup>(4)</sup> Director	2021	Nil	Nil	N/A	N/A	Nil	Nil
	2020	Nil	Nil	N/A	N/A	Nil	Nil
Christopher Mackay <sup>(5)</sup> Director	2021	Nil	Nil	N/A	N/A	Nil	Nil
	2020	Nil	Nil	N/A	N/A	Nil	Nil
Chelsie Hodge <sup>(6)</sup> CEO and Director	2021	121,000	Nil	N/A	N/A	Nil	121,000
	2020	Nil	Nil	N/A	N/A	Nil	Nil
Joel Shacker <sup>(7)</sup> Former CEO and Director	2021	Nil	Nil	N/A	N/A	Nil	Nil
	2020	73,500	Nil	N/A	N/A	Nil	73,500
Adm Cegielski <sup>(8)</sup>	2021	Nil	Nil	N/A	N/A	Nil	Nil

Name and Position	Year <sup>(1)</sup>	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees <sup>(2)</sup> (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Former Director	2020	Nil	Nil	N/A	N/A	Nil	Nil
Nima Bahrami <sup>(9)</sup> Director	2021	Nil	Nil	N/A	N/A	Nil	Nil
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Nicole Lacson <sup>(10)</sup> Corporate Secretary	2021	Nil	Nil	N/A	N/A	Nil	Nil
	2020	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Fiscal year ended October 31<sup>st</sup>.
- (2) The Company did not pay any Committee or Meeting fees to its Directors for the fiscal years ended October 31, 2020 and 2021.
- (3) Mr. Balderson was appointed as a Director of the Company, CFO and Corporate Secretary on January 24, 2019. Mr. Balderson resigned as a Director on September 20, 2021, and resigned as Corporate Secretary of the Company on November 22, 2021.
- (4) Mr. Smith was appointed as a Director of the Company on September 20, 2021.
- (5) Mr. Mackay was appointed as a Director of the Company on September 20, 2021.
- (6) Ms. Hodge was appointed as CEO and as a Director of the Company on September 20, 2021, and since September 17, 2015 has served as CEO of Blender Bites Holdings Limited.
- (7) Mr. Shacker resigned as CEO and as a Director of the Company on September 20, 2021.
- (8) Mr. Cegielski resigned as a Director of the Company on September 20, 2021.
- (9) Mr. Bahrami was appointed as a Director of the Company on November 22, 2021.
- (10) Ms. Lacson was appointed as Corporate Secretary of the Company on November 22, 2021.

### Compensation Securities

No compensation securities were granted to Directors of the Company and Named Executive Officers during the financial year ended October 31, 2021.

### Exercise of Compensation Securities

No compensation securities were granted to Directors of the Company and Named Executive Officers during the financial year ended October 31, 2021, and therefore none were exercised. Subsequent to the financial year ended October 31, 2021, no exercises of compensation securities were made by a Director or Named Executive Officer of the Company.

### Stock Option Plan and RSU Plan

The Board of Directors approved a 20% rolling stock option plan (the “**Option Plan**”) and a restricted share unit plan on October 1, 2021 and was approved by the shareholders on November 5, 2021 (the “**RSU Plan**”) to grant RSUs and Options to directors, officers, key employees, and consultants of the Company. Pursuant to the RSU Plan and the Option Plan, the Company may reserve up to a maximum of 20% of the issued and outstanding Common Shares at the time of grant pursuant to awards granted under the Plans.

The Company’s directors, officers, employees, and certain consultants are entitled to participate in the Plans. The Option Plan and RSU Plan are designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Plans align the interests of the NEO and the Board with shareholders by linking a component of executive compensation to the longer-term performance of the Common Shares.

Options and RSUs are granted by the Board. In monitoring or adjusting the option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous Option grants and the objectives set for the NEOs



and the Board. The scale of Options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

**“Consultant”, “Director”, “Disinterested Shareholder Approval”, “Employee”, “Investor Relations Activities”, “Management Company Employee”, “Material Information” and “Person”** all have the same definition as set out in the Plans.

As at the date of this Information Circular, there were 80,000 Options outstanding and nil RSUs outstanding. Based on the Company having 4,091,672 Common Shares outstanding (as of the Record Date), 738,334 Options and RSUs could be granted under the Plans.

On September 1, 2022, the Board passed a resolution to approve a New Plan which will replace the existing Plans in their entirety upon approval by the Shareholders. Pursuant to the Board's authority to govern the implementation and administration of the New Plan, all previously granted and outstanding stock options/RSUs shall be governed by the provisions of the New Plan once the New Plan comes into effect. For details of the New Plan, see *“Particulars of Matters to be Acted Upon – Approval of New Equity Incentive Plan”* above.

### **Employment, Consulting and Management Agreements and Arrangements**

The Board recognizes the value of the Named Executive Officers and the importance of their consistent focus in the event of a possible change of control. It was determined by the Board that it is in the best interests of the Company to ensure that the consistency and stability of the Named Executive Officers is maintained during any change of control. As of the date hereof, other than as disclosed below, the Company does not have any employment, consulting and/or management agreements or arrangements with any Named Executive Officers of the Company, nor any arrangements with respect to termination or a change of control of the Company.

The Company has entered into an executive employment agreement dated September 20, 2021 (the **“Effective Date”**), with Ms. Chelsie Hodge (the **“Employment Agreement”**), whereby Ms. Hodge agreed to provide certain services to the Company in her position as CEO and in accordance with the terms of the Employment Agreement for an annual salary \$240,000 (the **“Annual Salary”**). Ms. Hodge is also eligible to earn a discretionary bonus from time to time as determined by the Board.

In the event of a “Change of Control” (as the term is defined in the Employment Agreement), the Company will provide Ms. Hodge with twenty-four (24) months of salary and bonus in lieu of notice.

The Company entered into a corporate administration and financial advisory agreement (the **“Advisory Agreement”**) with Winchester Advisory Ltd., (**“Winchester Advisory”**) on September 21, 2021, to provide certain corporate, accounting and administrative services to the Company in accordance with the terms of the Advisory Agreement for a monthly fee of \$10,000 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company. The Advisory Agreement is for an initial term of twelve (12) months and shall continue thereafter on a month-to-month basis, subject to termination on thirty (30) days' written notice.

### **Oversight and Description of Director and Executive Officer Compensation**

#### *Compensation of Directors*

The Board is responsible for developing the compensation strategy of the Company and evaluating executive compensation levels on an annual basis to ensure that the Company's executive compensation levels are within the range of comparable companies. Among the guiding principles in setting executive compensation is to attract, retain, and motivate high-performing executives through competitive compensation practices.

