



## MANAGEMENT INFORMATION CIRCULAR

as at November 15, 2024

This Management Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management **Happy Belly Food Group Inc.** (the “**Company**” or “**Happy Belly**”) for use at the annual general meeting (the “**Meeting**”) of its shareholders to be held on **Monday, December 30, 2024** at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.

In this Circular, references to “the Company”, “we” and “our” refer to Happy Belly Food Group Inc. “common shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold common shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company at nominal cost. The Company will bear all costs of this solicitation.

### Notice-and-Access

The Company is sending out proxy-related materials to shareholders using the notice-and-access provisions under National Instrument 51-102 – Continuous Disclosure Obligations (“**NI 51-102**”) and NI 54-101 (together with NI 51-102, the “**Notice-and-Access Provisions**”). The Company anticipates that use of the Notice-and-Access Provisions will benefit the Company by reducing the postage and material costs associated with the printing and mailing of the proxy-related materials and will also reduce the environmental impact of such actions.

Shareholders will be provided with electronic access to the Notice, this Circular, the Company’s management’s discussion and analysis of the operations and financial results of the Company (the “**MD&A**”), the audited consolidated financial statements of the Company and accompanying notes for the year ended December 31, 2023 (together with the MD&A, the “**MD&A and Financials**”) together with the auditor’s report thereon on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and at [happybellyfg.com](http://happybellyfg.com).

Shareholders are reminded to review the Circular before voting. Shareholders will receive paper copies of a notice package (the “**Notice Package**”) via pre-paid mail containing a notice with information prescribed by the Notice-and-Access Provisions and a form of proxy (if you are a registered Shareholder) or a voting instruction form (if you are a non-registered Shareholder). The Company will not use procedures known as “stratification” in relation to the use of Notice-and-Access Provisions. Stratification occurs when an issuer using Notice-and-Access Provisions sends a paper copy of the Circular to some securityholders with a Notice Package.

Shareholders with questions about notice-and-access can call the Company’s transfer agent, Endeavor Trust Corporation (“**Endeavor Trust**” or the “**Transfer Agent**”) toll-free at 1-888-787-0888 (Canada and the U.S. only) or direct at (604) 559-8880 (outside Canada and the U.S.). Shareholders may obtain paper copies of the Circular and the MD&A and Financials free of charge by calling 833.375.2682 at any time up until and including the date of the Meeting, including any adjournment or postponement thereof. Any Shareholder wishing to obtain a paper copy of the Meeting materials should submit their request no later than **9:00 a.m. (Pacific Time) on Thursday, December 19, 2024** in order to receive paper copies of the Meeting materials in time to vote before the Meeting. Under the Notice-and-Access Provisions, Meeting materials will be available for viewing at [happybellyfg.com](http://happybellyfg.com) for one year from the date of posting.

## Appointment of Proxyholders

The individuals named in the accompanying form of proxy are directors and/or officers of the Company (collectively, “Management’s Nominees”). **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM, HER OR IT AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF MANAGEMENT’S NOMINEES NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.**

## INFORMATION FOR REGISTERED SHAREHOLDERS

If you are a Registered Shareholder and wish to have your common shares voted at the Meeting, you will be required to submit your vote by Proxy in advance of the Meeting. Registered shareholders electing to submit a proxy may do so by:

- a) completing, dating and signing the enclosed form of proxy and returning it to Endeavor Trust, by fax (604) 559-8908, or by mail at #702-777 Hornby Street, Vancouver, BC, V6Z 1S4; or
- b) by email at [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com); or
- c) using the internet through the website of Endeavor Trust at [www.eproxy.ca](http://www.eproxy.ca). Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the Control Number and the proxy access number.

**A proxy will not be valid unless the completed form of proxy is received by Endeavor Trust not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof. Proxies delivered after that time will not be accepted. The Company is offering Registered Shareholders the ability to listen and participate (but not vote) at the Meeting in real time.**

## INFORMATION FOR NON-REGISTERED SHAREHOLDERS

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

**Most shareholders of the Company are “non-registered” shareholders because the common shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their common shares in their own name are referred to herein as “Beneficial Shareholders”.** If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in such shareholder’s name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting common shares for the brokers’ clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the

Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of common shares must be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted.**

Beneficial Shareholders may fall into two categories - those who object to their identity being made known to the issuers of the securities which they own (“**Objecting Beneficial Owners**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**Non-Objecting Beneficial Owners**”). Subject to the provisions of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers may request and obtain a list of their Non-Objecting Beneficial Owners from intermediaries. Pursuant to NI 54-101, issuers may obtain and use the Non-Objecting Beneficial Owners list in connection with any matters relating to the affairs of the issuer, including the distribution of proxy-related materials directly to Non-Objecting Beneficial Owners.

Pursuant to NI 54-101 of the Canadian Securities Administrators, the Company is sending proxy-related materials directly to Non-Objecting Beneficial Owners, which materials will include a scannable Voting Instruction Form (a “**VIF**”). These VIFs are to be completed and returned to Endeavor Trust, by email or by facsimile. In addition, Endeavor Trust provides Internet voting as described on the VIF itself which contain complete instructions. Endeavor Trust will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

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.

Management of the Company does not intend to pay for intermediaries to forward to Objecting Beneficial Owners under NI 54-101 the proxy-related materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary*, and, in the case of an Objecting Beneficial Owner, the Objecting Beneficial Owner will not receive the materials unless the Objecting Beneficial Owner’s intermediary assumes the cost of delivery.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. **Beneficial shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

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

## **REVOCATION OF PROXIES**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Endeavor Trust at #702-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4 or at the address of the registered office of the Company at Suite 400, 1681 Chestnut Street, Vancouver, British Columbia V6J 4M6 at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- b) personally attending the Meeting and voting the registered shareholder’s common shares.

