



## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual Meeting of Shareholders of Recipe Unlimited Corporation (the “**Company**”) will be held on Friday, May 8, 2020 at 11:00 a.m. (Toronto time) in a virtual only format where shareholders may attend and participate in the meeting via live audio webcast for the following purposes:

- (a) to receive the audited consolidated financial statements of the Company for the financial year ended December 29, 2019 and the auditors’ report thereon;
- (b) to elect directors;
- (c) to appoint the auditors and authorize the directors to fix the auditors’ remuneration; and
- (d) to transact such other business as may properly come before the meeting.

By Order of the Board,

**KENNETH GRONDIN**

**CHIEF FINANCIAL OFFICER**

April 3, 2020

**The Company is holding the meeting as a completely virtual meeting, which will be conducted via live webcast, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the meeting and engage with directors of the Company and management as well as other shareholders. Shareholders will not be able to attend the meeting in person.** Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the meeting online at <https://web.lumiagm.com/269198078>. Non-registered shareholders (being shareholders who hold their shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will not be able to vote at the meeting but will be able to attend the meeting as guests.

If you cannot attend the meeting, please complete and sign the enclosed form of proxy and return it in the envelope provided to Computershare Trust Company of Canada at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 (if delivered by mail or by hand); at (416) 263-9524 or (866) 249-7775 (if delivered by fax); or vote by Internet at [www.investorvote.com](http://www.investorvote.com) so that it is received by 11:00 a.m. (Toronto time) on Wednesday, May 6, 2020. Please refer to the accompanying Management Proxy Circular for further information regarding completion and use of the proxy and other information pertaining to the meeting.

**MANAGEMENT PROXY CIRCULAR  
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## SECTION I - GENERAL AND VOTING INFORMATION

### Solicitation of Proxies

Our management is soliciting the enclosed proxy for use at the Annual Meeting of Shareholders to be held on May 8, 2020 and at any adjournment or postponement thereof. We will bear the cost of soliciting proxies. We will reimburse brokers, custodians, nominees and other fiduciaries for their reasonable charges and expenses incurred in forwarding proxy material to beneficial owners of shares. In addition to solicitation by mail, certain of our officers and employees may solicit proxies personally or by a means of telecommunication. These persons will receive no compensation beyond their regular salaries for so doing.

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

### Date of Information

The information contained in this Management Proxy Circular is given as at April 3, 2020, except where otherwise noted.

### Currency

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

### Voting by Proxy Before the Meeting

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

A properly executed proxy delivered to our transfer agent, Computershare Trust Company of Canada (“**Computershare**”), at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 (if delivered by mail or by hand); at (416) 263-9524 or (866) 249-7775 (if delivered by fax); or by Internet at [www.investorvote.com](http://www.investorvote.com), so that it is received before 11:00 a.m. (Toronto time) on Wednesday, May 6, 2020 (or, in the event of an adjournment or postponement, the last business day prior to the adjourned or postponed meeting); or to the chair or secretary of the meeting for which the proxy is given before the time of voting, will be voted or withheld from voting, as appropriate, at the meeting and, if a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the direction given. In the absence of such direction, such proxy will be voted with respect to the election of directors, and the appointment of auditors.

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

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

### Non-Registered Holders

Under governing law, only registered holders of our subordinate voting shares and multiple voting shares (collectively, the “**Shares**”), or the persons they appoint as their proxies, are permitted to attend and vote at the meeting.

However, in many cases, our subordinate voting shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

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

In accordance with Canadian securities law, we are distributing copies of the notice of meeting, this Management Proxy Circular, the form of proxy, the audited consolidated financial statements of the Company for the financial year ended December 29, 2019 and the related management’s discussion and analysis (collectively, the “**meeting materials**”) to the depositories and intermediaries for onward distribution to Non-Registered Holders. The Company does not intend to pay for intermediaries to forward the meeting materials to Non-Registered Holders and Non-Registered Holders will not receive the meeting materials unless the intermediary assumes the cost of delivery.

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

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

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

#### **How to Revoke a Proxy**

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

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive meeting materials and to vote given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not

required to act on a revocation of voting instruction form or of a waiver of the right to receive meeting materials and to vote that is not received by the intermediary at least seven days prior to the meeting.

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

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

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

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

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

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

- **Step 1: Submit your form of proxy or voting instruction form:** To appoint a third party proxyholder, insert that person’s name in the blank space provided in the form of proxy or voting instruction form (if permitted) and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed before registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.
- **Step 2: Register your proxyholder:** To register a third party proxyholder, shareholders must visit <http://www.computershare.com/BKZQ> by no later than 11:00 a.m. (Toronto time) on May 6, 2020 (the “**voting deadline**”) and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with a Control Number via email. **Without a Control Number, proxyholders will not be able to vote at the meeting but will be able to participate as a guest.**

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

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

Attending the meeting online enables registered shareholders and duly appointed proxyholders, including non-registered shareholders who have duly appointed third party proxyholders, to participate at the meeting, ask questions and

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

- Log in online at <https://web.lumiagm.com/269198078>. We recommend that you log in at least fifteen minutes before the meeting starts.
  - Click “Login” and then enter your Control Number and Password “recipe2020” (case sensitive).
- OR**
- Click “Guest” and then complete the online form.

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

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

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

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

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

**OR**

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

Requests for registration must be labeled as “Legal Proxy” and be received no later than May 6, 2020 by 11:00 a.m. (Toronto time). You will receive a confirmation of your registration by email after Computershare receives your registration materials. You may attend the Meeting and vote your shares at <https://web.lumiagm.com/269198078> during the Meeting. Please note that you are required to register your appointment at <http://www.computershare.com/BKZQ>.

## General Proxy Matters

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

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

## Voting Shares and Principal Holders Thereof

As of February 29, 2020, we have 22,323,601 subordinate voting shares and 34,054,824 multiple voting shares outstanding (these are our only voting securities). Each subordinate voting share carries one vote per share at all meetings of shareholders except for separate meetings of holders of another class of shares. Each multiple voting share carries twenty-five votes per share at all meetings of shareholders except in certain circumstances (which have not occurred) set out in the Company’s constituting documents and except for separate meetings of holders of another class of shares. The multiple voting shares are convertible into subordinate voting shares on a one-for-one basis at any time at the option of the holders thereof and automatically in certain other circumstances. The outstanding subordinate voting shares currently represent approximately 3.08% of the total votes attached to all classes of our outstanding voting securities.

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

Each holder of our subordinate voting shares or multiple voting shares of record at the close of business on April 3, 2020 (the “record date” established for notice of the meeting and for voting in respect of the meeting) will be entitled to vote at the meeting or any adjournment or postponement thereof, either in person or by proxy. At least two shareholders, representing in person or by proxy at least 15% of our outstanding voting shares constitute a quorum at any meeting of shareholders.

As of February 29, 2020, Fairfax Financial Holdings Limited and its affiliates (“Fairfax”) owns 5,812,845 subordinate voting shares and 21,314,747 multiple voting shares, representing approximately 61.66% of the total votes attached to all classes of our voting shares (approximately 26.04% of the total votes attached to the subordinate voting shares and approximately 62.59% of the total votes attached to the multiple voting shares).

As of February 29, 2020, The Phelan family, through Cara Holdings Limited and its affiliates (“Cara Holdings”), owns 12,740,077 multiple voting shares, representing approximately 36.45% of the total votes attached to all classes of our voting shares (approximately 37.41% of the total votes attached to the multiple voting shares).

As reported in an alternative monthly report filed on December 10, 2019, Jarislowsky, Fraser Limited ("**Jarislowsky**"), on behalf of investment funds and/or client accounts over which Jarislowsky has discretionary trading authority, had control or direction over 2,319,398 subordinate voting shares, representing approximately 0.27% of the total votes attached to all classes of our voting shares (approximately 10.39% of the total votes attached to the subordinate voting shares) as of February 29, 2020.

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

### **Additional Information**

You may obtain a copy of our latest annual information form, our audited consolidated financial statements for the financial year ended December 29, 2019 together with the report of the auditors thereon, management's discussion and analysis of our financial condition and results of operations for the financial year ended December 29, 2019, any of our interim consolidated financial statements for periods subsequent to the end of our 2019 fiscal year and this Management Proxy Circular, upon request to our Corporate Secretary. If you are one of our securityholders, there will be no charge to you for these documents. You can also find these documents as well as additional information relating to the Company on our website ([www.recipeunlimited.com](http://www.recipeunlimited.com)) or on SEDAR ([www.sedar.com](http://www.sedar.com)).

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

The OBCA permits certain eligible shareholders to submit shareholder proposals to us, which proposals may be included in a management proxy circular relating to an annual meeting of shareholders. The final date by which we must receive shareholder proposals for our annual meeting of shareholders to be held in 2021 is March 9, 2021.

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

We will address three items at the meeting:

1. receiving the audited consolidated financial statements of the Company for the financial year ended December 29, 2019 and the auditors' report thereon;
2. electing directors; and
3. appointing the auditors and authorizing the directors to fix the auditors' remuneration.

We will also consider other business that may properly come before the meeting.

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

The audited consolidated financial results for the financial year ended December 29, 2019 and the auditors' report thereon will be presented at the meeting and shareholders will be given the opportunity to discuss these results with management.