The Board recommends the amount of cash compensation that will be paid to the Directors of the Company for their services as Directors. Directors who are also members of management do not receive cash compensation for their role as Directors of the Company. Both non-management Directors and management Directors may, however, receive RSUs and Options for their role as Directors and/or executive Officers with the Company, in such amounts and upon such terms as may be approved by the Board from time to time. The process for determining RSU and Option awards for Directors of the Company is based on discussions by the members of the Board and the executive team. Option and RSU grants are typically made at the beginning of each fiscal year. The number of Options and RSUs granted will depend on the performance of each Director. Previous grants of Options also provide a basic guideline for the Board in determining new Option grants.

Additionally, non-executive Directors are entitled to be reimbursed for expenses incurred by them in their capacity as Directors.

During the fiscal year ended October 31, 2021, the Directors and Named Executive Officers were not granted any Options, and none of the Directors of the Company were compensated for services during the financial year ended October 31, 2021, pursuant to any other arrangement.

#### *Compensation of Named Executive Officers*

Compensation of the Company's Named Executive Officers is reviewed annually and determined by the Board. The level of compensation is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

#### *Base Salaries*

Base salaries for Named Executive Officers of the Company are reviewed annually by the Board, considering both corporate and individual performance objectives based on individual levels of responsibility. Rather than strictly applying formulas and weightings to forward-looking objectives, which may lead to unintended consequences for compensation purposes, the Board exercises its discretion and uses sound judgment in making compensation determinations. For this reason, the salaries of the Named Executive Officers of the Company are not determined based on specific benchmarks or a specific formula. Instead, the Board's assessment is based on a number of qualitative and quantitative factors, including execution of on-going projects and transactions, operational performance and progress on key growth initiatives. Additionally, in establishing the levels of base salary and the award of stock Options, the Board takes into consideration an executive's responsibilities, length of service and levels of compensation provided by industry competitors.

#### *Stock Option and RSU Awards*

The Company has adopted the Option Plan and RSU Plan that provides for the Board to grant, from time to time, to its Directors, Officers, employees and certain consultants, non-transferable Options to purchase Common Shares and grant RSUs, provided that the number of Common Shares reserved for issuance under the Plans does not exceed 20% of the Common Shares issued and outstanding at any given time. The process for determining Option and RSU awards for Named Executive Officers of the Company is based on discussions by the members of the Board.

The Company is proposing to adopt a new equity incentive plan. For details of the new plan, see "*Particulars of Matters to be Acted Upon – Approval of New Equity Incentive Plan*" above.

#### **Pension Plan Benefits**

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

## OTHER MATTERS

As of the date of this Circular, management knows of no other matters to be acted upon at this Meeting. However, should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

## CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201, *Corporate Governance Guidelines* (the “**Guidelines**”) and National Instrument 58-101, *Disclosure of Corporate Governance Practices* (the “**Disclosure Rule**”) are in place in order to provide greater transparency for the marketplace regarding an issuer’s corporate governance practices. Set out below is a description of the Company’s approach to corporate governance practices, which comply with the applicable Guidelines and Disclosure Rule.

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board also acts in accordance with:

- (a) the *Business Corporations Act* (British Columbia);
- (b) the Company’s articles of incorporation; and
- (c) other applicable laws and Issuer policies.

### Board of Directors

The Board approves all significant decisions that affect the Company before they are implemented. The Board supervises their implementation and reviews the results. The Board is actively involved in the Company’s strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management.

The Board approves all the Company’s major communications, including annual and quarterly reports, financing documents and press releases. The Board, through its Audit Committee, also examines the effectiveness of the Company’s internal control processes and management information systems. The Board consults with the internal auditor and management of the Company to ensure the integrity of these systems.

The Board is responsible for determining whether or not each Director is an independent Director. Directors who also act as Officers of the Company are not considered independent. Directors who do not also act as Officers of the Company, do not work in the day-to-day operations of the Company, are not party to any material contracts with the Company, or receive any fees from the Company except as disclosed herein, are considered independent.

As of the Record Date, Patrick Morris, Christopher Mackay, Nima Bahrami and Grant Smith are independent directors of the Board based upon the tests for independence set forth in NI 52-110. Chelsie Hodge is not considered to be independent within the meaning of applicable Canadian securities legislation, by virtue of her positions as the Company’s CEO.

The Board maintains the exercise of independent supervision over management by encouraging open and candid discussion from its independent Directors.

### Other Public Company Directorships

Directors of the Company who are directors of other reporting issuers are:

- Mr. Smith, who is also a director of Pond Technologies Holdings Inc.
- Mr. Morris, who is also a director of, Bettermoo(d) Food Corporation and Core One Labs Inc.

- Mr. Bahrami, who is also a director of Bettermoo(d) Food Corporation.
- Mr. Mackay, who is also a director of Mich Resources Ltd., Flash Investments Ltd., and Clear Sky Lithium Corp.

### **Orientation and Continuing Education of Board Members**

New members of the Board receive an orientation package which includes reports on operations and results, a policy manual, and public disclosure filings by the Company. Meetings of the Board are sometimes held at the Company's facilities or by conference call, and are combined with presentations by the Company's management to give the Directors additional insight into the Company's business. In addition, the CEO sends reports to the Board relating to corporate activities, and management of the Company makes itself available throughout the year for discussion with all members of the Board.

The Company expects its Directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board.

### **Ethical Business Conduct**

The Board has not adopted a formal code of ethics. The Board has found that the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restrict an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient, at the current stage of the Company, to ensure that the Board operates independently of management and in the best interests of the Company.

Although the Company has not adopted a formal code of ethics, the Company promotes an ethical business culture. Directors and Officers of the Company are encouraged to conduct themselves and the business of the Company with the utmost honesty and integrity.

### **Nomination of Directors**

The size of the Board is reviewed annually when the Board considers the number of Directors to recommend for election at the annual meeting of shareholders. The Board takes into account the number of Directors required to effectively carry out the duties of the Board, and to maintain a diversity of views and experience.

In the event it is determined a new Board member would add to the composition of the existing Board, or if a current Board member has offered his resignation, the Board will then designate a nominating committee (the "**Nominating Committee**") from among its remaining Board members to identify the mix of qualifications, appropriate skills, characteristics and experiences that should be represented by any new Board member(s). The Nominating Committee will be delegated by the Board with the authority to search for qualified candidates with input from management and other Board members; engage a search firm to assist in identifying potential candidates; and recommend a nominee for full Board endorsement of the selected candidate based on the Nominating Committee's judgement as to which candidate will best serve the interests of the Company's shareholders.

### **Compensation of Directors and Executive Officers**

The Board administers the Company's compensation program for Directors and executive Officers, which includes base salaries and Option awards. In assisting to attract, retain, and motivate high-performing executives through competitive compensation practices, the Board strives to contribute to an increase in shareholder value for the Company's Shareholders. See "*Director and Executive Officer Compensation – Oversight and Description of Director and Executive Officer Compensation*", above, for additional details.

## **Assessment of Directors, the Board and Board Committees**

The Board monitors the adequacy of information given to Directors, the communications between the Board and management and the strategic direction and processes of the Board and its Audit Committee in order to satisfy itself that the Board, its Audit Committee, and its individual Directors are performing effectively.