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

## **VOTING OF PROXIES**

The common shares represented by a properly executed proxy in favour of persons proposed by management of the Company as proxyholders in the accompanying form of proxy will:

- a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken; and
- b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

**ON A POLL SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED BY THE SHAREHOLDER.** The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

### **Notice to United States Shareholders**

The Company's common shares are not registered under Section 12 of the United States Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), and this solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Residents of the United States should be aware that applicable Canadian proxy solicitation rules differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

This document does not address any income tax consequences of the disposition of the Company's common shares by shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of shares by them may have tax consequences both in those jurisdictions and in Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Company has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies.

Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada, and reconciled to accounting principles generally accepted in the United States.

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

No director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor, re-approval of the stock option plan, re-approval of the restricted share unit plan, and ratification of the majority voting policy and as set out herein.

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

The board of directors (the "**Board**") of the Company has fixed **November 15, 2024** as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the

close of business on the Record Date who complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote in advance of the Meeting.

The Company is authorized to issue an unlimited number of common shares without par value. As of the Record Date, there were **126,923,793** common shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the common shares.

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person or corporation beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Company.

### VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

### SETTING NUMBER OF DIRECTORS

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at five (5). The Board proposes that the number of directors remain at five (5). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at five (5).

### ELECTION OF DIRECTORS

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years for new director nominees), the period of time during which each has been a director of the Company and the number of common shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

<b>Name of Nominee; Current Position with the Company, Province and Country of Residence</b>	<b>Occupation, Business or Employment<sup>(1)</sup></b>	<b>Period as a Director of the Company</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
<b>Shawn Moniz<sup>(2)</sup></b> Ontario, Canada  <i>President, COO, Secretary and Director</i>	Founder, President and COO of the Company; self-employed.	June 9, 2017	9,042,877 <sup>(3)</sup>
<b>Sean Black</b> Ontario, Canada  <i>CEO and Director</i>	CEO of the Company; self-employed. Former Chief Development officer of MTY	December 22, 2022	3,408,817 <sup>(4)</sup>
<b>Alex Rechichi</b> Ontario, Canada  <i>Chairman and Director</i>	Board Member. Former President and CEO of The Crave It Restaurant Group since October 2013.	June 21, 2021	1,388,317 <sup>(5)</sup>

Name of Nominee; Current Position with the Company, Province and Country of Residence	Occupation, Business or Employment <sup>(1)</sup>	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled <sup>(1)</sup>
<b>Kevin Cole</b> <sup>(2)</sup> Ontario, Canada  <i>Director</i>	Board Member. Former President and CEO of STEM Animal Health.	June 21, 2021	824,500
<b>Mark Rechichi</b> <sup>(2)</sup> Ontario, Canada  <i>Director</i>	Board Member. Former CFO of The Crave It Restaurant Group.	June 21, 2021	1,096,195 <sup>(6)</sup>

- (1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Unless otherwise indicated, each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years. The number of common shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by the nominees themselves.
- (2) Member of Audit Committee.
- (3) Of these 9,042,877 common shares, 1,235,592 common shares are held directly by Mr. Moniz and 7,807,285 common shares are held by Fusionworx Investment Group, a company owned and operated by Mr. Moniz.
- (4) Of these 3,408,817 common shares, 2,858,817 common shares are held directly by Mr. Black and 550,000 common shares are held by 2403817 Ontario Inc., a company owned and operated by Mr. Black.
- (5) Of these 1,388,317 common shares, 1,289,317 common shares are held directly by Mr. Alex Rechichi and 99,000 common shares are held indirectly by Mr. Alex Rechichi through the Rechichi Family Trust.
- (6) Of these 1,096,195 common shares, 1,056,938 common shares are held directly by Mr. Mark Rechichi and 99,000 common shares are held indirectly by Mr. Mark Rechichi through the Rechichi Family Trust.

### Majority Voting Policy

On September 16, 2024, the board of directors (the “**Board**”) has adopted a Majority Voting Policy stipulating that in an uncontested election of directors (being an election where the number of nominees for director positions is equal to the number of directors authorized to be elected upon such election, as determined by the Board or Shareholders), if the number of common shares “withheld” for any nominee exceeds the number of common shares voted “for” the nominee, then, notwithstanding that such director was duly elected as a matter of corporate law, the director shall be required to forthwith submit his or her resignation as a director (an, as applicable, a member of any committee of the Board) to the Chair of the Board, promptly following the applicable shareholders’ meeting, which shall become effective upon acceptance by the Board.

Following receipt of the resignation submitted pursuant to the Majority Voting Policy, the Board shall consider the resignation forthwith and decide whether to accept the resignation within ninety (90) days of the applicable shareholders’ meeting. Except in cases where “exceptional circumstances” apply, it is expected that the Board will accept any such resignation. For this purpose, “exceptional circumstances” means occasions where such resignation would, in the opinion of a majority of the Board, have a material strategic, economic, commercial, operational or regulatory impact on the Company. Where exceptional circumstances apply, the Board may delay accepting the resignation until such time as the “exceptional circumstances” have been fully assessed and addressed to the satisfaction of the Board.

Following the Board’s acceptance of the resignation, the Board shall publicly disclose the applicable director’s resignation. When a resignation is accepted, subject to any corporate law restrictions, the Board may leave the vacancy unfilled or appoint a new director to fill the vacancy.

The Majority Voting Policy was filed on SEDAR+ on October 31, 2024 at [www.sedarplus.ca](http://www.sedarplus.ca).

### CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Except as disclosed below, to the best of the Company’s knowledge, as at the date of this Circular, and within the last 10 years before the date of this Circular, no proposed director (or any of their personal holding companies) of the Company was a director, CEO or CFO of any company (including the Company) that:

- (a) was subject to a cease trade or similar order (“**CTO**”) or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is as at the date of this Circular or has been within 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; or
- (b) 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, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors (or any of their personal holding companies) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Kevin Cole is an independent and non-management director of Lumiera Health Inc. (“**Lumiera**”), a company that sells and distributes Natural Health Products. Lumiera was previously traded on the TSX Venture Exchange and as an independent director, Mr. Cole is supporting the Lumiera board of directors and management through a turn-around. Lumiera has yet to file its annual financial statements, accompanying management's discussion and analysis and related certifications for the financial years ended November 30, 2022 and November 30, 2023. In the spirit of transparency and as a part of disclosure responsibilities, Mr. Cole will continue to update the Company's shareholders on the progress of the Lumiera board of directors and Management as the company turns around.

