



BIG ROCK BREWERY INC.

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**To be held on June 12, 2024**

**TO: THE SHAREHOLDERS OF BIG ROCK BREWERY INC.**

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of Big Rock Brewery Inc. ("**Big Rock**" or the "**Corporation**") will be held at the Big Rock Brewery, 5555 – 76<sup>th</sup> Avenue S.E., Calgary, Alberta at 2:00 p.m. (Calgary time) on Wednesday, June 12, 2024, for the following purposes:

1. to receive the consolidated financial statements of Big Rock for the twelve-month period ended December 30, 2023, and auditor's report thereon;
2. to fix the number of directors of Big Rock to be elected at the Meeting at five (5);
3. to elect the directors of Big Rock;
4. to appoint the auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration as such; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the accompanying Management Information Circular and form a part of this Notice. Shareholders of record as at the close of business on May 13, 2024 will be entitled to receive notice of and to attend and vote at the Meeting.

**We strongly encourage all Shareholders to vote their Common Shares prior to the Meeting by completing the enclosed instrument of proxy and returning it as soon as possible in the envelope provided for that purpose. A proxy will not be valid unless it is deposited with Odyssey Trust Company, Trader's Bank Building, Suite 702, 67 Yonge St. Toronto, ON M5E 1J8 (Attention: Proxy Department), by facsimile at (800) 517-4553 (if outside North America), by email to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com) or by internet at <https://vote.odysseytrust.com> at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment thereof. All instructions are listed in the enclosed form of proxy. The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.**

DATED at the City of Calgary, in the Province of Alberta, this 14th day of May 2024.

**BY ORDER OF BIG ROCK BREWERY INC.**

(signed) "*Stephen J. Giblin*"

Stephen J. Giblin  
Chair and Director



**BIG ROCK BREWERY INC.**

**MANAGEMENT INFORMATION CIRCULAR**

**ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JUNE 12, 2024**

**Solicitation of Proxies**

This management information circular ("**Information Circular**") is furnished in connection with the solicitation of proxies by Big Rock Brewery Inc. ("**Big Rock**" or the "**Corporation**") for use at the annual general meeting of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of Big Rock to be held at the Big Rock Brewery, 5555 – 76<sup>th</sup> Avenue S.E., Calgary, Alberta on Wednesday, June 12, 2024, at 2:00 p.m. (Calgary time) and at any adjournment thereof (the "**Meeting**"), for the purposes set forth in the accompanying Notice of Annual General Meeting (the "**Notice of Meeting**").

We strongly encourage all Shareholders to vote their Common Shares prior to the Meeting by completing the enclosed instrument of proxy and returning it as soon as possible in the envelope provided for that purpose. A proxy will not be valid unless it is deposited with Odyssey Trust Company, Trader's Bank Building, Suite 702, 67 Yonge St. Toronto, ON M5E 1J8 (Attention: Proxy Department), by facsimile at (800) 517-4553 (if outside North America), by email to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com) or by internet at <https://vote.odysseytrust.com> at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment thereof. All instructions are listed in the enclosed form of proxy. In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a registered Shareholder should be delivered by facsimile to Odyssey Trust Company at (800) 517-4553. Shareholders are cautioned that the use of mail to transmit proxies is at each Shareholder's risk. Late proxies may be accepted or rejected by the Chair of the Meeting in the Chair's discretion and the Chair is under no obligation to accept or reject any particular late proxy. Only a Shareholder of record at the close of business on May 13, 2024 (the "**Record Date**") will be entitled to vote at the Meeting on the basis of one (1) vote for each Common Share held except to the extent that: (a) the holder has transferred the ownership of any of their Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that the transferee owns the Common Shares, and demands not later than ten (10) days before the day of the Meeting that their name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote their Common Shares at the Meeting. Except as otherwise noted, the disclosure in this Information Circular is given as at May 14, 2024 (the "**Effective Date**").

The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized.

**The persons named in the enclosed "Form of Proxy" are executive officers of Big Rock (the "Management Designees"). A Shareholder submitting a proxy has the right to appoint a person (who need not be a Shareholder) to represent the Shareholder at the Meeting other than the Management Designees. To exercise this right, the Shareholder should insert the name of the desired representative in the blank space provided in the Form of Proxy or submit another appropriate proxy. Such Shareholder should notify the nominee of his/her appointment, obtain his/her consent to act as proxy and should instruct him/her as to how the Shareholder's Common Shares are to be voted. In any case, the Form of Proxy should be dated and executed by the Shareholder or his/her attorney duly authorized in writing.**

**Revocability of Proxy**

A Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a

proxy may be revoked by depositing an instrument in writing executed by the Shareholder or by their authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of Big Rock at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chair of the Meeting on the day of the Meeting, or at any adjournment thereof. In addition, a proxy may be revoked by the Shareholder personally attending the Meeting and voting his/her/its Common Shares.

### **Persons Making the Solicitation**

**The solicitation of proxies is made on behalf of management of Big Rock.** The costs incurred in the preparation and mailing of the Form of Proxy, Notice of Meeting and this Information Circular will be borne by Big Rock. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication by directors, officers, employees and agents of Big Rock, who may be remunerated therefor.

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements may be made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares and Big Rock may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by Big Rock.

### **Voting of Proxies and Exercise of Discretion by Proxy**

Each Shareholder may instruct their proxy how to vote their Common Shares by completing the blanks on the Form of Proxy. All Common Shares represented at the Meeting, by properly executed proxies, will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Form of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Form of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such Form of Proxy will be voted in favour of the matters set out therein.**

**The Management Designees appointed under the Form of Proxy furnished by Big Rock are conferred with discretionary authority with respect to amendments or variations of those matters specified in the Form of Proxy and Notice of Meeting. At the time of printing this Information Circular, management knows of no such amendment, variation or other matter.**

### **Notice to Beneficial Holders of Common Shares**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name ("Beneficial Shareholders") should note that only proxies deposited by a Shareholder whose name appears on the records of the registrar and transfer agent for Big Rock as the Registered Shareholder of Common Shares ("Registered Shareholders") can be recognized and acted upon at the Meeting.** 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 a Beneficial Shareholder's name on the records of the registrar and transfer agent for Big Rock. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the vast majority of such securities are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted or withheld from voting upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting such securities for their clients. Big Rock does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held. The majority of Common Shares held in the United States are registered in the name of Cede & Co., the nominee for the Depository Trust Company, which is the United States equivalent of CDS Clearing and Depository Services Inc.

Applicable Canadian regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of securityholder meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to Registered Shareholders; however, its purpose is limited to instructing the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of the applicable form of proxy. The Beneficial Shareholder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or access the internet to vote the Common Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Beneficial Shareholder's Common Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker or other intermediary, a Beneficial Shareholder may attend the Meeting as a proxyholder for the Registered Shareholder and vote such Beneficial Shareholder's Common Shares in that capacity. If a Beneficial Shareholder wishes to attend the Meeting and vote their own Common Shares, a Beneficial Shareholder must do so as proxyholder for the Registered Shareholder. To do this, a Beneficial Shareholder should enter their own name in the blank space on the applicable form of proxy provided to the Beneficial Shareholder and return the document to their broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting. We strongly encourage you not to attend the Meeting and instead cast your vote through your broker or intermediary.

## INFORMATION CONCERNING BIG ROCK

Big Rock is a corporation governed by the *Business Corporations Act* (Alberta) (the "**ABCA**") and was incorporated pursuant to a Certificate of Incorporation dated November 15, 2010.

The registered office of Big Rock is located at Suite 2400, 525 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 1G1. The head office of Big Rock is located at 5555 - 76th Avenue S.E., Calgary, Alberta, T2C 4L8.

### Voting Securities and Principal Holders of Voting Securities

The authorized capital of Big Rock consists of an unlimited number of Common Shares and an unlimited number of preferred shares issuable in series which may contain rights, privileges and restrictions as determined by the board of directors of Big Rock (the "**Big Rock Board**" or the "**Board**").

Each Common Share entitles the holder to receive notice of and to attend all meetings of the Shareholders of Big Rock and to one (1) vote at such meetings. The holders of Common Shares are, at the discretion of the Big Rock Board and subject to applicable legal restrictions, entitled to receive any dividends declared by the Big Rock Board on the Common Shares. The holders of Common Shares are entitled to share equally in any distribution of the assets of Big Rock upon the liquidation, dissolution, bankruptcy or winding-up of Big Rock or other distribution of its assets among the Shareholders for the purpose of winding-up its affairs.

As at the Effective Date, there were 6,997,843 Common Shares issued and outstanding. There are no other shares of any class issued or outstanding. The Common Shares are the only shares entitled to be voted at the Meeting.

To the knowledge of the directors and executive officers of Big Rock, no person or company beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying ten percent (10%) or more of the voting rights attached to the issued and outstanding Common Shares of Big Rock, other than the following:

<u>Name</u>	<u>Number of Common Shares Beneficially Owned or Controlled</u>	<u>Percentage of Total Common Shares</u>
The Estate of Edward E. McNally	998,212	14.3%
VN Capital Fund I, LP <sup>(1)</sup>	2,017,500	28.8%
JC Clark Ltd.	858,800	12.3%

Note:

- (1) Mr. P. Donnell Noone, a director of the Corporation and nominee for election as a director at the Meeting, is a co-founder, principal and managing partner of VN Capital Management, LLC, the manager of VN Capital Fund I, LP ("**VN Capital**") and therefore exercises a degree of control and direction over the 2,017,500 Common Shares held by VN Capital.

### Quorum for Meeting

At the Meeting, a quorum shall consist of two (2) or more persons either present in person or represented by proxy and representing in the aggregate at least twenty-five percent (25%) of the outstanding Common Shares.

### Approval Requirements

All of the matters to be considered at the Meeting are ordinary resolutions requiring approval by a majority of the votes cast in respect of the resolution by, or on behalf of, Shareholders present in person or represented by proxy at the Meeting.

## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Financial Statements

At the Meeting, the audited consolidated financial statements of the Corporation for the year ended December 30, 2023 and the independent auditor's report on such statements will be placed before Shareholders, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

### 2. Fix Number of Directors to be Elected at the Meeting

Shareholders will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by Shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that five (5) directors be elected to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at five (5).**

### 3. Election of Directors of Big Rock

All current directors of the Corporation will be nominated for re-election at the Meeting.

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the resolutions electing each of the persons named in the following table to the Board. Management does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by Management Designees will be voted for another nominee, in their discretion, unless the Shareholder has specified in its form of proxy that its Common Shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual meeting of Shareholders or until his or her successor is duly elected, unless his or her office is earlier vacated in accordance with the by-laws of Big Rock or the provisions of the ABCA.