## **AUDIT COMMITTEE DISCLOSURE**

### **Audit Committee Mandate**

NI 52-110 requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

The Audit Committee is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of the Company and annual external audits of the financial statements. The Audit Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Company's internal accounting standards and practices, financial information, accounting systems and procedures.

A copy of the Audit Committee's Charter is set out in Appendix "B" hereto.

### **Composition of the Audit Committee**

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The following sets out the members of the Audit Committee and their education and experience that is relevant to the performance of his responsibilities as an Audit Committee member.

The Audit Committee consists of Christopher Mackay, Patrick Morris and Grant Smith. Messrs. Morris, Smith and Mackay are all considered independent and "financially literate" within the meaning of NI 52-110.

### **Relevant Education and Experience of Audit Committee Members**

**Patrick Morris – Chair of the Audit Committee and Director** – Mr. Morris is an entrepreneur and capital markets executive with 20 years of experience raising funds for microcap companies in a number of industries including pharmaceutical cannabis, resource exploration, blockchain technologies, finance and business related to the future of food. Since its inception in late 2019, Mr. Morris was the former CEO and Director of Eat Beyond Global Holdings Inc (CSE: EATS), Canada's first publicly traded investment issuer specifically focussed on investing in the future of food. Mr. Morris also co-created and co-produced Canada's first nationally syndicated radio show about growth stock opportunities which was broadcast on fourteen of the top-rated news talk stations across Canada.

**Christopher Mackay – Director** – Mr. Mackay is the President of Strand Development and is responsible for overseeing Strand Development's real estate activities in the United States. These roles range from the initial sourcing and analysis of new acquisitions and development projects to the disposition and subsequent distributions from these projects, monitoring the status of each project as they come to fruition and dealing with banks and any financing or refinancing situations. Chris started at Strand Development in

2010, working in the companies Atlanta office, and proceeded to work his way up to the company's headquarters in Vancouver by way of Santa Monica. Strand Development currently has over 3,000 homes in the United States spread between metros such as San Francisco, Los Angeles, Atlanta, Chicago, Denver, Las Vegas, Orlando, Portland, Reno and Seattle. Chris has maintained a relatively low profile; however, he passionately supports and assists in the background in numerous causes such as: Arts Umbrella, East End Boys Club, The Vancouver Sports Club, Zajac Ranch (receiving the Zajac Nights Raising the Bar Award in 2019), and The Table Church. Chris earned diplomas from The Sauder School of Business and The Real Estate Council of British Columbia for the Real Estate Trading Services course and Mortgage Brokerage in British Columbia course in December 2012 and January 2013, respectively.

**Grant Smith – Director** – Mr. Smith has over 25 years of experience in the food and beverage industry with a focus on organics and wellness. He also has a strong track record of building strategic relationships and driving sustainable growth within an organization. After over 15 years of technical sales of primarily nutritionally focused ingredients, Mr. Smith formed RFI Canada Partnership, a company dedicated to nutritional wellness via nutritional ingredients, which then merged with Pond Technologies Holdings Inc. to continue serving producers and consumers with natural and organic products, including algae extracts. Mr. Smith obtained his Bachelor of Science degree in Nutrition and a minor in Human Kinetics from the University of Guelph in 1993.

### **Audit Committee Oversight**

At no time during the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### **Reliance on Certain Exemptions**

During the most recently completed financial year, the Company has not relied on certain exemptions set out in NI 52-110, namely section 2.4 (De Minimis Non-audit Services), subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), subsection 6.1.1(5) (Events Outside Control of Member), subsection 6.1.1(6) (Death, Incapacity or Resignation), and any exemption, in whole or in part, in Part 8 (Exemptions).

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted formal policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case-by-case basis.

### **External Auditor Service Fees**

The following table discloses the fees billed to the Company by its external auditor during the last two financial years for the category of fees described:

<b>Financial Year Ended</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit-Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
October 31, 2021	\$67,837.50	Nil	Nil	Nil
October 31, 2020	\$13,665	Nil	Nil	Nil

Notes:

- (1) The aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit Fees" column.
- (3) The aggregate fees billed for tax compliance, tax advice and tax planning services.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table is a summary of compensation plans under which equity securities of the Company are authorized for issuance for the year ended October 31, 2021.

Plan Category	Number of securities to be issued upon exercise of outstanding stock options, warrants and rights <sup>(1)</sup>	Weighted-average exercise price of outstanding stock options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(2)</sup>
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	Nil	N/A	N/A
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	Nil		Nil

Notes:

- (1) Reflects the number of Common Shares reserved for issuance upon exercise of Options outstanding granted under the Option Plan as of October 31, 2021.
- (2) Represents the number of Common Shares remaining available for future issuance upon exercise of Options that may be granted under the Option Plan as of October 31, 2021. The maximum number of Common Shares reserved for issuance under the Option Plan at any time is 20% of the Company's issued and outstanding Common Shares at that time, less any Common Shares reserved for issuance under other share compensation arrangements.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this Circular or "routine indebtedness" as defined in Form 51-102F5 of NI 51-102, no executive officer, director or employee, or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to: (a) the Company or any of its subsidiaries; or (b) another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "**Informed Person**" means (a) a Director or executive Officer of the Company; (b) a director or executive officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the notes to the Company's financial statements for the latest financial year end, none of

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's audited financial statements and the Company's management's discussion and analysis for the financial years ended October 31, 2021, and October 31, 2020. A copy of the Company's audited financial statements and management's discussion and analysis can be obtained, upon request, from the Company at Suite #800 – 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5.



**APPROVAL**

The contents and sending of this Circular to the Shareholders have been approved by the Directors of the Company.

**DATED** at Vancouver, British Columbia, this 27<sup>th</sup> day of September, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "Chelsie Hodge"

Chelsie Hodge  
Chief Executive Officer

**APPENDIX "A"**  
**EQUITY INCENTIVE PLAN**

## BLENDER BITES LIMITED

### EQUITY INCENTIVE PLAN

September 1, 2022

#### PART 1 PURPOSE

##### 1.1 Purpose

The purpose of this Plan is to secure for the Company and its shareholders the benefits inherent in share ownership by the employees and directors of the Company, consultants, and its affiliates who, in the judgment of the Board, will be largely responsible for its future growth and success. It is generally recognized that equity incentive plans of the nature provided for herein aid in retaining and encouraging employees and directors of exceptional ability because of the opportunity offered them to acquire a proprietary interest in the Company.

##### 1.2 Available Awards

Awards that may be granted under this Plan include:

- (a) Options;
- (b) Deferred Share Units;
- (c) Restricted Share Units; and
- (d) Performance Share Units.

