

**GROUNDPEOPLE APPAREL INC.**

**NOTICE OF MEETING AND  
MANAGEMENT INFORMATION CIRCULAR**

**for the**

**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**to be held on**

**November 19, 2024**

**GROUNDPEOPLE APPAREL INC.**  
**800-1199 West Hastings Street**  
**Vancouver, BC V6E 3T5**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON November 19, 2024.**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of the holders of common shares (“**Shareholders**”) of Grounded People Apparel Inc. (the “**Company**”) will be held at 800-1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5 on Tuesday, November 19, 2024 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 year ended February 28, 2024, and the report 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 Manning Elliot LLP the auditors for the ensuing year and to authorize the directors to fix their remuneration;
5. to transact such further business as may properly come before the Meeting or any adjournment or postponement thereof.

**DATED** this 10<sup>th</sup> day of October, 2024.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) “Maximilian Justus”*  
Maximilian Justus  
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 February 28, 2024. 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.sedarplus.ca](http://www.sedarplus.ca).

**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.**

Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their Common Shares will be voted at the Meeting are requested to complete, sign and deliver the enclosed form of proxy to the Proxy Dept., Endeavor Trust Corporation (“**Endeavor**”), 702 - 777 Hornby Street, Vancouver, BC V6Z 1S4. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment(s) thereof. Further instructions with respect to voting by proxy are provided in the form of proxy and in the Information Circular accompanying this Notice.

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.

**GROUNDPEOPLE APPAREL INC.**

**MANAGEMENT INFORMATION CIRCULAR**

**ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON NOVEMBER 19, 2024**

This management information circular (the “Circular”) and accompanying form of proxy are furnished in connection with the solicitation of proxies by management of **Grounded People Apparel Inc.** (the “Company”) for use at the annual general 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, V6E 3T5 on Tuesday, November 19, 2024 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 29, 2024 to the registered holders of common shares of the Company (the “Common Shares”) of record at the close of business on October 10, 2024 (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.

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 19, 2024, 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 indirectly, 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.

The company does not intend to pay for Intermediaries to forward to an objecting beneficial owner (an “OBO”) under NI 54-101 the proxy-related materials and Form 54-101F7 Request for Voting Instructions

Made by Intermediary. An OBO will not receive such materials unless the OBO's Intermediary assumes the cost of delivery.

### 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 February 28, 2024 (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 (PST) time) on Friday, November 15, 2024, 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 (PST) time) on **Friday, November 15, 2024**, 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 26,293,740 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 one person present or represented by proxy.

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> |
|--------------------------------|---------------------------------------|---|
| Right Season Investments Corp. | 5,290,675                             | 20.12%  |

Notes:

- (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 26,293,740 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 February 28, 2024, 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.sedarplus.ca](http://www.sedarplus.ca).

### **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 <sup>(1)</sup> |
|---|---|---|--|
| <b>Maximilian Justus</b> <sup>(2)</sup><br>Vancouver, BC,<br>Canada | Director and Chief Executive Officer since January 27, 2021.                      | Mr. Justus currently serves as the CEO and a director of the Company. From April 2018 – October 2020, Mr. Justus served as director of Elevate Industries Ltd.  | 1,000  |
| <b>Patrick Morris</b><br>North Vancouver, BC,<br>Canada             | Director since January 27, 2021.  | Current CEO of Hardcore Discoveries Ltd. Corporate consultant and served as a director and officer of several publicly listed companies.  | 12,562   |
| <b>Joel Shacker</b> <sup>(2)</sup><br>Vancouver, BC,<br>Canada      | Director since January 27, 2021.  | From 2020 to present, Mr. Shacker has served as the CEO and director of Core One Labs Inc. Mr. Shacker was a former Associate at Stadnyk and Partners from 2018 to 2019 and a former director and consultant of Weekend Unlimited Inc. from 2018 to 2019. | Nil  |
| <b>Geoff Balderson</b><br>Vancouver, BC,<br>Canada                  | Director, Chief Financial Officer and Corporate Secretary since January 27, 2021. | From 2015 to present, Mr. Balderson has acted as an officer and director of various companies and is the President of Harmony Corporate Services Ltd., a Vancouver based company that provides administrative service to publicly listed companies.       | 40,667 <sup>(3)</sup>  |
| <b>Nima Bahrami</b> <sup>(2)</sup><br>Vancouver, BC,<br>Canada      | Director since January 27, 2021.  | Mr. Bahrami is the CEO and a director of Bettermoo(d) Food Corporation. From May 2018 to present, Mr. Bahrami serves as an independent corporate consultant.  | 1,000  |

**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) Members of the Audit Committee.
- (3) 27,000 shares owned directly by Mr. Balderson and 13,667 shares owned by Amalfi Corporate Services Ltd, a private company which is controlled by Mr. Balderson.

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 Maximilian Justus, Joel Shacker and Nima Bahrami.



## **Director Biographies**

### ***Maximilian Justus***

Mr. Justus entered the fashion space in 2011 by founding a design and production company specializing in custom designed garments. While traveling abroad Mr. Justus experienced the negative environmental impacts of the fashion industry firsthand. Mr. Justus joined the Company to further his passion for fashion and commitment to environmentalism. Mr. Justus' time as a private business owner has furnished him with the experience to oversee and develop all operations of design, production and fulfilment.

### ***Patrick Morris***

Mr. Morris is a seasoned entrepreneur and capital markets expert with two decades of experience successfully raising funds for microcap companies across diverse industries. His expertise spans pharmaceutical cannabis, resource exploration, blockchain technologies, finance, and innovative businesses dedicated to the future of food. As former CEO and Director of Eat Beyond Global Holdings Inc, Canada's pioneering publicly traded investment issuer focused exclusively on investing in the future of food, Mr. Morris demonstrated his exceptional leadership skills and market acumen. Additionally, Mr. Morris co-created and co-produced Canada's first nationally syndicated radio show showcasing growth stock opportunities, which aired on fourteen of the top-rated news talk stations across the country, cementing his reputation as a trusted and knowledgeable authority in the investment world.

