

**YERBAÉ BRANDS CORP.**

**CORPORATE GOVERNANCE POLICY**

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# **YERBAÉ BRANDS CORP.**

(the “Company”)

## **CORPORATE GOVERNANCE POLICY**

### **OBJECTIVE AND SCOPE**

The objective of this corporate governance policy is to set out a governance policy that the Company’s board of directors (the “**Board**”) and senior management will adopt and follow. Set forth below are guidelines for the Company’s approach to governance including the constitution and independence of the Board and the functions to be performed by the board and its committees.

### **MANDATE OF THE BOARD OF DIRECTORS**

The Board has overall responsibility for the stewardship of the Company, including responsibility for

- (a) adoption of a strategic planning process and approval of a strategic plan,
- (b) identification of the principal risks of the Company’s business, including environment and climate change and cybersecurity related risks and vulnerabilities, and ensuring the implementation of appropriate systems to manage these risks,
- (c) succession planning, including appointing and monitoring senior management,
- (d) implementation of a communication policy for the Company regarding disclosure of corporate information, and
- (e) the integrity of the Company’s internal control and management information systems including accounting systems.

### **STRATEGIC PLANNING**

Senior management of the Company must develop long-term strategies with respect to the Company’s operations to be considered and, if deemed appropriate, adopted by the Board. The strategies are to be reviewed and updated as required.

Included in the development of these long-term strategies will be annual strategic, operating and capital plans. The strategic plan is to take into account, among other things, the opportunities and risks of the Company’s business.

## **IDENTIFICATION AND MANAGEMENT OF RISKS**

The Board has the responsibility to identify, with the advice of management, the principal risks of the Company's business, including environment and climate change and cybersecurity related risks and vulnerabilities, and must, with management, establish systems, processes and procedures to ensure that these risks are monitored and appropriately managed. These systems and procedures must include the effective management of the Company's assets and financial resources, and must ensure compliance with all regulatory obligations.

## **SUPERVISION AND SUCCESSION OF MANAGEMENT**

The Board is responsible for the supervision of senior management to ensure that the operations of the Company are conducted in accordance with objectives set by the board. The board must approve all appointments of senior management and, as part of the Company's planning process, review and discuss succession planning for senior management positions on a regular (annual) basis.

## **BOARD MEETINGS**

The Board will meet at least once each quarter and, including such quarterly meetings, a minimum of five times a year, and as may be required to fulfill its duties. The Chair of the Board (the "**Chair**"), with the assistance of the Lead Director (if there is one) and the Chief Executive Officer ("**CEO**") will be responsible for the agenda for each Board meeting.

## **BOARD PERFORMANCE EVALUATION**

The Board will oversee the process of the annual evaluation of the performance and effectiveness of the Board, Board Committees, and individual Directors. The Board may delegate the undertaking of the foregoing evaluation process to the Governance & Nominating Committee and will receive and consider reports and recommendations from the Governance & Nominating Committee on the results of the annual evaluation of the performance and effectiveness of the Board, Board committees, and on a periodic basis all individual Directors.

## **CORPORATE DISCLOSURE POLICY**

The Corporate Disclosure Policy of the Company is attached as Appendix A. Following it will ensure that all material issues relating to the Company are communicated to shareholders and other stakeholders adequately. It includes provisions regarding the release of annual and quarterly reports and press releases as well as measures to ensure selective disclosure to investors and investment analysts, potential or otherwise, is not permitted.

The Corporate Disclosure Policy must be reviewed annually by the Board.

## INTERNAL CONTROL

The Board, through the Company's Audit Committee (the "**Audit Committee**"), is responsible to ensure that management has designed and implemented an effective system of internal control and management information systems of the Company. The duties of the Audit Committee are set out in the Audit Committee charter (the "**Audit Committee Charter**"). The Audit Committee Charter is attached as Appendix B and sets out the duties and obligations of the Audit Committee and its members.

The performance of the Audit Committee and the Audit Committee Charter must be reviewed annually by the Board.

## SECURITIES TRADING POLICY

The Securities Trading Policy of the Company is attached as Appendix C. It sets out Blackout Periods when trading in securities of the Company is prohibited.

## CODE OF CONDUCT AND ETHICS

The Code of Conduct and Ethics of the Company is attached as Appendix D and sets out the ethical guidelines by which the Company will adhere to.

## OUTSIDE ADVISORS

The Board authorizes each individual director to engage an outside advisor at the expense of the Company in appropriate circumstances and subject to approval of the Board.

## COMPOSITION AND SIZE OF THE BOARD OF DIRECTORS

The Board must:

- (a) examine the size of the Board with a view to determining the impact of the number of directors upon the effectiveness of the Board,
- (b) determine the status of each director as a related or unrelated director,<sup>1</sup> based on each director's relationship with the Company, and
- (c) to the extent practicable, take steps to ensure that a majority of the directors qualify as unrelated directors and that a number of directors are appointed who do not have interests in or relationships with either the Company

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<sup>1</sup> An **unrelated director** is a director who is independent of management and free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from the holding of shares of the Company.

or a significant shareholder<sup>2</sup> and which fairly reflects the investment in the Company by shareholders other than a significant shareholder.

