



## **TRADING POLICY**

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## **I. INTRODUCTION**

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Employees, officers, directors, consultants, contractors and agents (“**Goodfood Covered Persons**”) of Goodfood Market Corporation and its subsidiaries (the “**Corporation**”) may from time to time become shareholders of the Corporation or otherwise trade or deal in or with respect to securities of the Corporation. These individuals will, from time to time, become aware of corporate developments, plans or other information that may affect the value of the Corporation’s securities, or that a reasonable investor would be likely to consider important in making an investment decision about the Corporation’s securities, before these developments, plans and information are made public. Trading securities of the Corporation while in possession of such information before it is generally disclosed, or disclosing such information to third parties before it is generally disclosed (known as “tipping”), may expose an individual to criminal prosecution or civil lawsuits. Such action could also result in a lack of confidence in the market for the Corporation’s shares and otherwise harm the Corporation. Accordingly, the Corporation has established this Policy to, among other things, assist the Corporation’s personnel in complying with the prohibitions against insider trading and tipping.

The objectives of this Policy are to:

- educate Goodfood Covered Persons about their legal obligations with respect to “insider trading” and “tipping”;
- foster and facilitate compliance with applicable laws to prevent transactions by Goodfood Covered Persons that would not be in full compliance with legal requirements; and
- Protect Goodfood Covered Persons as well as the Corporation and its reputation in the market.

**It is important that all Goodfood Covered Persons review this Policy carefully. Acceptance and compliance with this Policy is mandatory. Noncompliance with this Policy is grounds for immediate dismissal. Failure to comply with the policies and procedures set forth below also can result in a serious violation of applicable securities laws, leading potentially to both civil and criminal penalties.**

The procedures and restrictions set forth in this Policy with respect to the trading of and with respect to shares, and other securities by Goodfood Covered Persons present only a general framework within which Goodfood Covered Persons may purchase and sell securities or otherwise deal in or with respect to securities of Goodfood without violating applicable securities laws. Goodfood Covered Persons have the ultimate responsibility for complying with applicable securities laws.

## **II. APPLICATION OF THIS POLICY**

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This Policy applies to all Goodfood Covered Persons as well as (a) their family members (including an adult interdependent partner) residing in the same home as the Goodfood Covered Persons, (b) any dependent children and (c) any partnerships, trusts, estates, corporations,

RRSP's and similar entities over which any of the aforementioned persons exercises control or direction.

### **III. PRIVILEGED/NON-PUBLIC MATERIAL INFORMATION**

Goodfood Covered Persons are generally prohibited from trading or recommending/encouraging others to trade while in possession of privileged information or material non-public information (collectively, “**Subject Information**”).

“**Subject Information**” means any information that has not been generally disclosed to the public and that could affect the decision of a reasonable investor or a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities of the Corporation. A non-exhaustive list of information that could constitute Privileged Information are set out in Schedule B attached hereto.

For purposes of insider trading liability, it does not matter that delaying a transaction until the Subject Information is disclosed, ceases to affect the decision of a reasonable investor, or might cause the Goodfood Covered Persons to incur a financial loss. In addition, it does not matter that Goodfood Covered Persons may have decided to engage in a transaction before learning of the Subject Information. Further, it also is irrelevant that publicly disclosed information about the Corporation would, without consideration of the Subject Information, provide a substantial basis for engaging in the transaction.

Subject to Subsection VII of this Policy, which requires that certain executives of the Corporation pre-clear all trades in securities of the Corporation, it is the responsibility of each Goodfood Covered Persons contemplating a trade in securities of the Corporation to determine prior to such trade whether he or she is aware of any information that constitutes Subject Information. If in doubt, the individual should consult with the Chief Financial Officer of the Corporation.

### **IV. RESTRICTIONS AFFECTING ALL GOODFOOD COVERED PERSONS**

#### **A. PROHIBITION ON INSIDER TRADING AND TIPPING**

Goodfood Covered Persons, are considered to be in a “Special Relationship” with Goodfood under securities laws. Because of that,

1. Securities laws prohibit Goodfood Covered Persons from trading in Goodfood securities with knowledge of Subject Information (as defined above) related to Goodfood that has not been generally disclosed. Goodfood Covered Persons are prohibited from recommending or encouraging (“tipping”) another person to trade in Goodfood securities when they have knowledge of undisclosed Subject Information.
2. Securities laws also prohibit Goodfood Covered Persons from trading in (or recommending or encouraging another person to trade in) the securities of any other public company when you have knowledge of Subject Information

regarding that other public company that has not been generally disclosed, and that knowledge was gained:

- (a) during the course of their work at Goodfood;
- (b) because they are in a “Special Relationship” under securities laws with that other public company; or
- (c) because they were “tipped” by another person who was in a “Special Relationship” under securities laws with that other public company.

