

## NEPRA FOODS INC.

### STATEMENT REGARDING CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires issuers to disclose their corporate governance practices and National Policy 58-201 – *Corporate Governance Guidelines* provides guidance on corporate governance practices. This filing sets out the approach to corporate governance by Nepra Foods Inc. (the “**Company**”) and addresses the Company’s compliance with NI 58-101 and Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*. Information in this filing is dated as of June 26, 2024, unless otherwise indicated.

#### **General**

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors of the Company (the “**Board**”) from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the “**CSA**”) have adopted National Policy 58-201 – *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented NI 58-101, which prescribes certain disclosure by the Company of its corporate governance practices.

#### **Board of Directors**

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

At the date of this Information Circular, the Board consists of three (3) directors: David Wood, Chadwick White and Marc Olmsted, all of whom are not independent as a result of their positions as executive officers and/or the compensation received by the Company or Nepra Foods, Ltd., a wholly-owned subsidiary of the Company, in connection with their positions.

Directors are expected to attend Board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

#### **Board Independence**

The Board facilitates independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board has access to the Company’s external auditors, legal counsel and to any of the Company’s officers.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the relevant company, provide leadership and direction to management, evaluate management, set policies appropriate for the business of the Company and approve corporate strategies and goals.

The day-to-day management of the business and affairs of the Company is delegated by the Board and to the senior officers of the Company. The Board will give direction and guidance through the CEO to management and will keep management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee.

The Board exercises its independent supervision over management by its policies that (i) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (ii) all material transactions of the Company are subject to prior approval of the Board. To facilitate open and candid discussion among its independent directors, such directors are encouraged to communicate with each other directly to discuss ongoing issues pertaining to the Company.

### **Position Description**

Because the Board is a small, working board, it has not developed written position descriptions and does not have a process for assessing the performance of the directors or the chair of the Board committees.

The CEO of the Company is responsible for the general management of the day-to-day affairs of the Company within the guidelines established by the Board, consistent with decisions requiring prior approval of the Board.

### **Directorships**

As of the date of this filing, no member of the Board is currently serving on the board of directors of another reporting issuer.

### **Orientation and Continuing Education**

While the Company does not have formal orientation and training programs, orientation of new members of the Board is conducted by informal meetings with members of the Board, briefings by management, and the provision of copies of or access to the Company's documents.

The Company has not adopted formal policies respecting continuing education for Board members. Board members are encouraged to communicate with management, legal counsel, auditors, and consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance, and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by governing corporate legislation and the common law, and the restrictions placed by the Business Corporations Act (*British Columbia*) (the "BCBCA") on an individual director's participation in decisions of the Board in which the director has an interest, have helped to ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of a company and exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, if a director of a company also serves as a director or officer of another company engaged in similar business activities to the first company, that director must comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory

instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors that evoke such a conflict.

### **Nomination of Directors**

The Company does not have a stand-alone nomination committee. The full Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence, and other factors. Members of the Board and representatives of the industry are consulted for possible candidates.

### **Compensation**

The Board conducts reviews with regard to directors' and officers' compensation at least once a year. For information regarding the steps taken to determine compensation for the directors and the executive officers, see the Company's Statement of Executive Compensation filed from time to time under the Company's profile on [www.sedarplus.ca](http://www.sedarplus.ca).

### **Other Board Committees**

The Board appointed an Audit Committee and a Compensation Committee on April 29, 2024. There are no other committees other than the Audit Committee and the Compensation Committee.

### **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 the Audit Committee. On an ongoing annual basis, the Board assesses the performance of the Board as a whole, each of the individual directors and the Audit Committee of the Board in order to satisfy itself that each is functioning effectively.