#### **APPOINTMENT OF AUDITOR**

On October 3, 2024, The Company changed external auditors from Buchanan Barry LLP, Chartered Professional Accountants (“**Buchanan Barry**”) of 840 – 6<sup>th</sup> Avenue SW, Calgary AB T2P 3E5 and appointed MNP LLP, Chartered Professional Accountants (“**MNP LLP**”) of 3100 Steeles Avenue East, Suite 700, Markham ON L3R 8T3 as the successor auditor.

The reporting package required by National Instrument 51-102 *Continuous Disclosure Obligations* regarding the change of auditor is attached to this Circular as Schedule “A” and was filed on SEDAR+ on October 17, 2024 at [www.sedarplus.ca](http://www.sedarplus.ca).

**Unless otherwise directed, the persons named in the enclosed Proxy intend to vote FOR the appointment of MNP LLP as auditor of the Company until the close of the next annual general meeting.**

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

NI 52-110 *Audit Committees* (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

### The Audit Committee’s Charter

The Audit Committee has a charter. The full text of the Audit Charter is attached to the Company’s management information circular dated July 22, 2021, and was filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) on August 6, 2021, and is specifically incorporated by reference into, and forms an integral part of, this Circular.

### Composition of the Audit Committee

The current members of the Audit Committee are Shawn Moniz (Chair), Kevin Cole and Mark Rechichi. All members of the Audit Committee are considered to be financially literate. Mr. Moniz is the President, COO and Corporate Secretary of the Company and, therefore, is not an independent member of the Audit Committee. Mr. Cole and Mr. Rechichi are not executive officers of the Company and, therefore, are independent members of the Audit Committee.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a member’s independent judgement.

A member of the Audit Committee is considered 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.

### Relevant Education and Experience

The following describes the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member:

**Shawn Moniz** has over 23 years of experience as a strategic brand strategist where he was involved in brand positioning and loyalty focus, marketing automation, digital strategy and omni-channel data driven marketing. Mr. Moniz has served as Vice President, CRM Strategic Solutions in his most recent occupation before founding Happy Belly. Where he delivered strategic CRM and growth solutions to numerous Fortune 500 companies with clients such as Air Canada, , Yum! Brands (Taco Bell, Pizza Hut, KFC), Tim Hortons and Kraft US / Canada. Shawn is a graduate of Ryerson University with honors in the Business Solutions program.

**Kevin Cole** is a strategist and a business builder. He is known for his strategies which have led turn-arounds for many declining or slow growing CPG businesses to deliver billions of dollars in incremental growth and profit. By setting new visions, strategies, and plans, Kevin has significantly improved the performance of many brands and portfolios to deliver share leadership positions across multiple categories including Petcare (Pedigree, IAMS, Nutro, Greenies, Whiskas, and Temptations), Consumer Health (Oral Care: Sensodyne & Polident, Skin Care: OXY, Spectro) and Confections (Ferrero Rocher and the Ferrero Boxed Chocolate Portfolio).

Previously, Kevin has held senior executive and management positions in several multi-national companies including MARS Canada, GSK Consumer Healthcare, and Ferrero. Kevin is a graduate of Wilfrid Laurier University’s HBBA program.

**Mark Rechichi** is an entrepreneur who has co-founded and divested many iconic national and international food brands, including The Burger’s Priest, Fresh Plant Powered, Mucho Burrito, The Extreme Pita and PurBlendz Smoothies. He, along with his partners in the Crave It Group, have been early investors in private companies using his financial and operational skills to assist in nurturing and growing businesses that bring people joy and prosperity.

Mr. Rechichi holds a Bachelor of Commerce (Honours) degree from Queen’s University and is a Chartered Professional Accountant (CPA), Chartered Accountant (CA), and a Chartered Financial Analyst (CFA). Early in his career he worked at Price Waterhouse and Merrill Lynch in Toronto, Ontario.

Each member of the Company’s present and proposed Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

### **Audit Committee Oversight**

The Audit Committee has not made any recommendations to the Board to nominate or compensate any external auditor, other than Buchanan Barry or MNP LLP.

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

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### **External Auditor Service Fees**

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Buchanan Barry for the financial years ended December 31, 2023 and 2022, to the Company to ensure auditor independence. The following table outlines the fees incurred by Buchanan Barry, for audit and non-audit services in the last two financial years:

<u>Nature of Services</u>	<u>Fees Paid to Auditor for Year Ended December 31, 2023</u>	<u>Fees Paid to Auditor for Year Ended December 31, 2022</u>
Audit Fees <sup>(1)</sup>	\$73,500	\$90,000
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	\$9,000
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>Total:</b>	<b><u>\$73,500</u></b>	<b><u>\$99,000</u></b>

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

### **Exemption**

The Company is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110 for the financial year ended December 31, 2023. This exemption exempts a “venture issuer” from the requirement to have 100% of the members of its Audit Committee independent, as would otherwise be required by NI 52-110.

## CORPORATE GOVERNANCE

### General

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators have adopted NI 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the Canadian Securities Administrators have implemented NI 58-101, which prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

### Board of Directors

Directors are independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board be reasonably expected to interfere with the exercise of a director’s independent judgment.

Management of the Company has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its Audit Committee, the Board examines the effectiveness of the Company’s internal control processes and management information systems. The plenary Board reviews executive compensation and recommends stock option grants.

The non-independent members of the Board are Shawn Moniz, the Founder, President, COO and Corporate Secretary of the Company and Sean Black, the CEO of the Company. By virtue of holding the officer positions, Mr. Moniz and Mr. Black are deemed to have a material relationship with the Company, as defined in NI 52-110 and therefore, are not considered independent members of the Board.

