



**BOARD OF DIRECTORS CHARTER**

**Approved by the Board of Directors on August 23 2017, and revised on  
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## **I. PURPOSE**

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The Board of Directors (the “**Board**”) of Goodfood Market Corp. (the “**Corporation**”) is responsible for the supervision of the management of the business and affairs of the Corporation. The Board shall pursue the best interests of the Corporation and shall discharge its duties directly and through the committees that may exist from time to time.

The composition and meetings of the Board are subject to the requirements set forth in the articles and by-laws of the Corporation as well as in applicable laws.

## **II. DUTIES AND RESPONSIBILITIES OF THE BOARD**

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In furtherance of its purpose, the Board assumes the following duties and responsibilities, some of which are initially reviewed and recommended by the applicable committee of the Board to the full Board for approval:

### **A. STRATEGY AND BUDGET**

1. Ensure a strategic planning process is in place and approving, on at least an annual basis, a Business Plan which takes into account, among other things, the longer term opportunities and risks of the business;
2. Approve the Corporation’s annual operating and capital budgets;
3. Review operating and financial performance results in relation to the Corporation’s Business Plan and budgets.

### **B. GOVERNANCE**

1. Develop, adopt, implement, review and enforce the Corporation’s Code of Conduct, Trading Policy and other policies, and the actions, reports and recommendations received periodically from the Audit Committee and the Governance, Human Resources and Compensation Committee (the “**GHRC Committee**”) with respect to the conduct of the business in compliance with such policies;
2. Oversee the Corporation’s policies concerning business conduct, ethics, environmental, social and governance (ESG) practices, public disclosure of material information and other matters;

### **C. BOARD AND COMMITTEE MEMBERS**

1. Identify individuals qualified to become Board members considering the size of the Board and the competences and skills of directors and proposed directors and the nominees for election at the next annual meeting of shareholders;
2. Approve the nomination of Directors to the Board and its Committees, as well as:

- a. ensuring that a majority of the Corporation's Directors have no direct or indirect material relationship with the Corporation and determine who, in the reasonable opinion of the Board, are independent pursuant to applicable legislation, regulation and listing requirements;
  - b. developing appropriate qualifications/criteria for the selection of Board members, including criteria for determining Director independence;
  - c. appointing the Board Chair, the Lead Director if necessary and the Chair and members of each Committee of the Board, in consultation with the relevant Committee of the Board.
3. Determine the Directors' remuneration for Board and Committee service;
  4. Ensure that the Corporation's compensation policy for Directors reflects realistically the time spent, responsibilities and risks involved in being an effective director;
  5. Assess annually the effectiveness and contribution of the Board, the Board Chair and the Lead Director, and of each Committee of the Board and their respective Chairs and of individual Directors;
  6. Identify individuals qualified to become members of the Audit Committee in light of the independence, financial literacy, experience and other membership requirements set forth under applicable laws, rules and regulations and listing requirements;
  7. Provide a comprehensive orientation program for new Directors to the Board and continuing education opportunities for all Directors;
  8. Develop written position descriptions for the Board Chair, Lead Director and the Chair of each Committee of the Board;
  9. Review and discuss with each of the Committees of the Board the appropriateness of the charters adopted by each such Committee, and as deemed appropriate, recommend changes to the Board.

**D. CEO, CFO, COO, OTHER EXECUTIVE OFFICERS AND COMPENSATION AND BENEFITS POLICIES**

1. Appoint the executive officers of the Corporation including the Chief Executive Officer (the "CEO"), the Chief Financial Officer (the "CFO") and the Chief Operating Officer (the "COO") (collectively, the "Executive Officers");
2. Develop a written position description for the role of the CEO;
3. Develop the corporate goals and objectives that each Executive Officer is responsible for meeting and reviewing the performance of each Executive Officer against such corporate goals and objectives;