#### PART 2 INTERPRETATION

##### 2.1 Definitions

- (a) “**Affiliate**” has the meaning set forth in the BCA.
- (b) “**Award**” means any right granted under this Plan, including Options, Deferred Share Units, Restricted Share Units and Performance Share Units.
- (c) “**BCA**” means the *Business Corporations Act* (British Columbia).
- (d) “**Blackout Period**” means a period in which the trading of Shares or other securities of the Company is restricted under any policy of the Company then in effect.
- (e) “**Board**” means the board of directors of the Company.
- (f) “**Cashless Exercise Right**” has the meaning set forth in Section 3.5 of this Plan.
- (g) “**Change of Control**” means the occurrence and completion of any one or more of the following events:

- (A) the Company shall not be the surviving entity in a merger, amalgamation or other reorganization (or survives only as a subsidiary of an entity other than a previously wholly-owned subsidiary of the Company);
- (B) the Company shall sell or otherwise transfer, including by way of the grant of a leasehold interest or joint venture interest (or one or more subsidiaries of the Company shall sell or otherwise transfer, including without limitation by way of the grant of a leasehold interest or joint venture interest) property or assets (i) aggregating more than 50% of the consolidated assets (measured by either book value or fair market value) of the Company and its subsidiaries as at the end of the most recently completed financial year of the Company or (ii) which during the most recently completed financial year of the Company generated, or during the then current financial year of the Company are expected to generate, more than 50% of the consolidated operating income or cash flow of the Company and its subsidiaries, to any other person or persons (other than one or more Designated Affiliates of the Company), in which case the Change of Control shall be deemed to occur on the date of transfer of the assets representing one dollar more than 50% of the consolidated assets in the case of clause (i) or 50% of the consolidated operating income or cash flow in the case of clause (ii), as the case may be;
- (C) the Company is to be dissolved and liquidated;
- (D) any person, entity or group of persons or entities acting jointly or in concert acquires or gains ownership or control (including, without limitation, the power to vote) more than 50% of the Company's outstanding voting securities; or
- (E) as a result of or in connection with: (i) the contested election of directors, or; (ii) a transaction referred to in subparagraph (i) above, the persons who were directors of the Company before such election or transaction shall cease to constitute a majority of the directors.

For the purposes of the foregoing, "voting securities" means Shares and any other shares entitled to vote for the election of directors and shall include any securities, whether or not issued by the Company, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors, including any options or rights to purchase such shares or securities.

- (h) "**Code**" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding guidance thereunder.
- (i) "**Company**" means Blender Bites Limited, a company incorporated under the laws of British Columbia.

- (j) **“Deferred Payment Date”** for a Participant means the date after the Restricted Period which is the earlier of (i) the date which the Participant has elected to defer receipt of Restricted Shares in accordance with Section 4.4 of this Restricted Share Plan; and (ii) the Participant’s Separation Date.
- (k) **“Deferred Share Unit”** means the agreement by the Company to pay, and the right of the Participant to receive, a Deferred Share Unit Payment for each Deferred Share Unit held, evidenced by way of book-keeping entry in the books of the Company and administered pursuant to this Plan.
- (l) **“Deferred Share Unit Grant Letter”** has the meaning ascribed thereto in Section 5.2 of this Plan.
- (m) **“Deferred Share Unit Payment”** means, subject to any adjustment in accordance with Section 5.5 of this Plan, the issuance to a Participant of one previously unissued Share for each whole Deferred Share Unit credited to such Participant.
- (n) **“Designated Affiliate”** means subsidiaries of the Company designated by the Board from time to time for purposes of this Plan.
- (o) **“Director Retirement”** in respect of a Participant, means the Participant ceasing to hold any directorships with the Company, any Designated Affiliate and any entity related to the Company for purposes of the *Income Tax Act* (Canada) after attaining a stipulated age in accordance with the Company’s normal retirement policy, or earlier with the Company’s consent.
- (p) **“Director Separation Date”** means the date that a Participant ceases to hold any directorships with the Company and any Designated Affiliate due to a Director Retirement or Director Termination and also ceases to serve as an employee or consultant with the Company, any Designated Affiliate and any entity related to the Company for the purposes of the *Income Tax Act* (Canada).
- (q) **“Director Termination”** means the removal of, resignation or failure to re-elect the Eligible Director (excluding a Director Retirement) as a director of the Company, a Designated Affiliate and any entity related to the Company for purposes of the *Income Tax Act* (Canada).
- (r) **“Effective Date”** means September 1, 2022, being the date upon which this Plan was adopted by the Board.
- (s) **“Eligible Directors”** means the directors of the Company or any Designated Affiliate who are, as such, eligible for participation in this Plan.
- (t) **“Eligible Employees”** means employees (including employees who are officers and directors) of the Company or any Designated Affiliate thereof, whether or not they have a written employment contract with Company, determined by the Board, as employees eligible for participation in this Plan. Eligible Employees shall include, consultants, service providers eligible for participation in this Plan as determined by the Board.
- (u) **“Exchange”** means the Canadian Securities Exchange, or any successor entity, which is the principal stock exchange on which the Shares are listed for trading.

- (v) **“Fair Market Value”** with respect to the Shares as of any date, means the closing market price of the Shares on the trading day prior to such date. Notwithstanding the foregoing, for the purposes of establishing the exercise price per Share of any Option, or the value of any Share underlying a Restricted Share Right, Deferred Share Unit or Performance Share Unit on the grant date, the Fair Market Value means the greater of the closing market price of the Shares on (a) the trading day prior to the date of grant of the applicable Award; and (b) the date of grant of the applicable Award.
- (w) **“Multiplier(s)”** means the factor(s) by which a Participant’s Performance Share Units will be multiplied, as determined by the Board and set out in the applicable Performance Share Unit Agreement;
- (x) **“Option”** means an option granted under the terms of this Plan.
- (y) **“Option Period”** means the period during which an Option is outstanding.
- (z) **“Option Shares”** has the meaning set forth in Section 3.5 of this Plan.
- (aa) **“Optionee”** means an Eligible Employee or Eligible Director to whom an Option has been granted under the terms of this Plan.
- (bb) **“Participant”** means an Eligible Employee or Eligible Director who participates in this Plan.
- (cc) **“Performance Period”** means the period provided for in Section 6.3;
- (dd) **“Performance Share Unit”** means a bookkeeping entry evidencing the right of a Participant to receive the value of one Share at the time of payment, multiplied by the applicable Multiplier(s), pursuant to the terms and conditions hereof and as evidenced by a Performance Share Unit Agreement;
- (ee) **“Performance Share Unit Agreement”** means an agreement evidencing a Performance Share Unit entered into by and between the Company and a Participant;
- (ff) **“Plan”** means this Equity Incentive Plan, as it may be amended and restated from time to time.
- (gg) **“Restricted Period”** means any period of time that a Restricted Share Right is not vested and the Participant holding such Restricted Share Right remains ineligible to receive the relevant Shares, determined by the Board in its absolute discretion, however, such period of time may be reduced or eliminated from time to time and at any time and for any reason as determined by the Board, including, but not limited to, circumstances involving death or disability of a Participant.
- (hh) **“Retirement”** in respect of an Eligible Employee, means the Eligible Employee ceasing to hold any employment with the Company or any Designated Affiliate after attaining a stipulated age in accordance with the Company’s normal retirement policy, or earlier with the Company’s consent.

