



**RUBICON ORGANICS INC.**

**NOTICE OF ANNUAL GENERAL AND  
SPECIAL MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**For the Annual General and Special Meeting of Shareholders**

**To be held on December 13, 2022**

**RUBICON ORGANICS INC.**  
**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**to be held on December 13, 2022**

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of Rubicon Organics Inc. (“**Rubicon**” or the “**Company**”) will be held at the **Terminal City Club, 837 West Hastings Street, Vancouver, British Columbia, V6C 1B6, December 13, 2022 at 10:00 AM (Pacific Time)**, for the following purposes:

1. to receive the audited financial statements of the Company for the financial year ended December 31, 2021, together with the report of the Company’s auditors thereon;
2. to set the number of directors of the Company at five (5);
3. to elect directors of the Company for the ensuing year;
4. to appoint PricewaterhouseCoopers LLP as the Company’s auditors for the ensuing year and to authorize the directors to fix the auditors’ remuneration;
5. to amend previously granted stock options; and
6. to transact such other business as may properly come before the Meeting or any adjournment thereof.

Shareholders should refer to the Circular for more detailed information with respect to the matters to be considered at the Meeting. The Circular and other Meeting materials also contain important information with respect to voting your Common Shares, attending the Meeting in person and participating at the Meeting.

If you are a *registered Shareholder* and are unable to attend the Meeting in person, the enclosed proxy must be completed, dated, signed and received by the Company’s transfer agent, Odyssey Trust Company (“**Odyssey**”) by mail to 350 – 409 Granville Street, Vancouver, BC V6C 1T2, Attention: Proxy Department, before 10:00 a.m. (Pacific Time) on December 9, 2022 or, if the Meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the adjourned Meeting.

Alternatively, *registered Shareholders* can vote by logging onto Odyssey’s website at, <https://login.odysseytrust.com/pxlogin>. Registered Shareholders must follow the instructions provided on the website and refer to the enclosed proxy form for the Shareholder’s control number. If you vote online, do not also mail this proxy.

**If you are a Beneficial Shareholder** and receive these materials through your broker or through another intermediary, please complete and return the request for voting instructions in accordance with the instructions provided to you by your broker or by the other intermediary.

The directors have fixed November 1, 2022 as the record date for the purposes of determining Shareholders entitled to receive notice of the Meeting and to vote thereat. Accordingly, Shareholders of record as at the close of business on November 1, 2022 will be entitled to attend and vote at the Meeting and any adjournment thereof.

DATED at Vancouver, British Columbia, the 8<sup>th</sup> day of November, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

/s/ Margaret Brodie

Margaret Brodie

Chief Financial Officer & Director

## TABLE OF CONTENTS

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS.....	I
INFORMATION CIRCULAR.....	1
GENERAL PROXY MATTERS .....	1
Persons Making the Solicitation .....	1
Solicitation of Proxies.....	1
Appointment of Proxyholders .....	1
Registered Shareholders.....	1
Beneficial Shareholders .....	2
Legal Proxy – U.S. Beneficial Shareholders.....	3
Revocability of Proxies and VIFs.....	3
Voting of Proxies and VIFs.....	3
VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES .....	4
INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON .....	5
BUSINESS OF THE MEETING.....	5
Annual Financial Statements.....	5
Number of Directors .....	5
Election of Directors .....	5
Appointment of Auditors.....	9
Amendment of Previously Granted Stock Options.....	10
STATEMENT OF EXECUTIVE COMPENSATION.....	11
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS .....	22
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS .....	22
STATEMENT OF CORPORATE GOVERNANCE PRACTICES.....	22
GENERAL MATTERS.....	27
ADDITIONAL INFORMATION.....	27
BOARD APPROVAL.....	28
SCHEDULE “A” – AUDIT COMMITTEE CHARTER .....	A-1



## INFORMATION CIRCULAR

As at November 8, 2022 (except as otherwise indicated)

### GENERAL PROXY MATTERS

#### PERSONS MAKING THE SOLICITATION

This Information Circular (the “**Circular**”) is furnished with the solicitation of proxies by the management of Rubicon Organics Inc. for use at the Annual General and Special Meeting (the “**Meeting**”) of the holders of common shares (“**Common Shares**”) in the capital of the Company (the “**Shareholders**”) to be held on Tuesday, December 13, 2022 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. “**We**”, “**us**”, “**our**”, the “**Corporation**” and “**Rubicon**” refer to Rubicon Organics Inc.

#### SOLICITATION OF PROXIES

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and employees of the Company. The Company will bear the costs of any solicitation. We have arranged for intermediaries (an “**Intermediary**”) to forward the meeting materials to OBOs (as defined below).

#### APPOINTMENT OF PROXYHOLDERS

The individuals named as proxyholders in the accompanying form of proxy (the “**Proxy**”) are directors or officers of the Company or both. **A Shareholder wishing to appoint some other person (who need not be a Shareholder) to attend and act for the Shareholder and on the Shareholder’s behalf at the meeting, or any adjournment or postponement thereof, has the right to do so, either by inserting such person’s name in the blank space provided in the Proxy and striking out the two printed names, or by completing another valid proxy.**

These Meeting materials are being sent to both registered and beneficial Shareholders.

#### REGISTERED SHAREHOLDERS

Only registered shareholders (“**Registered Shareholders**”) or duly appointed proxyholders are permitted to vote at the Meeting. Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may choose one of the following procedures to submit their Proxy:

- complete, date and sign the Proxy and return it to the Company’s transfer agent, Odyssey Trust Company (“**Odyssey**”) by mail to 350 – 409 Granville Street, Vancouver, BC V6C 1T2, Attention: Proxy Department, before 10:00 a.m. (Pacific Time) on December 9, 2022 or, if the Meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the adjourned Meeting; or

- online by logging on to Odyssey's website at: <https://login.odysseytrust.com/pxlogin> and following the instructions provided on the website. Registered Shareholders should refer to the enclosed proxy form for the holder's control number. If you vote online, do not also mail the Proxy.

In either case, Registered Shareholders must ensure the Proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or any adjournment thereof. Failure to complete or deposit a Proxy properly may result in its invalidation. Please note that in order to vote your Common Shares in person at the Meeting, you must attend the Meeting and register with the Scrutineer before the Meeting.

## **BENEFICIAL SHAREHOLDERS**

If you are a Shareholder who does not hold their Common Shares in their own name (referred to herein as "**Beneficial Shareholders**"), and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of securities were obtained in accordance with applicable securities regulatory requirements from the Intermediary holding securities on your behalf.

Most Shareholders are "non-registered" shareholders because the Common Shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other Intermediary or in the name of a clearing agency (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans). Beneficial Shareholders should note that only Registered Shareholders (or duly appointed proxyholders) may complete a Proxy or vote at the Meeting in person. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the brokers' clients.

Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities they own ("**NOBOs**"). Subject to the provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers* ("**NI 54-101**"), issuers may request and obtain a list of their NOBOs from Intermediaries via their transfer agents and use this NOBO list for distribution of proxy-related materials directly to NOBOs.

The Company is taking advantage of those provisions of NI 54-101 that permit the Company to deliver proxy-related materials indirectly to the Company's NOBOs who have not waived the right to receive them (and is not sending proxy-related materials using notice-and-access). As a result, NOBOs can expect to receive a voting instruction form ("**VIF**") from the applicable Intermediary or its service company. The VIF is to be completed and returned in accordance with the instructions provided on the VIF. NOBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the completed request for voting instructions is to be delivered.

In accordance with the requirements of NI 54-101, we have distributed copies of the Meeting materials to the Intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting materials to OBOs unless in the case of certain proxy-related materials the OBO has waived the right to receive them. Very often, Intermediaries will use service companies such as Broadridge to forward the Meeting materials to OBOs. With those Meeting materials, Intermediaries or their service companies should provide OBOs with a request for a VIF which, when properly completed and signed by such OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the Common Shares that they beneficially own. The Company will not pay for Intermediaries to deliver the proxy-related materials and request for a VIF to OBOs. OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the completed request for voting instructions is to be delivered.

Should a Shareholder who receives a Proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Shareholder), the Shareholder should strike out the names of the persons named in the Proxy and insert the Shareholder's (or such other person's) name in the blank space provided.

### **LEGAL PROXY – U.S. BENEFICIAL SHAREHOLDERS**

If you are a Beneficial Shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above, you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting instruction form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Odyssey.

### **REVOCABILITY OF PROXIES AND VIFS**

A Shareholder who has given a Proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to Odyssey 350 – 409 Granville Street, Vancouver, BC V6C 1T2, Attention: Proxy Department, at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, or to the chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

Only Registered Shareholders have the right to revoke a Proxy. Beneficial Shareholders who wish to change their vote must, sufficiently in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary to revoke their Proxy by instrument in writing in accordance with the revocation procedures set out above.