### ***Joel Shacker***

Mr. Shacker has worked extensively in the cannabis and finance space over the past six years and has sat on several boards of publicly traded companies. He has been in charge of leading the expansion of publicly traded companies into international cannabis markets and has overseen and developed cannabis operations from the ground up. Mr. Shacker is currently the Chief Executive Officer and a director of Core One Labs Inc., an emerging biotechnology research and development company in the psychedelics as alternative medicines space. Core One Labs Inc. is focused on life sciences and on bringing psychedelic medicines to market through novel delivery systems and psychedelic assisted psychotherapy. Mr. Shacker holds an Honours Business Administration degree from Ivey Business School specializing in finance (2013).

### ***Geoff Balderson***

Mr. Balderson serves as the CFO and Director of several publicly traded companies in a variety of industries and is instrumental in managing the financial operations as well as the integrated business strategies. He is the Founder and President of Harmony Corporate Services and has been involved in the capital markets for 25 years, possessing a solid background in corporate compliance.

### ***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.

A management cease trade order was issued to the Company on June 29, 2023 for failure to file its annual audited financial statements for the year ended February 28, 2023 and the related management's discussion and analysis in the required time. Grounded's financial statements and management discussions and analysis was subsequently filed and the BCSC issued a revocation order on August 8, 2023.

Mr. Balderson previously served as President and Chief Executive Officer of Argentum Silver Corp. ("**Argentum**") from August 2014 to May 2017. The British Columbia Securities Commission (the "**BCSC**") issued a management cease trade order (the "**2015 CTO**") against insiders of Argentum for failure to file annual audited financial statements and management's discussion and analysis for the year ended June 30, 2015. The 2015 CTO was revoked on December 16, 2015. On November 3, 2016, the BCSC and Ontario Securities Commission issued a cease trade order (the "**2016 CTO**") against Argentum for failure to file annual audited financial statements and management's discussion and analysis for the year ended June 30, 2016. The 2016 CTO was revoked on December 5, 2016.

Mr. Balderson is CFO of Vinergy Capital Inc.) ("**Vinergy**"), a company publicly trading on the CSE. A management cease trade order was issued to Vinergy on June 29, 2021 for failure to file its annual financial statements in the required time. Vinergy's annual financial statements were subsequently filed and the BCSC issued a revocation order on August 3, 2021.

Mr. Balderson was previously President, CFO and Director of Goldeneye Resources Corp., a company publicly trading on the TSX-V. A cease trade order was issued on September 2, 2022 for failure to file its annual financial statements in the required time.

Mr. Balderson is CFO and director of Lida Resources Inc. ("**Lida**"), a company publicly trading on the CSE. A management cease trade order was issued to Lida on December 30, 2021 for failure to file its annual financial statements in the required time. Lida's annual financial statements were subsequently filed and the BCSC issued a revocation order on March 4, 2022.

Mr. Balderson is CFO and Secretary of New Wave Holdings Inc. ("**New Wave**"), a company publicly trading on the CSE. A management cease trade order was issued to New Wave on July 30, 2021 and a cease trade order was issued on October 5, 2021. New Wave's annual financial statements were subsequently filed and the BCSC issued a revocation order on October 29, 2021.

Mr. Balderson was previously CFO of Lords & Company Worldwide Holdings Inc. ("**Lords**"), a company publicly trading on the CSE. A management cease trade order was issued to Lords on March 31, 2022 for failure to file its annual financial statements in the required time. Lords' annual financial statements were subsequently filed and the BCSC issued a revocation order on May 10, 2023.

Mr. Balderson is a director, CFO and Corporate Secretary of Core One Labs Inc. ("**Core**"), Mr. Shacker is the CEO of and a director of Core and Mr. Morris a director of Core. Core is a company publicly trading on the CSE. A management cease trade order was issued to Core on June 16, 2020, for failure to file its financial statements in the required time. On July 15, 2020, a cease trade order was issued to Core for failure to file its financial statements in the required time. Core's financial statements were subsequently filed and the BCSC issued a revocation order on August 26, 2020, for the June 16, 2020, management cease trade order and the July 15, 2020, cease trade order. A further management cease trade order was issued to Core on May 3, 2021, for failure to file its annual financial statements in the required time. Core's annual financial statements were subsequently filed and the BCSC issued a revocation order on June 29, 2021. A further 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. Core currently has an active cease trade order issued on August 2, 2024, for failure to file its annual audited financial statements and management discussions and analysis for the year-ended March 31, 2024.

Mr. Balderson is CFO and Corporate Secretary of Thoughtful Brands Inc. ("**Thoughtful**") and Joel Shacker is the President and a director of Thoughtful. Thoughtful was previously a publicly traded company on the CSE. A management cease trade order was issued to Thoughtful on May 4, 2021, and a cease trade order was issued on July 7, 2021. The common shares of Thoughtful were delisted from the CSE on July 15, 2022.

Mr. Balderson is CFO and Corporate Secretary of Bettermoo(d) Food Corporation ("**Bettermoo(d)**"). Mr. Shacker and Mr. Morris, both directors of Bettermoo(d), a company publicly traded on the CSE. A management cease trade order was issued on November 29, 2022 for failure to file its financial statements for the seven months ended July 31, 2022 and the related management's discussion and analysis in the required time. Bettermoo(d)'s financial statement and management's discussion and analysis was subsequently filed and the BCSC issued a revocation on January 16, 2023.

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 Manning Elliott LLP, Chartered Professional Accountants, of 1030 W Georgia St #1700, Vancouver, BC V6E 2Y3, for appointment as the auditor of the Company to hold such position until the next annual meeting of Shareholders.