The Corporation has adopted a majority voting policy that requires any nominee for director to tender his or her offer of resignation in the event such nominee receives a greater number of "withheld" votes than "for" votes in an election in which the number of nominees for election is equal to the number of directors to be elected as set out in the management information circular for the particular meeting. Upon receipt of such an offer of resignation, the Corporate Governance Committee of the Board shall consider the offer of resignation and make a recommendation to the Board. The Board will then decide whether to accept or reject the recommendation of the Corporate Governance Committee. Absent exceptional circumstances, the Board is expected to accept the offer of resignation. The director will not participate in any deliberations of the Corporate Governance Committee or the Board on the resignation offer. The Board will make its decision to accept or reject the offer of resignation within ninety (90) days of the relevant shareholder meeting. Big Rock will promptly issue a news release regarding the Board's decision. If the Board determines not to accept a resignation, the news release will fully state the reasons for that decision. The Board may fill the vacancy in accordance with the Corporation's articles, by-laws and applicable corporate laws. Shareholders should note that, as a result of the majority voting policy, a "withhold" vote is effectively the same as a vote "against" a director nominee in an uncontested election.

The following table sets forth: the name of each of the persons proposed to be nominated for election as a director; all positions and offices in Big Rock presently held by such nominee; the nominee's province or state, and country of residence; the nominee's principal occupation, business or employment at the present and during the preceding five (5) years; the period during which the nominee has served as a director of Big Rock; and the number and percentage of Common Shares of Big Rock that the nominee has advised he or she beneficially owns, or controls or directs, directly or indirectly, as of the date hereof.

<u>Name and Municipality of Residence</u>	<u>Position and Date Appointed a Director</u>	<u>Number and Percentage of Common Shares Beneficially Owned or Controlled</u>	<u>Principal Occupation Over the Last 5 Years</u>
Kathleen McNally-Leitch, ICD.D. <sup>(1) (2)</sup> Calgary, Alberta, Canada	Vice Chair and Director; August 27, 1996	246,780 3.5%	Vice Chair of Big Rock; Investor.
P. Donnell Noone <sup>(1) (2) (3) (4)</sup> Greensboro, North Carolina, USA	Director; May 14, 2015	2,021,876 28.9%	Co-founder, Principal and Managing partner of VN Capital Management, LLC.
Stephen J. Giblin <sup>(3) (5)</sup> Vancouver, British Columbia, Canada	Chair and Director; May 10, 2018	3,838 0.05%	Interim President and Chief Executive Officer of Big Rock. Chair of the Board of Fairmont Hot Springs Resort, former CEO of Silverbirch Hotels and Resorts, former CEO and director at TransCanna Holdings.
Linda A. Thomas <sup>(1) (2)</sup> Calgary, Alberta, Canada	Director; May 14, 2024	0 0.0%	Former SVP, Finance of Rogers Communications, former SVP, Commercial Finance at Shaw Communications and former VP at Smart Technologies. Former Board member at Let's Talk Science and IEdTech Consortium.
George Croft <sup>(3)</sup> Guelph, Ontario, Canada	Director; May 14, 2024	0 0.0%	Senior Advisor, First Key Consulting and former President & CEO, Brick Brewing Co. Limited, Former President and COO, Lakeport Brewing LP and former President, Ontario at Labatt Breweries of Canada (InBev). Former Chairman and Board Member, Beer Canada, former Board Director, Waterloo Brewing and former Board Director at The Beer Store.

Notes:

- (1) Member of the Audit Committee. For additional information regarding the Audit Committee, please refer to Big Rock's Annual Information Form for the year ended December 30, 2023.
- (2) Member of the Corporate Governance Committee. For additional information regarding the Corporate Governance Committee, see "*Corporate Governance Practices – Other Committees*" discussed below.
- (3) Member of the Compensation and Human Resources Committee (the "**Compensation and HR Committee**"). For additional information regarding the Compensation and HR Committee, see "*Corporate Governance Practices – Compensation and HR*".
- (4) Mr. Noone is a co-founder, principal and managing partner of VN Capital Management, LLC, the manager of VN Capital, and therefore exercises a degree of control and direction over the 2,017,500 Common Shares held by VN Capital. See "*Information Concerning Big Rock – Voting Securities and Principal Holders of Voting Securities*".
- (5) Effective January 8, 2024, David Kinder was appointed President and Chief Executive Officer of Big Rock. Mr. Giblin, who was serving as Interim President and Chief Executive Officer of Big Rock, returned to his role as Chair and director of Big Rock.

*Cease Trade Orders*

None of the proposed directors is, as at the date of this Information Circular, or within ten (10) years before the date of this Information Circular, has been, a director, chief executive officer or chief financial officer of any company (including Big Rock), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period

of more than thirty (30) consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

#### *Bankruptcies and Insolvencies*

No proposed director of Big Rock:

- (a) is as at the date of this Information Circular, or has been within the ten (10) years before the date of this Information Circular, a director or executive officer of any company (including Big Rock) that, while that person was acting in that capacity, or within one (1) year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

#### *Penalties and Sanctions*

No proposed director of Big Rock has been subject to:

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

#### 4. **Appointment of Auditors of Big Rock**

MNP LLP ("MNP") have been auditors of Big Rock since November 28, 2022. Shareholders will be asked to consider, and if thought appropriate, to approve and adopt an ordinary resolution reappointing MNP to serve as auditors of Big Rock until the next annual meeting of Shareholders and to authorize the Big Rock Board to fix their remuneration as such. **Unless otherwise directed, it is the intention of the persons named in the enclosed Form of Proxy, if not directed to the contrary in such Form of Proxy, to vote such proxies in favour of the resolution reappointing MNP as auditors of Big Rock and to authorize the Big Rock Board to fix their remuneration.**

#### 5. **Other Matters**

As of the date of this Information Circular, management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly



comes before the Meeting, proxies will be voted on such matter in accordance with the best judgement of the person or persons voting the proxies.

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The objective of Big Rock's compensation program is to attract and retain top level executive and director talent to lead Big Rock while maximizing Shareholder value. The compensation program is designed to reward the achievement of both short-term and long-term strategic and operational objectives.

Big Rock's process for determining executive compensation is accomplished by relying on recommendations provided to the Big Rock Board by the Compensation and HR Committee, with a discussion of those recommendations amongst the Big Rock Board. The Compensation and HR Committee's objective in setting compensation levels is that the aggregate compensation received by executive officers be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are employed by other companies of corresponding size.

The Big Rock Board has adopted an employee compensation policy (the "**Compensation Policy**"), which policy applies to both executive employees and non-executive employees. The objectives of the Compensation Policy are: (i) to define the methods and limitations under which employees will be compensated and ensure that the compensation levels are in keeping with the marketplace in general; (ii) to recognize pay for performance as a motivating force for employees and to ensure that the potential payment levels are in keeping with the Big Rock Board's guidance; and (iii) to clarify for all employees the procedure and process that Big Rock uses to calculate salary, bonus, equity-based programs and other elements of compensation and how adjustments are made in these elements from time to time. The Compensation Policy provides that Big Rock will use the following seven (7) elements to compensate executive employees: (i) base salary; (ii) cash bonus plan; (iii) Options (as defined herein); (iv) restricted share units ("**RSUs**"); (v) share appreciation rights ("**SARs**") and (vi) matching registered retirement savings plan ("**RRSP**") contributions. In considering overall executive compensation, the Compensation and HR Committee maintains an appropriate balance between rewarding executives for performance and discouraging the assumption of excess risk by such executives. A further discussion on these seven (7) compensation elements is set out below.

In addition, the Compensation and HR Committee considers the implications of the risks associated with Big Rock's compensation program, including the risk of executives taking inappropriate or excessive risks, inappropriate focus on achieving short-term goals at the expense of long-term goals, encouraging aggressive accounting practices and excessive focus on financial returns at the expense of regulatory compliance.

Named Executive Officers (as defined herein) and directors are not prevented from purchasing financial instruments that are designed to hedge or offset a decrease in the market value of equity securities they hold in the Corporation; however, Big Rock is not aware of any executive officer or director who has done so.

#### *Base Salary*

The objective of the base salary component of executive compensation is to provide a fixed level of cash compensation to executives for performing their daily responsibilities. The base salary is designed to reward executives for providing the services within their job descriptions in a competent, professional manner and for demonstrating leadership within their respective departments and within Big Rock in general. Big Rock strives to provide base salaries that are generally competitive with the salaries received by persons with similar qualifications and responsibilities who are employed by other companies of corresponding size. Big Rock considers base salary to be a significant factor in attracting and retaining top level leadership personnel who are focused on maximizing Shareholder value.

Salary determinations for Big Rock's executive officers are made by the Compensation and HR Committee upon the recommendations of the President and Chief Executive Officer and the Chief Financial Officer. The President and Chief Executive Officer and the Chief Financial Officer provide assistance and guidance to the Compensation and HR Committee in determining appropriate salaries for the executive officers (other than their own salaries). In making recommendations to the Compensation and HR Committee, the President and Chief Executive Officer and the Chief Financial Officer rely on marketplace salary ranges, comparisons to similar companies, annual trends and other

benefits. The Compensation and HR Committee (and the Big Rock Board) considers similar information in determining the appropriate salary for the President and Chief Executive Officer and the Chief Financial Officer.

#### *Cash Bonus Plan*

The objective of the cash bonus plan is to further align the interests of Big Rock's employees with those of the Shareholders by encouraging maximization of earnings before interest, tax, depreciation and amortization. All permanent employees are eligible to participate in the cash bonus plan. At the start of each year, payout criteria for corporate and departmental objectives are communicated to employees. Bonuses are paid on a graduated percentage of salary depending on each employee's level of responsibility within the Corporation and are based on the degree to which specified targets, as approved annually by the Compensation and HR Committee, are achieved. The corporate goal relating to 2023 was earnings before interest, tax, depreciation and amortization (excluding bonus charges) of \$4.4 million. The bonus determination for the President and Chief Executive Officer and the Chief Financial Officer is weighted 100% on the aforementioned corporate objective. The bonus for other employees, including the Vice President, Sales & Marketing, the Vice President, Operations and the Vice President, Innovation, Business Development and Government Relations is determined based on a combination of the aforementioned corporate objective as well as accomplishing specified departmental objectives.

The cash bonus plan has a "threshold", "target" and "maximum" level of payout based on partial achievement, full achievement and over-achievement, respectively, of each corporate or departmental goal. All bonus payments are subject to the discretion and approval of the Big Rock Board and the Compensation and HR Committee.