### **VOTING OF PROXIES AND VIFS**

The Common Shares represented by a properly executed Proxy or VIF will:

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

**If a choice is not so specified with respect to any such matter, and the persons named in the enclosed Proxy or VIF have been appointed as proxyholder, the Common Shares represented by such Proxy will be voted as recommended by management of the Company.**

The enclosed Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed as proxyholder thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, the persons designated as proxyholders in the enclosed Proxy will have the discretion to vote in accordance with their judgment on such matters or business. At the time of the printing of this Circular, management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

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

The directors of the Company have set November 1, 2022 as the record date (the “**Record Date**”) for determining which Shareholders shall be entitled to receive a Notice of Meeting and to vote at the Meeting.

As at the Record Date, there were 56,074,994 Common Shares issued and outstanding, each carrying the right to one vote. Only Registered Shareholders holding Common Shares at the close of business on the Record Date who either attend the Meeting in person or who complete, sign and deliver a Proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their Common Shares voted at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more Shareholders, or who is holding a valid Proxy on behalf of a Shareholder who is not present at the Meeting, will have one vote, and on a poll every Shareholder present in person or represented by a valid Proxy and every person who is a representative of one or more Shareholders will have one vote for each Common Share registered in that Shareholder’s name on the list of Shareholders, which will be available at the Meeting. Shareholders represented by proxyholders are not entitled to vote on a show of hands.

To the knowledge of the directors and executive officers of the Company, the following persons or corporations beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at November 1, 2022:

Name	Number of Common Shares <sup>(1)</sup>	Percentage of Outstanding Shares <sup>(2)</sup>
Jesse McConnell <sup>(3)</sup>	11,825,118	21.09%
Eric Savics <sup>(4)</sup>	9,802,989	17.48%
Pierre Lassonde <sup>(5)</sup>	5,715,413	10.19%

Notes:

- (1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Company, has been obtained by the Company from publicly disclosed information and/or furnished by the Shareholder.
- (2) On a non-diluted basis of 56,074,994 Common Shares.
- (3) Mr. McConnell directly holds 11,812,618 Common Shares and indirectly holds 12,500 Common Shares through 0910263 BC Ltd., a company held 100% beneficially by Mr. McConnell.

- (4) Mr. Savics directly holds 4,135,900 Common Shares; indirectly holds 4,223,317 Common Shares through 1038002 B.C. Ltd., a company held 100% beneficially by Mr. Savics; indirectly holds 1,043,772 Common Shares through Topiary Holdings Inc., a company held 100% beneficially by Mr. Savics; and indirectly holds 400,000 Common Shares through Savics Real Estate Trust, a trust controlled by Mr. Savics.
- (5) Mr. Lassonde indirectly holds 4,465,113 Common Shares through Firelight Holdings LLC and indirectly holds 1,250,300 Common Shares through Firelight LBC Holdings.

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

Other than as set out in this Circular and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## **BUSINESS OF THE MEETING**

### **ANNUAL FINANCIAL STATEMENTS**

The audited financial statements of the Company for the year ended December 31, 2021 (the “**Financial Statements**”), together with the report of the Company’s auditors thereon, which were filed on SEDAR at [www.sedar.com](http://www.sedar.com), will be presented to the Shareholders at the Meeting.

### **NUMBER OF DIRECTORS**

The articles of the Company (the “**Articles**”) provide that the number of directors serving on the Board of Directors of the Company (the “**Board**”) may be determined by ordinary resolution and that the Board shall consist of a minimum of three directors. There are presently four directors serving on the Board. At the Meeting, Shareholders will be asked to consider, and if thought appropriate, approve an ordinary resolution fixing the number of directors to be elected at the Meeting or any adjournment or postponement thereof at five directors. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by management will be voted for the approval of fixing the number of directors to be elected at the Meeting or any adjournment or postponement thereof at five directors.

**The Board recommends that Shareholders vote “FOR” fixing the number of directors at five.**

### **ELECTION OF DIRECTORS**

The directors of the Company are elected annually and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

There are presently four directors of the Company. Jesse McConnell, Margaret Brodie, John Pigott, and David Donnan will be standing for re-election to the Board at the Meeting. Melanie Ramsey has been nominated by the Company to stand for election to the Board at the Meeting. Effective as of October 31, 2022, Julie Lassonde resigned as a director of the Company. Ms. Lassonde is not standing for re-election as a director of the Company at the upcoming Meeting.

It is proposed that persons named below will be nominated to the Board at the Meeting (the “**Proposed Directors**”).

In the following table and notes thereto are stated the names of each person proposed to be nominated by management for election as a director, the province or state and country in which they are ordinarily resident, all offices of the Company now held by them, their principal occupation, business or employments of each proposed director within the preceding five years, the periods they served as a director of the Company and the number of Common Shares beneficially owned by them, directly or indirectly, or over which they exercise control or direction, as of the Record Date.

**The Board recommends that Shareholders vote “FOR” the approval of appointment of the Proposed Directors.**

<b>Name, Position with Company, Province/State and Country of Residence</b>	<b>Period(s) Serving as Director<sup>(1)</sup></b>	<b>Present and Principal Occupation During the Past Five Years</b>	<b>Shares beneficially owned or controlled<sup>(2)</sup></b>	<b>Percentage of outstanding Common Shares<sup>(3)</sup></b>
<b>Jesse McConnell</b> <sup>(4)(5)(6)(7)</sup> Chief Executive Officer and Director British Columbia, Canada	May 15, 2015 – Present	CEO of the Company since May 20, 2015. Mr. McConnell has a proven track record of developing and producing premium consumer cannabis brands and products, which spans over two decades of experience. Previously, Mr. McConnell was the co-founder of Whistler Medical Marijuana Corp., until its eventual sale to Aurora Cannabis Inc. in 2019.	11,825,118	21.09%
<b>Margaret Brodie</b> <sup>(5)</sup> Chief Financial Officer and Director British Columbia, Canada	May 24, 2018 – Present	CFO of the Company since November 10, 2016. Ms. Brodie also serves as Director of Plata Latina Minerals Corp., a mining company, and formerly CFO (2012-2016). In addition, Ms. Brodie has acted as CFO for Riva Gold Corporation (TSX-V), a mining company, until its purchase by Arizona Mining Inc. in 2013 (2010-2013) and Armor Minerals Corp (2015), a mining company. Prior to that, Ms. Brodie was a Senior Manager with KPMG LLP in Vancouver, British Columbia and London, United Kingdom.	1,443,897	2.57%
<b>John Pigott</b> <sup>(5)(6)(7)</sup> Director Ontario, Canada	May 24, 2018 – Present	Chief Executive Officer of Club Coffee Inc., a manufacturing company, in Etobicoke, Ontario since February 2007 and Chief Executive Officer of Morrison Lamothe Inc., since June 1989.	43,550	0.08%

<b>Name, Position with Company, Province/State and Country of Residence</b>	<b>Period(s) Serving as Director<sup>(1)</sup></b>	<b>Present and Principal Occupation During the Past Five Years</b>	<b>Shares beneficially owned or controlled<sup>(2)</sup></b>	<b>Percentage of outstanding Common Shares<sup>(3)</sup></b>
<b>David Donnan</b> <sup>(5)(6)(7)</sup> Director Illinois, United States	May 24, 2018 – January 25, 2019; April 24, 2019 – Present	Partner Emeritus at Kearney, a management consulting company, in Chicago, Illinois since April 2019 (formerly a Senior Partner since January 2010). Adjunct Professor, Faculty of Engineering Northwestern University Chicago (2020), Limited Partner at Spiral Sun Ventures, and Member of the Board of Directors of Protein Industries Canada and the Foundation for Food and Agriculture Research. Formerly a Partner with KPMG Canada and KPMG USA.	100,000	0.18%
<b>Melanie Ramsey</b> VP Marketing & Innovation British Columbia, Canada	n/a	VP Marketing & Innovation of the Company since August 2018, with over 24 years of commercial and brand building experience. Previously, Ms. Ramsey was the Executive Director of Marketing & Innovation of Diageo from 2016-2018.	23,700	0.04%

Notes:

- (1) Prior to the Company's share exchange in May 2018, Mr. McConnell, Ms. Brodie, Mr. Pigott, Mr. Disher and Mr. Donnan served on the Board of Directors of Rubicon Holdings Inc., the former parent company. Mr. McConnell was the sole Director of Rubicon Organics Inc. prior to the share exchange.
- (2) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Company, has been obtained by the Company from publicly disclosed information or furnished by the Shareholder. The numbers presented are exclusive of any securities held by the nominees that may be converted into Common Shares.
- (3) On a non-diluted basis of 56,074,994 Common Shares.
- (4) Jesse McConnell has tendered his resignation as Chief Executive Officer of the Company effective as of December 31<sup>st</sup>, 2022.
- (5) Member of the Company's Nomination and Governance Committee.
- (6) Member of the Company's Audit Committee.
- (7) Member of the Company's Compensation Committee.