On July 11, 2024, GreenGrowth CPAs, Chartered Professional Accountants, of 10250 Constellation Blvd., Los Angeles, California, 90067, United States of America, resigned as auditor of the Company on its own initiative and the Board accepted such resignation. The Board resolved to fill the vacancy by appointing Manning Elliott LLP as the new auditor of the Company. Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**"), copies of: (1) the Notice of Change of Auditor dated October 15, 2024; (2) a letter dated October 15, 2024 from Manning Elliott LLP, Chartered Professional Accountants (successor auditor of the Company); and (3) a letter dated July 17, 2024 from GreenGrowth CPAs, Chartered Professional Accountants (former auditor of the Company), were filed under the Company's SEDAR+ corporate profile at [www.sedarplus.ca](http://www.sedarplus.ca) on October 15, 2024 (collectively, the "**Change of Auditor Reporting Package**") and such Change of Auditor Reporting Package is attached hereto as Appendix "B".

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 Manning Elliott LLP, Chartered Professional Accountants as auditor of the Company and authorizing the directors to fix their remuneration.

### **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 – Venture Issuers* ("**NI 51-102F6V**") and sets forth compensation for each of the following persons (the "**Named Executive Officers**" or "**NEOs**") and Directors of the Company:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (the "**CEO**"), including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (the "**CFO**"), including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 as

determined in accordance with subsection 1.3(5) of NI 51-102F6V, for that financial year; and

- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

### Director and Named Executive Officer Compensation (excluding Compensation Securities<sup>1</sup>)

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of 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 a NEO or a director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or a subsidiary of the Company for the years ended February 29, 2024 and February 28, 2023.

| Table of Compensation Excluding Compensation Securities                 |                     |   |            |   |                           |                                      |                         |
|---|---------------------|---|------------|---|---------------------------|--------------------------------------|-------------------------|
| 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 (\$) |
| Maximilian Justus <sup>(3)</sup><br>CEO and Director                    | 2024                | 120,000   | N/A        | N/A   | N/A                       | N/A                                  | 120,000                 |
|   | 2023                | 65,000  | N/A        | N/A   | N/A                       | N/A                                  | 65,000                  |
| Geoff Balderson <sup>(4)</sup><br>CFO, Corporate Secretary and Director | 2024                | 110,000   | N/A        | N/A   | N/A                       | N/A                                  | 110,000 <sup>(6)</sup>  |
|   | 2023                | Nil   | N/A        | N/A   | N/A                       | N/A                                  | Nil                     |
| Joel Shacker <sup>(5)</sup><br>Director                                 | 2024                | Nil   | N/A        | N/A   | N/A                       | N/A                                  | Nil                     |
|   | 2023                | Nil   | N/A        | N/A   | N/A                       | N/A                                  | Nil                     |
| Nima Bahrami <sup>(6)</sup><br>Director                                 | 2024                | Nil   | N/A        | N/A   | N/A                       | N/A                                  | Nil                     |
|   | 2023                | Nil   | N/A        | N/A   | N/A                       | N/A                                  | Nil                     |
| Patrick Morris <sup>(7)</sup><br>Director                               | 2024                | Nil   | N/A        | N/A   | N/A                       | N/A                                  | Nil                     |
|   | 2023                | Nil   | N/A        | N/A   | N/A                       | N/A                                  | Nil                     |

Notes:

- (1) For the fiscal years ended February 28, 2023 and February 29, 2024.
- (2) The Company did not pay any Committee or Meeting fees to its Directors for the fiscal years ended February 28, 2023 or February 29, 2024.
- (3) Mr. Justus was appointed CEO and Director of the Company on January 27, 2021. Mr. Justus did not receive compensation in his capacity as Director; all compensation reflected in this table for Mr. Justus is with respect to his role as CEO.
- (4) Mr. Balderson was appointed as CFO, Corporate Secretary and Director of the Company on January 27, 2021. Mr. Balderson did not receive compensation in his capacity as Director; all compensation reflected in this table for Mr. Balderson is with respect to his roles as CFO and Corporate Secretary.
- (5) Mr. Shacker was appointed as a Director of the Company on January 27, 2021.
- (6) Mr. Bahrami was appointed as a Director of the Company on January 27, 2021.
- (7) Mr. Morris was appointed as a Director of the Company on January 27, 2021.
- (8) Compensation paid to Amalfi Corporate Services Ltd., a private company which is controlled by Geoff Balderson

<sup>1</sup> Per NI 51-102F6V, "compensation securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries.

## Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each NEO and director by the Company or a subsidiary of the Company in the year-ended February 29, 2024, for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries.

| Compensation Securities  |                               |   |                        |  |   |  |             |
|--|-------------------------------|---|------------------------|--|---|--|-------------|
| Name and Position  | Type of Compensation Security | Number of Compensation Securities, Number of Underlying Securities <sup>2</sup> and Percentage of Class | Date of Issue or Grant | Issue, Conversion or Exercise Price (\$) | Closing Price of Security or Underlying Security on Date of Grant | Closing Price of Security or Underlying Security at Year End | Expiry Date |
| Maximilian Justus <sup>(1)</sup><br><i>CEO and Director</i>                    | Stock Options<br>RSUs         | Nil<br>Nil  | N/A<br>N/A             | N/A<br>N/A                               | N/A<br>N/A  | N/A<br>N/A   | N/A<br>N/A  |
| Geoff Balderson <sup>(2)</sup><br><i>CFO, Corporate Secretary and Director</i> | Stock Options<br>RSUs         | Nil<br>Nil  | N/A<br>N/A             | N/A<br>N/A                               | N/A<br>N/A  | N/A<br>N/A   | N/A<br>N/A  |
| Joel Shacker <sup>(3)</sup><br><i>Director</i>                                 | Stock Options<br>RSUs         | Nil<br>Nil  | N/A<br>N/A             | N/A<br>N/A                               | N/A<br>N/A  | N/A<br>N/A   | N/A<br>N/A  |
| Nima Bahrami <sup>(4)</sup><br><i>Director</i>                                 | Stock Options<br>RSUs         | Nil<br>Nil  | N/A<br>N/A             | N/A<br>N/A                               | N/A<br>N/A  | N/A<br>N/A   | N/A<br>N/A  |
| Patrick Morris <sup>(5)</sup><br><i>Director</i>                               | Stock Options<br>RSUs         | Nil<br>Nil  | N/A<br>N/A             | N/A<br>N/A                               | N/A<br>N/A  | N/A<br>N/A   | N/A<br>N/A  |

Notes:

1. As at February 29, 2024, Maximilian Justus held a total of nil compensation securities.
2. As at February 29, 2024, Geoff Balderson held a total of nil compensation securities.
3. As at February 29, 2024, Joel Shacker held a total of nil compensation securities.
4. As at February 29, 2024, Nima Bahrami held a total of nil compensation securities.
5. As at February 29, 2024, Patrick Morris held a total of nil compensation securities.

## Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by directors or NEOs of the Company during the year-ended February 29, 2024. Subsequent to the financial year ended February 29, 2024, no exercises of compensation securities were made by directors or NEOs of the Company.

## Stock Option Plans and Other Incentive Plans

The Company has a rolling Equity Incentive Plan (the “**Plan**”) which was approved by the shareholders of the Company on November 15, 2023. The purpose of the 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

<sup>2</sup> Per NI 51-102F6V, “underlying securities” means any securities issuable on conversion, exchange or exercise of compensation securities.

such persons through various stock and cash-based arrangements and provide them with opportunities for ownership of common shares of the Company (“**Common Shares**”) through Awards (as that term is defined in the Plan), thereby aligning the interests of such persons with the Company’s shareholders.

The Plan is a 20% “rolling” equity incentive plan pursuant to which the maximum number of Common Shares reserved under the 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 Common Shares, shall not result in the number of Common Shares reserved for issuance pursuant to Awards exceeding 20% of the issued and outstanding Common Shares as at the date of grant of any Award under the Plan. 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 Plan, in addition to the ability to award options (“**Options**”) to acquire Common 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**”).

The Plan provides that:

1. All directors, officers, employees and consultants (“**Participants**”) are eligible to participate in the Plan. Eligibility to participate does not confer any employee or director any right to receive any grant of an Award pursuant to the Plan. The extent to which any employee or director is entitled to receive a grant of an Award pursuant to the 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 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 Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations of the 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 Common Shares issued pursuant to Awards.
3. No Awards granted under the 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 Plan shall not exceed 20% of the number of Common Shares 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 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.

Pursuant to the policies of the CSE, the Company must obtain shareholder approval of the Plan every 3 years and therefore the next date by which Company must seek approval of the Plan is November 15, 2026.

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

On August 16, 2022, the Company entered into an executive employment agreement (the “**Employment Agreement**”) with Mr. Maximillian Justus whereby Mr. Justus agrees to provide certain services to the

Company in his position as CEO and in accordance with the terms of the Employment Agreement in exchange for an annual salary of \$120,000. Mr. Justus is also eligible to earn a discretionary bonus from time to time as determined by the board of directors of the Company (the "**Board**"). In the event the Company terminates the employment of Mr. Justus without just cause, or the Employment Agreement is terminated by Mr. Justus for good reason (including but not limited to a change of control of the Company), the Company will pay a lump sum amount equal to six months annual compensation, plus one additional month for every completed year of employment with the Company.

The Company entered into a corporate administration and financial advisory agreement (the "**Advisory Agreement**") with Amalfi on March 1, 2021, as amended on July 15, 2022, to provide certain corporate, accounting and administrative services to the Company in accordance with the terms of the Advisory Agreement in exchange for a monthly fee of \$10,000 plus applicable taxes. Amalfi will also be reimbursed by the Company for all out-of-pocket expenses incurred by it on behalf of the Company pursuant to the Advisory Agreement. 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 by either party with thirty (30) days' written notice, however either party may terminate the Advisory Agreement for just cause without prior notice. If the Advisory Agreement is terminated for any reason, Amalfi is entitled to receive fees and reimbursable expenses to the date of termination. In the event that certain transactions are concluded within eighteen months of termination of the Advisory Agreement with certain parties contacted by Amalfi or the Company during the term of the Advisory Agreement, Amalfi will be entitled to transaction success fees as though no such termination had occurred. Amalfi is private company controlled by Geoff Balderson, CFO, Corporate Secretary and a director of the Company.

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

During the financial years ended February 29, 2024 and February 28, 2023, fees paid to directors and NEOs for their respective services were determined by the Board.

Given the Company's current size and stage of development, the Board has not created or appointed a compensation committee. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula, criteria or peer group.

NEO compensation is currently composed of two major components: base salary (or fees) and equity. Interested executives do not participate in reviews, discussions or decisions of the Board regarding this remuneration. In making compensation decisions, the Board strives to find a balance between short-term and long-term compensation and cash versus equity incentive compensation.

Base salaries (or fees) primarily reward recent performance and equity incentive options (a) encourage NEOs and directors to continue to deliver results over a longer period of time and (b) serve as a retention tool. The annual salary or fee for each NEO, as applicable, is determined by the Board based on the level of responsibility and experience of the individual, the relative importance of the position to the Company, the professional qualifications of the individual and the performance of the individual over time.

The second component of the executive officers' compensation is equity incentives. The Company has adopted the Plan to allow the Board to grant, from time to time, to its directors, NEOs, employees and certain consultants, non-transferable Options to purchase Common Shares, and grant RSUs, PSUs and DSUs, provided that the number of Common Shares reserved for issuance under the Plan does not exceed 20% of the Common Shares issued and outstanding at any given time. The process for determining the Awards for NEOs of the Company is based on discussions by the members of the Board.

The NEOs' performances and salaries (or fees) are to be reviewed periodically by the Board. Increases in salary (or fees) are to be evaluated on an individual basis and are performance and market-based.



Compensation is not tied to performance criteria or goals such as milestones, agreements or transactions, and the Company does not use a “peer group” to determine compensation.

### **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, Joel Shacker, Nima Bahrami and Patrick Morris are independent directors of the Board based upon the tests for independence set forth in NI 52-110. Maximilian Justus and Geoff Balderson are not considered to be independent within the meaning of applicable Canadian securities legislation, by virtue of their positions as the Company’s CEO and CFO, respectively.