The Board must disclose annually whether or not the Board has a majority of unrelated directors or whether the Board is constituted with the appropriate number of directors who are not related to the Company or a significant shareholder. It must also disclose annually the analysis of the application of the principles it used in supporting its conclusion.

The Board is also responsible for annually assessing its own effectiveness and that of its committees.

#### COMMITTEES OF THE BOARD OF DIRECTORS

The board of directors of the Company appoints the four committees of the Board described below, and it may appoint other committees as needed.

##### (i) **Audit Committee**

The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in the Audit Committee Charter and/or such other matters as may be directed by the Board from time to time.

The Audit Committee will be appointed by the Board. It will be comprised of not less than three (3) members, a majority of whom must be independent directors of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 - *Audit Committees* ("NI 52-110"), provided that should the Company become listed on a more senior exchange, each member of the Audit Committee must satisfy the independence requirements of such exchange and NI 52-110. All members of the Audit Committee must be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following their appointment.

A copy of the Audit Committee Charter is attached as Appendix B. The Audit Committee Charter sets out the duties and obligations of the Audit Committee and its members.

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<sup>2</sup> A **significant shareholder** is a shareholder (alone, or jointly or in concert with another shareholder) able to exercise a majority of the votes for the election of the Board.

**(ii) Compensation Committee**

The Compensation Committee reviews matters relating to the compensation of the Company's directors and executive officers and makes recommendations to the full Board. The Compensation Committee may grant share purchase options to eligible individuals under the Company's existing plan. The adequacy and form of remuneration of the directors is reviewed annually by the Compensation Committee to ensure that it reflects the responsibilities and risks involved in being a director, including service as a committee member. The Compensation of directors may take the form of cash, common shares, options, or deferred share units, as applicable, under the Company's equity incentive plans as approved by the Board from time to time.

The Compensation Committee will be appointed by the Board. It will be comprised of not less than three (3) directors and not more than five (5) directors, a majority of whom will be independent directors. The Chair of the Compensation Committee will be appointed by the Board. The Compensation Committee will meet no less frequently than semi-annually and meetings may be called by the Chair of the Compensation Committee, or any two members of the Compensation Committee. Members of the Compensation Committee will be appointed for a one (1) year term at the first meeting of the directors of the Company following the Annual General Meeting. The quorum for the Compensation Committee is a majority of the members of the Compensation Committee then in office.

The Compensation Committee shall also:

- (a) review and make recommendations regarding compensation issues, in particular:
  - (i) compensation philosophy and policies;
  - (ii) competitive positioning, including establishing competitive base salaries and incentive awards for senior officers that are consistent with salaries for senior officers of other technology corporations;
  - (iii) annual review of the performance of the senior officers of the Company on behalf of the Board;
  - (iv) payments and awards to senior officers under the Company's salary and incentive plans;
  - (v) annual aggregate incentive compensation payouts to management, including security-based compensation arrangements, and profit sharing to employees; and
  - (vi) director compensation.

- (b) review:
  - (i) senior management succession planning;
  - (ii) senior management development and training; and
  - (iii) significant changes in organizational structure.
- (c) ensure for each meeting that minutes are recorded, drafted and circulated on a timely basis to Compensation Committee members.
- (d) the Compensation Committee will, from time to time, establish parameters and guidelines pertaining to the magnitude (range) and frequency of security-based compensation arrangements for eligible new hires and other employees including extending option periods or changing vesting provisions.
- (e) The Compensation Committee will establish parameters and guidelines for any other form of long term incentive plan that may be used by the Company.

**(iii) Governance & Nominating Committee**

The Governance & Nominating Committee is responsible for the recruitment and evaluation of nominees to the board of directors, including management nominees. The Governance & Nominating Committee must determine, in light of the opportunities and risks facing the Company, what competencies, skills and personal qualities should be sought in new board members in order to add value to the Company. The results of such a discussion will provide a framework for identifying and proposing new nominees.

Governance & Nominating Committee members shall serve until qualified successors are duly designated and appointed by the Board. Any member may be removed at any time, with or without cause, by a majority of the Board then in office. Any vacancy in the Governance & Nominating Committee occurring from any cause may be filled by appointment of a majority of the Board then in office.

The Governance & Nominating Committee's chairperson shall be designated by the Board. A majority of the members of the Governance & Nominating Committee shall constitute a quorum for the transaction of business and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Governance & Nominating Committee.

The Governance & Nominating Committee may form and delegate authority to subcommittees as and when deemed appropriate.



The Governance & Nominating Committee is also responsible for ensuring that the prospective candidates for new directors understand the role of the Board, the role of any Board committees and the contribution individual directors are expected to make including, in particular, the commitment of time and energy that the Company expects of its directors.