### **Corporate Cease Trade Orders and Bankruptcies**

None of the Proposed Directors has, within the 10 years prior to the date of this Circular, been a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation, in each case for a period of more than 30 consecutive days.

None of the Proposed Directors has, within the 10 years prior to the date of this Circular, become 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, been a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

## **Penalties or Sanctions**

None of the Proposed Directors have been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## **Majority Voting Policy**

The Company has adopted a majority voting policy (the “**Majority Voting Policy**”) for director elections that applies at any meeting of Shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of votes withheld for a particular director nominee is greater than the votes for such nominee, the director nominee will be required to submit his or her resignation as a director to the Chair of the Board promptly following the applicable Shareholders’ meeting. The Board will accept the resignation submitted pursuant to the Majority Voting Policy unless there are exceptional circumstances which would warrant not accepting the resignation. In considering whether or not to accept the resignation, the Board will consider all factors deemed relevant by members of the Board including, without limitation, the stated reasons, if any, why Shareholders withheld votes from the election of that nominee, circumstances related to the composition of the Board, and the Company’s governance guidelines.

Within 90 days following the applicable Shareholders’ meeting, the Board shall publicly disclose their decision whether or not to accept the applicable director’s resignation, including the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to this policy will not be permitted to participate in any meeting of the Board at which the resignation is considered. If a resignation is accepted, subject to any corporate law restrictions, the Board may leave the vacancy unfilled or appoint a new director to fill the vacancy.

## **Term Limits**

The Company has not adopted term limits for directors of the Company. The Board believes that the need to have experienced directors who are familiar with the business of the Company must be balanced with the need for renewal, fresh perspectives and a healthy skepticism when assessing management and its recommendations. In addition, as mentioned above, the Board undertakes an assessment process that evaluates its effectiveness.

While term limits can help ensure the Board gains fresh perspective, imposing this restriction means the Board would lose the contributions of longer serving directors who have developed a deeper knowledge and understanding of the Company over time. The Board believes that term limits have the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increased insight into the Company and its operations and therefore provide an increased contribution to the Board as a whole.

## **Board Nomination Agreement**

Jesse McConnell is party to a board nomination agreement with the Company (the “**Board Nomination Agreement**”), whereby at any meeting of the Shareholders at which the election or removal of directors to or from the Board is to be considered, Mr. McConnell is entitled, by providing more than 60 days written notice, to nominate one Board member for successive terms. Any nominee must be eligible to serve as a director of the Company pursuant to applicable corporate and securities laws, the rules and policies of any exchange on which the Company’s Common Shares are listed or quoted and other regulatory provisions to which the Company is subject.

If a nominee shall be disqualified, be removed or resign or otherwise cease to be a director of the Company, Mr. McConnell will have the right to designate a further nominee to fill the vacancy so created. The Board Nomination Agreement will automatically terminate if Mr. McConnell’s ownership of the Company’s issued and outstanding Common Shares decreases to below 10%.

## **Advance Notice Provisions**

The Company’s Articles include advance notice provisions (the “**Advance Notice Provisions**”) that require that advance notice must be provided to the Company in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (i) a “proposal” made in accordance with the *Business Corporations Act* (British Columbia) (the “**BCBCA**”); or (ii) a requisition of the Shareholders made in accordance with the BCBCA. Among other things, the Advance Notice Provisions fix a deadline by which holders of record of Common Shares must submit director nominations to the secretary of the Company prior to any annual or special meeting of Shareholders and sets forth the specific information a Shareholder must include in the written notice to the secretary of the Company for an effective nomination to occur. No person will be eligible for election as a director unless nominated in accordance with the provisions of the Advance Notice Provisions.

In the case of an annual meeting of Shareholders, notice to the Company must be made not less than 30 nor days prior to the date of the annual meeting; provided, however, in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the tenth day following such public announcement. In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Company must be made not later than the close of business on the fifteenth day following the day on which the first public announcement of the date of the special meeting was made.

The Board may, in its sole discretion, waive any requirement of the Advance Notice Provisions.

As of the date hereof, the Company has not received any nominations for director from any party.

## **APPOINTMENT OF AUDITORS**

At the Meeting, the Shareholders will be asked to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants as auditors of the Company for the ensuing year at remuneration to be fixed by the Board. PricewaterhouseCoopers LLP was first appointed as auditor of the Company on May 20, 2022, subject to approval of the Shareholders.

**The Board recommends that Shareholders vote “FOR” the appointment of PricewaterhouseCoopers LLP as auditors of the Company.**

## AMENDMENT OF PREVIOUSLY GRANTED STOCK OPTIONS

At the Meeting, the Shareholders will be asked to consider and approve an ordinary resolution (the “**Option Amendment Resolution**”) as set forth below to amend an aggregate of 715,000 stock options of the Company (the “**Amended Options**”) previously granted to Insiders of the Company (as such term is defined in the TSX-V Corporate Finance Manual). The Amended Options have been conditionally approved by the TSX-V, but remain subject to the final approval by the TSX-V upon the Option Amendment Resolution being passed at the Meeting.

The Board has determined to amend the Amended Options because the current trading price of the Common Shares on the TSX-V is considerably lower than the current exercise price of the Amended Options. Accordingly, the Board is of the view that the Amended Options have little or no value or incentive for the holders thereof.

The Amended Options were granted to the following directors of the Company (collectively, the “**Option Holders**”) as set out below:

<b>Name of Optionee and Principal Position</b>	<b>Number of Options</b>	<b>Date of Grant</b>	<b>Current Exercise Price</b>	<b>Proposed Re-Priced Exercise Price</b>	<b>Current Expiry Date</b>	<b>Proposed Expiry Date</b>
<b>Jesse McConnell</b> CEO and Director	310,000	July 31, 2018	C\$3.25	C\$0.86	July 31, 2023	December 31, 2025
<b>Margaret Brodie</b> CFO and Director	305,000	July 31, 2018	C\$3.25	C\$0.86	July 31, 2023	December 31, 2025
<b>David Donnan</b> Director	50,000	July 31, 2018	C\$3.25	C\$0.86	July 31, 2023	December 31, 2025
<b>John Pigott</b> Director	50,000	July 31, 2018	C\$3.25	C\$0.86	July 31, 2023	December 31, 2025
<b>Total</b>	<b>715,000</b>					

The proposed re-pricing of the Amended Options is based on the closing price of the Common Shares on the TSX-V on July 13, 2022, the date the Board approved this proposed amendment. The Amended Options would vest 1/3 on December 31, 2022, 1/3 on June 30, 2023, and 1/3 on December 31, 2023. No financial assistance will be provided by the Company to the Option Holders to facilitate the exercise of the Amended Options.

In order to be effective, the Option Amendment Resolution must be passed by a simple majority of the votes cast by Shareholders present in person or by proxy at the Meeting excluding votes attached to Common Shares held by the Option Holders and any associates of the Option Holders.

**"RESOLVED**, as an ordinary resolution of disinterested Rubicon Organics Inc. Shareholders, that:

1. the Company is hereby authorized to amend an aggregate of 715,000 incentive stock options previously granted to Insiders of the Company with exercise price per share of C\$3.25 to an exercise price of C\$0.86 per share and to extend the expiry date of these options from July 31, 2023 to December 31, 2025.
2. notwithstanding the disinterested Rubicon Organics Inc. Shareholders' approval of this resolution, the directors of the Company be and are hereby authorized without further approval of the disinterested Rubicon Organics Inc. Shareholders to revoke the resolution before it is acted upon; and
3. any one director or officer of the Company is authorized, on behalf of the Company, to execute and deliver all other documents and do all such other acts and things as may be necessary or desirable to give effect to this resolution."

**The Board recommends that disinterested Shareholders vote "FOR" the amendment of previously granted stock options. Unless otherwise instructed, the proxies solicited by management will be voted for the approval of the Option Amendment.**

#### **STATEMENT OF EXECUTIVE COMPENSATION**

The following section describes the significant elements of our executive compensation program, with particular emphasis on the process for determining compensation payable to our named executive officers in 2021 ("**Named Executive Officers**" or "**NEOs**"). Where relevant, the discussion below also reflects certain contemplated changes to our compensation structure.

Our NEOs for fiscal 2021 are as follows:

- Jesse McConnell, Chief Executive Officer ("**CEO**") and Director
- Margaret Brodie, Chief Financial Officer ("**CFO**") and Director
- Tim Roberts, President
- Peter Doig, Chief Scientific Officer ("**CSO**")

#### **Overview**

Our executive compensation program has been designed to motivate, reward, attract and retain high caliber management deemed essential to ensure our success. The program seeks to align executive compensation with our short-term and long-term business objectives, business strategy and financial performance. Our compensation program is designed to achieve the following objectives:

- Provide competitive compensation opportunities in order to attract and retain talented, high caliber executive officers, whose expertise, skills and performance are critical to our success;
- Motivate these executive officers to achieve our strategic vision and business objectives;

- Align the interests of our executive officers with those of our shareholders and other stakeholders by tying a meaningful portion of compensation directly to the overall growth of our business; and
- Provide incentives that encourage appropriate levels of risk-taking by the executive team.