### **2. Election of Directors**

A board of eight directors (the "**Board**") is to be elected at the meeting to serve until the next annual meeting. Each nominee is voted for on an individual basis. Unless a shareholder specifies otherwise in a proxy, the persons named in the accompanying proxy intend to vote in favour of such resolution. However, in case any of the nominees should become unavailable for election for any presently unforeseen reason, the persons named in the proxy will have the right to use their discretion in selecting a substitute. The following information is submitted with respect to the nominees for director:



<b>Names of nominees, offices held in Recipe (or significant affiliates) and principal occupations</b>	<b>Director since</b>	<b>Ownership or control over voting securities (subordinate voting shares) of Recipe<sup>(1)(2)</sup></b>
David Aisenstat Vice Chair of the Board of Recipe Unlimited Corporation President, Chief Executive Officer and Corporate Director of The Keg Restaurants Ltd. British Columbia, Canada	May 11, 2018	78,284
Christy Clark <sup>(4)</sup> Senior Advisor at Bennett Jones LLP Former Premier of British Columbia British Columbia, Canada	May 11, 2018	0
Stephen K. Gunn <sup>(3)</sup> Corporate Director Ontario, Canada	March 26, 2013	32,258
Christopher D. Hodgson <sup>(3)(4)</sup> President, Ontario Mining Association Ontario, Canada	April 10, 2015	0
Michael J. Norris <sup>(3)</sup> Corporate Director Ontario, Canada	January 2, 2012	26,828
Paul Rivett Chairman of the Board of Recipe Unlimited Corporation Ontario, Canada	December 31, 2019	4,500
Sean Regan <sup>(4)</sup> President of Cara Holdings Limited Ontario, Canada	April 10, 2015	0
John A. Rothschild <sup>(4)</sup> Corporate Director Ontario, Canada	October 31, 2013	259,110

- (1) Details on all outstanding options and share-based awards held by our directors are described under “Executive Compensation Discussion and Analysis - Outstanding Option-Based Awards and Share-Based Awards” and “Director Compensation - Outstanding Options-Based Awards and Share Based Awards”. None of the option-based or share-based awards mentioned in this footnote are included in the numbers of subordinate voting shares shown in the above table.
- (2) Mr. Regan is the President of Cara Holdings Limited, which beneficially owns, controls or directs, directly or indirectly 12,740,077 multiple voting shares, representing approximately 37.41% of our issued and outstanding multiple voting shares.
- (3) Member of the Audit Committee (Chair - Stephen K. Gunn).
- (4) Member of the Governance, Compensation and Nominating Committee (Chair - John A. Rothschild).

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

*Legend:*

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

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**David Aisenstat** - Mr. Aisenstat is the Vice Chair of the Board of Recipe Unlimited Corporation, a position he has held since May 11, 2018 and is the President, Chief Executive Officer and Director of Keg Restaurants Ltd. (“**KRL**”). Mr. Aisenstat has held his current position with The Keg since June 1997. Mr. Aisenstat previously served on the Board of Directors and Executive Committee of KRL from 1982 to 1987 when The Keg was acquired by Whitbread PLC. Mr. Aisenstat has also served as President of Hy’s of Canada Ltd., a fine dining steakhouse restaurant chain, and owns other fine dining restaurants such as Ki Modern Japanese & Bar, The Shore Club and Joe Fortes Seafood & Chop House.

Meetings Attended in 2019  
8 of 8 BD

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

Meetings Attended in 2019  
8 of 8 BD  
2 of 2 GC&NC

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

Meetings Attended in 2019  
8 of 8 BD  
4 of 4 AC

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

Meetings Attended in 2019  
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2 of 2 GC&NC

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**Michael J. Norris** - Mr. Norris has been a director of the Company since January 2, 2012 and acted as Interim Chair of the Board from October 31, 2013 to April 10, 2015. He was Deputy Chair of RBC Capital Markets from 2003 through 2012. Prior to his appointment as Deputy Chair, Mr. Norris held numerous positions with RBC Capital Markets, including Head of the Energy Practice from 1992 through 1998 and Head of Global Investment Banking from 1998 through 2003. Prior to his career at RBC Capital Markets, Mr. Norris had a successful career with Mobil Oil and Gulf Canada. Mr. Norris currently sits on the board of Keyera Corporation and a number of private and non-profit organizations. Mr. Norris holds a B.Sc. degree in Civil Engineering from Queen’s University and holds a Master of Business Administration from the University of Western Ontario.

Meetings Attended in 2019  
8 of 8 BD  
4 of 4 AC

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**Paul Rivett** - Mr. Rivett has been Chair of the Board a director of the Company since December 31, 2019. Mr. Rivett was President of Fairfax from July 19, 2013 to February 13, 2020. Mr. Rivett served as Vice President of Operations at Fairfax from August 1, 2012 to July 19, 2013. Prior to that, he served as Chief Legal Officer of Fairfax from January 2007 to August 2012 and as Vice President from April 2004. Mr. Rivett currently serves as Vice-Chairman of the Board of Fairfax Africa and previously served as a director of Zenith National Insurance Corp., Odyssey Group Holdings Inc., Northbridge Financial Corporation, MEGA Brands Inc., Resolute Forest Products Inc., The Brick Ltd. and Resolute FP US Inc. (formerly Bowater Inc.). Mr. Rivett holds a Bachelor of Science degree from the University of Toronto, a Master of International Relations from Queen's University and a Bachelor of Laws degree from Queen's University. Mr. Rivett is a resident of Toronto, Ontario, Canada. Meetings Attended in 2019  
N/A

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**John A. Rothschild** - Mr. Rothschild has been a board member of the Company since October, 2013. He retired from his position as Senior Vice President, Restaurant Development of the Company in November 2014, a position he had held since October 2013. Mr. Rothschild was the former Chief Executive Officer of Prime Restaurants Inc. ("**Prime**") from 1992 to 2014. Mr. Rothschild has been a senior officer and member of the Boards of Directors of Prime's predecessors since 1988. From 1979 until 1993, Mr. Rothschild worked for Claridge Inc. (formerly Cemp Investments Ltd.), rising to become Vice President of Investments, and then President of one of that company's subsidiaries specializing in investing in small to medium sized businesses. Mr. Rothschild also sits on the boards of directors of several Canadian companies. Mr. Rothschild holds a Bachelor of Arts from the University of Toronto, a Master of Business Administration from the University of Western Ontario, and is a FCPA/FCA. Meetings Attended in 2019  
8 of 8 BD  
2 of 2 GC&NC

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**Sean Regan** - Mr. Regan is the President of Cara Holdings Limited, a position he has held since 2013. Mr. Regan was most recently Senior Vice President, Corporate Development at the Company in 2013, where he was responsible for acquisition and partnership opportunities and the Company's gift card program. Prior to that, Mr. Regan ran the IT Group including the Call Centre Business at the Company from 2009 to 2013, at which time he led the Company's business transformation process to the current cloud computing environment. Prior to his work at the Company, Mr. Regan was a commercial helicopter pilot operating in British Columbia. Mr. Regan holds a Master of Business Administration from the University of Western Ontario. Meetings Attended in 2019  
8 of 8 BD  
2 of 2 GC&NC

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As of the date hereof, to the knowledge of the Company and based upon information provided to it by the nominees for election to the Board of Directors, no such nominee is or has been, in the last 10 years, a director or executive officer of any company that, while such person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for: (i) Mr. Gunn who was previously a director of Golf Town Canada Inc., which was the issuer of equity securities and certain secured notes pursuant to an indenture dated July 24, 2012. Golf Town Canada Inc., together with certain of its Canadian affiliates (collectively, "**Golf Town**"), sought and obtained protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an Initial Order of the Ontario Superior Court of Justice dated September 14, 2016. In connection with the CCAA proceedings, Golf Town completed a going concern sale of substantially all of its business and assets to an entity owned by Fairfax Financial Holdings Limited and certain funds managed by CI Investments Inc.; and (ii) Mr. Rivett was previously a director of Resolute Forest Products Inc. (formerly AbitibiBowater Inc.) when that company and certain of its Canadian and U.S. subsidiaries filed for protection in Canada under CCAA and for relief under Chapter 11 of the United States Bankruptcy Code (the "**USBC**") in April 2009. On December 9, 2010, that company emerged from creditor protection under the CCAA in Canada and Chapter 11 of the USBC in the United States

As of the date hereof, to the knowledge of the Company and based upon information provided to it by the nominees for election to the Board of Directors, no such nominee has been subject to any penalties or sanctions imposed by a court

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

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

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

Unless a shareholder specifies otherwise in a proxy, the persons named in the accompanying proxy intend to vote in favour of the appointment of KPMG LLP as our auditors to hold office until the next annual meeting and authorize the directors to fix KPMG LLP’s remuneration. In order to be effective, the resolution to appoint KPMG LLP as our auditors and to authorize the directors to fix the auditors’ remuneration must be passed by a majority of the votes cast in person or by proxy at the meeting.

#### **Other Business**

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

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

### **Overview**

The following discussion describes the significant elements of the compensation in 2019 of the Company’s Chief Executive Officer; Chief Financial Officer; and three most highly compensated executive officers (collectively, the “**named executive officers**” or “**NEOs**”), namely:

- Frank Hennessey, Chief Executive Officer;
- Kenneth J. Grondin, Chief Financial Officer;
- William D. Gregson, Executive Chairman of the Board
- David Aisenstat, Vice Chair; and
- Pierre Rivard, President, Groupe St-Hubert.

### **Compensation Discussion and Analysis**

#### **Overview**

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

Our executive compensation program is designed to (i) align the interests of our executives with our shareholders by linking compensation with our performance, and (ii) to be competitive on a total compensation basis in order to attract and retain executives. The remuneration of our NEOs consists of an annual base salary, an annual bonus and long-term equity incentives, consisting of options granted from time to time under the Company’s 2015 share option plan (the “**Share Option Plan**”), restricted share units (“**RSUs**”) granted under the Company’s 2019 equity settled restricted share unit plan (the “**RSU Plan**”), RSUs granted under the Company’s 2019 cash settled restricted share unit plan (the “**Cash Settled RSU Plan**”) and

performance share units ("PSUs") granted under the Company's 2019 performance share unit plan (the "**PSU Plan**"). Perquisites and personal benefits are not a significant element of compensation of our executive officers.

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

Mr. Hennessey, as Chief Executive Officer, proposed to our Governance, Compensation and Nominating Committee the remuneration of our executive officers for 2019. The Governance, Compensation and Nominating Committee considered the proposals by Mr. Hennessey, which included a description of the accomplishments of our executives. The Governance, Compensation and Nominating Committee evaluated and approved the compensation of our executive officers for 2019. Details of the compensation awarded to our named executive officers for 2017 to 2019 are shown in the "Summary Compensation Table" below.

### ***Compensation Risk***

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

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

### ***Base salaries***

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

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

### *Annual bonuses*

Annual bonuses are designed to motivate executive officers to meet the Company's business objectives and, in particular, annual financial performance targets. Bonuses are earned and measured with reference to the individual personal performance and the Company's Operating EBITDA (as defined in our Annual Information Form) and, where applicable, that of any specific brand(s) for which the applicable executive officer has responsibility. Annual bonus targets are set as a percentage of the relevant individuals' base salary (generally 50% of base salary). The Company sets Operating EBITDA targets each year in connection with the annual budget process to ensure that bonus targets are realized at predetermined levels of Operating EBITDA growth, representing a significant improvement over the prior year and/or budget. Under the current program, all bonus payouts are rendered in cash. In the case of David Aisenstat, his Management Agreement (as defined below) provides that he will be entitled to an annual discretionary bonus up to \$750,000, the amount each year to be determined by the Board.