The Governance & Nominating Committee is also responsible for the development and supervision of the Company's approach to corporate governance issues, including the Corporate Governance Policy, the Code of Conduct, and the Securities Trading Policy (collectively, the "**Corporate Governance Policies**").

In discharging its responsibilities, the Governance & Nominating Committee shall have the sole authority to, and shall, do the following:

- (a) review the Corporate Governance Policies on an annual basis and, if considered appropriate by the Governance & Nominating Committee, suggest changes to the Board;
- (b) review whether any director who has a change of employer or primary occupation, or whose occupational responsibilities are substantially changed from when the director was elected to the Board (excluding retirement), should resign as a director of the Company and make an appropriate recommendation to the Board, considering whether or not the new occupation of the director is consistent with the specific rationale for originally selecting that individual as a director of the Company;
- (c) review critically each director's continuation on the Board every year considering, among other things, a director's service on other boards and the time involved in such other service;
- (d) establish a process for the evaluation of the performance of the Board and each of its committees, which should include a solicitation of comments from all directors and a report annually to the Board on the results of this evaluation; and
- (e) such other tasks as may be assigned to the Committee by the Board from time to time.

#### **DECISIONS REQUIRING PRIOR APPROVAL BY THE BOARD OF DIRECTORS**

To the extent permitted under governing law, the Board may delegate to senior management or to a committee of the Board certain of its responsibilities, but it must maintain policies with respect to matters that cannot be delegated and that require prior approval of the Board. These policies, and the understanding between management and the board through previous board practice and accepted legal practice, will require that the Company's annual strategic, operating and capital plans, significant capital

expenditures and all transactions or other matters of a material nature must be presented by management for approval by the Board.

#### **NEW DIRECTORS**

New directors, as part of the orientation program, must meet with senior management to discuss the business of the Company and receive historical and current operating and financial information and may tour selected facilities of the Company.

#### **SHAREHOLDER FEEDBACK AND CONCERNS**

In addition to the information provided to shareholders in connection with the annual general meeting of shareholders and the continuous disclosure requirements of applicable securities laws, the Company must maintain a policy of ongoing communication and engagement with shareholders, investors and representatives of the investment community to receive their views and feedback on governance and other relevant matters. Inquiries by shareholders should be directed to and dealt with by senior management and, in addition, can be directed to the Chair. Management and the Chair shall report periodically to the Board on any valid concerns expressed by shareholders.

#### **EXPECTATIONS OF MANAGEMENT**

The Board must determine its expectations of senior management and ensure that senior management understands these expectations. The Board must approve the corporate objectives which the CEO is responsible for meeting and assess the CEO against these objectives.

As part of the ongoing process of monitoring the performance of management, the Board must receive operational updates on each business unit of the Company, as applicable, at each Board meeting. These updates will compare actual performance to the Company's annual forecast and include discussion of all significant variances from the forecast.

## APPENDIX A

### CORPORATE DISCLOSURE POLICY

February 8<sup>th</sup>, 2023

#### Objective and Scope

The objective of this Corporate Disclosure Policy (this “**Policy**”) is:

- to ensure that all communications to the public by Yerbaé Brands Corp. are timely, complete and accurate,
- to ensure that such communications are broadly disseminated in accordance with all applicable Canadian legal and regulatory requirements, and
- to protect and prevent the improper use or disclosure of material information and confidential information of Yerbaé Brands Corp.

This Policy extends to all employees of Yerbaé (as defined herein), the Company’s board of directors (the “**Board**”), and those authorized to speak on the Company’s behalf and all other insiders. It covers disclosure in documents filed with the securities regulators and written statements made in Yerbaé’s annual and quarterly reports, news releases, letters to shareholders, presentations by senior management, and information contained on our website and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls. It also extends to materials disseminated or statements made at industry or trade conferences or presentations.

This Policy is in addition to and, in the case of any conflicts, supersedes Yerbaé’s existing policies and practices regarding confidential information. Employees, officers and Board members are reminded that they should assume that all corporate information is confidential, unless told otherwise.

References to the “Company” and “Yerbaé” include Yerbaé Brands Corp. and all of its wholly owned subsidiaries. Other companies affiliated with Yerbaé will be encouraged to adopt similar policies.

#### Related Policy

Yerbaé’s Securities Trading Policy continues to apply, and is reaffirmed and incorporated by reference into this Policy.

## Designated Spokespersons

All disclosure of corporate information and all communications with analysts will be made only by individuals who have been authorized for this purpose. The Chair of the Board, the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) are currently authorized as Yerbaé’s primary corporate spokespersons. From time to time, they may authorize other persons to communicate with the media or the investor community. Anyone who is not authorized must not respond under any circumstances to inquiries from the investment community, the media or others. All such inquiries shall be referred to one of the persons authorized to make disclosure on the Company’s behalf.

It is not the intent of this Policy to restrict employees from speaking at conferences or to outside parties where doing so serves a legitimate business purpose. However, when doing so, employees must ensure that any Company information provided is in compliance with this Policy and should contact a member of the Disclosure Committee (as defined herein) if in doubt about the appropriateness of supplying certain information.