- (ii) **“Restricted Share Unit”** has such meaning as ascribed to such term at Section 4.1 of this Plan.
- (jj) **“Restricted Share Unit Grant Letter”** has the meaning ascribed to such term in Section 4.2 of this Plan.
- (kk) **“Separation Date”** means the date that a Participant ceases to be an Eligible Director or Eligible Employee.
- (ll) **“Service Provider”** means any person or company engaged by the Company or a Designated Affiliate to provide services for an initial, renewable or extended period of 12 months or more.
- (mm) **“Shares”** means the common shares of the Company.
- (nn) **“Specified Employee”** means a U.S. Taxpayer who meets the definition of “specified employee”, as defined in Section 409A(a)(2)(B)(i) of the Internal Revenue Code.
- (oo) **“Termination”** means the termination of the employment (or consulting services) of an Eligible Employee with or without cause by the Company or a Designated Affiliate or the cessation of employment (or consulting services) of the Eligible Employee with the Company or a Designated Affiliate as a result of resignation or otherwise, other than the Retirement of the Eligible Employee.
- (pp) **“US Taxpayer”** means a Participant who is a US citizen, US permanent resident or other person who is subject to taxation on their income under the United States Internal Revenue Code of 1986.

## 2.2 Interpretation

- (a) This Plan is created under and is to be governed, construed and administered in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- (b) Whenever the Board (or Board committee, as the case may be) is to exercise discretion in the administration of the terms and conditions of this Plan, the term **“discretion”** means the sole and absolute discretion of the Board (or Board committee, as the case may be).
- (c) As used herein, the terms **“Part”** or **“Section”** mean and refer to the specified Part or Section of this Plan, respectively.
- (d) Where the word **“including”** or **“includes”** is used in this Plan, it means “including (or includes) without limitation”.
- (e) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (f) Unless otherwise specified, all references to money amounts are to Canadian dollars.

## **PART 3 STOCK OPTIONS**

### **3.1 Participation**

The Company may from time to time grant Options to Participants pursuant to this Plan.

### **3.2 Price**

The exercise price per Share of any Option shall be not less than one hundred per cent (100%) of the Fair Market Value.

### **3.3 Grant of Options**

The Board may at any time authorize the granting of Options to such Participants as it may select for the number of Shares that it shall designate, subject to the provisions of this Plan. The date of grant of an Option shall be the date such grant was approved by the Board.

Each Option granted to a Participant shall be evidenced by a stock option agreement with terms and conditions consistent with this Plan and as approved by the Board (and in all cases which terms and conditions need not be the same in each case and may be changed from time to time, subject to Section 8.7 of this Plan, and any required approval of the Exchange or any other exchange or exchanges on which the Shares are then traded).

### **3.4 Terms of Options**

The Option Period shall be five years from the date such Option is granted, or such greater or lesser duration as the Board may determine at the date of grant, and may thereafter be reduced with respect to any such Option as provided in Section 3.6 hereof covering termination of employment or death of the Optionee; provided, however, that at any time the expiry date of the Option Period in respect of any outstanding Option under this Plan should be determined to occur either during a Blackout Period or within ten business days following the expiry of the Blackout Period, the expiry date of such Option Period shall be deemed to be the date that is the tenth business day following the expiry of the Blackout Period.

Unless otherwise determined from time to time by the Board, Options shall vest and may be exercised (in each case to the nearest full Share) during the Option Period as follows:

- (a) at any time during the first six months of the Option Period, the Optionee may purchase up to 25% of the total number of Shares reserved for issuance pursuant to his or her Option; and
- (b) at any time during each additional six-month period of the Option Period the Optionee may purchase an additional 25% of the total number of Shares reserved for issuance pursuant to his or her Option plus any Shares not purchased in accordance with the preceding subsection (a) and this subsection (b) until, after the 18<sup>th</sup> month of the Option Period, 100% of the Option will be exercisable.

Except as set forth in Section 3.6, no Option may be exercised unless the Optionee is at the time of such exercise:



- (a) in the case of an Eligible Employee, in the employ (or retained as a Service Provider) of the Company or a Designated Affiliate and shall have been continuously so employed or retained since the grant of the Option; or
- (b) in the case of an Eligible Director, a director of the Company or a Designated Affiliate and shall have been such a director continuously since the grant of the Option.

The exercise of any Option will be contingent upon the Optionee having entered into an Option agreement with the Company on such terms and conditions as have been approved by the Board and which incorporates by reference the terms of this Plan. The exercise of any Option will, subject to Section 3.5, also be contingent upon receipt by the Company of cash payment of the full purchase price of the Shares being purchased.

### **3.5 Cashless Exercise Right**

Participants have the right (the “**Cashless Exercise Right**”), in lieu of the right to exercise an Option, to terminate such Option in whole or in part by notice in writing delivered by the Participant to the Company electing to exercise the Cashless Exercise Right and, in lieu of receiving the Shares (the “**Option Shares**”) to which such Terminated Option relates, to receive the number of Shares, disregarding fractions, which is equal to the quotient obtained by:

- (a) subtracting the applicable Option exercise price per Share from the Fair Market Value per Share on the business day immediately prior to the exercise of the Cashless Exercise Right and multiplying the remainder by the number of Option Shares; and
- (b) dividing the product obtained under subsection 3.5(a) by the Fair Market Value per Share on the business day immediately prior to the exercise of the Cashless Exercise Right.

If a Participant exercises a Cashless Exercise Right in connection with an Option, it is exercisable only to the extent and on the same conditions that the related Option is exercisable under this Plan.

### **3.6 Effect of Termination of Employment or Death**

If an Optionee:

- (a) dies while employed by, a Service Provider to or while a director of the Company or a Designated Affiliate, any Option held by him or her at the date of death shall become exercisable in whole or in part, but only by the person or persons to whom the Optionee’s rights under the Option shall pass by the Optionee’s will or applicable laws of descent and distribution. Unless otherwise determined by the Board, all such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her death and only for 12 months after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner; and
- (b) ceases to be employed by, a Service Provider to, or act as a director of, the Company or a Designated Affiliate for cause, no Option held by such Optionee will, unless otherwise determined by the Board, be exercisable following the date on which such Optionee ceases to be so engaged; provided, however, that if an

Optionee ceases to be employed by, a Service Provider to, or act as a director of, the Company or a Designated Affiliate for any reason other than cause then, unless otherwise determined by the Board, any Option held by such Optionee at the effective date thereof shall become exercisable for a period of up to 12 months thereafter or prior to the expiration of the Option Period in respect thereof, whichever is sooner.