4. Evaluate the performance of each Executive Officer in relation with the corporate and personal objectives set by the Board;
5. Approve the Corporation's compensation and benefits policy or any changes thereto for Executive Officers and approval, by the independent directors, all forms of compensation for the CEO, CFO and COO;
6. Ensure that the Corporation's compensation and benefits policy create and reinforce good conduct, ethical behavior and promote reasonable risk taking;
7. Satisfy itself as to the integrity of the Executive Officers and senior management personnel and that the Executive Officers, and senior management personnel create a culture of integrity throughout the organization;
8. Provide stewardship in respect of succession planning, and approving, as may be required, (i) the succession plan with respect to the positions of the Executive Officers, and (ii) the appointment, training and monitoring of the Executive Officers and senior management personnel;

**E. RISK MANAGEMENT, CAPITAL MANAGEMENT AND INTERNAL CONTROLS**

1. Identify and assess the principal risks of the Corporation's business, and ensure the implementation of appropriate systems to manage these risks;
2. Ensure the integrity of the Corporation's internal control system and management information systems and the safeguarding of the Corporation's assets;
3. Review, approve, and as required, oversee compliance with the Corporation's policy on corporate disclosure and confidentiality of information by Directors, Executive Officers and other management personnel and employees;
4. Review and approve the Corporation's internal and external policies for communicating and disseminating information;;
5. Review, approve and overseeing the Corporation's disclosure controls and procedures;
6. Review and approve the Code of Conduct with the purpose of promoting integrity and deterring wrongdoing, and encouraging and promoting a culture of ethical business conduct and as required, overseeing compliance with the Code of Conduct by Directors, Executive Officers and other management personnel and employees.

**F. FINANCIAL REPORTING, AUDITORS AND TRANSACTIONS**

1. Review and approve, as required, the Corporation's financial statements, related financial information, and financial outlook;

2. Appoint, subject to approval of shareholders, (including terms and review of engagement) and remove of the external auditor and approving external auditor compensation;
3. Establishing appropriate limits on the authority delegated to the Executive Officers and management personnel to manage the business and affairs of the Corporation, the whole in accordance with the Authorization Policy.

#### **G. LEGAL REQUIREMENTS AND DIALOGUE WITH STAKEHOLDERS**

1. Oversee the adequacy of the Corporation's processes to ensure compliance by the Corporation with applicable legal and regulatory requirements;
2. Establish appropriate measures for receiving feedback from stakeholders.

#### **H. OTHER**

1. Review, approve, and as required, oversee, with the assistance of the GHRC Committee, Directors, Executive Officers and management personnel and employees compliance with the Corporation's environmental, health and safety policies;
2. Perform any other function as prescribed by law or as not delegated by the Board to one of the Committees of the Board or to management personnel.

### **III. BOARD CHAIR**

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#### **A. APPOINTMENT OF THE BOARD CHAIR**

The Board shall appoint its Chair from among the Corporation's Directors.

#### **B. DUTIES AND RESPONSIBILITIES OF THE BOARD CHAIR**

The Board Chair leads the Board in all aspects of its work and is responsible to effectively manage the affairs of the Board and ensure that the Board is properly organized and functions efficiently.

More specifically, the Board Chair shall with respect to:

1. Strategy
  - a. provide leadership to enable the Board to act effectively in carrying out its duties and responsibilities as described in the Board Charter and as otherwise may be appropriate;
  - b. work with the Executives Officers to monitor progress on the Business Plan, annual budgets, policy implementation and succession planning;
2. Board structure and management