## Disclosure Committee

The Company has established a Disclosure Committee (the “**Disclosure Committee**”) whose responsibility will be to review and approve all public disclosure before its release. The Disclosure Committee will report to the Board, either directly or through the Company’s Audit Committee (the “**Audit Committee**”), and is comprised of the following individuals:

Name	Position(s)
Todd Gibson	CEO
William Finn	CFO
Karrie Gibson	COO
◆	◆

As soon as senior employees of the Company become aware of pending developments that may have an impact on disclosure requirements, they are required to inform at least one member of the Disclosure Committee. The CFO is accountable for determining whether the information is material.

The Disclosure Committee will meet on a regular basis as well as on an ad hoc basis as disclosure requirements dictate. The Disclosure Committee may involve such other representatives of the Company as it determines appropriate in order to discharge its responsibilities. The key meetings are outlined below.

*(i) First Annual Disclosure Committee Meeting*

Each December, the Disclosure Committee will meet to prepare for the annual disclosures in the following year, including:

- Update disclosure checklists and timetables for the year;
- Assign responsibilities for the year; and
- Review new disclosure requirements and new accounting guidelines.

*(ii) Second Annual Disclosure Committee Meeting*

The second annual Disclosure Committee Meeting will be held prior to the release of the Company's annual financial statements, managements discussion & analysis ("MD&A"), management information circular, annual information forms, or business acquisition reports, as applicable, to review the draft documents and prepare recommendations to the Board. The preparation and release of the year end results via press release, if deemed advisable by the Board, will be reviewed by the Disclosure Committee prior to this second meeting.

*(iii) Interim Disclosure Committee Meetings*

The interim report to shareholders will be reviewed by the Disclosure Committee immediately prior to the Board or Audit Committee meetings to approve same.

*(iv) Ad Hoc Disclosure Committee Meetings*

Ad hoc meetings (either in person or via teleconference) of a quorum of the Disclosure Committee will be required to review and approve all news releases disseminated by the Company. A quorum will consist of two members of the Disclosure Committee.

**Disclosure Controls and Procedures**

The Company's disclosure controls and procedures will be implemented and monitored by the Corporate Governance Committee in accordance with the following guidelines:

- (a) The Corporate Governance Committee shall assign responsibility to the appropriate individuals to draft the required disclosures in the material public disclosures of the Company and shall develop a timeline to ensure the drafting and review is conducted in a timely manner.
- (b) The Corporate Governance Committee shall review new developments, key risks and business challenges or areas of concern for special attention during the drafting process.

- (c) All personnel who are requested to have direct input into the preparation of core corporate documents (“**Core Documents**”) will be provided with instructions and such other additional information as they may require to ensure that they are familiar with the Company’s obligations, the importance of compliant and accurate disclosure and the reliance which is being placed upon them.
- (d) The Corporate Governance Committee shall meet as many times as may be necessary to review the draft, consider all comments raised by members of the Corporate Governance Committee and other reviewers. Concerns will be addressed with outside counsel and the independent auditors, as necessary.
- (e) Where it considers it necessary or advisable, the Corporate Governance Committee will have portions of Core Documents reviewed by another knowledgeable person. Financial information in the Core Documents shall undergo a second internal review by the auditors where appropriate (e.g. financial statements, MD&A, annual information forms and business acquisition reports).
- (f) To serve as an additional record of the procedures employed, and to emphasize the importance of accurate and reliable information in the Company’s material public disclosures, the Corporate Governance Committee shall ask the appropriate persons to provide his or her confirmation that all material information has been brought forward to the Corporate Governance Committee. Each will be asked to provide their certification in a form to be approved by the Corporate Governance Committee.
- (g) Operations personnel will be required to provide their confirmation, as appropriate, that all material information has been communicated to the responsible executive officers.
- (h) Once the Corporate Governance Committee has agreed upon a final draft, the Corporate Governance Committee shall report to the CEO and the CFO:
  - (i) that it has followed the disclosure controls and procedures;
  - (ii) the Corporate Governance Committee’s findings and conclusions regarding the effectiveness of the Company’s disclosure controls and procedures; and
  - (iii) the Corporate Governance Committee’s assessment of the quality of the disclosures made in the Company’s Core Documents,

and the Corporate Governance Committee shall meet with the CEO and/or the CFO to discuss any questions, which either may have, and to report in person, upon the request of the CEO and/or the CFO.

- (i) If for any reason the Corporate Governance Committee cannot agree upon its report, it shall meet with the CEO and the CFO to discuss its procedures and the issues which remain outstanding.

### **Principles of Disclosure of Material Information**

**“Material Information”** consists of both “material facts” and “material changes”. A “material fact” means 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 Company. A “material change” means a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company and includes a decision to implement such a change if such a decision is made by the Board or by senior management of the Company who believe that confirmation of the decision by the Board is probable.