### **3.7 Effect of Takeover Bid**

In the event of a Change of Control, unless otherwise determined by the Board, (i) all Options outstanding shall immediately vest and be exercisable; and (ii) all Options that are not otherwise exercised contemporaneously with the completion of the Change of Control will terminate and expire immediately thereafter.

### **3.8 Effect of Amalgamation or Merger**

Subject to Section 3.7, if the Company amalgamates or otherwise completes a plan of arrangement or merges with or into another corporation, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Participant would have received upon such amalgamation, arrangement or merger if the Participant had exercised his or her Option immediately prior to the record date applicable to such amalgamation, arrangement or merger, and the option price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of this Plan.

## **PART 4 RESTRICTED SHARE UNITS**

### **4.1 Participants**

The Company has the right to grant, in its sole and absolute discretion, to any Participant, rights to receive any number of fully paid and non-assessable Shares ("**Restricted Share Units**") as a discretionary payment in consideration of past services to the Company or as an incentive for future services, subject to this Plan and with such additional provisions and restrictions as the Board may determine. For purposes of calculating the number of Restricted Share Units to be granted, the Company shall be obligated to value the Shares underlying such Restricted Share Units at not less than one hundred per cent (100%) of the Fair Market Value.

### **4.2 Restricted Share Units Grant Letter**

Each grant of a Restricted Share Right under this Plan shall be evidenced by a grant letter (a "**Restricted Share Units Grant Letter**") issued to the Participant by the Company. Such Restricted Share Right Grant Letter shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Plan and which the Board deems appropriate for inclusion in a Restricted Share Right Grant Letter. The provisions of the various Restricted Share Right Grant Letters issued under this Plan need not be identical.

### **4.3 Restricted Period**

Concurrent with the determination to grant Restricted Share Units to a Participant, the Board shall determine the Restricted Period applicable to such Restricted Share Units. In addition, at the sole discretion of the Board, at the time of grant, the Restricted Share Units may be subject to performance conditions to be achieved by the Company or a class of Participants or by a particular Participant on an individual basis, within a Restricted Period, for such Restricted Share Units to entitle the holder thereof to receive the underlying Shares. Upon expiry of the applicable Restricted Period (or on the Deferred Payment Date, as applicable), a Restricted Share Right shall be automatically settled, and without the payment of additional consideration or any other further action on the part of the holder of the Restricted Share Right, the underlying Shares shall be issued to the holder of such Restricted Share Units, which Restricted Share Units shall then be cancelled.

### **4.4 Deferred Payment Date**

Participants who are residents of Canada for the purposes of the *Income Tax Act* (Canada) (and for greater certainty, who are not US Taxpayers), may elect to defer to receive all or any part of the Shares underlying Restricted Share Units until one or more Deferred Payment Dates. Any other Participants may not elect a Deferred Payment Date.

### **4.5 Prior Notice of Deferred Payment Date**

Participants who elect to set a Deferred Payment Date must, in respect of each such Deferred Payment Date, give the Company written notice of the Deferred Payment Date(s) not later than thirty (30) days prior to the expiration of the applicable Restricted Period. For certainty, Participants shall not be permitted to give any such notice after the day which is thirty (30) days prior to the expiration of the Restricted Period and a notice once given may not be changed or revoked. For the avoidance of doubt, the foregoing shall not prevent a Participant from electing an additional Deferred Payment Date, provided, however that notice of such election is given by the Participant to the Company not later than thirty (30) days prior to the expiration of the subject Restricted Period.

### **4.6 Retirement or Termination during Restricted Period**

In the event and to the extent of the Retirement or Termination and/or, as applicable, the Director Retirement or Director Termination of a Participant from all such roles with the Company during the Restricted Period, any Restricted Share Units held by the Participant shall immediately terminate and be of no further force or effect; provided, however, that the Board shall have the absolute discretion to modify the grant of the Restricted Share Units to provide that the Restricted Period shall terminate immediately prior to the date of such occurrence.

### **4.7 Retirement or Termination after Restricted Period**

In the event and to the extent of the Retirement or Termination and/or, as applicable, the Director Retirement or Director Termination of the Participant from all such roles with the Company following the Restricted Period and prior to a Deferred Payment Date, the Participant shall be entitled to receive, and the Company shall issue forthwith, Shares in satisfaction of the Restricted Share Units then held by the Participant.

#### **4.8 Death or Disability of Participant**

In the event of the death or total disability of a Participant, any Shares represented by Restricted Share Units held by the Participant shall be immediately issued by the Company to the Participant or legal representative of the Participant.

#### **4.9 Payment of Dividends**

Subject to the absolute discretion of the Board, in the event that a dividend (other than a stock dividend) is declared and paid by the Company on the Shares, a Participant may be credited with additional Restricted Share Units. The number of such additional Restricted Share Units, if any, will be calculated by dividing (a) the total amount of the dividends that would have been paid to the Participant if the Restricted Share Units (including Restricted Share Units in which the Restricted Period has expired but the Shares have not been issued due to a Deferred Payment Date) in the Participant's account on the dividend record date had been outstanding Shares (and the Participant held no other Shares) by (b) the Fair Market Value of the Shares on the date on which such dividends were paid.

#### **4.10 Change of Control**

In the event of a Change of Control, all Restricted Share Units outstanding shall vest immediately and be settled by the issuance of Shares notwithstanding the Restricted Period and any Deferred Payment Date.

### **PART 5 DEFERRED SHARE UNITS**

#### **5.1 Deferred Share Unit Grants**

The Board may from time to time determine to grant Deferred Share Units to one or more Eligible Directors in a lump sum amount or on regular intervals, based on such formulas or criteria as the Board may from time to time determine. Deferred Share Units will be credited to the Eligible Director's account when designated by the Board. For purposes of calculating the number of Deferred Share Units to be granted, the Company shall be obligated to value the Shares underlying such Deferred Share Units at not less than one hundred per cent (100%) of the Fair Market Value.

#### **5.2 Deferred Share Unit Grant Letter**

Each grant of a Deferred Share Unit under this Plan shall be evidenced by a grant letter (a "**Deferred Share Unit Grant Letter**") issued to the Eligible Director by the Company. Such Deferred Share Unit Grant Letter shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Plan and which the Board deems appropriate for inclusion in a Deferred Share Unit Grant Letter. The provisions of Deferred Share Unit Grant Letters issued under this Plan need not be identical.

#### **5.3 Redemption of Deferred Share Units and Issuance of Deferred Shares**

The Deferred Share Units held by each Eligible Director who is not a US Taxpayer shall be redeemed automatically and with no further action by the Eligible Director on the 20<sup>th</sup> business day following the Separation Date for that Eligible Director. For US Taxpayers, Deferred Share Units held by an Eligible Director who is a Specified Employee will be automatically redeemed

with no further action by the Eligible Director on the date that is six months following the Separation Date for the Eligible Director, or if earlier, upon such Eligible Director's death. Upon redemption, the former Eligible Director shall be entitled to receive and the Company shall issue, the number of Shares issued from treasury equal to the number of Deferred Share Units in the Eligible Director's account, subject to any applicable deductions and withholdings. In the event a Separation Date occurs during a year and Deferred Share Units have been granted to such Eligible Director for that entire year, the Eligible Director will only be entitled to a pro-rated Deferred Share Unit Payment in respect of such Deferred Share Units based on the number of days that he or she was an Eligible Director in such year.