## **Compensation Discussion and Analysis**

### ***Determination of Compensation***

The Board is responsible for the oversight of executive compensation, management development and succession, director compensation and executive compensation disclosure. Executive compensation is based on the scope of the executive officers' responsibilities and their prior relevant experience, taking into account compensation paid by other companies in the industry for similar positions and other comparable sectors where the executive may be reasonably recruited, as well as the overall market demand for such executives.

On July 31, 2018 the Compensation Committee ("CC") was established to (i) develop and oversee the Company's human resources and compensation policies and processes, and (ii) demonstrate to the Shareholders that the compensation of the directors of the Company who are also employees of the Company is recommended by directors who have no personal interest in the outcome of decisions of the CC and who will have due regard to the interests of all of the Shareholders.

### ***Elements of Our Executive Compensation Program***

The CC considers a variety of factors when making recommendations as to both compensation policies and programs and individual compensation levels. These factors include the long-term interests of the Company and Shareholders, overall financial and operating performance of the Company and the CC's assessment of each executive's individual performance and contribution towards meeting corporate objectives, their own goals and objectives as reviewed by the CC and relative industry compensation comparables. The Company's compensation program, which is determined by the CC, is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance relative to their goals and objectives and contribution to increasing shareholder value. The CC recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. Overall, the CC's recommendation (and the Board's ultimate decision) on executive compensation is subjective, taking into account all the above factors.

The CC reviews its executive compensation annually to incorporate base salary, short-term and long-term incentives to continue to align compensation with both individual and Company performance.

Our executive compensation program consists primarily of the following elements:

### ***Base Salary***

Base salary is intended to remunerate the executive for discharging job responsibilities and reflects the executive's performance over time. Individual salary adjustments take into account performance contributions in connection with their specific duties. The base salary of each executive is recommended by the CEO and approved by the CC based on his or her sustained performance and consideration of competitive compensation levels for the markets in which the Company operates. The CC also considers the particular skills and experience of the individual. A final determination on base salary, is made by the CC, in its sole discretion, based on the recommendations of the CEO and its knowledge of the industry in which the Company operates. While the CEO may make a recommendation regarding annual base salaries, the CC makes the final determination. There were no base salary increases for the CEO, CFO, President and CSO for the 2021 year.

### ***Short Term Incentive Plan ("STIP")***

The Company's STIP is designed to reward management for achieving certain strategic objectives. The CC evaluates executive incentive compensation based on the Company meeting those strategic objectives. Bonus payments, if awarded, recognize contributions to achieving the Company's goals. Bonus payments are reviewed and approved by the CC to ensure that such remuneration is appropriate, equitable and commensurate with the Company's performance and achievement of goals and objectives. Notwithstanding any objectives and targets, the CC retains ultimate discretion for any awards under the STIP.

The STIP determines annual incentive compensation with specific objectives approved by the CC. Under the STIP, each of the executives have a different target award opportunity applied against their percentage achieved based on an allocation of corporate versus individual goals. Incentive compensation for the executives is directly tied to the achievement of corporate objectives, as well as the achievement of personal goals and objectives. The purpose of the STIP is to align individual contributions with corporate objectives, incentivize the achievement of key objectives that are most highly valued, and reward senior management for achieving objectives commensurate with the business and operational success of the Company.

During the year ended December 31, 2021, the target bonus incentive as a percentage of base salary for each of the NEO's was as follows: (a) CEO target of 125% (0% achieved); (b) CFO target of 50% (0% achieved); (c) President target of 100% (0% achieved); and (d) CSO target of 100% (0% achieved). No cash bonuses were paid to management relating to 2021 performance.

## ***Equity Incentive Plan***

The Equity Incentive Plan allows the Company to grant stock awards (“**Stock Awards**”) to the Company’s employees, directors and consultants (collectively referred to as the “**Participants**”), as additional compensation and to incentivise such persons to put forth their maximum effort for continued growth and success of the Company. Stock Awards include incentive stock options, non-statutory stock options (collectively, “**Options**”), restricted stock awards (each, an “**RSA**”) and restricted stock unit awards (each, an “**RSU**”). The aggregate number of Common Shares issuable pursuant to Stock Awards and awards granted under the Company’s Deferred Share Unit Plan (the “**DSU Plan**”) is 9,146,774. The incentive stock options may not exceed 6,000,000 units. The Equity Incentive Plan offers Participants an opportunity to participate in the progress of the Company. The granting of such securities under the Equity Incentive Plan is intended to align the interests of such persons with those of the Company.

A restricted stock award is an award of Common Shares which is granted pursuant to certain terms and conditions. A restricted stock unit award is a right to receive Common Shares which is granted pursuant to certain terms and conditions. Each agreement governing a restricted stock award or a restricted stock unit award is subject to the terms and conditions of the Equity Incentive Plan.

Options granted under the Equity Incentive Plan generally vest and become exercisable in periodic installments that may or may not be equal. The options expire up to 10 years after the date at which they are granted. The Equity Incentive Plan also provides that, unless otherwise determined by the Board, if the Participant ceases to be an employee, director or consultant of the Company, their options terminate within a period of time after the Participant actually ceases to be an employee, director or consultant of the Company. The exercise price for Options granted under the Equity Incentive Plan is determined by the Board, but may not be less than the market value of the Common Shares.

The Board is responsible for administering the Equity Incentive Plan and has overall authority for interpreting, applying, amending and terminating the Equity Incentive Plan, as well as the authority under the Equity Incentive Plan to delegate some or all of the administration of the Equity Incentive Plan to a committee.

As at December 31, 2021, 5,450,750 Options, 2,740,000 RSUs, and 300,000 RSAs have been granted under the Equity Incentive Plan.

The Equity Incentive Plan was initially approved by the Company’s Shareholders effective as of May 2, 2018. Shareholders approved amendments to the Equity Incentive Plan on August 19, 2020.

### ***Deferred Share Unit Plan***

The purpose of the DSU Plan is to assist in attracting, retaining and motivating directors of the Company and to more closely align the personal interests of such persons with Shareholders, thereby advancing the interests of the Company and its Shareholders and increasing the long-term value of the Company. Only currently serving directors of the Company are eligible to participate in the DSU Plan.

Deferred Share Units (each, a “**DSU**”) granted under the plan will be fully vested upon being granted. The maximum number of DSUs issued over any 12-month period shall be limited to 2% of the aggregate number of issued and outstanding Common Shares on a non-diluted basis. The maximum number of Common Shares issuable pursuant to outstanding DSUs at any time shall not exceed 9,146,774 Common Shares. The number of DSUs issued to each director shall not exceed the lesser of (i) 1% of the issued and outstanding Common Shares at the time of grant; and (ii) an annual DSU value of US\$150,000 per director. Generally, a participant in the DSU Plan has the right to receive Common Shares in respect of their DSUs when the participant is no longer a member of the Board nor is otherwise employed by the Company or any of its subsidiaries in any fashion in accordance with the DSU Plan. The DSUs granted under the plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of a participant.

The Board is responsible for administering the DSU Plan and has overall authority for interpreting, applying, amending and terminating the DSU Plan, as well as the authority under the DSU Plan to delegate some or all of the administration of the DSU Plan to a committee.

As at December 31, 2021, 225,000 DSUs have been granted under the DSU Plan.

The DSU Plan was initially approved by the Company’s Shareholders effective as of August 2, 2019. Shareholders approved amendments to the DSU Plan on August 19, 2020.

### ***Perquisites and Other Benefits***

Certain of our executive officers are provided perquisites to aid in the performance of their respective duties and to provide compensation competitive with executives with similar positions and levels of responsibilities. Perquisites generally include reimbursement of automobile expenses, monthly personal cell phone allowances, technology allowances and/or payment of professional development fees.

### ***Health and Insurance Benefits***

Each of our executive officers, including our Named Executive Officers, is eligible to participate in our health and insurance plans on the same terms and conditions as provided to all other eligible employees. Such benefits include:

- medical and dental benefits;
- long-term disability insurance; and
- life insurance and accidental death and disability coverage.

We believe the benefits described above are necessary and appropriate to provide a competitive compensation package to our executive officers, including our Named Executive Officers.

### **Tax Considerations**

As a general matter, our Board reviews and considers the various tax and accounting implications of compensation programs we utilize.

### **Compensation Risk Assessment**

Our Board reviews the potential risks associated with the structure and design of our various compensation plans, including a comprehensive review of the material compensation plans and programs for all employees.