In complying with the requirement to disclose all Material Information under applicable securities laws and stock exchange rules, the Company will adhere to the following basic disclosure principles:

1. Information that meets the criteria for public disclosure will be publicly disclosed as soon as practicably possible via broadly disseminated news release.
2. Where permitted by law, the Company may delay or withhold public disclosure of certain information until such time that the Disclosure Committee determines it is appropriate to be publicly disclosed. In such circumstances, the Disclosure Committee may cause a confidential material change report to be filed with the applicable securities regulators, and the Disclosure Committee will periodically (at least every 10 days) review its decision to keep the information confidential.
3. Unfavourable Material Information must be disclosed as promptly and completely as favourable information.
4. There will be NO selective disclosure. Disclosure cannot be made to select outside parties (including brokers, analysts and existing or potential shareholders) before broad public disclosure, except in the necessary course of Yerbaé’s business and where controls are put in place to prevent inappropriate use or disclosure of such information. Typically, this exception applies to lenders, auditors, financial advisors and parties to commercial negotiations.

5. Disclosure should be consistent among all audiences, including the investment community, the media, customers and employees.
6. Disclosure on the Company's website alone does not constitute adequate disclosure of Material Information.
7. Disclosure must be corrected as soon as practicably possible if the Company subsequently learns that earlier disclosure by the Company contained a material error at the time it was given.

### **Maintaining Confidentiality**

Any employee privy to confidential information is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business. Efforts will be made to limit access to such confidential information to only those who need to know the information and such persons will be advised that the information is to be kept confidential.

Communications by email leaves a physical track of its passage that may be subject to later decryption attempts. Caution (including the use of code words, passwords, and encryption if appropriate) should be exercised whenever confidential Material Information is to be transmitted over the Internet.

Outside parties privy to undisclosed Material Information concerning the Company will be told that they must not divulge such information to anyone else, other than as expressly permitted by the Company, and that they may not trade in the Company's securities until the information is publicly disclosed. Such outside parties must confirm their commitment to non-disclosure and the trading prohibition.

In order to prevent the misuse or inadvertent disclosure of Material Information, the following procedures should be observed at all times:

- Documents and files containing confidential information should be kept in a safe place and should only be available to individuals who "need to know" that information in the normal course of business.
- Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.
- Confidential matters should not be discussed on wireless devices without taking reasonable precautions.
- Documents containing confidential matters should not be read in public places without exercising proper care, and should not be discarded where others can retrieve them.



- Employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
- Transmission of documents by electronic means such as by fax or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
- Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
- Access to confidential electronic data should be restricted through the use of passwords.

### **News Releases**

Once it has been determined that a development is material, the Disclosure Committee will authorize the issuance of a news release as soon as practicable, unless it is determined that such development should remain confidential for the time being, and appropriate control of that inside information is instituted. Should a material statement inadvertently be made in a selective forum, the matter will be promptly reported to a member of the Disclosure Committee and the Disclosure Committee will determine if the Company should issue a news release in order to fully disclose that information.

If the stock exchange upon which securities of the Company are listed is open for trading at the time of a proposed announcement, prior notice of a news release announcing Material Information must be provided to the exchange's market surveillance department to enable a trading halt, if deemed necessary by the stock exchange. If a news release is issued outside of trading hours, market surveillance must be notified before the market opens.

News releases regarding the Company's financial statements, MD&A and annual and interim earnings will be reviewed by the Audit Committee and approved by the Board prior to dissemination. The Board approval function may be delegated to a committee of the Board. Annual and interim financial results will be publicly released promptly following Board or delegated committee approval of the MD&A, financial statements and notes thereon. Any other news releases containing financial information extracted or derived from the Company's financial statements will be reviewed by the Disclosure Committee prior to issuance.

News releases will be disseminated through a news wire service that provides national distribution.

News releases will be posted on the Company's website and SEDAR profile promptly after confirmation of dissemination over the news wire. In the event of a the Company discloses such Material Information which comprises a material change, the Company will promptly file such reports or other filing necessary (including a Form 51-102F3 – *Material Change Report*) on the Company's profile on SEDAR and, in any event, no later than 10 days after the occurrence of such material change.

### **Contact with Analysts, Investors and the Media**

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non public information. If Yerbaé intends to announce Material Information at an analyst or shareholder meeting or a press conference or conference call, that announcement must be preceded by a news release.

Meetings with analysts and significant investors are important to the Company's investor relations program. Yerbaé will meet with analysts and investors on an individual or small group basis as needed and will initiate contacts or respond to analyst and investors calls in a timely, consistent and accurate fashion in accordance with this Policy.

The Company will provide only non Material Information through individual and group meetings, in addition to regular publicly disclosed information, recognizing that an analyst or investor may construct this information into a mosaic that could result in Material Information. The Company may not alter the materiality of information by breaking down the information into smaller, non-material components. All analysts are to be provided equal treatment regardless of whether they are recommending buying, holding or selling the Company's shares.