The independent members of the Board are Alex Rechichi, Mark Rechichi and Kevin Cole. Mr. Alex Rechichi is also the Company’s non-executive Chair of the Board.

### Other Directorships

Kevin Cole is an independent, non-management director of Lumiera Health Inc.

Shawn Moniz is an independent, non-management director of Lumiera Health Inc. (Joined October 2023).

### Orientation and Continuing Education

When new directors are appointed to the Board, they receive orientation, commensurate with their previous experience, on the Company’s properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company’s management and employees to give the directors additional insight into the Company’s business.

### Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director’s participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

## **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board, alongside the Corporate Governance and Compensation Committee (the "**Committee**"), recommends the number of directors on the Board to shareholders for approval, subject to compliance with the requirements of the Business Corporations Act (*British Columbia*) (the "**BCBCA**") and the Company's Articles of Incorporation.

Between annual meetings, the Board, alongside the Committee, may appoint directors to serve until the next annual meeting, subject to compliance with the requirements of the BCBCA.

Individual Board members are responsible for assisting the Board in identifying and recommending new nominees for election to the Board, as needed or appropriate.

## **Compensation**

The Board determines compensation for the directors and President, CEO, CFO, CIO and COO together with the Committee.

Several factors are used in determining management compensation, such as time allotted specifically to company related activities, experience in the type of management role, skills related to the business as well as application and implementation of said skills.

In determining the compensation for the Company's President, CEO, CFO, CIO and COO, the Committee assesses a wide range of professional skills related to both business operations and technical abilities which have included the history of the President, CEO, CFO, CIO or COO in acting in those capacities for other publicly traded companies and the length of tenure.

## **Other Board Committees**

In addition to the Audit Committee, the Board currently has a Corporate Governance and Compensation Committee.

The members of the Committee are Kevin Cole (Chair), Shawn Moniz, and Mark Rechichi.

## **Assessments**

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

## **COMPENSATION OF EXECUTIVE OFFICERS**

### **Executive Compensation**

In this section "Named Executive Officer" ("**NEO**") means the CEO, the CFO and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

During the year ended December 31, 2023, the Company had three NEOs: Shawn Moniz, Sean Black, and Dean Callaway. During the year ended December 31, 2023, Mr. Moniz acted as CEO and Corporate Secretary of the Company, Mr. Black acted as CIO of the Company, and Mr. Callaway acted as CFO of the Company.

For greater clarity, subsequent to the year-ended December 31, 2023, Mr. Moniz resigned as CEO and was appointed as President and COO of the Company on August 26, 2024, Mr. Black resigned as CIO and was appointed as CEO of the Company on August 26, 2024, Mr. Callaway resigned as CFO of the Company on May 1, 2024 and Gary Fung was appointed as CFO of the Company on May 1, 2024.

## **Compensation Discussion and Analysis**

The Board has appointed its Corporate Governance and Compensation Committee (previously defined as the Committee). The Committee's responsibility relates to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation programs, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives.

The Committee makes recommendations to the Board and the Board then assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. The Committee is responsible for identifying executives, management, and operational talent.

The Committee possesses the technical understanding needed to determine the value of a candidate's skill set through applied practical analysis and cross-referenced compensation of closely matched executives in similar fields.

The compensation for executives includes four components: base consulting fees, bonus (if applicable), incentive stock options ("**Options**") and perquisites. As a package, the compensation components are intended to satisfy the objectives of the compensation program (that is, to attract, retain and motivate qualified executives).

Please refer to the Company's Corporate Governance Disclosure Statement, filed on SEDAR+ on November 1, 2022, at [www.sedarplus.ca](http://www.sedarplus.ca), for additional details on how the Board and the Committee determines NEO compensation.

The members of the Committee are Kevin Cole (Chair), Shawn Moniz and Mark Rechichi. Mr. Cole and Mr. Rechichi are considered to be independent members of the Committee and Mr. Moniz is deemed to have a material relationship with the Company by virtue of his current position as President, COO and Corporate Secretary and former position as CEO of the Company and, therefore, is not considered an independent member of the Committee.

## **Philosophy and Objectives**

The Company's compensation policies and programs are designed to be competitive with similar companies and to recognize and reward executive performance consistent with the success of the Company's business. The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including (a) attracting and retaining talented, qualified and effective executives, (b) motivating the short and long-term performance of these executives; and (c) better aligning their interests with those of the Company's shareholders.

In determining and approving the base salary for each NEO, the Board and the Committee take into consideration available market data.

In compensating its senior management, the Company has encouraged equity participation and in furtherance thereof employs its stock option plan (the "**Option Plan**") and restricted share unit plan (the "**RSU Plan**"). This should be reworded Shawn as there are no RSU's or Options issued or outstanding to anyone.

## **Equity Participation**

The Company believes that encouraging its NEO to become shareholders is the best way of aligning their interests with those of its shareholders. Options may be granted to NEOs and consultants of the Company taking into account a number of factors, including the amount and term of options previously granted, base consulting fees and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board in consultation with the Committee.

Given the evolving nature of the Company's business, the Board continues to review the overall compensation plan for senior management so as to continue to address the objectives identified above.

## **Option-Based Awards**

On July 26, 2021, the Board adopted a 15% rolling Option Plan. The Option Plan was re-approved by the shareholders of the Company at the annual general meeting held on December 28, 2023.

The Option Plan provides incentives to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes Option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All Option grants require approval of the Board.

The Option Plan provides that the maximum number of common shares that may be issued pursuant to Options awarded under the Option Plan together with all other security-based compensation arrangements of the Company shall not exceed 15% of the issued and outstanding Shares, at any given time.

The Option Plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

There were 1,110,000 Options outstanding as at the year ended December 31, 2023.

### Restricted Share Unit Awards

On August 14, 2020, the Board adopted its RSU Plan. The RSU Plan was re-approved by the shareholders of the Company at the annual general meeting held on December 28, 2023.