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

### Other Public Company Directorships

The following directors of the Company also serve as directors of other reporting issuers:

| Name of Director | Other Reporting Issuer  | Name of Exchange or Market |
|------------------|---|----------------------------|
| Geoff Balderson  | AmmPower Corp., Alerio Gold Corp., Bettermoo(d) Food Corporation, Blender Bites Limited, Core One Labs Inc., Eat & Beyond Global Holdings Inc., Four Nine Gold Inc., Gambier Gold Corp., Green Bridge Metals Corporation, Lida Resources Inc., Makara Mining Corp., New Wave Holdings Corp., Nexco Resources Inc., Nordique Resources Inc., Plantable Health Inc., Plant Veda Foods Ltd, Spectra Capital Corp., Shooting Star Acquisition Corp., Schwabo Capital Corporation, Spectra Capital Corp. and MedBright AI Investments Inc. | TSXV, CSE                  |
| Joel Shacker     | Bettermoo(d) Food Corporation and Core One Labs Inc.,   | TSXV, CSE                  |
| Patrick Morris   | Blender Bites Limited, Bettermoo(d) Food Corporation, Core One Labs Inc., Earthwise Minerals Corp., and Hardcore Discoveries Ltd.   | TSXV, CSE                  |
| Nima Bahrami     | Bettermoo(d) Food Corporation and Blender Bites Limited.  | CSE                        |

### 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 “A” 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 Maximilian Justus, Joel Shacker and Nima Bahrami. Messrs. Shacker and Bahrami are all considered independent and “financially literate” within the meaning of NI 52-110.

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

**Joel Shacker** – Mr. Shacker has worked extensively in the cannabis and finance space over the past six years and has sat on several boards of publicly traded companies. He has been in charge of leading the expansion of publicly traded companies into international cannabis markets and has overseen and developed cannabis operations from the ground up. Mr. Shacker is currently the Chief Executive Officer and a director of Core One Labs Inc., an emerging biotechnology research and development company in the psychedelics as alternative medicines space. Core One Labs Inc. is focused on life sciences and on bringing psychedelic medicines to market through novel delivery systems and psychedelic assisted psychotherapy.

**Patrick Morris** – Mr. Morris is a seasoned entrepreneur and capital markets expert with two decades of experience successfully raising funds for microcap companies across diverse industries. His expertise spans pharmaceutical cannabis, resource exploration, blockchain technologies, finance, and innovative businesses dedicated to the future of food. As former CEO and Director of Eat Beyond Global Holdings Inc, Canada's pioneering publicly traded investment issuer focused exclusively on investing in the future of food, Mr. Morris demonstrated his exceptional leadership skills and market acumen. Additionally, Mr. Morris co-created and co-produced Canada's first nationally syndicated radio show showcasing growth stock opportunities, which aired on fourteen of the top-rated news talk stations across the country, cementing his reputation as a trusted and knowledgeable authority in the investment world.

**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.

### **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:

| Financial Year Ended | Audit Fees <sup>(1)</sup> | Audit-Related Fees <sup>(2)</sup> | Tax Fees <sup>(3)</sup> | All Other Fees <sup>(4)</sup> |
|----------------------|---------------------------|-----------------------------------|-------------------------|-------------------------------|
| February 28, 2024    | \$                        | \$                                | Nil                     | Nil                           |
| February 28, 2023    | \$47,000                  | \$4,500                           | 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 February 28, 2024.

| 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> |
|---|--|---|--|
|   | (a)  | (b)   | (c)  |
| Equity compensation plans approved by securityholders     | 1,501,000  | \$0.31  | 3,410,681  |
| Equity compensation plans not approved by securityholders | Nil  | N/A   | Nil  |
| <b>Total</b>  | <b>1,501,000</b>   |   | <b>3,410,681</b>   |

Notes:

1. Reflects the number of Common Shares reserved for issuance upon exercise of equity compensation outstanding under the Equity Incentive Plan as of February 28, 2024.
2. Reflects the number of equity compensation available for issuance under the Equity Incentive Plan as at February 28, 2024. The maximum number of Common Shares reserved for issuance under the Equity Incentive Plan at any time is 20% of the Company's issued and outstanding Common Shares, 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.sedarplus.ca](http://www.sedarplus.ca). 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 February 28, 2024. 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 10<sup>th</sup> day of October, 2024.

**BY ORDER OF THE BOARD OF DIRECTORS**

***“Maximilian Justus”***

Maximilian Justus  
Chief Executive Officer and Director

## APPENDIX "A"

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

#### 1. PURPOSE

The main purpose of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Grounded People Apparel Inc. (the "**Company**") is to assist the Board in fulfilling its statutory responsibilities in relation to internal control and financial reporting, and to carry out certain oversight functions on behalf of the Board, including the oversight of:

- a) the integrity of the Company's financial statements and other financial information provided by the Company to securities regulators, governmental bodies and the public to ensure that the Company's financial disclosures are complete, accurate, in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations by the International Financial Reporting Interpretations Committee ("**IFRIC**"), and fairly present the financial position and risks of the Company;
- b) assessing the independence, qualifications and performance of the Company's independent auditor (the "**Auditor**"), appointing and replacing the Auditor, overseeing the audit and non-audit services provided by the Auditor, and approving the compensation of the Auditor;
- c) Senior Management (as defined below) responsibility for assessing and reporting on the effectiveness of internal controls;
- d) financial matters and management of financial risks;
- e) the prevention and detection of fraudulent activities; and
- f) investigation of complaints and submissions regarding accounting or auditing matters and unethical or illegal behavior.

The Committee provides an avenue for communication between the Auditor, the Company's executive officers and other senior managers ("**Senior Management**") and the Board, and has the authority to communicate directly with the Auditor. The Committee shall have a clear understanding with the Auditor that they must maintain an open and transparent relationship with the Committee. The Auditor is ultimately accountable to the Committee and the Board, as representatives of the Company's shareholders.