In respect of the above-described corporate target, actual results were as follows:

<b>Earnings before interest, tax depreciation and amortization and bonus</b>	<i>\$ millions</i>
Threshold	3.3
Target	4.5
Maximum	Infinite
Actual	2.2

Based on the financial income incurred in 2023, no bonuses were earned by employees or executives of Big Rock. Under the circumstances, the Compensation and HR Committee determined this action to be fair.

#### *Options to Acquire Common Shares*

The stock option plan of Big Rock ("**Option Plan**") is a rolling stock option plan, which provides that the maximum number of Common Shares issuable pursuant to the Option Plan, and all other security-based compensation arrangements of the Corporation, may not exceed 10% of the issued and outstanding Common Shares from time to time. The executive officers and directors of Big Rock are eligible to receive grants of Options under the Option Plan. The Option Plan is considered an important long-term incentive plan of Big Rock as the Compensation and HR Committee believes it aligns the executive officers' interests with those of Shareholders and provides them with an important sense of ownership. The granting of Options is intended to reward those executive officers who are responsible for the management and growth of Big Rock and to encourage such executive officers to develop a long-term vision for Big Rock to operate in a manner to maximize Shareholder value.

Executive officers are eligible for Option grants at the time of employment and thereafter as determined by the Compensation and HR Committee. The Compensation and HR Committee recommends Option grants to executive officers for approval by the Big Rock Board. Factors considered in determining Option grants include the experience, responsibilities and performance of that executive officer. Previous grants of Options are taken into account when considering new Option grants to executive officers. In 2023, 225,095 Options were granted to executive officers. See "*Statement of Executive Compensation – Incentive Plan Awards – Stock Option Plan*".

### *Restricted Share Units*

The Corporation has adopted the restricted share unit award plan (the "**RSU Plan**") for directors, executive officers, employees and consultants of the Corporation and its subsidiaries ("**Eligible Participants**"). The purpose of the RSU Plan is to align the interests of the Eligible Participants with those of Shareholders and to assist the Corporation in attracting and retaining the talent it requires. The Board has authority to interpret the RSU Plan, including any questions in respect of any RSUs granted thereunder. The Board has the authority to amend or terminate the RSU Plan at any time, in whole or in part, subject to certain exceptions set forth in the RSU Plan.

The Corporation will take into account previous grants of RSUs in considering future grants of RSUs as well as the experience, responsibilities and performance of that executive officer. In 2023, 53,226 RSUs were granted to executive officers. See "*Statement of Executive Compensation – Incentive Plan Awards – Restricted Share Unit Award Plan*".

### *Share Appreciation Rights*

The Corporation has adopted the share appreciation rights plan (the "**SARs Plan**") for directors, executive officers, employees and consultants of the Corporation and its subsidiaries. As with the Option Plan and RSU Plan, the Compensation and HR Committee believes that SARs encourage executive officers to maximize shareholder value by aligning compensation with increases in the value of the Common Shares.

Executive officers are eligible for SARs grants at the time of employment and thereafter as determined by the Compensation and HR Committee. The Compensation and HR Committee recommends SARs grants to all executive officers, based on the recommendation of the President and Chief Executive Officer, for approval by the Big Rock Board. Factors considered in determining SARs grants include the experience, responsibilities and performance of that executive officer. Previous grants of SARs are taken into account when considering new SARs grants to executive officers. No SARs were granted to executive officers in 2023. See "*Statement of Executive Compensation – Incentive Plan Awards – Share Appreciation Rights Plan*".

### *RRSP Matching Program*

As a supplement to the base salary set out above, Big Rock maintains a matching program for RRSP contributions whereby Big Rock will contribute to a Deferred Profit Sharing Plan ("**DPSP**") on behalf of employees an equivalent amount of up to six percent (6%) of each employee's salary, as is contributed by the employee to his/her RRSP account. All employees are eligible to participate in this program after three (3) months of full-time employment. Big Rock will match employee RRSP contributions to the DPSP in an amount up to four and one-half percent (4.5%) of the employee's annual base salary for the first five (5) years of employment and up to six percent (6%) of the employee's annual base salary thereafter. The Compensation and HR Committee believes the contributions made under the RRSP matching program are a valuable short-term compensation element.

### **Summary Compensation Table**

The following table sets forth the total compensation for the financial year ended December 30, 2023 for services in all capacities to Big Rock in respect of the Interim President and Chief Executive Officer, the Interim Chief Financial Officer and the three other most highly compensated executive officers of the Corporation whose total compensation exceeded \$150,000 per annum (the "**Named Executive Officers**").

Name and Principal Position	Year Ended December 30	Salary (\$)	Share - Based Awards (\$) <sup>(1)(2)</sup>	Option-Based Awards (\$) <sup>(1)(3)</sup>	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$) <sup>(5)</sup>	Total Compensation (\$)
					Annual Incentive Plans <sup>(4)</sup>	Long-Term Incentive Plans			
<b>Stephen J. Giblin</b> <sup>(6)</sup>	2023	360,000	12,400	258,859	Nil	Nil	Nil	240,000	871,259
Interim President and Chief Executive Officer	2022	92,500	Nil	105,000	Nil	Nil	Nil	Nil	197,000
<b>Michael Holditch</b> <sup>(7)</sup>	2023	165,000	Nil	Nil	Nil	Nil	Nil	867	165,867
Interim Chief Financial Officer									
<b>Ron Love</b> <sup>(8)</sup>	2023	98,993	Nil	Nil	Nil	Nil	Nil	14,808	113,801
Former Vice President, Finance and Chief Financial Officer	2022	73,644	Nil	Nil	Nil	Nil	Nil	3,264	76,908
<b>Jason Higgins</b> <sup>(9)</sup>	2023	96,228	Nil	Nil	Nil	Nil	Nil	3,188	99,416
Vice President, Sales & Marketing									
<b>Brad Goddard</b>	2023	181,250	23,559	Nil	Nil	Nil	Nil	12,146	216,955
Vice-President Innovation, Business Development and Government Relations	2022	155,000	Nil	Nil	Nil	Nil	Nil	9,636	164,636
	2021	155,000	40,920	Nil	Nil	Nil	Nil	25,196	221,116
<b>Sam Galick</b> <sup>(10)</sup>	2023	185,000	22,937	Nil	Nil	Nil	Nil	47,288	255,225
Vice President, Operations	2022	185,000	Nil	Nil	Nil	Nil	Nil	36,040	221,040
	2021	133,888	51,685	Nil	Nil	Nil	Nil	48,270	233,843

Notes:

- (1) Amounts disclosed represent the fair value of SARs, RSUs or Options, as applicable, on the grant date using the Black-Scholes option pricing model with the following assumptions by grant date.

	April 2023 – RSU	April 2023 – Options	September 2021 – RSUs	March 2021 – RSUs	September 2020 – RSUs	September 2020 – SARs	May 2020 – RSUs	May 2020 – SARs	November 2019 – RSUs	November 2019 – SARs	May 2019
Risk-free interest rate (%)	2.82	2.92	1.14	1.58	0.54	0.35	0.56	0.36	1.43	1.65	1.47
Expected life (years)	–	5.0	–	–	–	4.9	–	4.9	–	4.9	4.2
Dividend rate (%)	–	–	–	–	–	–	–	–	–	–	–
Volatility in price of the Corporation's shares (%)	46.3	85.4	43.8	43.7	43.6	48.4	43.3	47.7	42.6	45.6	45.0

- (2) Represents grants of SARs under the SARs Plan and RSUs under the RSU Plan. See "*Incentive Plan Awards – Share Appreciation Rights Plan*" and "*Incentive Plan Awards – Restricted Share Unit Award Plan*".
- (3) Represents grants of Options under the Option Plan. See "*Incentive Plan Awards – Stock Option Plan*".
- (4) Compensation under non-equity annual incentive plans relates to cash payments paid in the subsequent financial year under the Corporation's cash bonus plan with respect to the applicable year.
- (5) Includes Big Rock RRSP contribution (see "*Statement of Executive Compensation – Compensation Discussion and Analysis –RRSP Matching Program*") and other taxable benefits. Mr. Giblin's compensation includes a bonus of \$240,000, the payment of which is deferred until mid 2024. \$123,333 of Mr. Howden's compensation in 2022 was paid in connection with his termination as Vice President, Sales of the Corporation. This is included in "All Other Compensation" in the table above. See "*Statement of Executive Compensation – Termination and "Change of Control" Benefits*".
- (6) Mr. Giblin was appointed Interim President and Chief Executive Officer of the Corporation effective October 27, 2022. \$42,500 of Mr. Giblin's total salary in 2022 and \$50,000 of Mr. Giblin's total salary in 2023 relates to his role as a director of Big Rock. David Kinder was appointed President and Chief Executive Officer effective January 8, 2024, and Mr. Giblin returned to his role as Chair and director of Big Rock. Mr. Kinder is not included in the above table as Mr. Kinder's appointment was subsequent to December 30, 2023.
- (7) Mr. Holditch was appointed Interim Chief Financial Officer effective July 6, 2023.
- (8) Mr. Love was appointed Vice President, Finance and Chief Financial Officer of the Corporation effective August 8, 2022 and resigned effective July 5, 2023.
- (9) Mr. Higgins was appointed Vice President, Sales & Marketing of the Corporation effective June 19, 2023.
- (10) Mr. Galick was appointed Vice President, Operations effective April 12, 2021, with an annual base salary in 2021 of \$185,000. Mr. Galick ceased to be Vice President, Operations effective February 2, 2024.

## Incentive Plan Awards

### *Stock Option Plan*

Under the Option Plan, the Big Rock Board may, from time to time, grant options to purchase Common Shares ("**Options**") to directors, executive officers, key employees and consultants of Big Rock or its subsidiaries. The purpose of the Option Plan is to provide directors, executive officers, and certain key employees and consultants of Big Rock and its subsidiaries with the opportunity to purchase Common Shares and to benefit from the appreciation thereof. This provides an increased incentive for these directors, executive officers, key employees and consultants to contribute to the future success and prosperity of Big Rock, thus enhancing the value of the Common Shares for the benefit of the Shareholders and increasing the ability of Big Rock to attract and retain key individuals.

The maximum number of Common Shares issuable under the Option Plan and all other security-based compensation arrangements of Big Rock is ten percent (10%) of Common Shares outstanding from time to time, subject to the following additional limitations:

- (a) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to insiders at any time, together with all other security-based compensation arrangements of Big Rock, shall not exceed ten percent (10%) of the total number of Common Shares then outstanding;
- (b) the aggregate number of Common Shares issued to insiders pursuant to the exercise of Options and all other security-based compensation arrangements of Big Rock, within any one (1) year period, shall not exceed ten percent (10%) of the total number of Common Shares then outstanding; and
- (c) the aggregate number of Common Shares issuable on the exercise of Options outstanding at any time held by directors of the Corporation who are not executive officers or employees of Big Rock shall be limited to one percent (1%) of the total number of Common Shares then outstanding.