The RSU Plan was designed to provide certain directors, officers, consultants and other key employees (an “**Eligible Person**”) of the Company and its related entities with the opportunity to acquire restricted share units (“**RSUs**”) of the Company. The acquisition of RSUs allows an Eligible Person to participate in the long-term success of the Company thus promoting the alignment of an Eligible Person’s interests with that of the shareholders.

The RSU Plan allows the Company to grant RSUs awarding up to a maximum of 4,418,158 common shares.

There were no RSUs outstanding as at the year ended December 31, 2023.

A copy of the RSU Plan was filed on August 14, 2020 under the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

### Summary Compensation Table

Name and Principal Positions	Year <sup>(1)</sup>	Salary (\$) <sup>(2)</sup>	Share-based consideration (\$) <sup>(2)</sup>	Non-equity incentive plan compensation <sup>(3)</sup> (\$)		Pension value (\$) <sup>(2)</sup>	All other compensation (\$) <sup>(2)</sup>	Total compensation (\$) <sup>(2)</sup>
				Annual incentive plans <sup>(2)</sup>	Long-term incentive plans <sup>(2)</sup>			
Shawn Moniz <sup>(3)</sup> President, COO, Secretary; former CEO	2023	171,000	52,713	Nil	Nil	Nil	Nil	223,713
	2022	150,000	Nil	Nil	Nil	Nil	Nil	150,000
	2021	150,000	Nil	Nil	Nil	Nil	Nil	150,000
Dean Callaway <sup>(4)</sup> Former CFO	2023	144,659	Nil	Nil	Nil	Nil	Nil	144,659
	2022	145,500	Nil	Nil	Nil	Nil	Nil	145,500
	2021	150,000	143,225	Nil	Nil	Nil	Nil	293,225
Sean Black <sup>(5)</sup> CEO; former CIO	2023	168,882	Nil	Nil	Nil	Nil	Nil	168,882
	2022	93,548	Nil	Nil	Nil	Nil	Nil	93,548
	2021	Nil	734,737	Nil	Nil	Nil	Nil	734,737

(1) Year ended December 31.

(2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.

(3) Mr. Moniz served as CEO of the Company from September 12, 2017 until August 26, 2024 and as Secretary since February 3, 2020. For greater clarity, Mr. Moniz was appointed as President and COO of the Company on August 26, 2024.

(4) Mr. Callaway served as CFO of the Company from February 3, 2020 until May 1, 2024.

(5) Mr. Black served as the CIO of the Company from May 27, 2022 to August 26, 2024. For greater clarity, Mr. Black was appointed as CEO of the Company on August 26, 2024. Share based compensation is in relation to Director warrant grants as detailed below.

### Long-Term Incentive Plan Awards

Long term incentive plan awards (“**LTIP**”) means “a plan providing compensation intended to motivate performance over a period greater than one financial year”. LTIP awards do not include option or SAR plans or

plans for compensation through shares or units that are subject to restrictions on resale. No LTIP awards were made to the NEOs during the most recently completed financial year.

### Outstanding Option-based Awards

The Company has its Option Plan. During the financial year ended December 31, 2023 the following Options were outstanding to the NEOs:

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$) <sup>(1)</sup>
Shawn Moniz	1,000,000	0.20	April 20, 2028	40,000
Dean Callaway	Nil	N/A	N/A	N/A
Sean Black	Nil	N/A	N/A	N/A

(1) This amount is based on the difference between the market value of the securities underlying the Options on December 29, 2023, which was \$0.24, being the last trading day of the Company's common shares for the financial year and the exercise price of any outstanding Options.

### Aggregated Options – Value Vested or Earned during the Most Recently Completed Financial Year

The following table sets forth details of the value of option-based awards that vested or were earned during the most recently completed financial year ended December 31, 2023:

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Shawn Moniz	Nil	Nil	Nil
Dean Callaway	Nil	Nil	Nil
Sean Black	Nil	Nil	Nil

### PENSION PLAN BENEFITS

The Company does not have any non-cash compensation plans, long-term incentive plans, pension or retirement plans for its officers or directors and it did not pay or distribute any non-cash compensation during the financial year ended December 31, 2023.

### TERMINATION AND CHANGE OF CONTROL BENEFITS

#### Termination and Change of Control Benefits

On July 1, 2019, the Company entered into a consulting agreement (the “**Moniz Agreement**”) with Shawn Moniz, the CEO of the Company. Pursuant to the Moniz Agreement, in the event of a Change of Control, Mr. Moniz shall be entitled to accrued compensation, severance pay equal to 24 months of Mr. Moniz's salary, plus an additional \$250,000 in termination fees and a bonus payment.

“**Change of Control**” means the happening of any of the following events:

- any transaction pursuant to which the Company goes out of existence;
- any transaction pursuant to which any Person or any Associate Affiliate of such Person and any Person acting jointly or in concert with such Person (within the meaning of the Securities Act (British Columbia)) (other than the Company or a subsidiary of the Company), hereafter acquires the direct or indirect “beneficial ownership” (as such term is defined in the BCBCA of securities of the Company representing 50% or more of the aggregate votes of all of the Company's then issued and outstanding securities;
- the sale of all or substantially all of the Company's assets to a Person other than a Person that is an Affiliated entity;

- the dissolution or liquidation of the Company except in connection with the distribution of assets of the Company to one or more Persons which were Affiliated entities prior to such event; or
- the occurrence of a transaction requiring approval of the Company’s shareholders involving the acquisition of the Company by an entity through purchase of assets, by amalgamation, reverse takeover or otherwise.

## DIRECTOR COMPENSATION

### Director Compensation Table

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors except for the granting from time to time of incentive Options and fees related to those outside of the mandate of Director’s.

### *Narrative Discussion*

The Company has no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services as directors, for committee participation, for involvement in special assignments during the most recently completed financial year.