#### 2. COMPOSITION

The Committee shall be comprised of three directors. Each Committee member shall:

- a) satisfy the laws governing the Company;
- b) be "financially literate" in accordance with the definition set out in Section 1.6 of NI 52-110, which definition is reproduced in Appendix "A" of this charter.

The majority of Committee members shall be "independent" in accordance with Sections 1.4 and 1.5 of National Instrument 52-110 Audit Committees ("**NI 52-110**"), which sections are reproduced in Appendix "A" of this charter, and the position of non-executive Chair of the Board is considered to be an executive officer of the Company.

Committee members and the chair of the Committee (the "**Committee Chair**") shall be appointed annually by the Board at the first Board meeting that is held after every annual general meeting of the Company's shareholders. The Board may remove a Committee member at any time in its sole discretion by a resolution of the Board.

If a Committee member simultaneously serves on the audit committees of more than three public companies, the Committee shall seek the Board's determination as to whether such simultaneous service would impair the ability of such member to effectively serve on the Committee and ensure that such determination is disclosed.

### **3. MEETINGS**

The Committee shall meet at least once per financial quarter and as many additional times as the Committee deems necessary to carry out its duties effectively.

The Committee shall meet:

- a) within 60 days following the end of each of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related management's discussion and analysis ("**MD&A**"); and
- b) within 120 days following the end of the Company's fiscal year end to review and discuss the audited financial results for the year and related MD&A.

As part of its job to foster open communication, the Committee shall meet at least once each financial quarter with Senior Management and the Auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

A majority of the members of the Committee shall constitute a quorum for any Committee meeting. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by unanimous written consent of the Committee members.

The Committee Chair shall preside at each Committee meeting. In the event the Committee Chair is unable to attend or chair a Committee meeting, the Committee will appoint a chair for that meeting from the other Committee members.

The Corporate Secretary of the Company, or such individual as appointed by the Committee, shall act as secretary for a Committee meeting (the "**Committee Secretary**") and, upon receiving a request to convene a Committee meeting from any Committee member, shall arrange for such meeting to be held.

The Committee Chair, in consultation with the other Committee members, shall set the agenda of items to be addressed at each Committee meeting. The Committee Secretary shall ensure that the agenda and any supporting materials for each upcoming Committee meeting are circulated to each Committee member in advance of such meeting.

The Committee may invite such officers, directors and employees of the Company, the Auditor, and other advisors as it may see fit from time to time to attend at one or more Committee meetings and assist in the discussion and consideration of any matter. For purposes of performing their duties, members of the Committee shall, upon request, have immediate and full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the duties and responsibilities of the Committee with officers, directors and employees of the Company, with the Auditor, and with other advisors subject to appropriate confidentiality agreements being in place.

Unless otherwise provided herein or as directed by the Board, proceedings of the Committee shall be conducted in accordance with the rules applicable to meetings of the Board.

### **4. DUTIES AND RESPONSIBILITIES**

Subject to the powers and duties of the Board and the Articles of the Company, in order to carry out its oversight responsibilities, the Committee shall:

#### **4.1 Financial Reporting Process**



- a) Review with Senior Management and the Auditor any items of concern, any proposed changes in the selection or application of accounting principles and policies and the reasons for the change, any identified risks and uncertainties, and any issues requiring the judgement of Senior Management, to the extent that the foregoing may be material to financial reporting.
- b) Consider any matter required to be communicated to the Committee by the Auditor under generally accepted auditing standards, applicable law and listing standards, if applicable, including the Auditor's report to the Committee (and the response of Senior Management thereto) on:
  - (i) accounting policies and practices used by the Company;
  - (ii) alternative accounting treatments of financial information that have been discussed with Senior Management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the Auditor; and
  - (iii) any other material written communications between the Auditor and Senior Management.
- c) Discuss with the Auditor their views about the quality, not just the acceptability, of accounting principles and policies used by the Company, including estimates and judgements made by Senior Management and their selection of accounting principles.
- d) Discuss with Senior Management and the Auditor:
  - (i) any accounting adjustments that were noted or proposed (immaterial or otherwise) by the Auditor but were not reflected in the financial statements;
  - (ii) any material correcting adjustments that were identified by the Auditor in accordance with generally accepted accounting principles ("GAAP") or applicable law;
  - (iii) any communication reflecting a difference of opinion between the audit team and the Auditor's national office on material auditing or accounting issues raised by the engagement; and
  - (iv) any "management" or "internal control" letter issued, or proposed to be issued, by the Auditor to the Company.
- e) Discuss with Senior Management and the Auditor any significant financial reporting issues considered during the fiscal period and the method of resolution, and resolve disagreements between Senior Management and the Auditor regarding financial reporting.
- f) Review with Senior Management and the Auditor:
  - (i) any off-balance sheet financing mechanisms being used by the Company and their effect on the Company's financial statements; and
  - (ii) the effect of regulatory and accounting initiatives on the Company's financial statements, including the potential impact of proposed initiatives.
- g) Review with Senior Management and the Auditor and legal counsel, if necessary, any litigation, claim or other contingency, including tax assessments, that could have a material effect on the financial position or operating results of the Company, and the manner in which these matters have been disclosed or reflected in the financial statements.
- h) Review with the Auditor any audit problems or difficulties experienced by the Auditor in performing the audit, including any restrictions or limitations imposed by Senior Management, and the

response of Senior Management, and resolve any disagreements between Senior Management and the Auditor regarding these matters.