For the purposes of this policy, Goodfood Covered Persons are generally considered to be in a “Special Relationship” with another public company if they are a director, senior officer, major shareholder or service provider of that other public company or otherwise have access to whom become aware of undisclosed Subject Information of that other public company.

3. Except in very limited circumstances, securities laws prohibit Goodfood Covered Persons from informing any other person of Subject Information regarding Goodfood or about any public company referred to in Section IV.A.2 above, before the Subject Information has been generally disclosed. This prohibited activity is commonly known as “tipping.” Both the tipper and the person who receives the tip could be liable under securities laws.

#### **B. PROHIBITION ON SPECULATIVE TRADING, SHORT-SELLING, PUTS AND CALLS**

Transactions that hedge, limit or otherwise change a Goodfood Covered Person’s economic interest in and exposure to the full rewards and risks of ownership in Goodfood securities may give rise to actual or perceived contraventions of applicable securities laws and/or inappropriate conflicts of interest.

As such, Goodfood Covered Persons may not engage in the following with respect to securities of Goodfood which they own or exercise control, whether directly or indirectly: (a) short sales; (b) sale of a call option; (c) purchase of a put option; and (d) purchasing on margin.

#### **V. BLACK-OUTS**

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Periodic and other black-out restrictions may be imposed on the directors and specified employees of the Corporation (the “**Blacked-out Persons**”).

The black-out restrictions prohibit Blacked-out Persons from trading in:

- (a) any securities of Goodfood,
- (b) exercising stock options or

- (c) trading in or making elections with respect to deferred share units, performance stock units or restricted stock units or others specified securities-based incentive plans.

during the period commencing at the opening of the market on the day that is thirty (30) days prior to the day on which the Corporation's quarterly or annual financial statements are due, and ending at the opening of the market on the second full trading day on the Toronto Stock Exchange following the date on which the Corporation's quarterly or annual financial statements are due (the "**Black-out Period**").

Additionally, the Corporation may from time to time, at any time it deems appropriate, determine that there may be undisclosed Subject Information concerning the Corporation that makes it inappropriate for specified individuals to trade in securities of the Corporation. In such circumstances, the Corporation may deem it appropriate to apply an extraordinary black-out period by issuing notice instructing these specified individuals not to trade in the securities of the Corporation until further notice.

## **VI. OBLIGATION OF INSIDERS TO FILE INSIDER REPORTS**

The directors and certain senior officers of the Corporation are "Reporting Insiders" under applicable Canadian securities legislation. If you are uncertain as to whether you are a Reporting Insider, you should contact the Chief Financing Officer of the Corporation.

Under applicable Canadian securities legislation, a person or corporation who becomes a Reporting Insider of the Corporation must file an insider report within ten (10) days of the date of becoming a Reporting Insider. An insider report should be completed and filed immediately disclosing the Insider's holdings of any securities of the Corporation including, common shares, preferred shares, options, convertible debentures and awards granted under the Corporation's incentive plans, the value of which are derived from the Corporation's common shares. In addition, a Reporting Insider whose direct or indirect beneficial ownership of or control or direction over securities of the Corporation changes, must file an insider report of the change within five (5) days of the date of the change. For example, an insider report must be filed upon the exercise or vesting/pay-out, as applicable, cancellation or expiry of options or other incentive awards. Certain exemptions from the requirement to file within five (5) days apply to automatic share purchase plans and specified issuer grants where annual summary reports are filed.

All insider reports must be filed electronically pursuant to the system for electronic disclosure by insiders ("SEDI") via Internet website at [www.sedi.ca](http://www.sedi.ca) and may no longer be filed in a paper format.

Every Reporting Insider is required to complete an insider profile by completing the on-line form on the SEDI website. This insider profile will request information regarding the Reporting Insider including the Reporting Insider's name, address and telephone number, names of the entities for which the individual is an Insider and the date the Insider last filed an insider report in paper format.

It is each Reporting Insider's personal responsibility to ensure that all requisite insider trading reports are filed with the appropriate securities commissions within the statutory time limits described above.

In addition to the above reporting requirements, Reporting Insiders shall report all trades to the Chief Financial Officer of the Corporation by delivering a copy of the insider trading report filed with the applicable securities commissions at the time of such filing by email. The Chief Financial Officer of the Corporation will maintain a register of Reporting Insider security positions in the Corporation. Reporting Insiders must report all changes to the Chief Financial Officer of the Corporation , and not just the net result of changes, but details of each change in a series of changes, within five (5) days. Reporting Insiders must disclose ownership and the type of securities of the Corporation held and any grant or exercise of options must also be updated. Transfers of securities held by a Reporting Insider in the name of an agent, nominee or custodian by a Reporting Insider must also be reported.