Where practical, more than one Company representative will be present at all individual and group meetings. In the event of any inadvertent selective disclosure of previously undisclosed Material Information during such meetings, the Company will as soon as practicably possible disclose such information broadly via news release.

### **Conference Calls**

The Company holds conference calls for quarterly earnings releases and, where appropriate, major corporate developments. These calls are accessible simultaneously to all interested parties, some as participants by telephone, and others in a listen only mode by telephone or through webcast.

The Disclosure Committee will hold a debriefing meeting immediately after the conference call and if such debriefing identifies selective disclosure of previously undisclosed Material Information, the Company will disclose such information as soon as practicably possible broadly via news release.

### **Accidental Disclosure**

If an employee, officer or board member inadvertently discloses material confidential information to an outside party and is concerned that such disclosure may not have been in accordance with this Policy, such person must promptly notify a member of the Disclosure Committee. If the Disclosure Committee concurs, the Company will disclose that information as soon as practicably possible broadly via news release.

### **Rumours**

The Company does not comment upon market rumours or speculation. Should the relevant stock exchange request that the Company make a clarifying statement if market activity indicates that trading is being unduly influenced by rumour or misinformation, the Disclosure Committee will consider the matter and determine whether to make an exception to this Policy and issue a news release.

### **Electronic Information and Internet Chat Rooms, Social Media and Other Forums**

After release through the newswire service, news releases are posted to the investor relations section of the Company's website, if applicable. Posting on the website alone does not satisfy the requirement of broad dissemination of material, non public information.

In order to ensure that no material undisclosed information or confidential information of the Company is inadvertently disclosed, directors, officers and employees are prohibited from participating in internet chat rooms, social media, electronic newsgroups, blogs or bulletin board discussions on matters pertaining to the Company's activities or its securities without the approval of the Disclosure Committee.

### **Analysts' Models, Estimates and Reports**

It is Yerbae's policy to review, upon request, analyst's draft research reports or models. Authorized representatives of the Company will review the report or model for the purpose of pointing out errors in fact based on publicly disclosed information, or to question an analyst's assumptions if they do not appear to take into account previously disclosed public information. The Company does not confirm, or attempt to influence, an analyst's opinions or conclusions. Nor does it express any comfort with or disagreement with the analyst's financial models and earnings estimates.

In order to avoid appearing to "endorse" an analyst's report or model, the Company provides its comments orally, or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

### **Limits of Distribution of Analyst Reports**

Yerbaé views analyst reports as proprietary information belonging to the analyst's firm. Re-circulating these reports may be viewed as an endorsement by the Company of the report. For these reasons, we will not initiate the distribution of analyst reports through any means, including posting information to the Company website, to persons outside of Yerbaé unless we are responding to a specific request for information in which case they will be accompanied with an appropriate disclaimer. The Company may distribute analyst reports to its directors and senior employees to monitor the communications of the Company and to assist them in understanding how the marketplace values the Company and how corporate developments affect the analysis. Analyst reports may also be provided to the Company's financial and professional advisors in the normal course of business.

Yerbaé may post on its website a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on Yerbaé. If provided, such list will not include links to the analysts' or any other third party websites or publications.

### **Forward-Looking Information**

To help the investor community evaluate the Company, the Company shall sometimes disclose forward looking information. If this information is Material Information, the Company will ensure it is broadly disseminated by news release. In doing so, the Company shall identify that the information is forward looking, and say in very specific terms that the actual results may differ materially from the forward looking information.

Accordingly, the Company shall identify the material assumptions used in the preparation of the forward looking information, and accompany such information with a statement that the information is subject to change after the stated date. The Company shall also disclaim any intention to update or revise this statement of forward looking information except as required by applicable securities legislation.

### **Managing Expectations**

Yerbaé's policy is to not issue earnings estimates. However, the Company may respond to unsolicited inquiries concerning factual matters.

### **Quiet Periods**

In order to avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, the Company will observe a regularly scheduled quiet period, during which the Company will not initiate any meetings or telephone contacts with analysts and investors and no earnings guidance will be provided to anyone, other than responding to unsolicited inquiries concerning factual matters. No

comments concerning the current fiscal period, nor any comments respecting past or present guidance, are permitted during any quiet period. The quiet period shall commence on the fifteenth (15<sup>th</sup>) day prior to the requisite filing date of each fiscal period's financial results and end on the earlier of (a) the second trading day following the filing of such financial results and (b) the issuance of a news release disclosing the same.

If the Company is invited to participate during a quiet period, in investment meetings or conferences organized by others, the Disclosure Committee will determine, on a case by case basis, if it is advisable to accept these invitations. If accepted, there must be no selective disclosure of any material, non public information.

### **Communication and Enforcement**

The Disclosure Committee will ensure that directors, officers and all appropriate employees will be advised of this Policy and its importance on an annual basis.