No amount will be paid to, or in respect of, an Eligible Director under this Plan or pursuant to any other arrangement, and no other additional Deferred Share Units will be granted to compensate for a downward fluctuation in the value of the Shares of the Company nor will any other benefit be conferred upon, or in respect of, an Eligible Director for such purpose.

#### **5.4 Death of Participant**

In the event of the death of an Eligible Director, the Deferred Share Units shall be redeemed automatically and with no further action on the 20<sup>th</sup> business day following the death of an Eligible Director.

#### **5.5 Payment of Dividends**

Subject to the absolute discretion of the Board, in the event that a dividend (other than a stock dividend) is declared and paid by the Company on the Shares, an Eligible Director may be credited with additional Deferred Share Units. The number of such additional Deferred Share Units, if any, will be calculated by dividing (a) the total amount of the dividends that would have been paid to the Eligible Director if the Deferred Share Units in the Eligible Director's account on the dividend record date had been outstanding Shares (and the Eligible Director held no other Shares), by (b) the Fair Market Value of the Shares on the date on which such dividends were paid.

### **PART 6 PERFORMANCE SHARE UNITS**

#### **6.1 Performance Share Units**

The Board may from time to time determine to grant Performance Share Units to one or more Eligible Directors with the specific terms and conditions thereof to be as provided in this Plan and in the Performance Share Unit Agreement entered into in respect of such grant. The Performance Share Unit Agreement in respect of the Performance Share Units granted will set out, at a minimum, the number of Performance Share Units granted, the Performance Period, the performance-based criteria and the Multiplier(s). Subject to the provisions of this Article 6, each Performance Share Unit awarded to a Participant for services performed during the year in which the Performance Share Unit is granted shall entitle the Participant to receive payment in an amount equal to the Fair Market Value on the day immediately prior to the last day of the applicable Performance Period multiplied by the applicable Multiplier(s), to be determined on the last day of the Performance Period.

#### **6.2 Distributions.**

The Board, in its sole discretion, may determine that if and when distributions are paid on any Shares, additional Performance Share Units shall be credited to the Participant as of such

distribution payment date. The number of additional Performance Share Units (including fractional Performance Share Units) to be credited to the Participant shall be determined by dividing the dollar amount of the distribution payable in respect of the Shares underlying the Performance Share Units by the Fair Market Value on the date the distribution is paid. Fractional Performance Share Units to two decimal places shall be credited to the Participant. For greater certainty, the Performance Period and Multiplier(s), if any, shall be the same as the Performance Period and Multiplier(s), if any, for the Performance Share Units.

### **6.3 Performance Period**

Subject to Sections 6.5, 6.6 and 6.7 (which could result in shortening any such period), the Performance Period in respect of a particular award shall be one year from the date of grant of the applicable Performance Share Unit, provided that the Board may, in its sole discretion, determine the Performance Period to be greater than one year, to a maximum of three years from the date of grant of the applicable Performance Share Unit.

### **6.4 Performance-Based Criteria and Multipliers**

The Board may establish performance-based criteria which, if met by the Company, will entitle the Participant to be paid an amount in excess of or less than the Fair Market Value of one Share for each Performance Share Unit at the end of the applicable Performance Period. The Board, in its sole discretion, may waive the performance-based criteria if the Board determines there were material unusual circumstances that occurred during the Performance Period (as an example only, if take-over speculation significantly affects the Fair Market Value at the end of the Performance Period).

### **6.5 Retirement or Termination During Performance Period**

If a Participant ceases to be an Eligible Employee or Eligible Director, as applicable, during the Performance Period because of retirement or Termination of the Participant, all Performance Share Units previously awarded to the Participant shall be forfeited and cease to be credited to the Participant on the date of the Retirement or Termination, as the case may be; however, the Board shall have the absolute discretion to modify the grant of the Performance Share Units to provide that the Performance Period would end at the end of the calendar quarter immediately before the date of the Retirement or Termination, as the case may be, and the amount payable to the Participant shall be calculated as of such date.

### **6.6 Death or Disability**

During Performance Period, in the event of the death or total disability of a Participant during the Performance Period, the Performance Period shall be deemed to end at the end of the calendar quarter immediately before the date of death or total disability of the Participant and the amount payable to the Participant or its executors, as the case may be, shall be calculated as of such date.

### **6.7 Change of Control During Performance Period**

In the event of a Change of Control, the Performance Period shall be deemed to end at the end of the calendar quarter immediately before the Change of Control and the amount payable to the Participant shall be calculated as of such date.

## **6.8 Payment to Participants**

Subject to the terms of this Plan, the Board, in its sole discretion, may pay earned Performance Share Units in the form of cash or in Shares issued from treasury (or in a combination thereof) equal to the value of the Performance Share Units at the end of the applicable Performance Period. The determination of the Board with respect to the form of payout of such Performance Share Units shall be set forth in the Performance Share Unit Agreement for the grant of the Performance Share Unit or reserved for later determination. In no event will delivery of such Shares or payment of any cash amounts be made later than two and a half months after the end of the year in which such conditions or restrictions were satisfied or lapsed.

## **6.9 Payment of Dividends**

Subject to the absolute discretion of the Board, in the event that a dividend (other than a stock dividend) is declared and paid by the Company on the Shares, an Eligible Director may be credited with additional Performance Share Units. The number of such additional Performance Share Units, if any, will be calculated by dividing (a) the total amount of the dividends that would have been paid to the Eligible Director if the Performance Share Units in the Eligible Director's account on the dividend record date had been outstanding Shares (and the Eligible Director held no other Shares), by (b) the Fair Market Value of the Shares on the date on which such dividends were paid.

# **PART 7 WITHHOLDING TAXES**

## **7.1 Withholding Taxes**

The Company or any Designated Affiliate may take such steps as are considered necessary or appropriate for the withholding of any taxes or other amounts which the Company or any Designated Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Award including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of any Shares to be issued under this Plan, until such time as the Participant has paid the Company or any Designated Affiliate for any amount which the Company or Designated Affiliate is required to withhold by law with respect to such taxes or other amounts. Without limitation to the foregoing, the Board may adopt administrative rules under this Plan, which provide for the automatic sale of Shares (or a portion thereof) in the market upon the issuance of such Shares under this Plan on behalf of the Participant to satisfy withholding obligations under an Award.