For 2019, bonus targets were set based on improved Operating EBITDA performance over 2018. The overall portion of 2019 annual bonuses was generally paid out at 20% of target bonus for eligible participants. For 2020, annual bonus targets have been set based on personal performance objectives as well as improving Operating EBITDA performance as compared to 2019 and other goals and objectives that the Board deemed to be of strategic value to the long term growth of the Company.

### *Long-term incentives*

#### *Share Option Plan*

Our executive officers, along with other employees and non-employee directors, are eligible to participate in the Share Option Plan. The purpose of the Share Option Plan is to motivate and provide rewards for the senior management team and other plan participants to achieve long-term goals of improving the performance of the Company and increasing shareholder value. Under the Share Option Plan, the Company awards long-term incentives in the form of options, the values of which are directly linked to the change in value of the subordinate voting shares.

Executives and employees eligible for grants under the Share Option Plan generally receive them as determined by the Board from time to time, on an annual basis. The value of awards under the Share Option Plan is based on an employee's seniority of job function. All grants are reviewed and approved by the Governance, Compensation and Nominating Committee and the Board as part of its regular compensation review.

#### *Administration*

The Share Option Plan is administered by the Board. The Board determines which employees and non-employee directors of the Company or a related entity of the Company are eligible to receive options to purchase subordinate voting shares ("**Options**") under the Share Option Plan. In addition, the Board administers and interprets the Share Option Plan and may adopt, amend, prescribe or rescind any administrative guidelines or other rules and regulations relating to the Share Option Plan, as it deems appropriate, to the extent permitted by applicable law (including stock exchange rules).

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

### *Eligibility*

All current non-employee directors and employees of the Company or related entities of the Company are eligible to participate in the Share Option Plan.

### *Subordinate Voting Shares Subject to the Share Option Plan and Participation Limits*

The Share Option Plan provides that the number of subordinate voting shares available for issuance upon exercise of options (including Options, options granted under the Legacy Share Option Plan (as defined below)), options granted under the Legacy CEO Share Option Plan (as defined below) (“**CEO Options**”) and options granted under the director share option plan (“**Director Options**”) (collectively, the “**Option Plans**”) will not exceed 15% of the Company’s issued and outstanding Shares from time to time. If, for any reason, any Options or CEO Options terminate prior to their exercise in full or are exercised or cancelled, the subordinate voting shares subject to such Options or CEO Options, as the case may be, will again become available for issuance under the Share Option Plan. As a result, the Share Option Plan is considered an “evergreen” plan. Accordingly, pursuant to the rules of the TSX, the Share Option Plan will be subject to ratification of the unallocated entitlements by securityholders other than insiders eligible to participate in the Share Option Plan, every three years. The Share Option Plan is not subject to any insider or other participation limits. The Share Option Plan will next be presented to the shareholders of the Company for ratification of the unallocated entitlements under its evergreen plan at the Company’s 2021 Annual Meeting.

As at March 19, 2020, 6,480,884 Options were outstanding under the Option Plans, representing approximately 11.5% of the Company’s issued and outstanding shares. The total number of options outstanding represents 122,736 Options outstanding under the Legacy Share Option Plan, 3,938,793 Options outstanding under the Share Option Plan, 2,419,355 CEO Options granted under the Legacy CEO Share Option Plan and nil Director Options granted under the director share option plan and the Legacy Director Share Option Plan. 1,651,216 Options remain available for grant under the Option Plans, representing approximately 2.9% of the Company’s issued and outstanding Shares as of March 19, 2020.

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

Pursuant to TSX rules, the Company is required to calculate and disclose the annual “burn rate” of its Options and any other security based awards for the three most recently completed financial years. The annual burn rate is equal to the number of Options and any other security based awards granted in the applicable year, divided by the weighted average number of Shares outstanding in that year, expressed as a percentage. The Company’s average burn rate over the last three financial years is 2.40%.

<b>Financial Year End</b>	<b>Burn Rate (%)</b>
December 31, 2017	0.89%
December 30, 2018	6.31%
December 29, 2019	0.0% (no security based awards granted)

### *Exercise and Vesting*

The Board may grant Options to any participant under the Share Option Plan at any time. The exercise price for Options will be determined by the Board, but may not be less than the greater of (i) the fair market value of a subordinate voting share (generally being the volume weighted average trading price of the subordinate voting shares on the TSX during the five trading days immediately preceding the applicable day (the “**Market Value**”)) on the date the Option is granted, and (ii) the price required by applicable regulatory authorities.

Unless otherwise specified in a participant's option agreement, Options will vest on the third anniversary of their date of grant. Each vested Option becomes exercisable on the third anniversary of the date of grant. Unless otherwise specified by the Board, each Option expires on the eighth anniversary of the date of grant, except in the case where the expiry period falls during a blackout period, in which case the expiry period will be automatically extended until 10 business days after the end of the blackout period. The Share Option Plan also provides for earlier expiration of Options upon the occurrence of certain events, including the termination of a participant's employment.

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

#### *Termination of Employment*

Unless otherwise permitted by the Board, upon a participant's qualified retirement after 2019, death or disability, any unvested Options held by the participant as at the termination date will accelerate and vest on a *pro rata* basis up to the termination date. All of a participant's vested Options may be exercised until the earlier of (i) the expiry date of the Options, or (ii) 180 days after the termination date, after which time all Options will expire. The concept of retirement is qualified in accordance with the terms of the Share Option Plan.

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

Unless otherwise permitted by the Board, upon termination of a participant's employment for cause or the participant voluntarily resigns, any unvested Options held by the participant as at the termination date immediately expire. If a participant's employment is terminated by voluntary resignation, then the participant's vested Options continue to be exercisable until the earlier of (a) the expiry date of the Options, or (b) 90 days after the termination date, after which time all Options will expire. If a participant's employment is terminated for cause, any vested Options may be exercised until the earlier of (i) the expiry date of the Options, or (ii) 90 days after the termination date (provided the termination is not due to a criminal act, in which case all vested Options will immediately expire), after which time all Options will expire.

Unless otherwise permitted by the Board, if the participant is a director who ceases to hold office as a result of (i) his or her removal by shareholders, or (ii) voluntary resignation, any vested Options held by the participant as at the termination date may be exercised until the earlier of (a) the expiry date of the Options, or (b) 60 days after the termination date (provided the termination is not due to a criminal act, in which case all vested Options will immediately expire), after which time all Options will expire. Any unvested Options held by the participant as at the termination date immediately expire.

#### *Adjustments*

In the event of any change in the Company's capital structure, the payment of an extraordinary stock dividend or any other change made in the capitalization of the Company, that, in the opinion of the Board, would warrant the amendment or replacement of any existing Options (collectively, the "**Adjustment Events**"), the Share Option Plan provides for appropriate adjustments in the number of subordinate voting shares that may be acquired upon the exercise of Options or the



exercise price of outstanding Options (collectively, the “**Adjustments**”), as necessary in order to preserve proportionately the rights and obligations of the participants under the Share Option Plan.

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

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

#### *Amendment or Discontinuance*

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

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

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

#### *Assignment*

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

#### *Change of Control*

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

taxes. The Company will pay the foregoing amounts contemporaneously with completion of the transaction resulting in the Change of Control.

Legacy Share Option Plan (the “Legacy Share Option Plan”)

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

Under the Legacy Share Option Plan, there are currently outstanding Options to purchase an aggregate of 122,736 subordinate voting shares, representing approximately 0.22% of the Company’s issued and outstanding Shares as at March 19, 2020. Subject to accelerated vesting as noted below, options generally vest not earlier than the third anniversary of the grant date. Accordingly, other than the options granted to Mr. Grondin in 2013, the first portion of the outstanding Options granted in 2014 vested in December 2017. In the event of the retirement, death or disability of a participant, unvested Options under the Legacy Share Option Plan will accelerate and vest on a *pro rata* basis, up to the applicable termination date. In the event of a Change of Control, all unvested Options will accelerate and vest. Options granted under the Legacy Share Option Plan (excluding Mr. Grondin’s options) could not be exercised prior to January 1, 2019, except in the event of the death, disability or termination without cause of a participant.

Subject to earlier expiration in connection with termination of employment as provided for under the Legacy Share Option Plan, Options granted under the Legacy Share Option Plan have an eight-year term. In order to facilitate the payment of the exercise price of the Options, the Legacy Share Option Plan has a cashless exercise feature similar to the Share Option Plan described above.

The Options granted to Mr. Grondin pursuant to his employment agreement dated October 31, 2013 are subject to the Legacy Share Option Plan, except that Mr. Grondin’s Options are not subject to the general Legacy Share Option Plan vesting schedule and exercise provisions. Mr. Grondin’s Options granted on October 31, 2013 vested and were eligible for exercise on October 31, 2016. On August 26, 2019, Mr. Grondin exercised 241,935 Options that were granted on October 31, 2013.

Legacy Chief Executive Officer Share Option Plan (“Legacy CEO Share Option Plan”)

The Legacy CEO Share Option Plan is a part of a legacy compensation program pursuant to which Mr. Gregson was granted CEO Options as an employment inducement. The CEO Options continue to be governed by the provisions of the Legacy CEO Share Option Plan. However, there will be no additional grants made under this plan.

Mr. Gregson was granted a first tranche of 1,075,269 CEO Options with an exercise price of \$0.01 (the “**Tranche 1 Options**”) and a second tranche of 2,419,355 CEO Options with an exercise price of \$8.51 (the “**Tranche 2 Options**”). As of October 31, 2016, both tranches of CEO Options were fully-vested and were eligible for exercise. On November 11, 2016, the Tranche 1 Options were exercised by Mr. Gregson. As at March 19, 2020, the Tranche 2 Options continue to be vested and exercisable at Mr. Gregson’s option. The unexercised portion of Mr. Gregson’s CEO Options represent approximately 4.29% of the Company’s issued and outstanding shares as at that date.

The Legacy CEO Share Option Plan provides that vested options shall be exercisable for 90 days from the CEO’s Termination Date (as defined in the Legacy CEO Share Option Plan). In connection with Mr. Gregson’s retirement, the Plan Administrator under the Legacy CEO Share Option Plan agreed to amend the terms of Mr. Gregson’s CEO Options to amend the exercise window for the vested CEO options. As a result, the unexercised CEO Options granted to Mr. Gregson will expire on October 31, 2021.