The Company has its Option Plan for the granting of Options to the directors, officers, employees and consultants. The purpose of granting such Options is to assist the Company in compensating, attracting, retaining and motivating the directors, officers, employees and consultants and to closely align the personal interests of such persons to that of the shareholders.

### Incentive Plan Awards – Value Vested or Earned During the Year

During the financial year ended December 31, 2023, the directors who were not NEOs received the following compensation for services provided to the Company:

Name	Fees earned (\$)	Share-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Marco Contardi <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Alex Rechichi <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Mark Rechichi <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Kevin Cole <sup>(4)</sup>	Nil	Nil	Nil	Nil	Nil	Nil

(1) Mr. Contardi served as a director of the Company from April 4, 2018 to January 31, 2023.

(2) Mr. Alex Rechichi has served as a director of the Company since June 21, 2021.

(3) Mr. Mark Rechichi has served as a director of the Company since June 21, 2021.

(4) Mr. Cole has served as a director of the Company since June 21, 2021.

On June 1, 2021, the Company entered into a strategic advisory agreement (the “**Advisory Agreement**”) represented by Sean Black, Kevin Cole, Mark Rechichi and Alex Rechichi to assist with the private placement and to arrange for Alex Rechichi, Mark Rechichi and Kevin Cole to join the board of directors of the Company. In consideration for the assistance with the private placement and the arrangement of strategic appointments to the Board, the Company agreed to issue an aggregate of 27,000,000 (2 million to an unrelated company) non-transferrable share purchase warrants (“**Advisory Warrants**”) to the Advisors. Each Advisory Warrant entitles the holder to acquire one share at a price of \$0.20 for a period of five years from their date of issue and vest upon the occurrence of the vesting triggers noted below:

Number of Advisory Warrants Vested	Vesting Trigger
5,200,000	Closing of the June 2021 private placement
2,700,000	\$0.50 <sup>(1)</sup>
2,750,000	\$0.75 <sup>(1)</sup>
5,400,000	\$1.00 <sup>(1)</sup>
5,450,000	\$1.50 <sup>(1)</sup>
5,500,000	\$2.00 <sup>(1)</sup>

(1) Closing price of the common shares on the Canadian Securities Exchange (or any other stock exchange that the common shares may trade) required to trigger vesting of Advisory Warrants.

Share based consideration, as calculated with a Black and Scholes model, equates to the equivalent of \$3,174,062 on the issuance of the Advisory Warrants for Alex Rechichi, Mark Rechichi, Sean Black and Kevin Cole.

### Outstanding Option-based Awards

The following table sets forth for each director, other than those who are also NEOs of the Company, all awards outstanding at the end of the most recently completed financial year ended December 31, 2023, including awards granted before the most recently completed financial year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Marco Contardi	Nil	N/A	N/A	Nil
Alex Rechichi	Nil	N/A	N/A	Nil
Mark Rechichi	Nil	N/A	N/A	Nil
Kevin Cole	Nil	N/A	N/A	Nil

### Aggregated Options – Value Vested or Earned during the Most Recently Completed Financial Year

The following table sets forth, for each director, other than those who are also NEOs of the Company, the value of all incentive plan awards vested during the financial year ended December 31, 2023:

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Marco Contardi	Nil	Nil	Nil
Alex Rechichi	Nil	Nil	Nil
Mark Rechichi	Nil	Nil	Nil
Kevin Cole	Nil	Nil	Nil

### Narrative Discussion

The Company has no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services as directors, for committee participation, for involvement in special assignments during the most recently completed financial year.

### Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out equity compensation plan information as at the year ended December 31, 2023:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	1,110,000	0.21	19,883,733
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total:</b>	<b>1,110,000</b>		<b>19,883,733</b>

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is or who at any time during the last financial year was a director or executive officer or employee of the Company, a proposed nominee for election as a director of the Company or an associate of any such director, officer or proposed nominee is, or at any time since the beginning of the last completed financial year has been, indebted to the Company or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of such year been, 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

Except as disclosed herein, since the commencement of the Company's last completed financial year, no informed person of the Company, nominee for election as a director of the Company, or any associate or affiliate of an informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

## MANAGEMENT CONTRACTS

Except as set out herein, there are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### **Re-Approval of Stock Option Plan**

The Board adopted the Option Plan on July 26, 2021 and the shareholders of the Company re-approved the Option Plan on December 28, 2023.

The material terms of the Option Plan are disclosed in the Company's Circular dated July 26, 2021, which was filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) on August 6, 2021.

### **Shareholder Approval**

At the Meeting, the Company's shareholders will be asked to consider and vote on the ordinary resolution to re-approve the Option Plan, with or without variation, as follows:

#### **“UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. The Stock Option Plan (the “**Option Plan**”) as more particularly described in the information circular of the Company dated November 15, 2024, be ratified and approved.
2. To the extent permitted by law, the Company be authorized to abandon all or any part of the Option Plan if the board of directors deems it appropriate and in the best interests of the Company to do so.
3. Any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds and things and execute, under seal of the Company or otherwise, all such documents as may be required to give effect to these resolutions.”

**The Board recommends that shareholders vote in favour of the Option Plan. Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the foregoing ordinary resolution.**

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

A copy of the Option Plan is available on request.

### **Re-Approval of Restricted Share Unit Plan**

The Board adopted the RSU Plan on August 14, 2020 and the shareholders of the Company re-approved the RSU Plan on December 28, 2023.

The material terms of the RSU Plan are disclosed in the Company's Circular dated July 14, 2020, which was filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) on August 24, 2020.

### **Shareholder Approval**

At the Meeting, the Company's shareholders will be asked to consider and vote on the ordinary resolution to re-approve the RSU Plan, with or without variation, as follows:

#### **“UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. The Restricted Share Unit Plan (the “**RSU Plan**”) as more particularly described in the information circular of the Company dated November 15, 2024, be ratified and approved.
2. To the extent permitted by law, the Company be authorized to abandon all or any part of the RSU Plan if the board of directors deems it appropriate and in the best interests of the Company to do so.
3. Any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds and things and execute, under seal of the Company or otherwise, all such documents as may be required to give effect to these resolutions.”