- i) Review the results of the Auditor's work, including findings and recommendations, Senior Management's response, and any resulting changes in accounting practices or policies and the impact such changes may have on the financial statements.
- j) Review and discuss with Senior Management the audited annual financial statements and related MD&A and make recommendations to the Board with respect to approval thereof before their release to the public.
- k) Review and discuss with Senior Management and the Auditor all interim unaudited financial statements and related interim MD&A.
- l) Approve interim unaudited financial statements and related interim MD&A prior to their filing and dissemination.
- m) In connection with Sections 4.1 and 5.1 of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), obtain confirmation from the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") (and considering the Auditor's comments, if any, thereon) to their knowledge:
  - (i) that the audited financial statements, together with any financial information included in the annual MD&A and annual information form, fairly present in all material respects the Company's financial condition, financial performance and cash flows; and
  - (ii) that the interim financial statements, together with any financial information included in the interim MD&A, fairly present in all material respects the Company's financial condition, financial performance and cash flows.
- n) Review news releases to be issued in connection with the audited annual financial statements and related MD&A and the interim unaudited financial statements and related interim MD&A, before being disseminated to the public, if the Company is required to do so under applicable securities laws, paying particular attention to any use of "pro-forma" or "adjusted" non-GAAP, information.
- o) Review any news release containing earnings guidance or financial information based upon the Company's financial statements prior to the release of such statements, if the Company is required to disseminate such news releases under applicable securities laws.
- p) Review the appointment of the CFO and have the CFO report to the Committee on the qualifications of new key financial personnel involved in the financial reporting process.

#### **4.2 Internal Controls**

- a) Consider and review with Senior Management and the Auditor the adequacy and effectiveness of internal controls over accounting and financial reporting within the Company and any proposed significant changes in them.
- b) Consider and discuss any Auditor's comments on the Company's internal controls, together with Senior Management responses thereto.
- c) Discuss, as appropriate, with Senior Management and the Auditor any major issues as to the adequacy of the Company's internal controls and any special audit steps in light of material internal control deficiencies.

- d) Review annually the disclosure controls and procedures.
- e) Receive confirmation from the CEO and the CFO of the effectiveness of disclosure controls and procedures, and whether there are any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information or any fraud, whether or not material, that involves Senior Management or other employees who have a significant role in the Company's internal control over financial reporting. In addition, receive confirmation from the CEO and the CFO that they are prepared to sign the annual and quarterly certificates required by Sections 4.1 and 5.1 of NI 52-109, as amended from time to time.

### **4.3 The Auditor**

#### *Qualifications and Selection*

- a) Subject to the requirements of applicable law, be solely responsible to select, retain, compensate, oversee, evaluate and, where appropriate, replace the Auditor. The Committee shall be entitled to adequate funding from the Company for the purpose of compensating the Auditor for authorized services.
- b) Instruct the Auditor that:
  - (i) they are ultimately accountable to the Board and the Committee, as representatives of shareholders; and
  - (ii) they must report directly to the Committee.
- c) Ensure that the Auditor have direct and open communication with the Committee and that the Auditor meet with the Committee once each financial quarter without the presence of Senior Management to discuss any matters that the Committee or the Auditor believe should be discussed privately.
- d) Evaluate the Auditor's qualifications, performance, and independence. As part of that evaluation:
  - (i) at least annually, request and review a formal report by the Auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;
  - (ii) annually review and confirm with Senior Management and the Auditor the independence of the Auditor, including all relationships between the Auditor and the Company, including the amount of fees received by the Auditors for the audit services, the extent of non-audit services and fees therefor, the extent to which the compensation of the audit partners of the Auditor is based upon selling non-audit services, the timing and process for implementing the rotation of the lead audit partner, reviewing partner and other partners providing audit services for the Company, and whether there should be a regular rotation of the audit firm itself; and
  - (iii) annually review and evaluate senior members of the audit team of the Auditor, including their expertise and qualifications. In making this evaluation, the Committee should consider the opinions of Senior Management.

Conclusions on the independence of the Auditor should be reported by the Committee to the Board.

- e) Approve and review, and verify compliance with, the Company's policies for hiring of employees and former employees of the Auditor and former auditors. Such policies shall include, at minimum, a one-year hiring "cooling off" period.

#### *Other Matters*

- a) Meet with the Auditor to review and approve the annual audit plan of the Company's financial statements prior to the annual audit being undertaken by the Auditor, including reviewing the year-to-year co-ordination of the audit plan and the planning, staffing and extent of the scope of the annual audit. This review should include an explanation from the Auditor of the factors considered by the Auditor in determining their audit scope, including major risk factors. The Auditor shall report to the Committee all significant changes to the approved audit plan.
- b) Review and pre-approve all audit and non-audit services and engagement fees and terms in accordance with applicable law, including those provided to the Company's subsidiaries by the Auditor or any other person in its capacity as independent auditor of such subsidiary. Between scheduled Committee meetings, the Committee Chair, on behalf of the Committee, is authorized to pre-approve any audit or non-audit services and engagement fees and terms up to \$50,000. At the next Committee meeting, the Committee Chair shall report to the Committee any such pre-approval given.
- c) Establish and adopt procedures for such matters.

#### **4.4 Compliance**

- a) Monitor compliance by the Company with all payments and remittances required to be made in accordance with applicable law, where the failure to make such payments could render the Company's directors personally liable.
- b) Receive regular updates from Senior Management regarding compliance with laws and regulations and the process in place to monitor such compliance, excluding, however, legal compliance matters subject to the oversight of the Corporate Governance and Nominating Committee of the Board, if any. Review the findings of any examination by regulatory authorities and any observations by the Auditor relating to such matters.
- c) Establish and oversee the procedures in the Company's Whistleblower Policy to address:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting or auditing matters or unethical or illegal behaviour; and
  - (ii) confidential, anonymous submissions by employees of concerns regarding questionable accounting and auditing matters or unethical or illegal behaviour.
- d) Ensure that political and charitable donations conform with policies and budgets approved by the Board.
- e) Monitor management of hedging, debt and credit, make recommendations to the Board respecting policies for management of such risks, and review the Company's compliance therewith.
- f) Approve the review and approval process for the expenses submitted for reimbursement by the CEO.
- g) Oversee Senior Management's mitigation of material risks within the Committee's mandate and as otherwise assigned to it by the Board.

#### **4.5 Financial Oversight**

- a) Assist the Board in its consideration and ongoing oversight of matters pertaining to:
  - (i) capital structure and funding including finance and cash flow planning;
  - (ii) capital management planning and initiatives;
  - (iii) property and corporate acquisitions and divestitures including proposals which may have a material impact on the Company's capital position;
  - (iv) the Company's annual budget;
  - (v) the Company's insurance program;
  - (vi) directors' and officers' liability insurance and indemnity agreements; and
  - (vii) matters the Board may refer to the Committee from time to time in connection with the Company's capital position.