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

#### Cash-Settled Restricted Share Unit Plan

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

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

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

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

#### RSU Plan

Our key employees and directors are eligible to participate in the RSU Plan. The purpose of the RSU Plan is to assist the Company in attracting, retaining and motivating key employees and directors in the long-term success of the Company and to promote a greater alignment of their interests with the interests of the Company's shareholders.

#### Administration

The RSU Plan is administered by the Board. The Board has sole and complete authority in its discretion to determine the individuals (from among the Participants (as defined in the RSU Plan)) to whom RSUs may be granted. RSUs are granted by the Board in such amounts and, subject to the provisions of the RSU Plan, on such terms and conditions as the Board determines, including any applicable limitations, restrictions, vesting period and conditions. The day-to-day administration and operation of the RSU Plan may be delegated to such officers and employees of the Company as the Board determines, which delegation may be revoked by the Board at any time in its sole discretion.

### *Eligibility*

All current employees and directors of the Company or related entities of the Company are eligible to participate in the RSU Plan.

### *Subordinate Voting Shares Subject to the RSU Plan and Participation Limits*

The maximum number of subordinate voting shares that may be issued pursuant to all security-based compensation arrangements of the Company shall be a maximum of fifteen percent (15%) of the issued and outstanding Shares from time to time. No RSUs may be granted if such grant would have the effect of causing the total number of subordinate voting shares subject to RSUs (including all other security-based compensation arrangements of the Company, collectively) to exceed the above-noted total number of subordinate voting shares reserved for issuance pursuant to the exercise of RSUs. The RSU Plan is not subject to any insider or other participation limits. All subordinate voting shares issued pursuant to the exercise of RSUs (including all other security-based compensation arrangements of the Company, collectively) and all subordinate voting shares reserved for issuance pursuant to RSUs (including all other security-based compensation arrangements of the Company, collectively) which are cancelled or terminated without having been exercised shall again be available for issuance pursuant to RSUs granted under the RSU Plan. As a result, the RSU Plan is considered an "evergreen" plan. Accordingly, pursuant to the rules of the TSX, the RSU Plan will be subject to ratification of the unallocated entitlements by securityholders other than insiders eligible to participate in the RSU Plan, every three years. The RSU Plan will next be presented to shareholders of the Company for ratification at the Company's 2022 annual meeting.

As of March 19, 2020, 200,049 RSUs were outstanding under the RSU Plan, representing approximately 0.35% of the Company's issued and outstanding Shares. 1,639,460 RSUs remain available for grant, representing approximately 2.9% of the Company's issued and outstanding Shares, as of March 19, 2020.

### *Exercise and Vesting*

Subject to any accelerated termination as set forth in the RSU Plan, each RSU, unless otherwise specified by the Plan Administrator (as defined in the RSU Plan), expires ten (10) years from the date of grant of such RSU.

Exercise period and vesting provisions under the RSU Plan are as follows:

- Unless otherwise specified by the Plan Administrator at the time of granting an RSU and except as otherwise provided in the RSU Plan, each earned RSU will vest on the third (3rd) anniversary of the date of grant of such RSU unless vesting is accelerated as provided for in the RSU Plan.
- Unless otherwise specified by the Plan Administrator at the time of granting an RSU and except as otherwise provided in the RSU Plan, each vested RSU shall be exercisable from the third (3rd) anniversary of the date of grant of such RSU, until the tenth (10th) anniversary of the date of grant unless otherwise provided for in the RSU Plan.
- Once an RSU becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the RSU, unless otherwise specified by the Plan Administrator. Each RSU may be exercised at any time or from time to time, in whole or in part, for up to the total number of subordinate voting shares with respect to which it is then exercisable.

### *Termination of Employment*

Subject to the RSU Plan or unless otherwise specified by the Plan Administrator at the time of granting an RSU, if a Participant dies or becomes disabled while an employee or director of the Company or a Related Entity (as defined in the

RSU Plan) of the Company or if the employment or term of office of the Participant with the Company or a Related Entity of the Company terminates due to retirement:

- the executor or administrator of the Participant's estate or the Participant may exercise any RSUs of the Participant to the extent that the RSUs have vested as at the date of such death, disability or retirement and the right to exercise such RSUs terminates on the earlier of: (i) the date on which the Exercise Period of the particular RSU expires; (ii) the date that is one hundred and eighty (180) days after the Participant's death or disability; or (iii) the date that is two (2) years after the Participant's retirement; and
- earned RSUs where the applicable Performance Conditions (as defined in the RSU Plan) have been satisfied but have not vested by the applicable Termination Date (as defined in the RSU Plan) will accelerate and vest on a pro-rata basis, up to the applicable Termination Date.

A Participant's eligibility to receive further grants of RSUs under this Plan ceases as of the date of such Participant's death, disability or retirement.

Subject to the RSU Plan, or unless otherwise specified by the Plan Administrator at the time of granting an RSU:

- Where, in the case of an Employee Participant (as defined in the RSU Plan), such employment is terminated by the Company or a Related Entity of the Company without cause, then any RSUs held by the Employee Participant that have vested as at the Termination Date shall be exercisable by the Participant until the earlier of: (i) the date on which the Exercise Period of the particular RSU expires; or (ii) the date that is ninety (90) days after the Termination Date. Any RSUs held by the Participant that have not vested as at the Termination Date immediately expire and are cancelled on the Termination Date.
- Where, in the case of an Employee Participant, such employment terminates by reason of: (i) termination by the Company or a Related Entity of the Company for cause; or (ii) voluntary resignation by the Participant, then any RSUs held by the Participant, that have not vested as at the Termination Date, immediately expire and are cancelled on the Termination Date.
- Where, in the case of an Employee Participant, such employment terminates by reason of voluntary resignation by the Employee Participant, then the RSUs held by the Employee Participant that have vested as at the Termination Date shall be exercisable by the Employee Participant until the earlier of: (i) the date on which the Exercise Period of the particular RSU expires; or (ii) the date that is ninety(90) days after the Termination Date.
- Where, in the case of an Employee Participant, such employment terminates by reason of termination by the Company or a Related Entity of the Company for cause then any RSUs held by the Employee Participant, that have vested as at the Termination Date shall be exercisable by the Employee Participant until the earlier of: (i) the date on which the Exercise Period of the particular RSU expires; or (ii) the date that is ninety (90) days after the Termination Date, provided the Employee Participant's termination is not due to criminal act (as determined by the Plan Administrator in its sole discretion), in which case the Employee Participant's right to exercise shall not apply and the vested RSUs shall immediately expire and be cancelled on the Termination Date.
- Where, in the case of a director, a Participant ceases to hold office by reason of (i) removal by the shareholders of the Company or of the Related Entity of the Company may be, or (ii) voluntary resignation by the Participant, then any RSUs held by the Participant that have vested as at the Termination Date shall be exercisable by the Participant until the earlier of: (i) the date on which the Exercise Period of the

particular RSU expires; or (ii) the date that is sixty (60) days after the Termination Date. Any RSUs held by the Participant that have not vested as at the Termination Date, immediately expire and are cancelled on the Termination Date.

- Where, in the case of a director, a Participant ceases to hold office and it was determined by the Plan Administrator (in its sole discretion) that such director committed a criminal act then any RSUs held by the Participant, whether or not they have vested as at the Termination Date, immediately expire and are cancelled on the Termination Date.

A Participant's eligibility to receive further grants of RSUs under this Plan ceases as of the date that the Company or a Related Entity of the Company provides the Participant with written notification that the Participant's employment is terminated, notwithstanding that such date may be prior to the Termination Date.

At any time and from time to time, unless the Plan Administrator, in its discretion, otherwise determines, RSUs are not affected by a change of employment or service within or among the Company or a Related Entity of the Company for so long as the Employee Participant continues to be an employee of the Company or for so long as the director continues to be a director or officer of the Company.

#### *Adjustments*

In the case of a Liquidity Event (as defined in the RSU Plan) all granted and unvested RSUs that have been earned by achieving the applicable Performance Conditions shall vest on an accelerated basis. Although dividends may be declared and paid on subordinate voting shares, additional RSUs shall not be credited to the Participant's RSU account if any dividends are declared/paid. If there is any change in the outstanding subordinate voting shares by reason of any stock dividend or split, or in connection with a reclassification, reorganization, consolidation, distribution, merger or amalgamation or other change of subordinate voting shares, the Board shall make, the appropriate substitution or adjustment in order to maintain the Participants' economic rights in respect of their RSUs in connection with such change, including without limitation adjustments to the number of RSUs recorded in the Participant's notional account.

#### *Amendment or Discontinuance*

The Board may amend, suspend or terminate the RSU Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of securityholders or any governmental or regulatory body. However, except as expressly set forth therein, no action of the Board or securityholders may adversely alter or impair the rights of a Participant without the consent of the affected Participant under any RSUs previously granted to the Participant. Without limiting the generality of the foregoing, the Board may make the following types of amendments to the RSU Plan without seeking securityholder approval: (i) amendments of a "housekeeping" or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in the RSU Plan or to correct or supplement any provision of the RSU Plan that is inconsistent with any other provision of the RSU Plan; (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX); (iii) amendments necessary for grants to qualify for favourable treatment under applicable tax laws; (iv) any amendment to the vesting provisions of the RSU Plan or any RSU, provided such amendment does not entail an extension beyond the expiry of the Exercise Period; (v) any amendment to the termination or early termination provisions of the RSU Plan or any RSU; and (vi) amendments necessary to suspend or terminate the RSU Plan.

Securityholder approval will be required for the following types of amendments to the RSU Plan: (i) amendments to the number of subordinate voting shares issuable under the RSU Plan, including an increase to a fixed maximum percentage of subordinate voting shares or a change from a fixed maximum percentage of subordinate voting shares to a fixed maximum

number; (ii) any amendment to the RSU Plan that increases the length of the period after a blackout period during which RSUs may be exercised; (iii) any amendment extending the term of an RSU held by an insider beyond the expiry of its Exercise Period, except as provided under Section 4.2 of the RSU Plan; (iv) any amendment to the amendment provisions granting additional powers to the Board to amend the RSU Plan without securityholder approval; (v) any amendment which would allow for the transfer or assignment of RSUs under the RSU Plan, other than for normal estate settlement purposes; and (vi) amendments required to be approved by securityholders under applicable law (including the rules, regulations and policies of the TSX).