The exercise price per Common Share shall be fixed by the Big Rock Board, but under no circumstances shall any exercise price at the time of the grant be lower than the "Fair Market Value" (5-day volume weighted average trading price prior to the date of grant) of Common Shares on the Toronto Stock Exchange ("TSX") or such other minimum price as may be required by any stock exchange on which the Common Shares are listed at the time of grant. The term of Options granted may be up to a ten (10) year period from the date of grant. Pursuant to the policies of Big Rock respecting restrictions on trading, there are a number of periods each year during which directors, executive officers and certain employees are precluded from trading in Big Rock's securities. These periods are referred to as "blackout periods". A blackout period is designed to prevent a person from trading while in possession of material information that is not yet available to other Shareholders. The Option Plan includes a provision that should an Option expiration date fall within a blackout period or within nine (9) business days following a blackout period, the expiration date will automatically be extended for ten (10) business days following the end of the blackout period.

The Option Plan does not provide any specific vesting provisions for Options granted thereunder. Any vesting provisions for Options granted under the Option Plan will be set out in the agreements evidencing such Options. At the discretion of the Big Rock Board and subject to Shareholder approval, the expiry date may be extended, however, in no event will an Option be exercisable at a date in excess of ten (10) years from the date of grant, without the approval of the TSX.

The Option Plan provides that the exercise price of each Common Share purchased under an Option must be paid in full by bank draft or certified cheque at the time of exercise. The Option Plan also provides, however, that Big Rock may, at the sole discretion of the Big Rock Board, provide optionees with loans (with or without interest) to assist them with the purchase of Common Shares upon the exercise of Options, with any such loans being secured by the Common Shares purchased. No such loan may extend for a period greater than ten (10) years from the date of the grant of the Option to which the Common Shares purchased with the proceeds thereof relates and loans will be fully due and owing on any sale of the Common Shares. The Option Plan also provides that the Big Rock Board may, in its absolute and sole discretion, approve the payment of a cash amount equal to the difference between the exercise price and the "Fair Market Value" to any participant who is not an insider of Big Rock who requests to receive payment of such cash amount in lieu of Common Shares.

Options are subject to early termination in the event of death or permanent disability of an optionee, or an optionee ceasing to be an executive officer, director, employee or consultant of Big Rock or a subsidiary of Big Rock. Generally, Options are exercisable for a period of thirty (30) days following the termination (with or without cause) or retirement of an optionee, subject to extension, at the discretion of the Board, provided such extended period may not extend beyond the earlier of the expiry date of the Option and the date that is twelve (12) months following termination or retirement, as the case may be, for a non-management director, or the date that is thirty six (36) months following termination or retirement, as the case may be, for any other optionee. In the event of the death of an optionee, the Options held by the optionee may be exercised by the legal representative of the optionee within a period following death, as determined by the Big Rock Board, provided such period may not extend beyond the earlier of the expiry date of the Option and the date that is twelve (12) months following the date of death, and only to the extent such Options were exercisable at the date of death. Options granted under the Option Plan are non-assignable, except in the case of the death of an optionee.

If there is any change in the outstanding Common Shares by reason of a dividend or split, recapitalization, consolidation, combination or exchange of securities, or other fundamental structural change, the Big Rock Board will make, subject to any prior approval required of relevant stock exchanges or other applicable regulatory authorities, if

any, an appropriate substitution or adjustment in: (i) the securities obtained on the exercise of any unexercised options under the Option Plan; (ii) the number or kind of securities reserved for issuance pursuant to the Option Plan; and (iii) the number and kind of securities subject to unexercised Options theretofore granted under the Option Plan; provided, however, that no substitution or adjustment will obligate Big Rock to issue or sell fractional securities. In the event of the reorganization of Big Rock, the Big Rock Board may make a provision for the protection of the rights of the optionees as it deems appropriate, and the determination of the Big Rock Board, as to any adjustment, or as to there being no need for adjustment, will be final and binding on all parties.

The Option Plan allows the Big Rock Board to terminate or discontinue the Option Plan at any time without the consent of the optionees provided that such termination or discontinuance shall not alter or impair any Option previously granted under the Option Plan. The Big Rock Board may by resolution amend the Option Plan and any options granted under it without Shareholder approval, including, without limitation, for any of the following types of amendments:

- (a) amendments for the purpose of curing any ambiguity, error or omission in the Option Plan or any Option, or to correct or supplement any provision of the Option Plan that is inconsistent with any other provision of the Option Plan;
- (b) amendments necessary to comply with applicable law, or the requirements of any stock exchange on which the Common Shares are listed;
- (c) amendments to the Option Plan respecting administration of the Option Plan;
- (d) amendments of a "housekeeping" nature;
- (e) the addition, removal or amendment to the terms of any form of financial assistance for eligible participants;
- (f) changes to the terms and conditions on which Options may be, or have been, granted pursuant to the Option Plan, including a change to, or acceleration of, the vesting provisions of Options, including changes to the treatment of Options upon a change of control;
- (g) amendments to the treatment of Options on ceasing to be an eligible participant; and
- (h) a change to the termination provisions of Options, or the Option Plan, which does not entail an extension beyond the original expiry date.

However, the Big Rock Board will not be entitled, in the absence of Shareholder and TSX approval, to:

- (a) increase the maximum number of Common Shares issuable pursuant to the Option Plan;
- (b) reduce the exercise price of an Option;
- (c) extend the original expiry date of an Option (subject to such date being extended by virtue of the blackout provisions of the Option Plan);
- (d) remove or amend the limitations on the issuance of Options to insiders and non-executive directors, other than those amendments which reduce the existing percentage limitations provided for the Option Plan;
- (e) modify or amend the provisions of the Option Plan in any manner which would permit Options, including those previously granted, to be transferable or assignable, other than for normal estate settlement purposes;
- (f) extend the exercisability of Options following a blackout period as provided for in the Option Plan;

- (g) amend the amendment provisions of the Option Plan; or
- (h) make any other amendment to the Option Plan where Shareholder approval is required by the rules and policies of the TSX.

*Restricted Share Unit Award Plan*

The RSU Plan contains limits on the number of Common Shares that may be issued to Eligible Participants during specified periods of time. The RSU Plan provides that the aggregate number of Common Shares reserved for issuance under the RSU Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares less any Common Shares reserved for issuance under any other security-based compensation arrangement of the Corporation. The following additional limitations also apply to the RSU Plan:

- (a) the maximum number of Common Shares that may be issued from the treasury of the Corporation to any service provider under the RSU Plan, at any time, is equal to five percent (5%) of the number of issued and outstanding Common Shares (on a non-diluted basis), less the aggregate number of Common Shares reserved for issuance to such Eligible Participant under any other security-based compensation arrangement;
- (b) the maximum number of Common Shares issuable to "Insiders" (as defined in the *Securities Act* (Ontario)) as a whole may not exceed five percent (5%) of the issued and outstanding Common Shares as of the date of the grant of the share unit award, less the aggregate number of Common Shares reserved for issuance under any of the Corporation's other security-based compensation arrangements;
- (c) the maximum number of Common Shares that may be issued to Insiders of the Corporation as a whole under the RSU Plan within a one year period is five percent (5%) of the issued and outstanding Common Shares as of the date of the grant of the share unit award, less the aggregate number of Common Shares issued under any of the Corporation's other security-based compensation arrangements; and
- (d) the maximum number of Common Shares that may be issued to any one Insider under the RSU Plan and any other security-based compensation arrangement within a one year period is five percent (5%) of the number of issued and outstanding Common Shares (on a non-diluted basis), less the Common Shares issued to such Insider under the RSU Plan or any other security-based compensation arrangement over the preceding one year period.

Each RSU granted under the RSU Plan is subject to the terms and conditions of the RSU Plan and evidenced by a written agreement between the Corporation and the Eligible Participant or an award letter or other confirmation of such grant from the Corporation to the Eligible Participant which shall include the vesting criteria for the RSUs, the settlement date of the RSUs (the "**Settlement Date**") and the expiry date of the RSUs (the "**Expiry Date**").

Under the RSU Plan, on the Settlement Date, the Corporation at its sole and absolute discretion has the option of settling the amount payable in respect of an RSU (the "**Payment Amount**") by any of the following methods, or by a combination of such methods:

- (i) payment in cash;
- (ii) Common Shares acquired in the market; or
- (iii) if approved by the Board, payment in Common Shares issued from the treasury of the Corporation (subject to any required approval of the TSX).

RSUs initially have a notional value equivalent to the value of a Common Share. No payment may be made upon settlement of the RSUs on a date following the Expiry Date. With respect to any RSUs, the Corporation may not determine whether the payment method shall take the form of cash or Common Shares, or a combination thereof, until the Settlement Date, or some reasonable time prior thereto. Upon vesting, the Payment Amount in respect of each



RSU, subject to adjustment in accordance with the terms and conditions of the RSU Plan, shall be equal to the "Fair Market Value" which is defined in the RSU Plan with the same definition as set forth above for "Fair Market Value" under the RSU Plan.

RSUs granted pursuant to the RSU Plan shall, unless otherwise determined by the Board or as otherwise set out in the RSU Plan, vest as to one-third (1/3) of the grant of RSUs on each of the first, second and third anniversaries of the date determined by the Board to be the "Grant Date" of such RSUs. Each RSU expires on December 30 of the third calendar year following the year in which the grant of the RSU is made.

"Fair Market Value" is defined in the RSU Plan as, at any date, the weighted average of the prices at which the Common Shares traded on the TSX (or, if the Common Shares are not then listed and posted for trading on the TSX, on such stock exchange in Canada on which the Common Shares are then listed and posted for trading as may be selected for such purpose by the Board) for the five (5) trading days on which the Common Shares traded on such exchange immediately preceding such date. In the event that the Common Shares are not listed and posted for trading on any stock exchange, the "Fair Market Value" shall be the fair market value of the Common Shares as determined by the Board, in its sole discretion, acting reasonably and in good faith.

The Corporation may amend or discontinue the RSU Plan or RSUs granted under the RSU Plan at any time by resolution of the Board, without Shareholder approval, provided that, any amendment to the RSU Plan that requires approval of any stock exchange on which the Common Shares are listed for trading, may not be made without approval of such stock exchange. In addition, no amendment to the RSU Plan or RSUs granted under the RSU Plan may be made without the consent of the RSU holders, if it adversely alters or impairs any RSUs previously granted to such holders under the RSU Plan; provided that any amendments to the RSU Plan to allow for the Payment Amount of any RSUs to be settled by the issuance of Common Shares, or to comply with the requirements of the TSX, shall not be considered to adversely alter or impair any RSUs previously granted under the RSU Plan and all RSU holders are deemed to have consented to such amendments.