Any employee who violates this Policy may face disciplinary action up to and including termination of his/her employment without notice. Violation of this Policy may also violate certain securities laws, which could expose directors, officers or employees to personal liability. If Yerbaé discovers that an employee has violated any securities laws we may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

### **Contact Persons and Reporting**

If you have any questions about any aspects of this Policy or your duties under it, please contact one of the members of the Disclosure Committee.

If you become aware of any actual or possible violation of this Policy, you are encouraged to promptly report this violation. For details on how to report such violations, please refer to the Code of Conduct and Ethics of the Company attached as Appendix D.

### **Charter**

A copy of the Disclosure Committee's charter is attached hereto as Exhibit A.

## Exhibit A

### Disclosure Committee Charter

1. To review, on an ongoing basis, Yerbaé's Corporate Disclosure Policy (the "Policy") to ensure that it facilitates compliance with applicable legislative and regulatory reporting requirements.
2. Identify appropriate industry and Company benchmarks for a preliminary assessment of materiality, and using experience and judgment, to determine when developments justify the public release of Material Information.
3. To design a set of "disclosure controls and procedures" to provide reasonable assurance that:
  - (a) the Policy is effectively implemented across all business units and corporate functions; and
  - (b) information of a material nature is accumulated and communicated to senior management, including the CEO and CFO, to allow timely decisions on required disclosures.
4. To ensure the appropriate review takes place prior to issuance or submission to the Audit Committee or Board of:
  - (a) annual and interim filings, management information circulars, material change reports, annual information forms, and any other information filed with securities regulators;
  - (b) news releases containing financial information, earnings guidance, information about material acquisitions or dispositions, or other information material to investors; and
  - (c) presentations and reports containing financial information broadly disseminated to analysts, creditors and investors, including financial information displayed on Yerbaé website.
5. To direct and supervise an annual or interim evaluation of the effectiveness of Yerbaé's disclosure controls and procedures.
6. To ensure that policies and guidance related to corporate disclosure and financial reporting are developed and issued, and that communication of matters affecting disclosure and financial reporting efficiently flows down, across and up the organization.

7. To bring to the attention of the CEO and CFO, all relevant information with respect to the Disclosure Committee's activities, the annual or interim filings, and the evaluation of the effectiveness of Yerbaé's disclosure controls and procedures.

## **Exhibit B**

### **Potential Material Events**

Material Information is any information relating to the business and affairs of the Company that results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions. A judgment with respect to materiality is, in each case, a facts and circumstances analysis, and will require careful and informed judgment by the Disclosure Committee in consultation with legal counsel. The CFO will be accountable for determining whether information is material.

It is essential that the Disclosure Committee be kept fully apprised of all pending material Company developments and facts in order to evaluate and discuss those events and facts and to determine the appropriateness and timing for public release of information. If it is deemed that the information should remain confidential, the Disclosure Committee will determine how that inside information will be controlled.

Without limiting the previous paragraph, the Disclosure Committee shall promptly be made aware of each of the following:

- Any change in control of the Company;
- The Company's acquisition or disposition of a significant amount of assets outside the ordinary course of business;
- The Company's bankruptcy or receivership;
- Any change in the Company's certifying officers;
- The resignation of any director of the Company (or a director declining to stand for re-election);
- The appointment, resignation or termination of any executive officer of the Company;
- A change in the Company's fiscal year;
- Entry into, or amendment or termination of, a material agreement not made in the ordinary course of business;
- Termination or reduction of a business relationship with a customer that constitutes 5% or more of the Company's revenues;



- Termination or reduction of a business relationship with, or financial difficulty of, any material consultant, advisor, law firm, or accounting firm;
- Creation of a direct or contingent material financial obligation (including any guarantee that is material to the Company);
- Events triggering a direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation;
- Activities resulting in material write-offs and restructuring charges;
- Material loans to directors, officers, employees or significant shareholders;
- The use of off balance sheet financing or special purpose vehicles;
- Any material goodwill or asset impairment;
- Activities resulting in material write-offs and restructuring charges;
- Any change in, or withdrawal of, a rating agency rating of the Company (or refusal to provide one upon request), issuance of a credit watch or change in the Company's outlook;
- Movement of the Company's securities from one exchange or quotation system to another, delisting of the Company's securities from an exchange or quotation system, or a notice that a Company does not comply with a listing standard;
- Conclusion or notice that security holders no longer should rely on the Company's previously issued financial statements or a related audit report;
- Any material amendment to the Company's charter or by laws;
- Any material tax reduction strategies;
- Any unregistered sales of equity securities by the Company;
- Any material modifications to rights of holders of the Company's securities;
- Any other event or development outside of the ordinary course of business that is material to the Company's results of operations, financial condition or prospects, or to its business, operations or capital, or which a reasonable person could believe would be of importance to the Company's shareholders.

## APPENDIX B

### Audit Committee Charter

#### PURPOSE AND PRIMARY RESPONSIBILITY

1. This charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "**Board**") of Yerbaé International Ltd. (the "**Company**"), annual evaluation and compliance with this charter.
2. The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

#### MEMBERSHIP

3. At least a majority of the Audit Committee must be comprised of independent directors of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"), provided that should the Company become listed on a more senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.
4. The Audit Committee will consist of at least three members, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three members, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52-110.
5. The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.