If the RSU Plan is terminated, the provisions of the RSU Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any RSU or any rights pursuant thereto remain outstanding and, notwithstanding the termination of the RSU Plan, the Board will remain able to make such amendments to the RSU Plan or the RSU as they would have been entitled to make if the RSU Plan were still in effect.

#### *Assignment*

No assignment or transfer of RSUs, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such RSUs whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such RSUs will terminate and be of no further force or effect.

#### *PSU Plan*

Our key employees and directors are eligible to participate in the PSU Plan. The purpose of the PSU Plan is to assist the Company in attracting, retaining and motivating key employees and directors in the long-term success of the Company and to promote a greater alignment of their interests with the interests of the Company's shareholders.

PSU's will be granted at the beginning of each year and are earned when certain target long-term performance conditions are achieved. The total number of PSU's earned can double if maximum performance conditions are met.

#### *Administration*

The PSU Plan is administered by the Board. The Board has sole and complete authority in its discretion to determine the individuals (from among the Participants (as defined in the PSU Plan)) to whom PSUs may be granted. PSUs are granted by the Board in such amounts and, subject to the provisions of the PSU Plan, on such terms and conditions as the Board determines, including any applicable limitations, restrictions, vesting period and conditions. The day-to-day administration and operation of the PSU Plan may be delegated to such officers and employees of the Company as the Board determines, which delegation may be revoked by the Board at any time in its sole discretion.

#### *Eligibility*

All current employees and directors of the Company or related entities of the Company are eligible to participate in the PSU Plan.

#### *Subordinate Voting Shares Subject to the PSU Plan and Participation Limits*

The maximum number of subordinate voting shares that may be issued pursuant to all security-based compensation arrangements of the Company, shall be a maximum of fifteen percent (15%) of the issued and outstanding Shares from time to time. No PSUs may be granted if such grant would have the effect of causing the total number of subordinate voting shares subject to PSUs (including all other security-based compensation arrangements of the Company, collectively), to exceed the above-noted total number of subordinate voting shares reserved for issuance pursuant to the exercise of PSUs. The PSU Plan

is not subject to any insider or other participation limits. All subordinate voting shares issued pursuant to the exercise of PSUs (including all other security-based compensation arrangements of the Company, collectively) and all subordinate voting shares reserved for issuance pursuant to PSUs (including all other security-based compensation arrangements of the Company, collectively) which are cancelled or terminated without having been exercised shall again be available for issuance pursuant to RSUs granted under the PSU Plan. As a result, the PSU Plan is considered an "evergreen" plan. Accordingly, pursuant to the rules of the TSX, the PSU Plan will be subject to ratification of the unallocated entitlements by securityholders other than insiders eligible to participate in the PSU Plan, every three years. The PSU Plan will next be presented to shareholders of the Company for ratification at the Company's 2022 annual meeting.

As of March 19, 2020, 123,928 PSUs were outstanding under the PSU Plan, representing approximately 0.2% of the Company's issued and outstanding Shares. 1,639,460 PSUs remain available for grant, representing approximately 2.9% of the Company's issued and outstanding Shares, as of March 19, 2020.

#### *Exercise and Vesting*

Exercise period and vesting provisions under the PSU Plan are as follows:

- Unless otherwise specified by the Plan Administrator at the time of granting a PSU and except as otherwise provided in the PSU Plan, each earned PSU will vest on the fifth (5th) anniversary of the date of grant of such PSU unless vesting is accelerated as provided for in the PSU Plan.
- Unless otherwise specified by the Plan Administrator at the time of granting a PSU and except as otherwise provided in the PSU Plan, each vested PSU shall be exercisable from the fifth (5th) anniversary of the date of grant of such PSU, until the tenth (10th) anniversary of the date of grant unless otherwise provided for in the PSU Plan.
- Once a PSU becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the PSU, unless otherwise specified by the Plan Administrator. Each PSU may be exercised at any time or from time to time, in whole or in part, for up to the total number of subordinate voting shares with respect to which it is then exercisable.

Subject to any accelerated termination as set forth in the PSU Plan, each PSU, unless otherwise specified by the Plan Administrator (as defined in the PSU Plan), expires ten (10) years from the date of grant of such PSU.

#### *Termination of Employment*

Subject to the PSU Plan or unless otherwise specified by the Plan Administrator at the time of granting a PSU, if a Participant dies or becomes disabled while an employee or director of the Company or a Related Entity (as defined in the PSU Plan) of the Company or if the employment or term of office of the Participant with the Company or a Related Entity of the Company terminates due to retirement:

- the executor or administrator of the Participant's estate or the Participant may exercise any PSUs of the Participant to the extent that the PSUs have vested as at the date of such death, disability or retirement and the right to exercise such PSUs terminates on the earlier of: (i) the date on which the Exercise Period of the particular PSU expires; (ii) the date that is one hundred and eighty(180) days after the Participant's death or disability; or (iii) the date that is two (2) years after the Participant's retirement; and



- PSUs that have earned the applicable Performance Conditions (as defined in the PSU Plan) but have not vested by the applicable Termination Date (as defined in the PSU Plan) will accelerate and vest on a pro-rata basis, up to the applicable Termination Date.

A Participant's eligibility to receive further grants of PSUs under this Plan ceases as of the date of such Participant's death, disability or retirement.

Subject to the PSU Plan, or unless otherwise specified by the Plan Administrator at the time of granting a PSU:

- Where, in the case of an Employee Participant (as defined in the PSU Plan), such employment is terminated by the Company or a Related Entity of the Company without cause, then any PSUs held by the Employee Participant that have vested as at the Termination Date shall be exercisable by the Participant until the earlier of: (i) the date on which the Exercise Period of the particular PSU expires; or (ii) the date that is ninety (90) days after the Termination Date. Any PSUs held by the Participant that have not vested as at the Termination Date immediately expire and are cancelled on the Termination Date.
- Where, in the case of an Employee Participant, such employment terminates by reason of: (i) termination by the Company or a Related Entity of the Company for cause; or (ii) voluntary resignation by the Participant, then any PSUs held by the Participant, that have not vested as at the Termination Date, immediately expire and are cancelled on the Termination Date.
- Where, in the case of an Employee Participant, such employment terminates by reason of voluntary resignation by the Employee Participant, then the PSUs held by the Employee Participant that have vested as at the Termination Date shall be exercisable by the Employee Participant until the earlier of: (i) the date on which the Exercise Period of the particular PSU expires; or (ii) the date that is ninety(90) days after the Termination Date.
- Where, in the case of an Employee Participant, such employment terminates by reason of termination by the Company or a Related Entity of the Company for cause then any PSUs held by the Employee Participant, that have vested as at the Termination Date shall be exercisable by the Employee Participant until the earlier of: (i) the date on which the Exercise Period of the particular PSU expires; or (ii) the date that is ninety (90) days after the Termination Date, provided the Employee Participant's termination is not due to criminal act (as determined by the Plan Administrator in its sole discretion), in which case the Employee Participant's right to exercise shall not apply and the vested PSUs shall immediately expire and be cancelled on the Termination Date.
- Where, in the case of a director, a Participant ceases to hold office by reason of (i) removal by the shareholders of the Company or of the Related Entity of the Company may be, or (ii) voluntary resignation by the Participant, then any PSUs held by the Participant that have vested as at the Termination Date shall be exercisable by the Participant until the earlier of: (i) the date on which the Exercise Period of the particular PSU expires; or (ii) the date that is sixty (60) days after the Termination Date. Any PSUs held by the Participant that have not vested as at the Termination Date, immediately expire and are cancelled on the Termination Date.
- Where, in the case of a director, a Participant ceases to hold office and it was determined by the Plan Administrator (in its sole discretion) that such director committed a criminal act then any PSUs held by the Participant, whether or not they have vested as at the Termination Date, immediately expire and are cancelled on the Termination Date.

A Participant's eligibility to receive further grants of PSUs under this Plan ceases as of the date that the Company or a Related Entity of the Company provides the Participant with written notification that the Participant's employment is terminated, notwithstanding that such date may be prior to the Termination Date. At any time and from time to time, unless the Plan Administrator, in its discretion, otherwise determines, PSUs are not affected by a change of employment or service within or among the Company or a Related Entity of the Company for so long as the Employee Participant continues to be an employee of the Company or for so long as the director continues to be a director or officer of the Company.

#### *Adjustments*

In the case of a Liquidity Event (as defined in the PSU Plan) all granted and unvested PSUs that have been earned by achieving the applicable Performance Conditions shall vest on an accelerated basis. Although dividends may be declared and paid on subordinate voting shares, additional PSUs shall not be credited to the Participant's PSU account if any dividends are declared/paid. If there is any change in the outstanding subordinate voting shares by reason of any stock dividend or split, or in connection with a reclassification, reorganization, consolidation, distribution, merger or amalgamation or other change of subordinate voting shares, the Board shall make, the appropriate substitution or adjustment in order to maintain the Participants' economic rights in respect of their PSUs in connection with such change, including without limitation adjustments to the number of PSUs recorded in the Participant's notional account.

#### *Amendment or Discontinuance*

The Board may amend, suspend or terminate the PSU Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of securityholders or any governmental or regulatory body. However, except as expressly set forth therein, no action of the Board or securityholders may adversely alter or impair the rights of a Participant without the consent of the affected Participant under any PSUs previously granted to the Participant. Without limiting the generality of the foregoing, the Board may make the following types of amendments to the PSU Plan without seeking securityholder approval: (i) amendments of a "housekeeping" or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in the PSU Plan or to correct or supplement any provision of the PSU Plan that is inconsistent with any other provision of the PSU Plan; (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX); (iii) amendments necessary for grants to qualify for favourable treatment under applicable tax laws; (iv) any amendment to the vesting provisions of the PSU Plan or any PSU, provided such amendment does not entail an extension beyond the expiry of the Exercise Period; (v) any amendment to the termination or early termination provisions of the PSU Plan or any PSU; and (vi) amendments necessary to suspend or terminate the PSU Plan.