Under the RSU Plan, if an Eligible Participant voluntarily resigns or is terminated for cause, effective as of the date of such termination of resignation, all unvested RSUs shall be immediately terminated and all rights to receive payments thereunder shall be forfeited by the Eligible Participant. If an Eligible Participant is terminated by the Corporation, for reasons other than for cause, then for any RSUs held by such Eligible Participant with a vesting date that is within ninety (90) days following the date of such termination, the vesting date(s) and Settlement Date(s) for such RSUs shall be the date of such termination, and the Eligible Participant shall be entitled to receive the Payment Amount of such RSUs. Upon the death of an Eligible Participant, the vesting date(s) and Settlement Date(s) of any RSUs held by such Eligible Participant shall be deemed to be the date of death and the Eligible Participant's personal or legal representative shall be entitled to receive the Payment Amount of such RSUs following such vesting date. RSUs are not assignable.

#### *Share Appreciation Rights Plan*

The purpose of the SARs Plan, which became effective on March 15, 2012, is to allow directors, executive officers, employees and consultants of the Corporation and its affiliated entities to benefit from improving the value of the Common Shares over time.

The SARs granted under the SARs Plan entitle the holder to receive, once such SARs have vested, a cash payment equal to the positive difference (if any) obtained by subtracting the "Exercise Price" (to be set by the Board at the time of issuance of the SARs and being an amount not lower than the volume weighted average trading price of the Common Shares on the TSX for the five (5) trading days immediately preceding the date of grant) from the Fair Market Value of the Common Shares on the date of exercise, being the volume weighted average trading price of the Common Shares on the TSX for the five (5) trading days immediately preceding such date.

In 2014, the Big Rock Board amended the terms of the SARs Plan to give holders of subsequently granted SARs the benefit of dividends declared on the Common Shares during the time that the SARs are outstanding by adding to the Fair Market Value of the Common Shares at the date of exercise the cumulative amount of dividends declared and paid on the Common Shares during the period the applicable SARs were outstanding.

The SARs Plan does not provide any specific vesting provisions for SARs granted thereunder. Any vesting provisions

for SARs granted under the SARs Plan will be set out in the agreements evidencing such SARs. SARs granted under the SARs Plan are non-assignable, except in the case of the death of a director, executive officer, employee or consultant, and subject to termination or retirement of the director, executive officer, employee or consultant. The exercise price of the SARs will be increased or decreased proportionately in the event of a stock split, stock dividend, combination of shares, or subdivision or consolidation of the outstanding Common Shares.

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each Named Executive Officer as of the most recently completed financial year, including awards granted before the most recently completed financial year:

Name and Title	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options <sup>(1)(2)</sup> (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards that have not Vested <sup>(2)</sup> (\$)	Market or Payout Value of Vested Share-based Awards not Paid Out or Distributed <sup>(2)</sup> (\$)
<b>Stephen J. Giblin</b> <sup>(3)</sup> Interim President and Chief Executive Officer	60,137 126,038 33,019 33,019 33,019	1.75 1.55 1.55 1.55 1.55	12/28/27 3/28/28 5/1/28 6/1/28 7/1/28	Nil Nil Nil Nil Nil	8,766	13,324	1,979
<b>Michael Holditch</b> <sup>(4)</sup> Interim Chief Financial Officer	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Ron Love</b> <sup>(5)</sup> Former Vice President, Finance and Chief Financial Officer	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Jason Higgins</b> <sup>(6)</sup> Vice President Sales & Marketing	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Brad Goddard</b> Vice President Innovation, Business Development and Government Relations	Nil	Nil	Nil	Nil	16,193	24,613	3,046
<b>Sam Galick</b> <sup>(7)</sup> Vice President, Operations	Nil	Nil	Nil	Nil	17,864	27,153	4,476

Notes:

- (1) Unexercised "in-the-money" Options refer to the Options in respect of which the market value of the underlying securities as at the financial year-end exceeds the exercise price of the Options.
- (2) Value of Options, SARs, and RSUs have been determined based upon the closing price of the Common Shares on the TSX on the Corporation's year end of December 30, 2023 of \$1.52.
- (3) Mr. Giblin was appointed Interim President and Chief Executive Officer of the Corporation effective October 27, 2022. David Kinder was appointed President and Chief Executive Officer effective January 8, 2024, and Mr. Giblin returned to his role as Chair and director.
- (4) Mr. Holditch was appointed Interim Chief Financial Officer effective July 6, 2023.
- (5) Mr. Love was appointed Vice President, Finance and Chief Financial Officer of the Corporation effective August 8, 2022 and resigned effective July 5, 2023.
- (6) Mr. Higgins was appointed Vice President, Sales & Marketing effective June 19, 2023.
- (7) Mr. Galick ceased to be Vice President, Operations of the Corporation effective February 2, 2024. Amounts included reflect the outstanding amounts at December 30, 2023.

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

The following table sets forth for each of Named Executive Officer, the value of option-based awards and share-based awards which vested during the year ended December 30, 2023 and the value of non-equity incentive plan compensation earned during the year ended December 30, 2023.

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup> (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
<b>Stephen J. Giblin<sup>(2)</sup></b> Interim President and Chief Executive Officer	Nil	3,204	Nil
<b>Michael Holditch<sup>(3)</sup></b> Interim Chief Financial Officer	Nil	Nil	Nil
<b>Ron Love<sup>(4)</sup></b> Former Vice President, Finance and Chief Financial Officer	Nil	Nil	Nil
<b>Jason Higgins<sup>(5)</sup></b> Vice President Sales & Marketing	Nil	Nil	Nil
<b>Brad Goddard</b> Vice President, Innovation, Business Development and Government Relations	Nil	5,536	Nil
<b>Sam Galick<sup>(6)</sup></b> Vice President, Operations	Nil	4,476	Nil

Notes:

- (1) The value of the Options is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2023 of \$1.52 and the exercise price of the Options multiplied by the number of Options vested during the year.
- (2) Mr. Giblin was appointed Interim President and Chief Executive Officer of the Corporation effective October 27, 2022. David Kinder was appointed President and Chief Executive Officer effective January 8, 2024, and Mr. Giblin returned to his role as Chair and director.
- (3) Mr. Holditch was appointed Interim Chief Financial Officer effective July 6, 2023.
- (4) Mr. Love was appointed Vice President, Finance and Chief Financial Officer of the Corporation effective August 8, 2022 and resigned effective July 5, 2023, and as such, all unexercised incentives granted to Mr. Love expired prior to December 30, 2023.
- (5) Mr. Higgins was appointed Vice President, Sales & Marketing effective June 19, 2023.
- (6) Mr. Galick ceased to be Vice President, Operations of the Corporation effective February 2, 2024. Amounts included reflect the outstanding amounts at December 30, 2023.

### **Pension Plan Benefits**

Except for the RRSP matching program, (see "*Statement of Executive Compensation – Compensation Discussion and Analysis – RRSP Matching Program*"), Big Rock does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following, or in connection with, retirement.

### **Termination and "Change of Control" Benefits**

Except as set out below, Big Rock is not a party to any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following, or in connection with, any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of Big Rock, its subsidiaries or affiliates or a change in a Named Executive Officer's responsibilities.

Each of Sam Galick, Vice President, Operations, Jason Higgins, Vice President, Sales & Marketing and Brad Goddard, Vice President, Innovation, Business Development and Government Relations of Big Rock, are entitled pursuant to their respective executive employment agreements to elect to terminate their employment with Big Rock within a period of ninety (90) days following a "change of control" of Big Rock or a "triggering event". In such event, the executive would be entitled to a payment as outlined in their respective agreements. In the event either a "change of control" or a triggering event occurred as at December 30, 2023, and the executives elected to terminate their employment agreements, Mr. Galick would have been entitled to a payment of \$92,500, Mr. Higgins would have been entitled to a payment of \$59,567 and Mr. Goddard would have been entitled to a payment of \$237,500.

Mr. Stephen J. Giblin, in his role as Interim President and Chief Executive Officer, does not have an employment agreement with the Corporation. Mr. David Kinder signed an employment agreement made effective January 8, 2024.

Mr. Ron Love resigned as Vice President and Chief Financial Officer effective July 5, 2023 and was not paid any amount in connection therewith in accordance with the terms of his employment contract. Mr. Holditch assumed the role of Interim Chief Financial Officer on July 5, 2023. Pursuant to his employment agreement, Mr. Holditch is not entitled to compensation upon a "change of control" nor upon a "triggering event".

For the purposes of the employment agreements, a "change of control" means:

- (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliated entities and another corporation or other entity;
- (ii) the sale, lease exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation and/or any of the subsidiaries which have an aggregate book value greater than fifty percent (50%) of the book value of the assets, rights and properties of the Corporation and its subsidiaries, on a consolidated basis, to any other person

or entity, other than a disposition to a wholly-owned affiliated entity of the Corporation in the course of a reorganization of the assets of the Corporation and its affiliated entities;

- (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
- (iv) any person, entity, or group of persons or entities acting jointly or in concert (an "**Acquiror**") acquires or acquires control (including, without limitation, the right to vote or direct the voting) of voting securities of the Corporation which, when added to the voting securities owned of record or beneficially by the Acquiror, or which the Acquiror has the right to vote, or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliated entities of the Acquiror to cast, or to direct the casting of, fifty percent (50%) or more of the votes attached to all of the Corporation's outstanding voting securities which may be cast to elect directors of the Corporation or the successor corporation or other entity (regardless of whether a meeting has been called to elect directors); or
- (v) the Board adopts a resolution to the effect that a "change of control" as defined herein has occurred or is imminent.

For the purposes of the employment agreements, a "triggering event" means:

- (i) failure by the Corporation to continue to employ the executive officer on substantially the same terms and conditions as existed immediately prior to the "change of control", taking into consideration the executive officer's duties, responsibilities and status within the Corporation, the titles and offices held by the executive officer within the Corporation and the base salary, benefits and other compensation received by the executive officer pursuant to his or her employment with the Corporation;
- (ii) the assignment by the Corporation to the executive officer of any duties which are inconsistent with the executive officer's position, duties, and responsibilities within the Corporation as in effect immediately prior to the effective date of the "change of control";
- (iii) any termination of the executive officer's employment by the Corporation that is without cause, or is finally determined by a court of competent jurisdiction to have been without cause;
- (iv) the Corporation's failure to ensure the continuation of the terms of the executive officer's employment agreement in its entirety following a "change of control"; or
- (v) any other change in the terms and conditions of the executive officer's employment with the Corporation that would constitute constructive dismissal at common law.