The Chief Financial Officer of the Corporation will assist any Reporting Insider in the preparation and filing of insider reports upon request.

## **VII. PRE-CLEARANCE OF TRADES**

All Goodfood Covered Persons must pre-clear any trades in any of the securities of Goodfood, including any exercise of options with the Chief Financial Officer of the Corporation . A form of notice of intention to trade is provided hereto as Schedule C.

## **VIII. ENFORCEMENT AND POTENTIAL CIVIL AND CRIMINAL PENALTIES**

All Goodfood Covered Persons will be provided, from time to time, with a copy of this Policy. All Goodfood Covered must comply at all time with the present Policy.

The consequences of any activity prohibited by this Policy or otherwise failing to comply with this Policy can be severe and may give rise to disciplinary measures up to and including dismissal for a serious reason (cause), as well as legal sanctions such as fines and criminal sanctions.

## **SCHEDULE A - INSIDER TRADING QUICK REFERENCE LIST**

**DO NOT TRADE OR RECOMMEND/ENCOURAGE OTHERS TO TRADE IN SECURITIES OF GOODFOOD OR OF ANOTHER PUBLIC COMPANY WHEN YOU:**

- know of any Subject Information about Goodfood which has not been generally disclosed and disseminated to the public;
- know of any Subject Information about another public company which has not been generally disclosed and disseminated to the public and you learned of such Subject Information because of your business or dealings with Goodfood or otherwise;
- have received notice that you are subject to a Black-out Period; or
- have received any other notice from the Corporation that you cannot trade in securities.

## SCHEDULE B - COMMON EXAMPLES OF SUBJECT INFORMATION

- Changes in share ownership that may affect control of a company
- Major reorganizations, amalgamations or mergers
- Takeover bids, issuer bids or insider bids
- Public or private sale of additional securities
- Planned repurchases or redemptions of securities
- Planned splits of common shares or offerings of warrants or rights to buy shares
- Any share consolidation, share exchange, or stock dividend
- Changes in a company's dividend payments or policies
- The possible initiation of a proxy fight
- Material modification to rights of security holders
- A significant increase or decrease in near-term earnings prospects
- Unexpected changes in financial results for any periods
- Shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- Changes in the value or composition of a company's assets
- Any material change in the company's accounting policy
- Any development that affects the company's technology, products or markets
- A significant change in capital investment plans or corporate objectives
- Significant disputes with major contractors or suppliers
- Significant new contracts, products, patents or services or significant losses of contracts or business
- Change to the board of directors or executive management, including the departure of the company's CEO, CFO, or COO (or persons in equivalent positions)
- The commencement of, or developments in, material legal proceedings or regulatory matters

- Waivers of corporate ethics and conduct rules for officers, directors and other key employees
- Any notice that reliance on a prior audit is no longer permissible
- De-listing of the company's securities or their movement from one quotation system or exchange to another
- Significant acquisitions or dispositions of assets, property or joint venture interests
- Acquisitions of other companies, including a take-over bid for, or merger with, another company
- The borrowing or lending of a significant amount of money
- Any mortgaging or encumbering of a company's assets
- Defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- Changes in rating agency decisions
- Significant new credit arrangements.

**THE FOREGOING EXAMPLES SHOULD NOT BE CONSIDERED AS AN EXHAUSTIVE OR DETERMINATIVE LIST AS TO WHAT CONSTITUTES SUBJECT INFORMATION. EACH GOODFOOD COVERED PERSON IS INDIVIDUALLY RESPONSIBLE FOR ADHERING TO THIS POLICY AND APPLICABLE SECURITIES LAWS.**

**SCHEDULE C - FORM OF NOTICE**

To: The Chief Financial Officer

The undersigned hereby gives notice that:

- he/she wishes to trade in the securities of Goodfood which he/she holds or exercises control over on \_\_\_\_\_, 20\_\_\_\_;
- he/she wishes to exercise \_\_\_\_\_ options on \_\_\_\_\_, 20\_\_\_\_; or
- he/she wishes to elect [specify election under securities-based incentive plan] \_\_\_\_\_ options on \_\_\_\_\_, 20\_\_\_\_;

(Note: Please check any applicable box.)

I understand that I will not effect any of the foregoing transactions without your prior consent.

DATED this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Name: \_\_\_\_\_

Title: \_\_\_\_\_