Securityholder approval will be required for the following types of amendments to the PSU Plan: (i) amendments to the number of subordinate voting shares issuable under the PSU Plan, including an increase to a fixed maximum percentage of subordinate voting shares or a change from a fixed maximum percentage of subordinate voting shares to a fixed maximum number; (ii) any amendment to the PSU Plan that increases the length of the period after a blackout period during which PSUs may be exercised; (iii) any amendment extending the term of a PSU held by an insider beyond the expiry of its Exercise Period, except as provided under Section 4.2 of the PSU Plan; (iv) any amendment to the amendment provisions granting additional powers to the Board to amend the PSU Plan without securityholder approval; (v) any amendment which would allow for the transfer or assignment of PSUs under the PSU Plan, other than for normal estate settlement purposes; and (vi) amendments required to be approved by securityholders under applicable law (including the rules, regulations and policies of the TSX).

If the PSU Plan is terminated, the provisions of the PSU Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any PSU or any rights pursuant thereto remain outstanding and, notwithstanding the termination of the PSU Plan, the Board will remain able

to make such amendments to the PSU Plan or the PSU as they would have been entitled to make if the PSU Plan were still in effect.

#### Assignment

No assignment or transfer of PSUs, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such PSUs whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such PSUs will terminate and be of no further force or effect.

#### Summary Compensation Table

The following table sets out the compensation earned by, paid to, or awarded to the NEOs during each of 2017, 2018 and 2019:

Name and Position/Title	Year	Salary	Share-Based Awards <sup>(1)</sup>	Option-Based Awards <sup>(2)(3)(4)</sup>	Non-Equity Incentive Plan Compensation (Bonus) <sup>(5)(6)(7)</sup>	All Other Compensation	Total Compensation
Frank Hennessey <i>Chief Executive Officer</i>	2019	\$600,000	—	—	\$120,000	\$200,000 <sup>(11)</sup>	\$920,000
	2018	\$373,846 <sup>(8)</sup>	\$1,852,000	\$2,200,000	\$10,071	—	\$4,435,917
Kenneth J. Grondin <i>Chief Financial Officer</i>	2019	\$425,000	—	—	\$85,000	\$200,000 <sup>(11)</sup>	\$710,000
	2018	\$389,583 <sup>(9)</sup>	\$1,852,000	\$1,100,000	\$10,127	—	\$3,351,710
	2017	\$382,500	0	\$117,000	\$250,000	0	\$749,500
William D. Gregson <i>Director and Executive Chairman of the Board</i>  <i>Director, Chair and Chief Executive Officer</i>	2019	\$663,000	—	—	—	—	\$663,000
	2018	\$663,000	\$1,852,000	\$1,100,000	\$54,832	—	\$3,669,832
	2017	\$663,000	—	\$117,000	\$250,000	—	\$1,030,000
David Aisenstat <i>Director and Vice Chair</i>	2019	\$750,000	—	—	—	—	\$750,000
	2018	\$644,044 <sup>(10)</sup>	—	\$15,500,000	—	—	\$16,144,044
Pierre Rivard <i>President of Groupe St-Hubert</i>	2019	\$422,451	—	—	\$3,037,703 <sup>(12)</sup>	\$50,694 <sup>(13)</sup>	\$3,510,848
	2018	\$413,155	—	—	\$189,803	\$49,308 <sup>(13)</sup>	\$652,266
	2017	\$409,064	—	—	\$282,091	\$49,088 <sup>(13)</sup>	\$740,243

- (1) In May 2018, Mr. Gregson, Mr. Grondin and Mr. Hennessey were awarded 75,000 RSU's each. The RSU's will be equity settled and have been valued using the Black-Scholes option-pricing model as at the date of grant. The fair value of the options was determined using a risk free rate of 2.30% per annum, an expected life of 6.5-7.0 years, volatility of 26% and an expected dividend yield of 1.55%.
- (2) In May 2018, Mr. Gregson and Mr. Grondin were awarded 150,000 options each and Mr. Hennessey was awarded 300,000 options. The options have been valued using the Black-Scholes option-pricing model as at the date of grant. The fair value of the options was determined using a risk free rate of 2.22% per annum, an expected life of 7.5 years, volatility of 26% and an expected dividend yield of 1.55%. In May 2018, Mr. Aisenstat was awarded 3,000,000 options that vest when certain performance based criteria are achieved. The options have been valued using the Black-Scholes option-pricing model as at the date of grant. The fair value of the options was determined using a risk free rate of 2.21% per annum, an expected life of 7.5 years, volatility of 26% and an expected dividend yield of 1.55%.
- (3) NEOs, with the exception of Mr. Rivard and Mr. Aisenstat, were awarded 20,000 options each in January 2017, which have been valued using the Black-Scholes option-pricing model as at the date of grant. The fair value of the options was determined using a risk free rate of 1.11% per annum, an expected life of 5.5 years, volatility of 26% and an expected dividend yield of 1.58%.
- (4) In 2019, no stock options were granted.
- (5) Amounts in respect of 2019 reflect the annual bonuses awarded to NEOs in 2020 in respect of Fiscal 2019.
- (6) Amounts in respect of 2018 reflect the annual bonuses awarded to NEOs in 2019 in respect of Fiscal 2018.
- (7) Amounts in respect of 2017 reflect the annual bonuses awarded to NEOs in 2018 in respect of Fiscal 2017.
- (8) Amount reflects Mr. Hennessey's compensation since joining the Company on May 10, 2018. Mr. Hennessey's annual base salary for 2018 was \$600,000.
- (9) Amount has been pro-rated to reflect an increase to Mr. Grondin's annual base salary from \$382,500 to \$425,000 on November 1, 2018.
- (10) Amount represents annual 2018 salary after joining the Company on February 22, 2018. Mr. Aisenstat's base salary for 2018 \$750,000.
- (11) Amounts reflect grants under the new 2019 Cash Settled RSU program. RSU's were granted on January 2, 2019 at a 5-day VWAP of \$25.53. RSU's cliff vest and must be exercised on the third anniversary of the grant date.

- (12) Amount for Mr. Rivard reflects \$189,903 in respect of the Fiscal 2019 incentive plan, plus an additional \$2,847,400 subject to the terms of the Retirement Bonus plan outlined in Mr. Rivard's 2016 employment agreement.
- (13) Amounts paid in respect of Mr. Rivard's RSP.

## **Employment Agreements, Termination and Change of Control Benefits**

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

### ***Mr. Gregson***

Effective December 31, 2019, Mr. Gregson retired from his role as Executive Chairman of the Board of Directors of the Company. Upon his retirement, Mr. Gregson was entitled to (i) any accrued but unpaid base salary and vacation pay up to the effective date of his retirement, (ii) any additional payments required by applicable employment standards legislation, and (iii) any entitlements under any Company incentive plans in accordance with the plan terms. In connection with Mr. Gregson's retirement, the Board determined to amend the exercise period of the CEO Options and Options granted to Mr. Gregson in accordance with the terms of the Legacy CEO Share Option Plan and the Share Option Plan, respectively, to permit the exercise of any vested CEO Options and Options until October 31, 2021. Mr. Gregson is subject to customary confidentiality covenants and certain restrictive covenants that continue to apply following his retirement, including non-solicitation and non-competition provisions which are in effect for a period of 24 months from his retirement.

### ***Mr. Grondin***

The executive employment agreement in respect of Mr. Grondin provides that the Company may terminate Mr. Grondin's employment at any time, without cause, by providing Mr. Grondin with notice of termination. If Mr. Grondin's employment is terminated without cause, or Mr. Grondin terminates employment as a result of constructive dismissal, he will be entitled to receive his base salary in effect as of the termination date for two (2) years following the termination date, a pro-rated annual bonus based on the number of days worked prior to the termination date (subject to achievement of the applicable performance criteria), entitlements under any Company incentive plans in accordance with plan terms, the reimbursement of expenses properly incurred in the course of employment up to the termination date, accrued but unpaid vacation pay up to the termination date, the continuation of life, health and dental insurance coverage for two (2) years following the termination date, and any additional payments required by applicable employment standards legislation (collectively, the “**Severance Entitlements**”). These entitlements are conditioned on Mr. Grondin's execution of a release of claims. The estimated incremental value of the Severance Entitlements assuming the termination occurred on December 29, 2019 is \$1.0 million for Mr. Grondin.

In addition to the Severance Entitlements, in the case of termination without cause, or termination by Mr. Grondin as a result of constructive dismissal, Mr. Grondin is entitled to *pro rata* vesting of his outstanding options and RSUs (with an estimated incremental value of \$0.7 million, respectively, assuming the termination occurred on December 29, 2019 and based on the closing price of the subordinate voting shares on the TSX on December 28, 2019).

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

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

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

***Mr. Rivard***

On July 26, 2016, Mr. Rivard entered into a letter agreement with the Company which provides for certain bonus payments to be made to Mr. Rivard in the event he retires on or before December 31, 2019 subject to the achievement of certain EBITDA targets, such payments not to exceed \$3 million and to be paid during March 2020.

Effective December 31, 2019, Mr. Rivard retired from his role as President, Groupe St-Hubert. Upon his retirement, Mr. Rivard was entitled to (i) any accrued but unpaid base salary and vacation pay up to the effective date of his retirement, (ii) any additional payments required by applicable employment standards legislation, (iii) any entitlements under any Company incentive plans in accordance with the plan terms; and (iv) any entitlements under Mr. Rivard's Long Term Performance Incentive and Retirement bonus plan in accordance with the plan terms.

***Mr. Aisenstat***

Mr. Aisenstat provides his services to the Company through the Holdco, by way of a management agreement among the Company, KRL, Holdco and Mr. Aisenstat (the "**Management Agreement**"). The Management Agreement is not intended and will not operate to make Mr. Aisenstat an employee of the Company or KRL for any purpose whatsoever. The Management Agreement provides that the Company and KRL may terminate the Management Agreement at any time, without cause, by providing Holdco and Mr. Aisenstat with notice of termination. If the Management Agreement is terminated without cause, (i) Holdco will be entitled to receive its fees and bonus accrued up to the termination date, (ii) Holdco and Mr. Aisenstat will be entitled to the reimbursement of their expenses properly incurred by Mr. Aisenstat in connection with the performance of his duties under the Management Agreement up to the termination date and (iii) Holdco will be entitled to receive its consulting fees for a period of thirty (30) months following the termination date (collectively, the "**Entitlements**"). In the event that the Company or KRL breach the Management Agreement in a material respect or engage in conduct which would constitute "constructive dismissal" were Mr. Aisenstat an employee of the Company (including any removal of Mr. Aisenstat from the boards of directors of the Company and KRL or from his position as Vice-Chair of the Company), Holdco and Mr. Aisenstat shall be entitled to require that this be deemed a termination of the Management Agreement without cause entitling Holdco and Mr. Aisenstat to the Entitlements they would have received had the Management Agreement been terminated without cause. The Entitlements are conditioned on Holdco and Mr. Aisenstat's execution of a release of claims. The estimated incremental value of the Entitlements assuming the termination occurred on December 29, 2019 is \$1.9 million.