**The Board recommends that shareholders vote in favour of the RSU Plan. Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the foregoing ordinary resolution.**

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

A copy of the RSU Plan is available on request.

### **Amendment to Articles**

#### ***Majority Voting Requirement***

On September 16, 2024, the Board adopted the Majority Voting Policy. The purpose of the policy is to provide a meaningful way for shareholders of the Company to hold individual directors accountable and to require the Company to closely examine directors that do not have the support of a majority of shareholders, on an annual basis. The policy provides that, in the context of an uncontested election of directors, where a director nominee receives a greater number of votes “withheld” from his or her election than votes “in favour” of his or her election, the nominee will be considered not to have received the support of the shareholders, even though duly elected as a matter of corporate law. Pursuant to the policy, such a nominee will forthwith submit his or her resignation to the Board, such resignation to be effective on acceptance by the Board. The Board will consider the offer of resignation and whether or not to accept it after considering any stated reasons why shareholders “withheld” votes from the election of that director, the results of the vote and/or the composition of the Board, and any other factors that the Board considers relevant (the “**Majority Voting Policy Procedures**”). This policy does not apply where an election involves a proxy battle (i.e., where proxy material is circulated in support of one or more nominees who are not part of the director nominees supported by the Board).

On November 8, 2024, the Board approved, subject to shareholder approval, an alteration (the “**Alteration**”) of the Articles (the “**Articles**”) of the Company, which is part of the charter documents of the Company, to include a Majority Voting Requirement (as defined herein). It is the intention of the Board for the Alteration to be effective as of the date of the Meeting.

#### ***Alteration to Company's Articles to include Majority Voting Requirement***

At the Meeting the Company will seek authorization from its shareholders, by approval of an ordinary resolution to alter the Articles of the Company, to include the proposed Majority Voting Requirement. The text of the alteration to the Articles to include the Majority Voting Requirement is set out in Schedule “B” to this Circular.

At the Meeting, the shareholders will be asked to ratify, confirm and approve the alteration to the Articles to include the Majority Voting Requirement by passing an ordinary resolution, pursuant to Article 9.4. Such resolution

authorizes the Board to amend the Articles to include the Majority Voting Requirement as the Board deems appropriate and to be in the best interests of the Company, without further confirmation, ratification or approval of the shareholders.

The resolution to approve the Alteration must be approved by a majority of the votes cast on the resolution at the Meeting, being in favour of the ordinary resolution.

The Board has concluded that the Alteration is in the best interests of the Company and its shareholders. **The Board recommends that the shareholders vote in favour of the proposed ordinary resolution. Unless otherwise directed, it is the intention of the management appointees, if named as proxyholder, to vote in favour of the ordinary resolution to approve the Alteration as defined above.**

### Alteration of Articles

The Articles of the Company, which are dated for reference June 23, 2017, were initially approved for adoption when the Company was continued into British Columbia from the Federal jurisdiction on June 23, 2017.

The Alteration will effectively hold individual directors accountable and will require the Company to closely examine directors that do not have the support of a majority of shareholders, on an annual basis.

### **Majority Voting Policy Procedures**

#### *Background and Purpose*

The following information is intended as a brief description of the Majority Voting Requirement contained in the proposed alteration of the Articles, as set out in Schedule “B” to this Circular. The disclosure below is qualified in its entirety by the full text of the Articles, as amended by the proposed Alteration, the full text of which is attached as Schedule “B” to this Circular.

#### *Majority Voting Requirement*

At a meeting of shareholders of the Company, other than a contested meeting, at which an election of directors is required, each candidate is elected only if the number of votes cast in their favour represents a majority of the votes cast for and against them by the shareholders who are present in person or represented by proxy (the “**Majority Voting Requirement**”). For the purposes of this section, when counting the total votes cast in respect of the election of a director, “withheld” votes are considered “against” votes and must be counted in the total. A contested meeting is defined as a meeting at which the number of directors nominated for election is greater than the number of seats available on the board of directors.

### **SHAREHOLDER CONFIRMATION**

Under the Articles and the Company’s governing statute, the BCBCA, the Alteration requires shareholder approval by an ordinary resolution passed by a majority of the votes cast by the shareholders who voted in respect of that resolution. Accordingly, shareholders will be asked at the Meeting to vote on an ordinary resolution, the text of which is set out below, to approve the Alteration, which Alteration will be the addition of the Majority Voting Requirement, the full text of which is contained in Schedule “B” to this Circular, to the Articles of the Company.

### **RECOMMENDATION OF THE BOARD**

The Board has concluded that the Alteration to include the Majority Voting Requirement is in the best interests of the Company and its shareholders. **Accordingly, the Board unanimously recommends that the shareholders ratify, confirm and approve the Alteration by voting FOR the ordinary resolution to approve the Alteration at the Meeting. Unless authority to do so is withheld, the persons named in the accompanying Proxy intend to vote FOR the approval of the Alteration at the Meeting.**

#### *Shareholder Vote - Alteration of Articles to include Majority Voting Requirement*

At the Meeting, shareholders will be asked to consider and if thought advisable, to approve the ordinary resolution to ratify, confirm and approve the Alteration, with or without variation, as follows:

**UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION THAT:**

The Articles of the Company be altered as follows:

1. By adding to the end of Article 14 of the Articles of the Company (the “**Articles**”), a new section 14.13, as set out in Schedule “B” of the Company’s Circular dated November 15, 2024, and such alteration to the Articles be and is hereby authorized and approved and the Articles, as altered by this resolution, shall be the full form of the Articles accordingly.
2. It is a condition of this resolution that the alteration to the Articles referred to above will not take effect until the date and time that this resolution is received for deposit at the records office of the Company.
3. Any director of the Company be authorized for and on behalf of the Company to do such things and to execute and deliver, whether under the common seal of the Company or otherwise, all such statements, forms and other documents as such director may consider advisable in connection with the foregoing and to take all such action and do all such things to give effect to the transactions contemplated by the foregoing resolutions and the execution by any one director shall be conclusive proof of his or her authority to execute the same for and on behalf of the Company.
4. Pursuant to Section 139 of the BCBCA, the directors have the right to revoke the above ordinary resolutions before they are acted on.