In addition, upon the occurrence of a "change of control" (as such term is defined in the Option Plan, RSU Plan and the SARs Plan) each Named Executive Officer would be entitled to realize all in-the-money amounts under granted Options, RSUs and SARs at such time. In the event a "change of control" had occurred on December 30, 2023, based upon the closing price of the Common Shares on December 30, 2023 of \$1.52, the following Named Executive Officers would be entitled to realize amounts under Options, RSUs, and SARs granted as follows: Stephen J. Giblin – \$16,373; Michael Holditch – Nil; Ron Love – \$22,677; Sam Galick – \$31,630; Jason Higgins – \$Nil and Brad Goddard – \$29,835. The Option Plan, RSU Plan and SARs Plan generally define a "change of control" in a manner consistent with the definition contained in the executive employment agreements above.

In the event of a "Fundamental Change" (as such term is defined in the RSU Plan), the RSUs granted to Named Executive Officers would, subject to certain exemptions, either be assumed by the resulting issuer or would be immediately payable.

### **Director Compensation**

The compensation for directors of Big Rock consists of the grant of Options and SARs, annual retainers and meeting fee payments. Big Rock currently has five (5) directors.

*Director Compensation Table*

The following table sets forth all compensation provided to the directors of Big Rock, other than directors who are also Named Executive Officers, for the financial year ended December 30, 2023.

<b>Name</b>	<b>Fees Earned (\$)</b>	<b>Share-Based Awards (\$)<sup>(1)(2)(3)</sup></b>	<b>Option-Based Awards (\$)<sup>(1)(4)</sup></b>	<b>Non-Equity Incentive Plan Comp (\$)</b>	<b>Pension Value (\$)</b>	<b>All other Compensation (\$)</b>	<b>Total (\$)</b>
Kathleen McNally-Leitch	20,000	12,400	Nil	Nil	Nil	Nil	32,400
P. Donnell Noone	20,000	12,400	Nil	Nil	Nil	Nil	32,400
Alanna McDonald	19,167	12,400	Nil	Nil	Nil	Nil	31,567

Notes:

- (1) Amounts disclosed represent the Fair Market Value on the grant date of RSUs, SARs or Options, as applicable, using the Black-Scholes option pricing model and assumptions described in Note 1 to the table under the section "*Summary Compensation Table*".
- (2) Represents grants of SARs under the SARs Plan. See "*Incentive Plan Awards – Share Appreciation Rights Plan*".
- (3) Represents grants of RSUs under the RSU Plan. See "*Incentive Plan Awards – Restricted Share Unit Award Plan*".
- (4) Represents grants of Options under the Option Plan. See "*Incentive Plan Awards – Stock Option Plan*".
- (5) Mr. Giblin, a director of the Corporation, was the Interim President and Chief Executive Officer of the Corporation during 2023 and is therefore a Named Executive Officer. See "*Statement of Executive Compensation*" for information with respect to Mr. Giblin's compensation.

*Narrative Discussion*

Directors receive compensation in the form of set annual fees for Board and committee meetings and may also be granted Options, RSUs and/or SARs. Directors are reimbursed for travel and other expenses incurred in respect of their activity as directors. The directors were paid the following annual amounts: \$15,000 Annual Retainer; an additional \$5,000 for the chair of each committee; and an additional \$10,000 for the chair of the Board. The total earned in retainers and fees for these services by directors in 2023 was \$109,167.

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

The following table sets forth details of all share-based and option-based awards outstanding for each director of Big Rock, other than directors who are also Named Executive Officers, as of the most recently completed financial year, including awards granted before the most recently completed financial year:

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options <sup>(1)(2)</sup> (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards that have not Vested <sup>(2)</sup> (\$)	Market or Payout Value of Vested Share-based Awards not paid out or distributed <sup>(2)</sup> (\$)
Kathleen McNally-Leitch	Nil	Nil	Nil	Nil	8,766	13,324	1,979
P. Donnell Noone	Nil	Nil	Nil	Nil	8,766	13,324	1,979
Alanna McDonald	Nil	Nil	Nil	Nil	8,766	13,324	1,979

Notes:

- (1) Unexercised "in-the-money" Options refer to the Options in respect of which the market value of the underlying securities as at the most recently completed financial year exceeds the exercise or base price of the Option.
- (2) Value of Options, RSUs and SARs has been determined based upon the closing price of the Common Shares on the TSX on the Corporation's year end of December 30, 2023 of \$1.52.

None of the awards disclosed in the table above have been issued at other than Fair Market Value.

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

During the most recently completed financial year, based upon the market price of the Common Shares on the applicable vesting date, directors would not have realized any amount if their outstanding option-based awards or share-based awards were exercised on the applicable vesting date.

*Compensation Consultants*

Big Rock has not retained a compensation consultant or advisor at any time since the Corporation's most recently completed financial year to assist the Big Rock Board in determining compensation for any of the Corporation's directors or executive officers.

*Securities Authorized for Issuance Under Equity Compensation Plans*

The following table sets forth the number of Common Shares that are authorized for issuance under the Corporation's equity compensation plans as at December 30, 2023.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of Securities remaining available for issuance under equity compensation plans (excluding outstanding securities reflected in Column 1)
Equity compensation plans approved by securityholders			
- Option Plan <sup>(1)</sup>	Options: 315,232	1.19	Options: 273,814
- RSU Plan <sup>(2)</sup>	RSUs: 109,116		RSUs: 273,814
Equity compensation plans not approved by securityholders	Nil		Nil
<b>Total</b>	424,348		273,814
Percentage of outstanding Common Shares	6.1%		3.9%

Note:

- (1) Under the Option Plan, the total number of Options that may be issued at any one time may not exceed ten percent (10%) of the total issued and outstanding Common Shares (on a non-diluted basis) at the date of grant, less the aggregate number of Common Shares reserved for issuance under any other security based compensation arrangement of the Corporation. See "*Statement of Executive Compensation – Incentive Plan Awards – Stock Option Plan*".
- (2) The aggregate number of Common Shares reserved for issuance under the RSU Plan is limited to ten percent (10%) of the total issued and outstanding Common Shares (on a non-diluted basis) at the relevant time less any Common Shares reserved for issuance under any other security based compensation arrangement of the Corporation. See "*Statement of Executive Compensation – Incentive Plan Awards – Restricted Share Unit Award Plan*".

The following table sets forth the burn rate of awards granted under the Corporation's equity compensation plans for the three (3) most recently completed financial years. Only awards granted under the Option Plan and the RSU Plan have been included in the burn rate calculation as the awards under the SARs Plan are cash-settled and do not involve issuance of Common Shares. The burn rate is calculated by dividing: (i) the number of awards granted in the applicable fiscal year; by (ii) the weighted average number of outstanding shares for the applicable fiscal year.

	2023	2022	2021
Burn rate	5.03%	Nil	2.08%

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of Big Rock or its subsidiaries, nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to Big Rock or its subsidiaries, nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by Big Rock or its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth below, none of Big Rock's directors or executive officers and no person who beneficially owns, or controls or directs, directly or indirectly, more than ten percent (10%) of the outstanding Common Shares and no nominee for director of Big Rock, or any associate or affiliate of any such person or nominee for director of Big Rock, has had any material interest, direct or indirect, in any transaction since the commencement of Big Rock's most recently completed financial year or in any proposed transaction which has materially affected, or would materially affect, Big Rock or any of its subsidiaries.



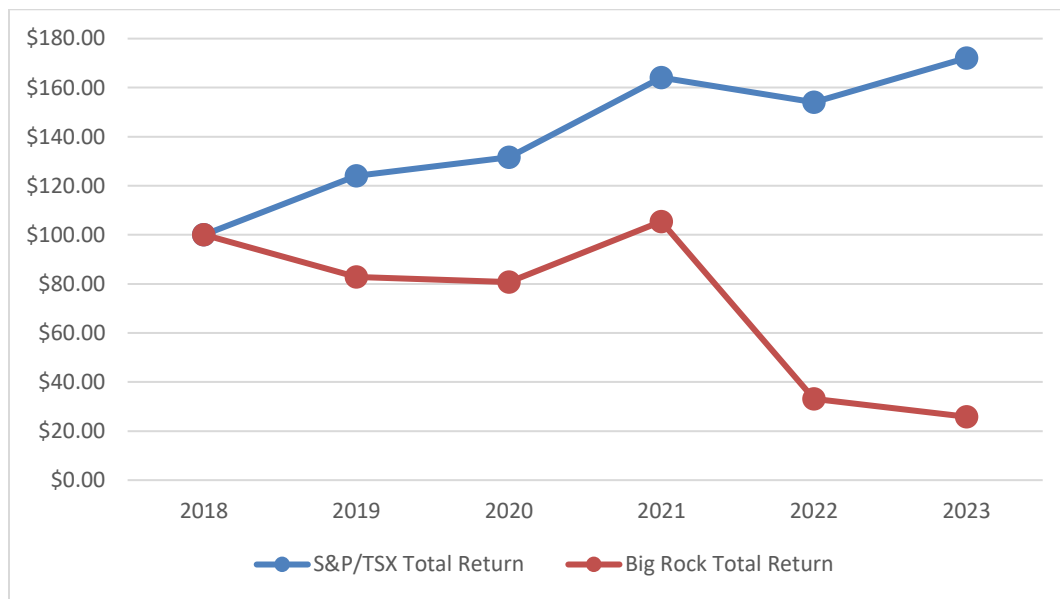
On January 17, 2024, Big Rock announced the addition of \$4.2 million in borrowings for a total of \$8.5 million of second lien financing from VN Capital (the "**Second Lien Financing**"). VN Capital is a principal Shareholder and "insider" of the Corporation and P. Donnell Noone, a director of Big Rock, is a co-founder, principal and managing partner of VN Capital Management, LLC, the manager of VN Capital. The Board approved the Second Lien Financing (with Mr. Noone abstaining) on the recommendation of a Special Committee thereof (comprised of directors independent of VN Capital), and determined that the Second Lien Financing was on reasonable commercial terms that are not less advantageous to Big Rock than if the loan thereunder was obtained from a person dealing at arm's length with Big Rock.

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

Except as otherwise set out herein, no person who has been a director or executive officer of Big Rock since the beginning of Big Rock's most recently completed financial year, nor any proposed nominee for election as a director of Big Rock, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

**PERFORMANCE CHART**

The following table and graph compare the yearly change in cumulative Shareholder return over the last five (5) years (assuming a \$100 investment was made on December 30, 2018) on Common Shares with the cumulative total return of the S&P/TSX Composite Index from December 30, 2018 to December 30, 2023. The cumulative Shareholder return gives effect to the reinvestment of annual dividends for the Common Shares. The following table displays the market price per Common Share and annual dividends on the Common Shares.