If the Management Agreement is terminated by the Company or KRL without cause, then the options then held by Mr. Aisenstat which have vested as at the time immediately prior to the termination date shall be exercisable throughout the exercise period of the options and the options then held by Mr. Aisenstat which, as at the termination date, were subject to vesting conditions still capable of being satisfied will be deemed to have vested, and shall be exercisable within five (5) years after the date of grant of the options, without regard to such vesting conditions.

The Management Agreement provides that KRL may terminate the Management Agreement at any time, for cause or due to death or disability of Mr. Aisenstat, by providing Holdco and Mr. Aisenstat with notice of termination. If the

Management Agreement is terminated for cause or due to death or disability of Mr. Aisenstat, Holdco will be entitled to accrued but unpaid consulting fees up to the termination date and the reimbursement of expenses properly incurred by Mr. Aisenstat in connection with the performance of his duties under the Management Agreement up to the termination date.

If the Management Agreement is terminated by Holdco or by KRL for cause, any options held by Mr. Aisenstat that have not vested as at the termination date shall immediately expire and be cancelled on the termination date, and those options which have vested as at the termination date shall be exercisable on the date that is ninety (90) days after the termination date. If the Management Agreement is terminated by KRL due to the death or disability of Mr. Aisenstat, any options then outstanding and held by Mr. Aisenstat shall, subject to satisfaction of the vesting conditions, be exercisable by Mr. Aisenstat or the executor or administrator of his estate, as the case may be, throughout the exercise period of the options.

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

### ***Mr. Hennessey***

Mr. Hennessey's employment agreement provides that the Company may terminate his employment at any time, without cause, by providing him with notice of termination. If Mr. Hennessey's employment is terminated without cause, or Mr. Hennessey terminates his employment as a result of constructive dismissal, he will be entitled to receive his base salary in effect as of the termination date for twelve (12) months following the termination date, a pro-rated annual bonus based on the number of days worked prior to the termination date (subject to achievement of the applicable performance criteria), entitlements under any Company incentive plans in accordance with plan terms, the reimbursement of expenses properly incurred in the course of his employment up to the termination date, accrued but unpaid vacation pay up to the termination date, the continuation of life, health and dental insurance coverage for twelve (12) months following the termination date, and any additional payments required by applicable employment standards legislation (collectively, the "**Severance Entitlements**"). The Severance Entitlements are conditioned on Mr. Hennessey's execution of a release of claims. The estimated incremental value of the Severance Entitlements assuming his termination occurred on December 29, 2019 is \$0.7 million.

In addition to the Severance Entitlements, in the case of termination without cause, or termination by Mr. Hennessey as a result of constructive dismissal, he is entitled to *pro rata* vesting of his RSUs (with an estimated incremental value of \$0.8 million, assuming the termination occurred on December 29, 2019 and based on the closing price of the subordinate voting shares on the TSX on December 29, 2019). Mr. Hennessey is also entitled to the Severance Entitlements and *pro rata* vesting of his RSUs if his employment is not renewed or extended at the completion of the five-year term of his employment agreement (ending on April 30, 2023).

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

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

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

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

In the event of a Change of Control, all unvested options will vest and become exercisable on an accelerated basis pursuant to the Share Option Plan and the Legacy Share Option Plan, the estimated incremental value of which would be nil for Mr. Grondin, nil for Mr. Hennessey, and nil for Mr. Aisenstat, assuming the Change of Control occurred on December 29, 2019 and based on the closing price of the subordinate voting shares on the TSX on December 28, 2019.

***Entitlements under the RSU Plan***

In the event of a Change of Control, all granted and unvested RSUs that have earned the applicable Performance Conditions (as defined in the RSU Plan) shall vest on an accelerated basis pursuant to the RSU Plan, the estimated incremental value of which would be \$3.9 million, assuming the Change of Control occurred on December 29, 2019 and based on the closing price of the subordinate voting shares on the TSX on December 28, 2019.

***Entitlements under the PSU Plan***

In the event of a Change of Control, all granted and unvested PSUs that have earned the applicable Performance Conditions (as defined in the PSU Plan) shall vest on an accelerated basis pursuant to the PSU Plan, the estimated incremental value of which would be nil, assuming the Change of Control occurred on December 29, 2019 and based on the closing price of the subordinate voting shares on the TSX on December 28, 2019.

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

The following table sets out information concerning the outstanding option-based and share-based awards held by each of the NEOs as at December 29, 2019.

Name and Position/Title	Option-Based Awards				Share-Based Awards			
	Number of shares underlying unexercised options	Option exercise price	Option vesting date	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(3)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
William D. Gregson <i>Director and Executive Chairman of the Board</i>	1,209,678	\$8.51	October 31, 2015	October 31, 2021	\$13,185,490	nil	nil	nil
	1,209,677	\$8.51	October 31, 2016	October 31, 2021	\$13,185,479			
	10,000	\$32.37	December 4, 2018	December 4, 2023	\$0			
	20,000	\$24.64	January 4, 2020	January 4, 2025	\$0			
Frank Hennessey <i>Chief Executive Officer</i>	60,000	\$27.17	May 10, 2019	May 10, 2028	\$0	102,040	\$1,980,596	nil
	60,000	\$27.17	May 10, 2020	May 10, 2028	\$0			
	60,000	\$27.17	May 10, 2021	May 10, 2028	\$0			
	60,000	\$27.17	May 10, 2022	May 10, 2028	\$0			
	60,000	\$27.17	May 10, 2022	May 10, 2028	\$0			
Kenneth J. Grondin <i>Chief Financial Officer</i>	10,000	\$32.37	December 4, 2018	December 4, 2023	\$0	89,717	\$1,741,407	nil
	20,000	\$24.64	January 4, 2020	January 4, 2025	\$0			
	150,000	\$27.39	May 10, 2023	May 10, 2028	\$0			
David Aisenstat <i>Director and Vice Chair</i>	1,000,000	\$35.00	May 11, 2023 <sup>(2)</sup>	May 11, 2028	\$0	nil	nil	nil
	1,000,000	\$35.00	May 11, 2023 <sup>(2)</sup>	May 11, 2028	\$0			
	1,000,000	\$35.00	May 11, 2023 <sup>(2)</sup>	May 11, 2028	\$0			
Pierre Rivard <i>President, Groupe St-Hubert</i>	nil	n/a	n/a	n/a	nil	nil	nil	nil

- (1) The value of unexercised in-the-money options is calculated by subtracting the exercise price of an option on one share from the closing price of a subordinate voting shares on the TSX on December 29, 2019 (the last trading day of the Company's 2019 fiscal year) (\$19.41), and multiplying that difference by the number of unexercised options. That value does not include any deduction to recognize that some or all unexercised options may never become exercisable.
- (2) Options feature a tiered performance vesting mechanism whereby vesting occurs when certain performance measures are achieved within the first five years.
- (3) Market or payout value was determined by multiplying the number of shares that have not vested by the closing price of a subordinate voting shares on the TSX on December 29, 2019 (the last trading day of the Company's 2019 fiscal year) (\$19.41).

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

The following table sets out the value of option-based and share-based awards held by our NEOs that vested during fiscal 2019, as well as the value of non-equity incentive plan compensation that NEOs earned during fiscal 2019:

Name	Option-Based Awards - Value vested during the year <sup>(1)</sup>	Share-Based Awards - Value vested during the year	Non-equity incentive plan compensation - Value earned during the year <sup>(2)</sup>
William D. Gregson	\$—	\$—	\$—
Frank Hennessey	\$—	\$—	\$320,000
Kenneth J. Grondin	\$—	\$—	\$285,000
David Aisenstat	\$—	\$—	\$—
Pierre Rivard	\$—	\$—	\$3,037,703

- (1) The value vested is calculated by multiplying the number of options which became vested during the year by the amount by which the market value of one of our subordinate voting shares on the day of vesting (\$19.41 exceeded the exercise price of an option. Out-of-the-money options are excluded from the calculation.
- (14) (2) Amounts reflect the annual bonuses paid to NEOs in 2019 in respect of fiscal 2018 as well as grants under the new 2019 Cash Settled RSU program. RSU's were granted on January 2, 2019 at a 5-day VWAP of \$25.53. RSU's cliff vest and must be exercised on the third anniversary of the grant date.



## Securities Authorized for Issuance Under Equity Compensation Plans

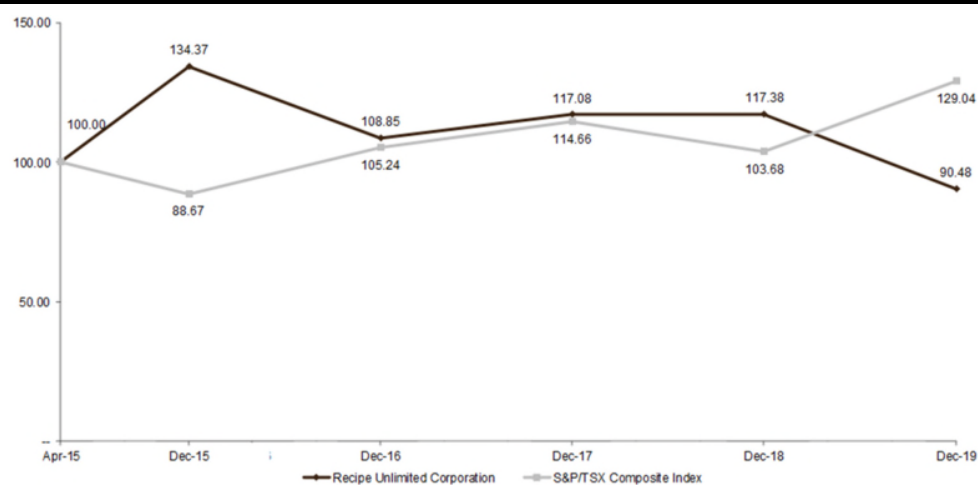
The following table sets out information on the Company's equity compensation plans as at December 29, 2019:

Plan Category	Number of securities to be issued upon exercise of outstanding options, RSU's, PSU's, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by securityholders	N/A	N/A	N/A
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Share Option Plan	3,951,236	\$33.19	1,638,773 <sup>(1)</sup>
Legacy Share Option Plan	122,736	\$8.51	0 <sup>(1)</sup>
Legacy CEO Share Option Plan	2,419,355	\$8.51	0 <sup>(1)</sup>
RSU Plan	200,736	N/A	1,638,773 <sup>(1)</sup>
PSU Plan	123,928	N/A	1,638,773 <sup>(1)</sup>

(1) Represents the aggregate number of securities remaining available for future issuance under the Company's equity compensation plans.