- a. chair the Board meetings;
  - b. in consultation with the Executive Officers and the Corporate Secretary and the Committee Chairs, as appropriate, determine the frequency, dates and locations of meetings of the Board, of Committees, and of the shareholders;
  - c. in consultation with the Executive Officers and the Corporate Secretary, review the meeting agendas to ensure all required business is brought before the Board to enable it to efficiently carry out its duties and responsibilities;
  - d. ensure the Board has the opportunity, if and when required, to meet separately without non-independent directors and management personnel present;
  - e. ensure, in consultation with the Committee Chairs, that all items requiring Board and Committee approval are appropriately tabled;
  - f. ensure the proper flow of information to the Board and review, with the Executive Officers and the Corporate Secretary, the adequacy and timing of materials in support of management personnel's proposals; and
  - g. in conjunction with the relevant Committee (and its Chair), review and assess the Directors' meeting attendance records and the effectiveness and performance of the Board, its Committees (and their Chairs) and individual Directors.
3. Shareholders
- a. chair the annual, and any special meeting, of the shareholders; and
  - b. ensure that all business that is required to be brought before a meeting of shareholders is brought before such meeting.

#### **IV. LEAD DIRECTOR**

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##### **A. APPOINTMENT OF LEAD DIRECTOR**

If the appointed Board Chair is also an Executive Officer, the Directors will appoint a Lead Director that will perform the duties and responsibilities associated with the Chair. The Lead Director should be able to stand sufficiently back from the day-to-day running of the business to ensure that the Board is in full control of the Corporation's affairs and attentive to its obligations to its shareholders.

##### **B. DUTIES AND RESPONSIBILITIES OF THE LEAD DIRECTOR**

The Lead Director shall have the following responsibilities:

- a. oversee that the Board discharges its responsibilities, ensure that the Board evaluates performance of management objectively and that the Board understands the boundaries between the Board and management responsibilities;
- b. perform the duties of the Chair when there is a conflict of interest between the Board Chair and Executive Officer roles;
- c. in the absence of the Board Chair, serve as acting Chair presiding over meetings of the Board and shareholders;
- d. review agendas and give input for meetings of the Board in advance with the Board Chair;
- e. convene and preside over meetings of the independent directors and communicate the results of these sessions where appropriate to the Board Chair, other management or the Board;
- f. in general serve as principal liaison between the independent directors and the Board Chair and between the independent directors and management;
- g. provide advice, counsel and mentorship to the Executive Officers and fellow members of the Board; and
- h. review annually, on a retrospective basis, the expenses of the Board Chair and of the Executive Officers of the Corporation.

## **V. EVALUATION OF THE BOARD**

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The Board shall, on an annual basis, evaluate and review its performance as a whole, as well as the performance of each individual director while taking into account: (i) in the case of the Board as a whole, the present Charter, and (ii) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Board.

## **VI. OUTSIDE ADVISORS**

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The Board shall have the authority to engage outside counsel and other outside advisors as it deems appropriate to assist the Board in the performance of its functions. The Corporation shall provide appropriate funding for such advisors as determined by the Board.

## **VII. MEMBERSHIP**

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The majority of the members shall, pursuant to applicable laws, rules, regulations and listing requirements: (i) meet the independence test; and (ii) have the required experience and qualifications as determined by the Board.



## **VIII. TERM**

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The members of the Board shall be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual general meeting of the shareholders or until their successors are so appointed.

## **IX. PROCEDURES FOR MEETINGS**

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The Board shall fix its own procedure at meetings and for the calling of meetings. Meetings of the Board will be held quarterly, or more frequently, as required. Independent directors may meet before or after each Board meeting or more often if required.

Directors are expected to attend all meetings of the Board and review, in advance, the meeting materials.

## **X. QUORUM AND VOTING**

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The majority of the Board shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Board Chair is absent, the Chair of the meeting will be the Lead Director. At a meeting, any question shall be decided by a majority of the votes cast.

## **XI. SECRETARY**

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Unless otherwise determined by resolution of the Board, the Corporate Secretary of the Corporation or his/her delegate shall be the Secretary of the Board.

## **XII. RECORDS**

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The Board shall keep such records as it may deem necessary of its proceedings.

## **XIII. REVIEW OF CHARTER**

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The Board will annually review and assess the adequacy of the Board Charter.