### **Director Compensation**

Each independent director is entitled to receive reasonable directors' fees and other compensation, including grants of securities issued pursuant to the DSU Plan and Equity Incentive Plan. The Company also reimburses directors for expenses incurred on the Company's behalf.

Independent directors have been granted Options and DSUs in an amount determined by the Board. Option and DSU grants to the independent directors are determined on an annual basis by the Board, taking into account compensation paid by other companies in the industry for directors.

The Company has no other arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts during the most recently completed financial year ended December 31, 2021 or subsequently, up to and including the date of this Circular.

### **Compensation of Named Executive Officers and Directors Excluding Compensation Securities**

The following table sets out the compensation paid to our NEOs and directors of the Company for the years ending December 31, 2021 and 2020.

<b>Name and Principal Position</b>	<b>Year</b>	<b>Base Salary C\$</b>	<b>Bonus C\$</b>	<b>Committee or Meeting Fees C\$</b>	<b>Value of Perquisites <sup>(1)</sup> C\$</b>	<b>Total Compensation C\$</b>
<b>Jesse McConnell</b> CEO and Director <sup>(2)(3)</sup>	2021	400,000	-	-	12,063	412,063
	2020	400,000	250,000	-	13,852	663,852
<b>Margaret Brodie</b> CFO and Director <sup>(2)</sup>	2021	325,000	-	-	13,061	338,061
	2020	325,000	81,250	-	34,531	440,781
<b>Tim Roberts</b> President <sup>(4)</sup>	2021	450,000	-	-	14,444	464,444
	2020	450,000	225,000	-	13,852	688,852
<b>Peter Doig</b> CSO <sup>(5)</sup>	2021	143,333	-	-	5,000	148,333
	2020	215,000	-	-	12,000	227,000
<b>Bryan Disher</b> Director <sup>(6)</sup>	2021	30,000	-	-	-	30,000
	2020	30,000	-	-	-	30,000

Name and Principal Position	Year	Base Salary C\$	Bonus C\$	Committee or Meeting Fees C\$	Value of Perquisites <sup>(1)</sup> C\$	Total Compensation C\$
David Donnan Director	2021	20,000	-	-	-	20,000
	2020	20,000	-	-	-	20,000
John Pigott Director	2021	20,000	-	-	-	20,000
	2020	20,000	-	-	-	20,000

Notes:

- (1) Cost of medical, parking, and professional fees.
- (2) The total compensation paid to Jesse McConnell and Margaret Brodie reflect only those amounts paid to them in their capacity as NEOs of the Company. They are not paid a salary for their services as directors.
- (3) Jesse McConnell has tendered his resignation as Chief Executive Officer of the Company effective as of December 31<sup>st</sup>, 2022.
- (4) Tim Roberts was terminated as President of the Company effective April 7, 2022.
- (5) Peter Doig resigned as CSO of the Company effective May 31, 2021.
- (6) Bryan Disher resigned as Director of the Company effective August 12, 2022.

### Compensation Securities

The following table sets forth all compensation securities granted or issued to directors and NEOs of the Company during the year ended December 31, 2021:

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of Issue or grant	Issue, conversion or exercise price	Closing price of security or underlying security on date of grant	Expiry date
Jesse McConnell CEO and Director	RSUs	200,000 <sup>(1)</sup>	Apr 16, 2021	n/a	C\$3.15	Apr 16, 2026
	RSUs	250,000 <sup>(2)</sup>	Apr 16, 2021	n/a	C\$3.15	Apr 16, 2026
	RSUs	550,000 <sup>(3)</sup>	Apr 16, 2021	n/a	C\$3.15	Apr 16, 2026
		1,000,000 <sup>(7)</sup> (36.5%)				

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of Issue or grant	Issue, conversion or exercise price	Closing price of security or underlying security on date of grant	Expiry date
<b>Margaret Brodie</b> CFO and Director	RSUs	50,000 <sup>(4)</sup>	Apr 16, 2021	n/a	C\$3.15	Apr 16, 2026
	RSUs	35,000 <sup>(1)</sup>	Apr 16, 2021	n/a	C\$3.15	Apr 16, 2026
	RSUs	140,000 <sup>(2)</sup>	Apr 16, 2021	n/a	C\$3.15	Apr 16, 2026
	RSUs	175,000 <sup>(3)</sup>	Apr 16, 2021	n/a	C\$3.15	Apr 16, 2026
	RSUs	150,000 <sup>(4)</sup>	Nov 16, 2021	n/a	C\$2.60	Apr 16, 2026
	RSUs	10,000 <sup>(1)</sup>	Nov 16, 2021	n/a	C\$2.60	Apr 16, 2026
	RSUs	15,000 <sup>(2)</sup>	Nov 16, 2021	n/a	C\$2.60	Apr 16, 2026
	RSUs	<u>25,000<sup>(3)</sup></u> 600,000 <sup>(8)</sup> (21.9%)	Nov 16, 2021	n/a	C\$2.60	Apr 16, 2026
<b>Tim Roberts</b> President	RSUs	300,000 <sup>(5)</sup>	Apr 16, 2021	n/a	C\$3.15	Apr 16, 2026 <sup>(13)</sup>
	RSUs	100,000 <sup>(1)</sup>	Apr 16, 2021	n/a	C\$3.15	Apr 16, 2026 <sup>(13)</sup>
	RSUs	200,000 <sup>(2)</sup>	Apr 16, 2021	n/a	C\$3.15	Apr 16, 2026 <sup>(13)</sup>
	RSUs	<u>300,000<sup>(3)</sup></u> 900,000 <sup>(9)</sup> (32.8%)	Apr 16, 2021	n/a	C\$3.15	Apr 16, 2026 <sup>(13)</sup>
<b>Peter Doig</b> CSO	n/a	n/a	n/a	n/a	n/a	n/a
<b>Bryan Disher</b> Director	DSUs	25,000 <sup>(6)(10)</sup> (11.1%)	Nov 16, 2021	n/a	C\$2.60	n/a <sup>(6)</sup>
<b>David Donnan</b> Director	DSUs	25,000 <sup>(6)(11)</sup> (11.1%)	Nov 16, 2021	n/a	C\$2.60	n/a <sup>(6)</sup>
<b>John Pigott</b> Director	DSUs	25,000 <sup>(6)(12)</sup> (11.1%)	Nov 16, 2021	n/a	C\$2.60	n/a <sup>(6)</sup>

Notes:

- (1) RSUs vest upon achievement of C\$20 million of EBITDA or Adjusted EBITDA for a trailing 12-month period. EBITDA and Adjusted EBITDA are defined in the Company's Management's Discussion & Analysis ("MD&A") for the year ended December 31, 2021, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).
- (2) RSUs vest upon achievement of C\$35 million of EBITDA or Adjusted EBITDA for a trailing 12-month period.
- (3) RSUs vest upon achievement of C\$50 million of EBITDA or Adjusted EBITDA for a trailing 12-month period.
- (4) RSUs vest in three equal tranches over three years.
- (5) RSUs vest three years from the date of grant.
- (6) The Common Shares in respect of the DSUs will be issued when the participant is no longer a member of the Board or is otherwise no longer employed by the Company. DSUs vest immediately and may only be redeemed upon a holder ceasing to be a director of the Company.
- (7) As at December 31, 2021, Jesse McConnell held 1,000,000 RSUs and 310,000 Options exercisable for a total of 1,300,000 Common Shares in the capital of the Company.
- (8) As at December 31, 2021, Margaret Brodie held 600,000 RSUs and 305,000 Options exercisable for a total of 905,000 Common Shares in the capital of the Company.
- (9) As at December 31, 2021, Tim Roberts held 900,000 RSUs and 600,000 Options exercisable for a total of 1,500,000 Common Shares in the capital of the Company.

- (10) As at December 31, 2021, Bryan Disher held 75,000 DSUs and 100,000 Options exercisable for a total of 175,000 Common Shares in the capital of the Company.
- (11) As at December 31, 2021, David Donnan held 75,000 DSUs and 50,000 Options exercisable for a total of 125,000 Common Shares in the capital of the Company.
- (12) As at December 31, 2021, John Pigott held 75,000 DSUs and 100,000 Options exercisable for a total of 175,000 Common Shares in the capital of the Company.
- (13) The Award Agreement provides for expiry on the earlier of the employment termination or April 16, 2026.