## Performance Graph

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



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

## SECTION IV - DIRECTOR COMPENSATION

### Directors' Compensation

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

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

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

For fiscal 2019 each of Messrs. Gunn, Norris, Regan, Hodgson and Rothschild and Ms. Clark received DSUs in accordance with the table below.

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

The following table sets out the compensation provided to our directors during fiscal 2019.

Name <sup>(1)</sup>	Fees Earned <sup>(2)</sup>	Share-based awards	Option-based awards	Non-equity incentive plan compensation	Cash Retainer	All other compensation	Total Compensation
Stephen K. Gunn	\$ 30,000	—	—	—	\$65,000	—	\$ 95,000
Christopher D. Hodgson	\$ 85,000	—	—	—	—	—	\$ 85,000
Michael J. Norris	\$ 85,000	—	—	—	—	—	\$ 85,000
John A. Rothschild	\$ 85,000	—	—	—	—	—	\$ 85,000
Sean Regan	\$ 85,000	—	—	—	—	—	\$ 85,000
Christy Clark	\$ 85,000	—	—	—	—	—	\$ 85,000

(1) See "Summary Compensation Table" for details related to compensation of Mr. Gregson and Mr. Aisenstat.

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

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

The following table sets out the value of option-based and share-based awards held by our directors that vested during fiscal 2019, as well as the value of non-equity incentive plan compensation that directors earned during fiscal 2019:

Name	Option-Based Awards - Value vested during the year	Share-Based Awards - Value vested during the year <sup>(1)</sup>	Non-equity incentive plan compensation - Value earned during the year
Stephen K. Gunn	—	\$30,000	\$65,000
Christopher D. Hodgson	—	\$85,000	—
Michael J. Norris	—	\$85,000	—
John A. Rothschild	—	\$85,000	—
Sean Regan	—	\$85,000	—
Christy Clark	—	\$85,000	—

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

## Directors' and Officers' Insurance

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

The Company's directors' and officers' liability insurance program provides an aggregate limit of liability of USD\$10 million, with a deductible to us of \$nil to USD\$0.2 million per loss, varying with the nature of the loss. The annual premium for this directors' and officers' liability insurance is USD\$45,150.

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

## Indebtedness of Directors and Executive Officers

As at March 19, 2020, other than a \$750,000 non-interest bearing loan, there was no indebtedness owing to the Company or any of its subsidiaries by any directors, executive officers, employees or former directors, executive officers or employees of the Company or any of its subsidiaries. In addition, no director or officer, proposed nominee for election as a director of the Company, nor any associate of any director, officer or proposed nominee was indebted to the Company in our 2019 fiscal year.

## SECTION V - CORPORATE GOVERNANCE

### Statement of Corporate Governance Practices

Our corporate governance policies and practices are reviewed regularly by our Board and updated as necessary or advisable. Our corporate governance practices are in compliance with all applicable rules and substantially comply with all

applicable policies and guidelines, including those of the Canadian Securities Administrators. A description of our corporate governance practices is set out below.

### ***Independent Directors***

The Board consists of eight directors, seven of whom (Messrs. Rivett, Gunn, Hodgson, Rothschild, Regan, Norris and Ms. Clark) are considered “independent” under Canadian securities laws. In making this determination, the Board considered, among other things, that none of those individuals (i) is, or has been within the last three years, an employee or member of management of us or related to any member of management, (ii) is associated with our auditor or has any family member that is associated with our auditor, (iii) receives any direct or indirect compensation (including to family members) from us except in connection with Board related work, (iv) works or has worked at a company for which any member of our management was a member of the compensation committee, or (v) has (other than possibly as an insured under an insurance policy issued on usual commercial terms) any material business or other relationship with us or our principal shareholders. Mr. Aisenstat is not considered to be “independent” within the meaning of applicable securities law as a result of his positions as President, Chief Executive Officer and Corporate Director of The Keg Restaurants Ltd., respectively, of the Company.

The independent directors, non-independent directors and members of management met during our 2019 fiscal year during regularly scheduled Board meetings, including via in-camera sessions. The independent directors met, generally following or during every Board meeting. The size of the Board and the nature of the Company’s operations ensure that open and candid discussion among the independent directors is possible and encouraged.

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

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

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

Our Board has delegated to management responsibility for our day-to-day operations, including for all matters not specifically assigned to the Board or any committee of the Board.

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

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

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

### **Audit Committee**

The Audit Committee consists of three directors, all of whom are persons determined by the Company to be both "independent" and "financially literate" within the meaning of NI 52-110 and all of whom are residents of Canada. The Audit Committee is comprised of Stephen K. Gunn, who acts as Chair of this committee, Michael J. Norris and Christopher D. Hodgson. Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional information concerning Messrs. Gunn, Norris and Hodgson, please see the information above under the heading "Election of Directors".

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

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

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

The Governance, Compensation and Nominating Committee is comprised of four directors, all of whom are determined by the Board to be independent and all of whom are residents of Canada, and is charged with reviewing, overseeing and evaluating the corporate governance, compensation and nominating policies of the Company. The Governance, Compensation and Nominating Committee is comprised of John A. Rothschild (independent), who acts as Chair of this committee, Christopher D. Hodgson (independent), Christy Clark (independent) and Sean Regan (independent). The responsibilities of the committee include: (i) assessing the effectiveness of the Board, each of its committees and individual directors; (ii) overseeing the recruitment and selection of candidates as directors; (iii) organizing an orientation and education program for new directors; (iv) considering and approving proposals by the directors to engage outside advisors on behalf of the Board as a whole or on behalf of the independent directors; (v) reviewing and making recommendations to the Board concerning any change in the number of directors composing the Board; (vi) considering questions of management succession; (vii) administering any share purchase plan of the Company and any other compensation incentive programs; (viii) assessing the performance of management of the Company; (ix) reviewing and approving the compensation paid by the Company, if any, to the officers of the Company; and (x) reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to directors and officers of the Company. The current members of the Governance, Compensation and Nominating Committee all have a working familiarity with human resources and

compensation matters. In establishing the compensation of the directors, the Governance, Compensation and Nominating Committee will examine the time commitment, responsibilities and risks associated with being a director and compensation paid by companies similar to us. In approving the compensation of the Chief Executive Officer and other executive officers, the important factors for evaluating performance are our corporate objectives, as more fully described above under the heading “Executive Compensation Discussion and Analysis”.

### **Selection of Directors**

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

### **Succession Planning**

While the Board remains always aware of the succession planning needs of the Company, responsibilities in respect of day-to-day succession planning review and initiatives have been delegated to the Governance, Compensation and Nominating Committee. The Governance, Compensation and Nominating Committee succession planning process involves working with the Chief Executive Officer to review the internal talent pool, selecting potential candidates, selecting executive development opportunities, and evaluating performance and progress, as well as planning for illness, disability and other unscheduled absences. This includes long-range planning for executive recruitment, development and succession to ensure leadership sustainability and continuity.

### **Strategic Planning Oversight**

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

### **Diversity**

The Governance, Compensation and Nominating Committee believes that having a diverse Board and senior management offers a depth of perspective and enhances Board and management operations. The Governance, Compensation and Nominating Committee identifies candidates to the Board and management of the Company that possess skills with the greatest ability to strengthen the Board and management and the Company is focused on continually increasing diversity within the Company.

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

The Company attempts to recruit and select board and management candidates that represent both gender diversity and business understanding and experience. However, the Board does not support fixed percentages for any selection criteria, as the composition of the Board and management is based on the numerous factors established by the selection criteria and it is ultimately the skills, experience, character and behavioral qualities that are most important to determining the value which an individual could bring to the Board or management of the Company.

At the senior management level of the Company, 25% or 19 of 77 members of the Company's leadership team are female. There is currently one female director (12.5%). The Company does not have a formal policy on the representation of women on the Board or senior management of the Company. The Governance, Compensation and Nominating Committee already takes gender into consideration as part of its overall recruitment and selection process in respect of its Board and senior management and will continue to do so. However, the Board does not believe that quotas or strict rules set forth in a formal policy necessarily result in the identification or selection of the best candidates. As such, the Company does not see any meaningful value in adopting a formal policy in this respect at this time as it does not believe that it would further enhance gender diversity beyond the current recruitment and selection process carried out by the Governance, Compensation and Nominating Committee.

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

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

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

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

### **Board Performance Evaluation**

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

receives and considers the recommendations from the Governance, Compensation and Nominating Committee regarding the results of the evaluation of the performance and effectiveness of the Board, Board committees and individual members.

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

### **Ethical Business Conduct**

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

### **Term Limits**

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

### **Approval**

Our Board has approved the contents of this Management Proxy Circular and the sending thereof to our shareholders, directors and auditor.

Dated April 3, 2020

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

### **Recipe Unlimited Corporation**

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



## SCHEDULE A

### RECIPE UNLIMITED CORPORATION MANDATE OF THE BOARD OF DIRECTORS

#### 1. **Statement of Purpose**

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

#### 2. **Board Mandate**

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

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

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

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

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

regulatory authorities and will publish its determinations in the management circular for Recipe's annual meeting of shareholders. Directors have an on-going obligation to inform the Board of any material changes in their circumstances or relationships that may affect the Board's determination as to their independence and, depending on the nature of the change, a director may be asked to resign as a result.

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

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

The Board is currently comprised of eight (8) members, seven (7) of which are independent and one (1) of which is not independent. The Board will periodically review whether its current size is appropriate. The size of the Board will, in any case, be within the minimum and maximum number provided for in the articles and the by-laws of Recipe.

#### 5. **Committees**

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

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

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

##### *Agenda*

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

##### *Frequency of Meetings*

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

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

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

### *Minutes*

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

### *Attendance at Meetings*

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

### *Meetings of Independent Directors*

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

### *Residency*

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

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

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

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

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

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

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

## **9. Code of Conduct**

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



**RECIPE**

EST. 1883