<u>Date</u>	<u>S&amp;P/TSX Composite Total Return Index</u>	<u>Big Rock Market Price per Share</u>	<u>Annual Dividends / Distributions per Share</u>	<u>S&amp;P/TSX Total Return</u>	<u>Big Rock Total Return</u>
December 30, 2018	48,831.35	\$5.88	-	100.00	100.000
December 30, 2019	60,583.97	\$4.87	-	124.07	82.82
December 30, 2020	64,257.50	\$4.75	-	131.59	80.78
December 30, 2021	80,104.47	\$6.20	-	164.04	105.44
December 30, 2022	75,200.12	\$1.95	-	154.00	33.16
December 30, 2023	84,036.60	\$1.52	-	172.10	25.85

As shown in the performance graph, movements in the total return for a Common Share has generally underperformed the S&P/TSX Composite Total Return Index from 2018 to 2023 with the exception of 2020 to 2021 when it performed consistent with the index. The compensation of Big Rock's Named Executive Officers is aligned with the interests of Shareholders through grants under the Option Plan and SARs Plan, the value of which will increase or decrease with changes in the market price of the Common Shares. The Compensation and HR Committee and the Board consider a number of factors in determining overall compensation of Named Executive Officers, one of which is total shareholder return. As this is only one of many factors considered, an absolute correlation between total shareholder return and Named Executive Officer compensation levels should not be expected.

## CORPORATE GOVERNANCE PRACTICES

The Big Rock Board is responsible for all corporate governance matters relating to Big Rock. Corporate governance relates to the activities of the Big Rock Board, the members of which are elected by, and are accountable to, the Shareholders, and takes into account the role of the individual members of management who are appointed by the Big Rock Board and who are charged with the day-to-day management of Big Rock. The Big Rock Board is committed to sound corporate governance practices, which are in the interest of its Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"), Big Rock is required to disclose its corporate governance practices, as summarized below.

### 1. **Big Rock Board**

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with Big Rock. A material relationship is a relationship which could, in the view of the Big Rock Board, reasonably interfere with the exercise of a director's independent judgement. The Big Rock Board has determined that as of the Effective Date, each of the directors and proposed director nominees are independent. Mr. Stephen J. Giblin was the Interim President and Chief Executive Officer from October 27, 2022 to January 8, 2024 and was therefor not independent during that time period. As a result, the Big Rock Board has exceeded the requirement to have a majority of independent directors. The Big Rock Board is responsible for determining whether a director is an independent director.

The Big Rock Board facilitates its exercise of independent judgment in carrying out its responsibilities through frequent meetings of the Big Rock Board. The Big Rock Board does not have separate meetings at which non-independent directors are not in attendance as all of the directors are usually considered to be independent. In 2023, the Big Rock Board did not appear to hold any *in camera* sessions as Mr. Stephen J. Giblin was present and held the position of Interim President and Chief Executive Officer during this period. In addition, each director has free access to Big Rock's external auditors and legal counsel and to any of Big Rock's executive officers.

The Chair of the Board, Mr. Stephen J. Giblin, was not an independent director in 2023, as he acted as the Interim President and Chief Executive Officer of Big Rock. The Chair's role includes acting as a leader on corporate governance matters for the Corporation, as well as a steward for Board meetings and processes. Mr. Stephen J. Giblin continued to steward Board meetings and related processes but due to his status as Interim Chief Executive Officer and being part of management, he would recuse himself from all *in camera* sessions.

No current director of Big Rock are directors of other reporting issuers. During the most recently completed financial year, the Big Rock Board held ten (10) meetings. The following is a record for each director's attendance at such Board meetings and the status, as at the Effective Date, of each under the Corporation's minimum shareholding requirements.

<b>Director</b>	<b>Number of Board Meetings Attended / Total Number of Board Meetings Held</b>	<b>Minimum Shareholding Requirement Attained <sup>(1)</sup></b>
Kathleen McNally-Leitch	10/10	Yes
P. Donnell Noone	10/10	Yes
Stephen J. Giblin	10/10	No
Alanna McDonald	8/10	No

Notes:

- (1) Effective March 10, 2016, the Corporation introduced a Minimum Shareholding Policy for directors requiring that the members of the Big Rock Board attain beneficial ownership of Common Shares with an aggregate nominal value equivalent to three (3) times the annual director's retainer fee, which directors are required to achieve within three (3) years of appointment date.

**2. Board Mandate**

See Schedule A attached hereto for Big Rock's Board Mandate.

**3. Position Descriptions**

The Big Rock Board has developed formal, documented position descriptions for the Chair, and President and Chief Executive Officer. The Board is currently of the view that the respective corporate governance role of the Board and management are clear and that the limits to the responsibility and authority of the Chair and President and Chief Executive Officer are well understood.

The Big Rock Board has implemented position descriptions for the Chair of each committee of the Board which specify the roles and responsibilities of each committee chair position.

**4. Orientation and Continuing Education**

Big Rock has prepared a Corporate Governance Manual (the "**Manual**"), which provides a comprehensive introduction to the Board and its committees. At present, each new director is given a copy of the Manual, an outline of the nature of Big Rock's business, its corporate strategy, and current issues with Big Rock. New directors are also expected and required to meet with management of Big Rock to discuss and better understand Big Rock's business and will be advised by counsel to Big Rock of their legal obligations as directors of Big Rock. The Manual is reviewed on an annual basis and a revised copy is given to each director.

No formal continuing education program currently exists for the directors of Big Rock, however, Big Rock encourages directors to attend, enroll or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters and has agreed to pay the cost of such courses and seminars. Each director of Big Rock has the responsibility for ensuring that he or she maintains the skill and knowledge necessary to meet his or her obligations as a director.

**5. Ethical Business Conduct**

The Big Rock Board has adopted a code of conduct applicable to all members of Big Rock, including directors, officers and employees. Each director, executive officer and employee of Big Rock is provided with a copy of the code of conduct and is required annually to sign an acknowledgement of their responsibilities under such code of conduct. A copy of the code of conduct can be obtained upon request to Mr. Michael Holditch, Interim Chief Financial Officer of Big Rock at 5555 – 76th Avenue S.E., Calgary, Alberta, T2C 4L8, phone (403) 720-3239; facsimile (403) 720-3641.

The Big Rock Board has also adopted a "Whistleblower Policy" wherein employees, consultants and external stakeholders of Big Rock are provided with a mechanism by which they can raise concerns in respect of financial reporting, or alleged breaches of the code of conduct, in a confidential, anonymous process.

In order to ensure independent judgment in considering transactions and agreements in which a director or executive officer of the Corporation has a material interest, all material related party transactions are approved by directors who are independent or unrelated to the transaction.

## 6. **Nomination of Directors**

The Board has not appointed a nominating committee but has delegated such nomination duties to the Corporate Governance Committee. Other than from October 27, 2022 to January 8, 2024 when Mr. Giblin acted as the Interim President and Chief Executive Officer of Big Rock, each member of the Corporate Governance Committee is independent.

The Corporate Governance Committee meets with the Chair on an annual basis to discuss the filling of any vacancies on the Board. Potential director candidates are recommended by the Chair and other members of the Board to ensure a balance of business and financial skills are available. Potential director candidates are pre-screened by the Chair and then forwarded to the Corporate Governance Committee for further consideration of such candidate's qualifications. Potential director candidates that pass the scrutiny of both the Chair and the Corporate Governance Committee are then presented to the full Board for further consideration.

## 7. **Compensation and HR**

The members of the Compensation and HR Committee are Mr. Stephen J. Giblin (Chair), Mr. P. Donnell Noone and Mr. George Croft. Each member of the Compensation and HR Committee is independent. The Compensation and HR Committee held two (2) committee meetings in 2023 and each Compensation and HR Committee member attended 100% of such meetings of which they were a member of the Compensation and HR Committee.

All members of the Compensation and HR Committee have direct experience which enhances the Compensation and HR Committee's ability to make decisions on the suitability of the Corporation's compensation policies and practices. Mr. Giblin's relevant experience includes his roles as President and CEO at Silverbirch Hotels and Resorts, President of Dolce Hotels and Resorts and his senior management roles at Omni Hotels and Marriott. Mr. Noone's experience includes his current role as Principal and Managing Partner at VN Capital Management LLC and his previous role at American Express Company. Mr. Croft has direct experience garnered from his roles as President & CEO at Brick Brewing Co. Limited, President and COO of Lakeport Brewing L.P. and President, Ontario of Labatt Breweries of Canada.

The responsibilities of the Compensation and HR Committee include:

- (a) reviewing and approving the Corporation's goals and objectives relevant to the President and Chief Executive Officer's compensation and recommending such compensation for approval by the independent directors of the Board;
- (b) evaluating the President and Chief Executive Officer's performance, on an annual basis, as such performance relates to the goals and objectives established by the Compensation and HR Committee;
- (c) making recommendations to the Board with respect to incentive compensation and equity based plans and significant changes to pension and other benefit plans;
- (d) adopting, administering, approving and ratifying awards under incentive compensation and stock plans, including amendments to the awards made under any such plans and reviewing and monitoring awards under such plans;
- (e) reviewing with the President and Chief Executive Officer and commenting upon the compensation plans for executive officers of the Corporation, the appointment of senior executive officers prior to

consideration by the Board, employment contracts and any other individual financial arrangements and termination settlements for executive officers;

- (f) reviewing and reassessing the adequacy of the Compensation and HR Committee mandate annually and recommending any proposed changes to the Board for approval;
- (g) reviewing annually and recommending the compensation for directors;
- (h) reviewing executive compensation disclosure before the public disclosure by the Corporation; and
- (i) reviewing and reassessing the adequacy of the Corporate Human Resources Policies Manual annually to ensure the Corporation's legal and ethical obligations to its employees are fulfilled.

Generally, the Compensation and HR Committee determines the compensation of directors and executive officers through a benchmarking analysis of persons holding similar roles with entities of similar size. The Compensation and HR Committee has unrestricted access to the Corporation's personnel and documents and is provided with the resources necessary, including, as required, the engagement and compensation of outside advisors, to carry out its responsibilities.

#### 8. **Other Board Committees**

Big Rock has no other standing committees at this time other than the Audit Committee, the Corporate Governance Committee and the Compensation and HR Committee. The Audit Committee held four (4) committee meetings in 2023 and each Audit Committee member attended 100% of such meetings, except for Ms. Alanna McDonald who attended 50% of such meetings, to which they were a member of the Audit Committee. Certain information regarding the Audit Committee, including the Terms of Reference for the Audit Committee, is contained in the Corporation's Annual Information Form for the year ended December 30, 2023. For more information regarding the Compensation and HR Committee, see "*Corporate Governance Practices – Compensation and HR*".