## **PART 8 GENERAL**

### **8.1 Number of Shares**

The aggregate number of Shares that may be issued under this Plan shall not exceed 20% of the outstanding issue from time to time, such Shares to be allocated among Awards and Participants in amounts and at such times as may be determined by the Board from time to time. Furthermore, the aggregate number of Shares issued or issuable to persons providing “investor relations activities” (as defined in the Exchange policies) as compensation within a 12-month period, may not exceed 2% of the total number of Shares then outstanding, or such other percentage as permitted by the policies of the Exchange.

For the purposes of this Section 8.1, “outstanding issue” means the total number of Shares, on a non-diluted basis, that are issued and outstanding immediately prior to the date that any Shares are issued or reserved for issuance pursuant to an Award.

### **8.2 Lapsed Awards**

If Awards are surrendered, terminated or expire without being exercised in whole or in part, new Awards may be granted covering the Shares not issued under such lapsed Awards, subject to any restrictions that may be imposed by the Exchange, including, without limitation, the restriction that if an Option is cancelled prior to its expiry date, the Company shall post notice of the cancellation and shall not grant new Options to the same Participant until 30 days have elapsed from the date of cancellation.

### **8.3 Adjustment in Shares Subject to this Plan**

If there is any change in the Shares through the declaration of stock dividends of Shares, through any consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under this Plan, the Shares subject to any Award, and the exercise price of any Option shall be adjusted as determined to be appropriate by the Board, and such adjustment shall be effective and binding for all purposes of this Plan.

### **8.4 Transferability**

Any Awards accruing to any Participant in accordance with the terms and conditions of this Plan shall not be transferable unless specifically provided herein. During the lifetime of a Participant all Awards may only be exercised by the Participant. Awards are non-transferable except by will or by the laws of descent and distribution.

### **8.5 Employment**

Nothing contained in this Plan shall confer upon any Participant any right with respect to employment or continuance of employment with the Company or any Affiliate, or interfere in any way with the right of the Company or any Affiliate to terminate the Participant’s employment at any time. Participation in this Plan by a Participant is voluntary.



## **8.6 Record Keeping**

The Company shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant;
- (b) the number of Awards granted to each Participant and relevant details regarding such Awards; and
- (c) such other information as the Board may determine.

## **8.7 Amendments to Plan**

The Board shall have the power to, at any time and from time to time, either prospectively or retrospectively, amend, suspend or terminate this Plan or any Award granted under this Plan without shareholder approval, including, without limiting the generality of the foregoing: changes of a clerical or grammatical nature, changes regarding the persons eligible to participate in this Plan, changes to the exercise price, vesting, term and termination provisions of the Award, changes to the cashless exercise right provisions, changes to the authority and role of the Board under this Plan, and any other matter relating to this Plan and the Awards that may be granted hereunder, provided however that:

- (a) such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Shares are listed;
- (b) no amendment to this Plan or to an Award granted hereunder will have the effect of impairing, derogating from or otherwise adversely affecting the terms of an Award which is outstanding at the time of such amendment without the written consent of the holder of such Award;
- (c) the terms of an Option will not be amended once issued; and
- (d) the expiry date of an Option Period in respect of an Option shall not be more than ten years from the date of grant of an Option except as expressly provided in Section 3.4.

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 pursuant thereto remain outstanding and, notwithstanding the termination of this Plan, the Board shall remain able to make such amendments to this Plan or the Award as they would have been entitled to make if this Plan were still in effect.

## **8.8 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of this Plan.

## **8.9 Section 409A**

It is intended that any payments under this Plan to US Taxpayers shall be exempt from or comply with Section 409A of the Code, and all provisions of this Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes and penalties under Section 409A of the Code.

## **8.10 Compliance with Applicable Law, etc.**

If any provision of this Plan or any agreement entered into pursuant to this Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Company or this Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

## **8.11 Term of the Plan**

This Plan shall remain in effect until it is terminated by the Board.

# **PART 9 ADMINISTRATION OF THIS PLAN**

## **9.1 Administration by the Board**

- (a) Unless otherwise determined by the Board, this Plan shall be administered by the Board or a Board committee designated by the Board.
- (b) The Board (or Board committee, as the case may be) shall have the power, where consistent with the general purpose and intent of this Plan and subject to the specific provisions of this Plan, to:
  - (i) adopt and amend rules and regulations relating to the administration of this Plan and make all other determinations necessary or desirable for the administration of this Plan. The interpretation and construction of the provisions of this Plan and related agreements by the Board (or Board committee, as the case may be) shall be final and conclusive. The Board (or Board committee, as the case may be) may correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any related agreement in the manner and to the extent it shall deem expedient to carry this Plan into effect and it shall be the sole and final judge of such expediency;
  - (ii) determine and designate from time to time the individuals to whom Awards shall be made, the amounts of the Awards and the other terms and conditions of the Awards;
  - (iii) delegate any of its responsibilities or powers under this Plan to a Board committee; and
  - (iv) otherwise exercise the powers under this Plan as set forth herein.

## APPENDIX "B"

### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

#### PURPOSE

The Audit Committee (the "**Committee**") will consist of independent directors and is appointed by the Board of Directors (the "**Board**") of Blender Bites Limited (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation's outside auditors (the "**Independent Auditors**"), including attending at private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Corporation.

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

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

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

#### I AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

## **II COMPOSITION AND MEETINGS**

1. The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the Canadian Securities Exchange (“**CSE**”), its incorporating statute and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
3. Each member of the Committee shall be “financially literate” (as defined by applicable securities laws and regulations).
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two of the members of the Committee present either in person or by telephone shall constitute a quorum.
5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.

11. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
12. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Audit Committee shall require the approval of the Board prior to implementation.

### **III RESPONSIBILITIES**

#### **A Financial Accounting and Reporting Process and Internal Controls**

1. The Committee shall review the annual audited financial statements and interim financial statements to satisfy itself that they are presented in accordance with applicable Canadian and international accounting standards (including the International Financial Reporting Standards (IFRS) as adopted by applicable regulatory agencies), and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual and interim financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review management's internal control report and the evaluation of such report by the Independent Auditors, together with management's response.
3. The Committee shall review the financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
4. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (3), and periodically assess the adequacy of these procedures.
5. The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.
6. The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.

7. The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
10. The Committee shall provide oversight to related party transactions entered into by the Corporation.

## **B Independent Auditors**

1. The Committee shall be directly responsible for the selection, appointment, compensation and oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services (including, without limitation, the review of any interim financial statements of the Corporation by the Independent Auditors at the discretion of the Committee) not prohibited by law to be provided by the Independent Auditors.
4. The Committee shall monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors. The Committee shall establish procedures to receive and respond to complaints with respect to accounting, internal accounting controls and auditing matters.
5. The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit, and receive and review the auditor's interim review reports.
7. The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within applicable Canadian and international accounting principles (including the IFRS as adopted by applicable regulatory agencies), that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.

8. The Committee shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
10. The Committee shall monitor and assess the relationship between management and the external auditors, and monitor and support the independence and objectivity of the external auditors.

**C Other Responsibilities**

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