### **Equity Compensation Plan Information**

The following table sets forth information in respect of the Company's equity compensation plans under which equity securities of the Company are authorized for issuance, aggregated in accordance with all equity plans previously approved by the Shareholders and all equity plans not approved by Shareholders as at December 31, 2021:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding Options and rights</b>	<b>Weighted-average exercise price of outstanding Options and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by securityholders <sup>(1)</sup>	6,492,083 <sup>(2)</sup>	C\$3.51	704,858 <sup>(3)</sup>
Equity compensation plans not approved by securityholders	Nil	n/a	Nil
<b>Total</b>	<b>6,492,083<sup>(2)</sup></b>	<b>C\$3.51</b>	<b>704,858<sup>(3)</sup></b>

Notes:

- (1) The Company's security-based compensation plans are the Equity Incentive Plan and the DSU Plan. The aggregate number of Common Shares that may be reserved for issuance pursuant to the Equity Incentive Plan and the DSU Plan is limited to 9,146,774.
- (2) Balance includes 3,527,083 Options, 2,740,000 Restricted Share Units and 225,000 Deferred Share Units.
- (3) There are 1,649,833 Options and 300,000 RSAs which have been exercised or vested into shares and will not re-enter the pool.

### **Exercise of Compensation Securities by Directors and NEOs**

The following sets out the Equity Awards exercised by directors and NEOs during the year ended December 31, 2021:

<b>Exercise of Compensation Securities by Directors and NEOs</b>							
<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of underlying securities exercised</b>	<b>Exercise price per security (\$)</b>	<b>Date of exercise</b>	<b>Closing price per security on date of exercise (\$)</b>	<b>Difference between exercise price and closing price on date of exercise (\$)</b>	<b>Total value on exercise date (\$)</b>
<b>Jesse McConnell</b> CEO and Director	-	-	-	-	-	-	-
<b>Margaret Brodie</b> CFO and Director	Options	500,000 <sup>(3)</sup>	US\$1.00	Jul 23, 2021	C\$2.55	C\$1.29 <sup>(2)</sup>	C\$645,000
<b>Tim Roberts</b> President	-	-	-	-	-	-	-
<b>Peter Doig</b> CSO	-	-	-	-	-	-	-
<b>Bryan Disher</b> Director	-	-	-	-	-	-	-
<b>David Donnan</b> Director	Options	50,000	US\$2.00	Jun 24, 2021	C\$2.54	C\$1.31 <sup>(1)</sup>	C\$65,500
<b>John Pigott</b> Director	-	-	-	-	-	-	-

Notes:

- (1) The strike price was translated using the exchange rate of 1.232 CAD/USD on June 24, 2021 to determine the difference.
- (2) The strike price was translated using the exchange rate of 1.258 CAD/USD on July 23, 2021 to determine the difference.
- (3) 300,000 Options were exercised via a cash purchase and 200,000 Options were issued with a cashless exercise resulting in 300,000 and 101,372 Common Shares being issued.

### **Employee Agreements and Termination and Change of Control Benefits**

Each of the NEOs has entered into an employment agreement with the Company. Those employment agreements include provisions regarding base salary, eligibility for annual bonuses and enrolment of benefits, among other things including termination and change of control provisions.

Incorporated within their employment agreements, each NEO has entered into a non-disclosure and confidentiality agreement (“**NDA**”). The NDA requires that all information, such as trade secrets, data or other proprietary information relating to products, procedure or formulas, that is disclosed to the NEO through the course of their employment is considered “confidential information” that is the exclusive right and property of the Company. Upon termination of employment, the employment agreement provides that each NEO is prohibited for one year from soliciting the Company’s customers or employees or from developing, manufacturing, and marketing products or engaging in consulting services which, in the Company’s sole discretion, are competitive to the Company’s business.

#### *Change of Control Benefits*

In the event that Mr. McConnell or Ms. Brodie should resign for any reason or the Company should terminate his/her employment without Cause (as defined in the respective employment letter or agreement) within six months after a Change of Control, the Company shall compensate each a lump sum cash amount of one and one half (1.5) times their annual salary. The estimated incremental payment from the Company to each NEO after a Change of Control, assuming a triggering event occurred as at the date of this filing, would be C\$600,000 to Mr. McConnell and C\$487,500 to Ms. Brodie. In addition, all non-vested securities under any securities compensation plan granted to the NEO shall immediately and fully vest on the effective date of such termination and be redeemable or exercisable for 90 days thereafter. Mr. McConnell has tendered his resignation as Chief Executive Officer of the Company effective as of December 31<sup>st</sup>, 2022.

In the context of the executive officer employment agreements, “change of control” means: (i) the acquisition, directly or indirectly, by any person or group of persons acting in concert, as such terms are defined in the *Securities Act* (British Columbia), of common shares of such company which, when added to all other common shares of such company at the time held directly or indirectly by such person or persons acting in concert, totals for the first time 50% of the outstanding common shares of such company; or (ii) the removal, by extraordinary resolution of the shareholders of such company, of more than 51% of the then incumbent directors of such company, or the election of a majority of directors to the board of directors of such company who were not nominees of such company’s incumbent board of directors at the time immediately preceding such election; or (iii) consummation of a sale of all or substantially all of the assets of such company, or the consummation of a reorganization, arrangement, merger or other transaction which has substantially the same effect; or (iv) consummation of a merger or other transaction whereby the majority of the prior existing senior management of the company are replaced.

#### *Termination Benefits*

In the event of termination of a NEO by the Company without Cause or by the NEO for Good Reason (capitalized terms are as defined in the respective employment letter or agreement), the Company shall pay, at the time of such termination, a lump sum cash amount to the NEO equal to one year’s annual salary upon delivery of a full and final release. The estimated incremental payment from the Company to each NEO on termination without Cause or by the NEO for Good Reason, if a triggering event occurred as at the date of this filing would be C\$400,000 for Mr. McConnell and C\$325,000 for Ms. Brodie. Mr. McConnell has tendered his resignation as Chief Executive Officer of the Company effective as of December 31<sup>st</sup>, 2022 and will not be entitled to a termination benefit, as no triggering event is anticipated. Mr. Roberts was terminated on April 7, 2022 and the Company has recorded a termination accrual of C\$450,000. Mr. Doig resigned as CSO of the Company effective May 31, 2021 and was not entitled to a termination benefit.

## ***Indemnification and Insurance***

The Company maintains director and officer liability insurance and errors and omissions insurance. In addition, the Company has entered into indemnification agreements with each of its directors and officers. The indemnification agreements require that the Company indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees' service to the Company as directors and officers, provided that the indemnitees acted honestly and in good faith and in a manner the indemnitees reasonably believed to be in or not opposed to the Company's best interests and, with respect to criminal and administrative actions or proceedings that are enforced by monetary penalty, the indemnitees had no reasonable grounds to believe that his or her conduct was unlawful. The indemnification agreements also provide for the advancement of defence expenses to the indemnitees by the Company.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the Company's directors or officers or any of their respective associates is indebted to the Company or has been subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than information disclosed in this Circular, no directors or executive officers of the Company or a subsidiary of the Company at any time during the Company's last fiscal year or since, the proposed nominees for election to the Board of the Company, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding Common Shares of the Company, nor any associate or affiliate of those persons, has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, requires all companies to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201 – *Corporate Governance Guidelines*. These Guidelines are not prescriptive but have been used by the Company in adopting its corporate governance practices. The Company's approach to corporate governance is set out below.

### **Board of Directors**

Our articles provide that our Board is to consist of a minimum of three directors as determined from time to time by the Board. In accordance with the articles of the Company and the BCBCA, the Board may appoint one or more additional directors who shall hold office until the close of the next annual meeting of Shareholders, provided that the total number of directors so appointed does not exceed one-third of the number of directors elected at the previous annual meeting of Shareholders.

Our Board is responsible for supervising the management of our business and affairs. Our Board has adopted a formal mandate setting out its stewardship responsibilities, including its responsibilities for the appointment of management, management of our Board, strategic and business planning, monitoring of financial performance, financial reporting, risk management and oversight of our policies and procedures, communications and reporting and compliance.

The Board and each of its committees conduct a self-evaluation periodically to assess their effectiveness. In addition, the Board periodically considers the mix of skills and experience that the directors bring to the Board and assess, on an ongoing basis, whether the Board has the necessary composition to perform its oversight function effectively.

### **Nomination of Directors**

Responsibility for identifying new candidates to join the Board belongs to the Board as a whole and is assisted by the Nomination & Governance Committee (“**N&GC**”). The N&GC encourages all directors to participate in the process of identifying and recruiting new candidates. While there are no specific criteria for Board membership, the Company will seek to attract and retain directors with business knowledge and a particular expertise in cannabis and/or consumer packaged goods, or other areas of specialized knowledge (such as finance) which will assist in guiding the officers of the Company.

### **Independence**

The Board is presently comprised of four directors, two of whom are independent. Under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), an independent director is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director’s exercise of independent judgment. The Board has determined that Jesse McConnell and Margaret Brodie, executive officers of the Company, are not considered independent as they are employees of the Company. Each of David Donnan and John Pigott is considered independent.