The Corporate Governance Committee held two (2) committee meetings in 2023 and each Corporate Governance Committee member attended 100% of such meetings. Big Rock established the Corporate Governance Committee of the Board to:

- (a) review, on a periodic basis, the composition of the Board and ensure that an appropriate number of independent directors sit on the Board, analyze the needs of the Board and, together with the Chair of the Board, recommend nominees who meet such needs;
- (b) implement a process for assessing effectiveness of the Board and periodically review and assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including consideration of the appropriate size of the Board;
- (c) establishing criteria for potential candidates for Board membership and identifying qualified individuals consistent with such criteria, and where appropriate, interviewing potential candidates for Board membership;
- (d) prepare, review and update periodically the Corporate Governance Manual of the Corporation and ensure that all matters contained therein are addressed on a timely and effective basis;
- (e) implement an orientation and education program for new recruits to the Board;
- (f) monitor pronouncements of the Toronto Stock Exchange relating to its governance guidelines and those of other authoritative bodies and ensure that the Corporation is in compliance with all appropriate governance guidelines;

- (g) review the Corporation's Management Information Circulars to ensure statements contained therein are accurate and that the Corporation is in compliance with all guidelines and recommend its approval to the Board; and
- (h) periodically review and reassess the adequacy of this mandate and these terms of reference.

Big Rock established the Strategy and Investment Committee of the Board to:

- (a) work with management in providing oversight to the Corporation's strategy direction and strategy implementation;
- (b) work with management in reviewing growth and strategic projects as they develop and evaluations advance;
- (c) review the strategic plan of the Corporation and gaps associated therewith on a regular basis;
- (d) work with management in formulating strategic initiatives and tactics;
- (e) ensure the Corporation's investments align to market conditions and the Corporation's strategy;
- (f) review and make recommendations to the Board with respect to investment projects and corporate strategy; and
- (g) review and approve any due diligence costs over \$250,000 for any single major initiative.

#### 9. **Assessments**

As part of its mandate, the Board is responsible for reviewing annually the composition of the Board and its committees and assessing the performance of the directors on an ongoing basis. In order to complete such assessments, the Corporate Governance Committee manages an annual review of the effectiveness of the Big Rock Board and each Board committee. The Corporate Governance Committee requires members of each committee and the full Big Rock Board to annually self-assess the effectiveness of their committee and the Board during the last year by completing a questionnaire. The assessment process conducted by the Corporate Governance Committee is anonymous and the results of the assessment are shared only among each committee and the Board. The chair of the Corporate Governance Committee acts as a liaison to clarify any issues that arise as a result of this process.

#### 10. **Director Term Limits and Other Mechanisms of Board Renewal**

Each year, the Corporate Governance Committee conducts a performance evaluation of the effectiveness of the Board, Board committees and individual directors. This evaluation includes consideration of the skills, expertise and industry experience required for the Board and its committees to operate efficiently and effectively. The Corporate Governance Committee also considers the composition of the Board's committees to ensure they possess an appropriate balance of skills necessary for such committees to discharge their roles.

Also, on an ongoing basis, the Chair and the Corporate Governance Committee consider potential director candidates with a view to identifying individuals to fill any potential vacancy that arises. Although the Corporate Governance Committee and the Board recognize that regular course Board renewal may offer the benefit of new perspectives and ideas, the Corporate Governance Committee and the Board also recognize that a director's experience and knowledge of Big Rock's business is a valuable asset. Accordingly, the Board believes that the Corporation is better served by the regular assessment of the effectiveness of the Board, Board committees and individual directors, rather than by adopting arbitrary age and term limits. Accordingly, the Board has not adopted a formal term limit for directors.

#### 11. **Policies Regarding the Representation of Women on the Board and in Executive Positions**

Big Rock recognizes the benefit of gender diversity in leadership positions, including with respect to its Board and executive officer positions. Diversity, including gender diversity, is an important and valuable consideration in

assessing potential candidates for appointment to the Board and to executive officer positions. As a result, a nominee's diversity of gender, race, physical ability and other characteristics are considered as positive attributes in the assessment of director or executive officer candidates. However, the Board is of the view that it is in the best interests of the Corporation that all appointments are made on merit in the context of the skills, expertise and experience the Corporation requires. The Board recognizes the importance of having the flexibility to appoint qualified candidates when they are available, which may mean adding male or female candidates, and as a result cannot commit to selecting a candidate whose gender is a decisive factor in their appointment. Accordingly, the Board has not adopted a formal policy concerning gender diversity on the Board or in executive positions, or a formal target to be achieved by a specified date for the gender composition of the Board or executive officers.

**12. Consideration of the Representation of Women in the Director Identification and Selection Process**

As described in 11 above, the Board's primary objective in the director identification and selection process is the identification of candidates possessing the skills, expertise and experience the Corporation requires, with gender not being a decisive factor in the candidate's selection. However, the Board is fully committed to ensuring that women continue to be well-represented on the Board. As described in 11 above, the Board does not specifically consider the level of representation of women on the Board in identifying and nominating candidates.

**13. Consideration Given to the Representation of Women in Executive Officer Appointments**

As described in 11 above, the Board's primary objective in the executive officer identification and selection process is the identification of candidates possessing the skills, expertise and experience the Corporation requires, with gender not being a decisive factor in the candidate's selection. However, the Board is fully committed to ensuring that women continue to be well-represented on the executive team. As described in 11 above, the Board does not specifically consider the level of representation of women in executive positions in identifying and nominating candidates.

**14. Big Rock's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

As described in 11 above, the Board's primary objective in the director and executive officer identification and selection process is the identification of candidates possessing the skills, expertise and experience the Corporation requires, with gender not being a decisive factor in the candidate's selection. As a result, and in light of the Corporation's relatively small number of directors and executive officers, the Corporation has not adopted a formal target to be achieved by a specified date for the gender composition of the Board or executive officers.

**15. Number of Women on the Board and in Executive Officer Positions**

If the persons proposed as nominees are re-elected or elected, as applicable, at the Meeting, two (2) of the five (5) nominees will be female, thereby providing forty percent (40%) representation of women on the Board.

None of the five (5) Named Executive Officers of the Corporation (0%) as at May 14, 2024 are female.

**ADDITIONAL INFORMATION**

Additional information relating to Big Rock is filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and additional financial information is also provided in Big Rock's consolidated financial statements for the fiscal year ended December 30, 2023 and the corresponding management's discussion and analysis.

Big Rock shall provide to any Shareholder, upon request to Mr. Michael Holditch, Interim Chief Financial Officer of Big Rock at 5555 – 76th Avenue S.E., Calgary, Alberta, T2C 4L8, phone (403) 720-3239; facsimile (403) 720-3641, copies of Big Rock's annual or interim financial statements along with the corresponding management's discussion and analysis.

**SCHEDULE A**  
**BOARD MANDATE, RESPONSIBILITIES AND DIRECTORS' ATTRIBUTES**

1. Board Mandate

The Board must act in the best interests of the Corporation and its shareholders. The Board acts in accordance with applicable laws (including the *Business Corporations Act* (Alberta)), the Articles and By-laws of the Corporation and the specific terms of reference as laid out for each Committee and the Board as a whole.

2. Board Responsibilities

The Board is responsible for the stewardship of the Corporation. In discharging its responsibility, each member of the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation. The Board shall assume responsibility in the following areas:

(a) Strategic Planning Process

The Board shall:

- (i) provide input to management on emerging trends and issues;
- (ii) review and approve the 3 year strategic plan for the Corporation's business developed by the CEO, in conjunction with the CFO;
- (iii) review progress towards the achievement of the goals established in the 3 year strategic plan;
- (iv) review the principal risks of the Corporation's business identified by the CEO and review management's implementation of the appropriate systems to manage these risks; and
- (v) review and approve the Corporation's financial objectives, plans and actions, including the annual capital and operating budget (and any subsequent revisions thereto) and significant capital allocations and expenditures.

(b) Monitoring Tactical Progress

Monitor corporate performance against the strategic plan of the Corporation, including assessing operating results to evaluate whether the business is being properly managed and revising and altering its direction through management in light of changing circumstances.

(c) Risk Assessment

Review the principal risks of the Corporation's business identified by the CEO and ensure that appropriate systems are in place to manage these risks.

(d) Senior Level Staffing

Appoint, evaluate and if necessary, replace the CEO and other senior officers.

(e) Approval and Signing Authority

Ensure that the Corporation has an up-to-date list of corporate signing authorities and a document that outlines the approval limits and signatures required for the various levels of expenses.



(f) Integrity

- (i) Ensure the integrity of the Corporation's internal control and management information systems; and
- (ii) Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the Corporation's own governing documents.

(g) Material Transactions

Review and approve material transactions not in the ordinary course of business.

(h) Monitoring Board Effectiveness

Assess Board effectiveness in fulfilling the above and other Board responsibilities, including assessing the effectiveness of individual directors.

(i) Board Committees

The Board shall:

- (i) appoint appropriate committees to undertake tasks assigned by the Board; and
- (ii) standing committees of the Board shall include:
  - Governance Committee;
  - Audit Committee;
  - Strategy and Investment Committee; and
  - Compensation and HR Committee.

(j) Other

Perform such other functions as prescribed by law or assigned to the Board in the Corporation's governing documents.

3. Directors' Attributes

To execute these Board responsibilities, directors must possess certain characteristics as follows:

(a) Objectivity

Directors must approach all decisions with respect to the Corporation in an objective and independent manner.

(b) Integrity and Accountability

Directors must demonstrate high ethical stands and integrity in their personal and professional dealings, and be willing to act on – and remain accountable for – their boardroom decisions.

(c) Informed Judgement

The ability to provide wise, thoughtful counsel on a broad range of issues ranks high among the qualities required in directors. They must develop a knowledge of the Corporation's business, in order to understand and question the assumptions upon which the strategic and business plans are based, and to form an unbiased judgement as to the probability that such plans can be achieved.

(d) Financial Literacy

One of the most important roles of the Board is to monitor financial performance. To do this, directors must have a level of financial literacy – including, how to read financial statements and understanding the use of financial ratios and other indices for evaluating the Corporation's performance.

(e) Mature Confidence

(i) Teamwork

Must value Board and team performance over individual performance, possess respect for others, and be able to facilitate superior Board performance.

(ii) Communication

Openness to other's opinions and the willingness to listen should rank as highly as the ability to communicate persuasively. Directors must approach others assertively, responsibly and supportively, and be willing to raise relevant questions in a manner that encourages open and relevant discussion.

(f) Track Record and Experience

In today's highly competitive world, only companies capable of performing at the highest levels are likely to prosper. Directors must bring a history of achievement that reflects high standards for themselves and others.