#### **4.6 Other**

- a) Perform such other duties as may be assigned to the Committee by the Board.
- b) Annually review and assess the adequacy of its charter and recommend any proposed changes to the Corporate Governance and Nominating Committee.
- c) Review its own performance annually, and provide the results of such evaluation to the Board for its review.

#### **5. AUTHORITY**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to:

- a. select, retain, terminate, set and approve the fees and other retention terms of special or independent counsel, accountants or other experts, as it deems appropriate; and
- b. obtain appropriate funding to pay, or approve the payment of, such approved fees, without seeking approval of the Board or Senior Management.

#### **6. ACCOUNTABILITY**

The Committee Chair shall make periodic reports to the Board, as requested by the Board, on matters that are within the Committee's area of responsibility.

The Committee shall maintain minutes of its meetings with the Company's Corporate Secretary and shall provide an oral report to the Board at the next Board meeting that is held after a Committee meeting.

## APPENDIX "A"

### Definitions from National Instrument 52-110 Audit Committees Section

#### **1.4 Meaning of Independence**

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
  - a. an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
  - b. an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
  - c. an individual who:
    - i. is a partner of a firm that is the issuer's internal or external auditor,
    - ii. is an employee of that firm, or
    - iii. was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
  - d. an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
    - i. is a partner of a firm that is the issuer's internal or external auditor,
    - ii. is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
    - iii. was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
  - e. an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
  - f. an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because
  - a. he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

- b. he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
  - a. remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
  - b. the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
  - a. has previously acted as an interim chief executive officer of the issuer, or
  - b. acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- (8) For the purpose of Section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

### ***Section 1.5 Additional Independence Requirements***

- (1) Despite any determination made under Section 1.4, an individual who
  - a. accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
  - b. is an affiliated entity of the issuer or any of its subsidiary entities,is considered to have a material relationship with the issuer.
- (2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
  - a. an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
  - b. an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

- (3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

***Section 1.6 Meaning of Financial Literacy***

For the purposes of this Instrument, 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 issuer's financial statements.



**APPENDIX "B"**  
**CHANGE OF AUDITOR**  
**REPORTING PACKAGE**

**GROUNDPEOPLE APPAREL INC.**  
**NOTICE OF CHANGE OF AUDITOR**

**TO: British Columbia Securities Commission (Principal Regulator)**  
**Ontario Securities Commission**

This change relates to the Notice of Change of Auditor dated July 17, 2024, which was filed on SEDAR+ on July 24, 2024.

Pursuant to section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), Grounded People Apparel Inc. (the “**Corporation**”) hereby provides notice that:

1. Effective July 11, 2024, GreenGrowth CPAs (“**GreenGrowth**”) resigned as auditor of the Corporation on their own initiative;
2. The Corporation’s Board of Directors accepted GreenGrowth’s resignation as the Corporation’s auditor and has approved the appointment of Manning Elliott LLP as the successor auditor of the Corporation, effective October 15, 2024;
3. GreenGrowth has not issued any modified opinions on the annual financial statements of the Corporation for the two fiscal years preceding the date of this Notice nor for any interim financial information for any subsequent period preceding the date of this Notice; and
4. In the opinion of the Corporation, there have been no “reportable events”, as that term is defined in NI 51-102, between the Corporation and GreenGrowth preceding the resignation, and as of the date of this Notice.

Dated this 15<sup>th</sup> day of October, 2024

**GROUNDPEOPLE APPAREL INC.**

/s/ “*Geoff Balderson*”

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Geoff Balderson  
Chief Financial Officer



17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

Tel: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

October 15, 2024

To: British Columbia Securities Commission (Principal Regulator)  
Ontario Securities Commission

Dear Sirs/Mesdames:

**Re: Grounded People Apparel Inc. (the "Company")**

**Notice of Change of Auditor**

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We have read the Notice of Change of Auditor from the Company (the "Notice"), dated October 15, 2024 delivered to us pursuant to Part 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

In this regard, we confirm that we are in agreement with the statements with respect to Manning Elliott LLP as set out in the Notice, and for other statements, we have no basis to agree or disagree.

Yours truly,

MANNING ELLIOTT LLP

*Manning Elliott LLP*

**GROUNDPEOPLE APPAREL INC.**

**NOTICE OF CHANGE OF AUDITOR**

To: British Columbia Securities Commission  
Ontario Securities Commission  
Canadian Securities Exchange

Grounded People Apparel Inc. (the "**Company**") hereby gives notice pursuant to National Instrument 51-102 ("**NI 51-102**") that:

- (a) On July 11, 2024 GreenGrowth CPAs, Chartered Professional Accountants, of 10250 Constellation Blvd., Los Angeles, California, 90067, United States of America (the "**Former Auditor**") resigned as the auditor of the Company on its own initiative.
- (b) The resignation of the Former Auditor was considered and approved by the audit committee of the Company's board of directors and by the Company's board of directors.
- (c) None of the Former Auditor's reports on any of the Company's financial statements for the two most recently completed financial years nor for any period subsequent thereto expressed a modified opinion.
- (d) There are no "reportable events", as that term is defined in NI 51-102.

DATED at Vancouver, British Columbia as of the 17<sup>th</sup> day of July, 2024.

**GROUNDPEOPLE APPAREL INC.**

Per: "Maximilian Justus"

Maximilian Justus  
Chief Executive Officer



July 17, 2024

To:

British Columbia Securities Commission

Ontario Securities Commission

Dear Sirs / Mesdames:

Re: **Grounded People Apparel Inc.**

**Change of Auditor Notice dated July 17, 2024**

Pursuant to section 4.11 of National Instrument 51-102, we have read the Change of Auditor Notice (the "Notice") and agree with the statements contained in the Notice pertaining to our firm.

*GreenGrowth CPAs*

GreenGrowth CPAs