In addition to chairing all Board meetings, the chair (the “**Chair**”) of the Board’s role is to facilitate and chair discussions among the Company’s independent directors, facilitate communication between the independent directors and management of the Company, and, if and when necessary, act as a spokesperson on behalf of the Board in dealing with the press and members of the public. The Chair’s responsibilities and duties will be described in detail in a position description to be developed by the Board. Bryan Disher was the Chair from May 24, 2018 to May 20, 2022, and Julie Lassonde was the Chair from May 20, 2022 to October 31, 2022.

### **Other Directorships**

The following directors of the Company are also directors of other reporting issuers (or the equivalent) in Canada or a foreign jurisdiction:

<b>Name of Director</b>	<b>Name of Reporting Issuer and Exchange</b>
Margaret Brodie	Plata Latina Minerals Corp., TSX Venture

### **Orientation and Continuing Education**

New directors of the Company are expected to participate in an initial information session on the Company in the presence of its senior executive officers to learn about, among other things, the business of the Company, its financial situation and its strategic planning. In addition, new directors will be furnished with appropriate documentation, providing them with information about, among other matters, the corporate governance practices of the Company, the structure of the Board and its AC, the Company’s history, its commercial activities, its corporate organization, the charters of the Board and its AC, the Company’s articles, the Company’s Code of Business Conduct and Ethics (the “**Code**”) and other relevant corporate policies.

The Company encourages all directors to attend continuing education programs and facilitates such continuing education of its directors by providing them with information on upcoming courses and seminars that may be relevant to their role as directors or hosting brief information sessions during Board meetings by inviting external advisors. In addition, the Company's management periodically makes presentations to the directors on various topics, trends and issues related to the Company's activities during meetings of the Board or its AC, which are intended to help the directors constantly improve their knowledge about the Company and its business.

### **Code of Business Conduct and Ethics**

Our Board has adopted a written Code that applies to directors, officers and employees. The objective of the Code is to provide guidelines for enhancing our reputation for honesty, integrity and the faithful performance of undertakings and obligations. The Code addresses conflicts of interest, use of company assets, inventions, use of Company email and internet services, disclosure, corporate opportunities, confidentiality, fair dealing and compliance with laws. As part of our Code, any person subject to the Code is required to avoid any activity, interest (financial or otherwise) or relationship that would create or appear to create a conflict of interest.

Our directors are responsible for monitoring compliance with the Code, for regularly assessing its adequacy, for interpreting the Code in any particular situation and for approving changes to the Code from time to time.

Directors and executive officers are required by applicable law and our corporate governance practices and policies to promptly disclose any potential conflict of interest that may arise. If a director or executive officer has a material interest in an agreement or transaction, applicable law and principles of sound corporate governance require them to declare the interest in writing and where required by applicable law, to abstain from voting with respect to such agreement or transaction.

The Company has also adopted an Insider Trading Policy, which complements the obligations of our directors, officers and employees under the Code. Copies of the Insider Trading Policy and the Code are available on our website at [www.rubiconorganics.com](http://www.rubiconorganics.com).

### **Board of Directors Committees**

#### ***Audit Committee***

The Company is relying on the exemption in section 6.1 of NI 52-110 in order to provide the disclosure required under Form 52-110F2.

Our Board has adopted a written charter for the Audit Committee ("**AC**"). The mandate of the AC is to assist our Board in fulfilling its financial oversight obligations, including the responsibility to: (a) retain and oversee the independent auditors of the Company, (b) oversee the Company's accounting and financial reporting processes and the audit and preparation of the Company's financial statements, (c) exercise such other power and authority as is set forth in the written charter of the AC; and (d) exercise such other powers and authority as shall from time to time be assigned to the AC by resolution of the Board. A copy of the charter of the AC is attached as Schedule "A" to this Circular.

Pursuant to the AC charter, the AC is to consist of three directors, the majority of whom are independent. Each member of the AC is required to be financially literate in accordance with NI 52-110. As of the date hereof, the members of the AC are David Donnan (Chair) and John Pigott, each of whom are independent, and Jesse McConnell, an executive officer of the Company who is not considered independent. Julie Lassonde was a member of the AC from January 7, 2022 until her resignation from the Board on October 31, 2022.

### ***Composition of the Audit Committee and Relevant Education and Experience***

**David Donnan** is a leader in the global food and agriculture sector with over 40 years of experience working in consumer products, technology and retail industries. He is an adjunct professor at Northwestern University and a partner emeritus with A.T. Kearney, and has led their global food and beverage team. His expertise in leading transformation projects in business and growth strategy, supply chain design has propelled him to the forefront at conferences where he addresses issues in global food supply, advanced technologies and economic trends in the food and agriculture industry. Mr. Donnan holds a Bachelors of Applied Science, Engineering from the University of Toronto and a Masters of Business Administration from the University of Toronto, Rotman School of Business.

**John Pigott** serves as Chief Executive Officer of Club Coffee L.P. (“**Club Coffee**”), a subsidiary of ofi, a publicly listed division of Singapore-based Olam Inc. He is also Chief Executive Officer of Morrison Lamothe Inc., a food investment company. Club Coffee was formerly controlled by Morrison Lamothe Inc. Mr. Pigott’s background includes experience in manufacturing frozen food and coffee products for many national and retailer owned brands. He has extensive experience in strategic planning, sales, and business development and has had tremendous success in growing Club Coffee into an innovation-driven contract coffee roaster. Mr. Pigott has also served as Director of Polyainers Inc. since September 2005. He is currently serving as Vice Chair of Food, Health and Consumer Products of Canada (“**FHCP**”), the trade association of consumer packaged goods companies in Canada.

**Jesse McConnell** serves as CEO of the Company since May 20, 2015. Mr. McConnell has a proven track record of developing and producing premium consumer cannabis brands and products, which spans over two decades of experience. Previously, Mr. McConnell was the co-founder of Whistler Medical Marijuana Corp., until its eventual sale to Aurora Cannabis Inc. in 2019.

As a result of their respective business experience, each member of the Audit Committee has: (i) an understanding of the accounting principles used by the Company to prepare its financial statements, (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) experience in analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to that that can reasonably be expected to be raised by the Company’s financial statements, and (iv) an understanding of internal controls and procedures for financial reporting.

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

Under its charter, the AC is required to pre-approve all audit and non-audit services to be performed by the external auditor in relation to the Company, as well as periodically review and discuss with the external auditor all significant relationships the external auditor has with the Company to determine the independence of the external auditor, including a review of service fees for audit and non-audit services.

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year ended December 31, 2021 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year ended December 31, 2021 has the Company relied on the exemptions in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), an exemption from subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. As the Company is considered a "venture issuer" for the purpose of Part 6 of NI 52-110, it is exempted under Section 6.1 from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

### **External Auditor Service Fees (By Category)**

Fees billed by the Company's external auditor, Deloitte LLP, during the financial years ended December 31, 2021 and December 31, 2020 were as follows:

<b>Fiscal Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
December 31, 2021	C\$337,050 <sup>(5)</sup>	C\$80,250	C\$21,266	Nil
December 31, 2020	C\$304,950 <sup>(6)</sup>	Nil	Nil	Nil

Notes:

- (1) Fees for audit services billed during the fiscal year.
- (2) Fees for review of prospectus.
- (3) Fees for tax compliance, tax advice and tax planning.
- (4) Fees for valuation services.
- (5) Comprised of C\$256,800 for the year end 2021 audit and C\$26,750 for review engagements of each Q1, Q2 and Q3 2021.
- (6) Comprised of C\$224,700 for the year end 2020 audit and C\$26,750 for review engagements of each Q1, Q2 and Q3 2020.

### **Compensation Committee**

Pursuant to the CC charter, the CC is to consist of three directors, a majority of whom are independent. As of the date hereof, the members of the CC are: David Donnan (Chair) and John Pigott, each of whom are independent, and Jesse McConnell, an executive officer of the Company who is not considered independent. Julie Lassonde was a member of the CC until her resignation from the Board on October 31, 2022.

The mandate of the CC is to assist our directors in carrying out the Board's oversight responsibility for (i) developing and overseeing the Company's human resources and compensation policies and processes, and (ii) demonstrating to the Shareholders that the compensation of the directors of the Company who are also employees of the Company is recommended by directors who have no personal interest in the outcome of decisions of the CC and who will have due regard to the interests of all of the Shareholders.

The primary compensation-related duties and responsibilities of the CC are to review and make recommendations to the Board in respect of: (i) compensation policies and guidelines; (ii) management incentive and perquisite plans and any non-standard remuneration plans; (iii) senior management, executive and officer compensation; and (iv) Board compensation matters, including compensation of both independent and non-independent members of the Board. In carrying out its duties and responsibilities, the CC assesses and makes recommendations to the Board with regard to the competitiveness and appropriateness of the compensation package of the CEO, all other officers of the Company and other key employees of the Company; review and evaluate the respective performance goals and criteria for the CEO and all other senior executives and recommend to the Board the amount of regular and incentive compensation to be paid to the CEO and other senior executives; review and make recommendations to the Board regarding employment contracts and short term incentive or reward plans; review and make recommendations to the Board regarding the structure and implementation of incentive stock option plans, restricted share unit plans, performance share unit plans, and any other long term incentive plans; prepare or review reports on executive compensation and compensation discussion and analysis; and periodically review and make recommendations to the Board regarding the compensation of the Board.