An ordinary resolution is a resolution passed by a majority of the votes cast by the shareholders who voted in respect of that resolution.

The above ordinary resolution, if passed, will become effective immediately upon the date and time that the resolution and the signed Articles are received for deposit at the records office of the Company.

Upon receipt of approval to the Alteration, an updated form of Articles may be accessed at [www.sedarplus.ca](http://www.sedarplus.ca).

**ADDITIONAL INFORMATION**

Additional information concerning the Company can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at [www.happybellyfg.com](http://www.happybellyfg.com).

Financial information relating to the Company is provided in the Company’s audited financial statements and the management discussion and analysis (“**MD&A**”) (together, the “**Financial Materials**”) for the financial year ended December 31, 2023. Shareholders may download the Financial Materials from SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) or contact the Company directly to request copies of the Financial Materials or additional financial information at Suite 400 – 1681 Chestnut Street, Vancouver, BC, V6J 4M6.

**OTHER MATTERS**

The Board is not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this Circular.



VIA SEDAR+

October 3, 2024

**MNP LLP, Chartered Professional Accountants**  
3100 Steeles Avenue East, Suite 700  
Markham ON L3R 8T3

**Buchanan Barry LLP, Chartered Professional Accountants**  
840 6 Avenue Southwest  
Calgary AB T2P 3E5

Dear Sirs/Mesdames:

**RE: Notice of Change of Auditors dated effective October 3, 2024  
Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*  
(the "Instrument") of the Canadian Securities Administrators**

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The Company hereby provides notice pursuant to the Instrument of a change of auditor by Happy Belly Food Group Inc. (the "**Company**") from Buchanan Barry LLP, Chartered Professional Accountants to MNP LLP, Chartered Professional Accountants.

The Company confirms that:

- (a) The Company has decided to change its auditor from Buchanan Barry LLP, Chartered Professional Accountants (the "**Former Auditors**") to MNP LLP, Chartered Professional Accountants (the "**Successor Auditors**").  
  
At the next annual general meeting of the Company, the shareholders of the Company will be asked to approve the appointment of the firm, MNP LLP, Chartered Professional Accountants as Successor Auditors.
- (b) There were no reservations contained in the Former Auditors' Reports for either of the Company's two most recently completed fiscal years or for any period subsequent thereto for which an audit report was issued, preceding the date of this notice.
- (c) The Company's Audit Committee and board of directors have participated and approved the change of auditor for the Company and have also approved the appointment of MNP LLP, Chartered Professional Accountants as Successor Auditors.
- (d) In the opinion of the Company, no "reportable events", as that term is defined in the Instrument have occurred prior to the date of this notice.

The Company requested that each of Buchanan Barry LLP, Chartered Professional Accountants and MNP LLP, Chartered Professional Accountants provide the Company with a letter, in digital format, addressed to the regulatory authorities stating whether or not it agrees with the above statements.

Yours truly,

**HAPPY BELLY FOOD GROUP INC.**

Per: "*Shawn Moniz*"

Shawn Moniz  
President and COO

October 15, 2024

TO: Ontario Securities Commission  
Alberta Securities Commission  
British Columbia Securities Commission

Dear Sirs/Madams:

**Re: Happy Belly Food Group Inc. (the “Company”)**

**Notice of Change of Auditor Pursuant to National Instrument NI 51-102-Continuous Disclosure Obligations (the “Instrument”)**

Pursuant to National Instrument 51-102-*Continuous Disclosure Obligations*, we have reviewed the information contained in the Notice of Change of Auditor of the Company dated October 3, 2024 (“the **Notice**”) and, based on our knowledge of such information at this time, we agree with the statements made in the Notice pertaining to our firm. We advise that we have no basis to agree or disagree with the comments in the Notice relating to Buchanan Barry LLP, Chartered Professional Accountants.

Yours very truly,

A handwritten signature in black ink that reads 'MNP LLP'.

Chartered Professional Accountants  
Licensed Public Accountants



**BUCHANAN BARRY LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

October 3, 2024

**British Columbia Securities Commission**

P.O. Box 10142, Pacific Centre  
9<sup>th</sup> Floor – 701 West Georgia Street  
Vancouver BC V7Y 1L2

**Canadian Securities Exchange**

100 King Street West, Suite 7210  
Toronto ON M5X 1E1

**Alberta Securities Commission**

Suite 600, 250 – 5<sup>th</sup> Street SW  
Calgary AB T2P 0R4

**Ontario Securities Commission**

20 Queen Street West, 22<sup>nd</sup> Floor  
Toronto ON M5H 3S8

Dear Sirs/Mesdames:

**RE: Happy Belly Food Group Inc. (the “Company”) – Notice Regarding Change of Auditor**

As required by National Instrument 51-102 – *Continuous Disclosure Obligations*, and in connection with our resignation as auditor of the Company, we have reviewed the information contained in the Company’s Notice of Change of Auditor (the “Notice”) dated October 3, 2024, and agree with the information contained therein, based upon our knowledge of the information related to the said Notice and Company at this time.

Yours very truly,

*Buchanan Barry LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

## **SCHEDULE “B”**

### **14.13 Majority Voting Requirement**

At a meeting of shareholders of the Company, other than a contested meeting, at which an election of directors is required, each candidate is elected only if the number of votes cast in their favour represents a majority of the votes cast for and against them by the shareholders who are present in person or represented by proxy. For the purposes of this section, when counting the total votes cast in respect of the election of a director, “withheld” votes are considered “against” votes and must be counted in the total. A contested meeting is defined as a meeting at which the number of directors nominated for election is greater than the number of seats available on the board of directors.