More information on the process by which compensation for our directors and officers is determined as set forth under the heading “*Executive and Director Compensation*”.

#### ***Nomination & Governance Committee***

Pursuant to the N&GC charter, the N&GC is to consist of a minimum of three directors, at least 50% of whom are independent. As of the date hereof, the members of the N&GC are: David Donnan (Chair), John Pigott, Jesse McConnell and Margaret Brodie. Julie Lassonde was a member of the N&GC until her resignation from the Board on October 31, 2022.

The mandate of the N&GC is to assist our directors in carrying out the Board's oversight responsibility for (i) identifying potential nominees to the Board; (ii) assessing the effectiveness of the directors, the Board and the various committees of the Board and the composition of the Board and its committees; (iii) discharging its responsibilities regarding the compensation of the non-executive members of the Board; and (iv) developing and recommending to the Board governance principles and policies and otherwise assisting to discharge the Board's responsibilities related to overall corporate governance of the Company.

#### **GENERAL MATTERS**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the persons named in the Proxy intend to vote on any poll, in accordance with their best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment or postponement thereof.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com) under the profile “Rubicon Organics Inc.” and the Company's website [www.rubiconorganics.com](http://www.rubiconorganics.com).

Financial information is provided in the audited Financial Statements of the Company for the year ended December 31, 2021 and in the accompanying MD&A for its most recently completed financial year. Shareholders may request copies of the Company's Financial Statements and MD&A by contacting the Company at 604-331-1296.

**BOARD APPROVAL**

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 8<sup>th</sup> day of November, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

/s/ Margaret Brodie

Margaret Brodie

Chief Financial Officer & Director

## SCHEDULE "A"

### AUDIT COMMITTEE CHARTER

The Audit Committee (the "**Committee**") is a committee of the Board of Directors (the "**Board**") of Rubicon Organics Inc., a British Columbia company (the "**Company**"). The primary objective of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to (a) retaining and overseeing the independent auditors of the Company, (b) overseeing the Company's accounting and financial reporting processes and the audit and preparation of the Company's financial statements, (c) exercising such other powers and authority as are set forth in this Charter and (d) exercising such other powers and authority as shall from time to time be assigned to the Committee by resolution of the Board.

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Company's auditors.

The Committee will:

- a) review and report to the Board on the following before they are published (to the extent such documents are required to be prepared, or are voluntarily prepared, by the Company):
  - i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators) of the Company;
  - ii) the auditor's report, if any, prepared in relation to those financial statements; and
  - iii) all other filings with regulatory authorities and any other publicly disclosed information containing the Company's financial statements, including any certification, report, opinion or review rendered by the independent accountants, and all financial information and earnings guidance intended to be provided to analysts and the public or to rating agencies, and consider whether the information contained in these documents is consistent with the information contained in the financial statements.
- b) review the Company's annual and interim earnings press releases, if any, before the Company publicly discloses this information;
- c) satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures;
- d) recommend to the Board the external auditor to be nominated for the purposes of preparing and issuing an auditor's report or performing other audit, review or attest services for the Company and the compensation of such external auditor;
- e) be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;

- f) monitor and report to the Board on the integrity of the financial reporting process and the system of internal controls that management and the Board have established;
- g) establish procedures for:
  - i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- h) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor, including, if applicable, as contemplated by National Instrument 52-110 Audit Committees ("**NI 52-110**") of the Canadian Securities Administrators;
- i) review and approve the Company's hiring of partners, employees and former partners and employees of the external auditor of the Company;
- j) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings of the Canadian Securities Administrators, to the extent applicable;
- k) review any changes proposed by management to accounting policies and report to the Board on such changes;
- l) oversee the opportunities and risks inherent in the Company's financial management and the effectiveness of the controls thereon;
- m) review major transactions (acquisitions, divestitures and funding), in respect of which a special committee of the Board is not established;
- n) review the reports of the Chief Executive Officer and Chief Financial Officer regarding any significant deficiencies or material weaknesses in the design or operation of internal controls and any fraud that involves management or other employees of the Company who have a significant role in managing or implementing the Company's internal controls and evaluate whether the internal control structure, as created and as implemented, provides reasonable assurances that transactions are recorded as necessary to permit the Company's external auditor to reconcile the Company's financial statements in accordance with applicable securities laws;
- o) review with management the adequacy of the insurance and fidelity bond coverage, reported contingent liabilities, and management's assessment of contingency planning. Review management's plans regarding any changes in accounting practices or policies and the financial impact of such changes, any major areas in management's judgment that have a significant effect upon the financial statements of the Company, and any litigation or claim, including tax assessments, that could have a material effect upon the financial position or operating results of the Company;
- p) periodically review and discuss with the external auditor all significant relationships the external auditor has with the Company to determine the independence of the external auditor, including a review of service fees for audit and non-audit services;

- q) consider, in consultation with the external auditor, the audit scope and plan of the external auditor and approve the proposed audit fee and the final fees for the audit;
- r) receive, investigate and act on complaints and concerns of employees and other stakeholders of the Company regarding non-compliance with the Company's Code of Business Conduct and Ethics and, for reported non-compliance that the Audit Committee determines to be less severe, the delegation to management of the authority to investigate and act on such complaints and concerns;
- s) receive, investigate and act on complaints and concerns of employees and other stakeholders of the Company regarding non-compliance with the Company's Insider Trading Policy and Whistleblower Policy; and
- t) review, develop and implement the Company's corporate governance policies.

### **COMPOSITION OF THE COMMITTEE**

The Committee shall be composed of at least three directors, the majority of whom shall be independent. Independence of the Board members will be as defined by applicable corporate governance guidelines under NI 52-110 and the rules of any stock exchange or market on which the Company's shares are listed or posted for trading, and as a minimum, each committee member will have no direct or indirect relationship with the Company which, in the view of the Board, could reasonably interfere with the exercise of a member's independent judgement.

All members of the Committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Committee. "Financially literate" means that such member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. One or more members of the Committee shall, in the judgment of the Board, have accounting or financial management expertise.

### **APPOINTING MEMBERS**

The members of the Committee shall be appointed or re-appointed by the Board on an annual basis. Each member of the Committee shall continue to be a member thereof until such member's successor is appointed, unless such member shall resign or be removed by the Board or such member shall cease to be a director of the Company. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board and shall be filled by the Board if the membership of the Committee is less than three directors as a result of the vacancy or the Committee no longer has a member who has, in the judgment of the Board, accounting or financial management expertise.

### **AUTHORITY**

The Committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the Committee will set the compensation for such advisors.

The Committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the Committee.

The Committee has the authority to approve the interim financial statements and management discussion and analysis and to cause the filing of the same together with all required documents and information with the securities commissions and other regulatory authorities in the required jurisdictions.

The Committee shall have full access to the books, records and facilities of the Company in carrying out its responsibilities.

The Board shall adopt resolutions which provide for appropriate funding, as determined by the Committee, for (i) services provided by the external auditor in rendering or issuing an audit report, (ii) services provided by any adviser employed by the Committee which it believes, in its sole discretion, are needed to carry out its duties and responsibilities, or (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities.

## **REPORTING**

The reporting obligations of the Committee will include:

1. reporting to the Board on the proceedings of each Committee meeting and on the Committee's recommendations at the next regularly scheduled directors meeting; and
2. reviewing, and reporting to the Board on its concurrence with, the disclosure required in respect of the Audit Committee in any management information circular prepared by the Company.

## **MEETINGS**

The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members thereof provided that:

- A quorum for meetings shall be at least a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permit all persons participating in the meeting to speak and hear each other;
- The Committee shall meet whenever such formal review and report on a Company publication is required (or more frequently as circumstances dictate); and
- Notice of the time and place of every meeting shall be given in writing or facsimile communication to each member of the Committee and the external auditors of the Company at least 48 hours prior to the time of such meeting.

While the Committee is expected to communicate regularly with management, the Committee shall exercise a high degree of independence in establishing its meeting agenda and in carrying out its responsibilities. The Committee shall submit the minutes of all meetings of the Committee to, or discuss the matters discussed at each Committee meeting with, the Board.

The members of the Committee must elect a chair from among the members of the Committee. The chair shall not have a casting vote. On request of the auditor of the Company, the chair of the Committee must convene a meeting of the Committee to consider any matter that the auditor believes should be brought to the attention of the directors or shareholders.

**Issue Date:** July 31, 2018

**Authorized By:** Board of Directors

**Review:** Annually

**Revised Date:** November 4, 2022