6. The Chair of the Audit Committee will be appointed by the Board.

#### **AUTHORITY**

7. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:
  - (i) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;
  - (ii) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
  - (iii) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

#### **DUTIES AND RESPONSIBILITIES**

8. The duties and responsibilities of the Audit Committee include:
  - (i) recommending to the Board the external auditor to be nominated by the Board;
  - (ii) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;
  - (iii) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
  - (iv) overseeing the work of the external auditor;
  - (v) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to the Company;

- (vi) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
- (vii) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;
- (viii) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;
- (ix) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;
- (x) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;
- (xi) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;
- (xii) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;

- (xiii) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;
- (xiv) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;
- (xv) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
- (xvi) reviewing with management and the external auditors the integrity of disclosure control and internal controls over financial reporting;
- (xvii) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;
- (xviii) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;
- (xix) resolving disputes between management and the external auditor regarding financial reporting;
- (xx) establishing procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and

- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (xxi) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- (xxii) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
- (xxiii) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;
- (xxiv) establishing procedures for:
  - (a) reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;
  - (b) reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("CFO") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;
  - (c) obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("CEO") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;
  - (d) reviewing fraud prevention policies and programs, and monitoring their implementation;
  - (e) reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:
    - I. Tax and financial reporting laws and regulations;
    - II. Legal withholding requirements;
    - III. Environmental protection laws and regulations; and
    - IV. Other laws and regulations which expose directors to liability;

9. A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.
10. On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

## **MEETINGS**

11. The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.
12. The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.
13. The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.
14. The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.
15. The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.
16. Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

## **REPORTS**

17. The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.
18. The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

#### **MINUTES**

19. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

#### **ANNUAL PERFORMANCE EVALUATION**

20. The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.



## APPENDIX C

### Securities Trading Policy

February 8<sup>th</sup>, 2023

#### Introduction

This Securities Trading Policy (this “**Policy**”) is intended to raise the general level of awareness of the trading and confidentiality obligations of employees, contractors, officers and directors of the Company.

In this Policy, “Yerbaé” means Yerbaé Brands Corp. and each other member of the Yerbaé group of companies. References to “the Company” refer specifically to Yerbaé

Broadly speaking, an employee, consultant, officer or director of Yerbaé (including their spouse and other relatives with the same home as that person) with knowledge of an undisclosed material fact or material change respecting Yerbaé shall not trade in securities of the Company and shall not use or selectively disclose such information until the information is publicly known. In order to reduce potential exposure for liability under applicable securities laws, employees, contractors, officers and directors (and their spouses, and other relatives in their household) must not trade in the Company’s securities during

1. any “**Blackout Period**” as such term is defined in this Policy, and
2. when advised not to do so by any member of the Disclosure Committee of the Company (the “**Disclosure Committee**”) as a result of the existence of such undisclosed Material Information.

This trading restriction also applies to all securities and accounts over which such employees, contractors, officers or directors have control or direction, whether or not of such person or of relatives in the same household.

Breaches of confidentiality and violations of insider trading and tipping laws carry severe consequences both for the Company and the individuals involved. Therefore, all employees, contractors, officers and directors of the Company must comply with the provisions and procedures of this Policy. This trading restriction continues to apply to former directors, contractors, officers and employees even after termination of their employment or other arrangements with Yerbaé until the material fact or material change becomes public or non-material.

#### Trading in Securities of the Company

Under applicable securities laws, a person in a “special relationship” with the Company must not “trade” in or enter into a transaction involving securities of the Company if

the person knows of a material fact or material change with respect to Yerbaé that has not been generally disclosed to the public. If the person trades securities of the Company in such a circumstance, the person may be liable to compensate the seller or purchaser of the securities, as the case may be, for damages resulting from the trade. A “trade” includes a purchase or sale of securities, an offer or solicitation to purchase or sell securities and an exercise of an option, warrant or other convertible security.

### Special Relationship

All directors and officers, and their associates (which include their spouses and other relatives in their household) and affiliates, and all employees and contractors are in a special relationship with the Company, as are former directors, officers, contractors and employees who acquired knowledge of a non-public material fact or material change with respect to Yerbaé while in office. In addition, anyone who acquires knowledge of a non-public material fact or material change with respect to Yerbaé from a person in a special relationship with the Company is deemed to be in a special relationship with the Company.

The significance of this last portion of the definition is that it creates an indefinite chain so that any person who either trades on or discloses a non-public material fact or material change acquired directly or indirectly from someone “on the inside” will be caught by the insider trading provisions.

### Material Information

Any fact or any change in the business, operations or capital of the Company, or a decision by the board of directors of the Company (the “**Board**”) or by senior management (who believe confirmation by the Board is probable) to implement such a change, that would reasonably be expected to have a significant effect on the value or market price of the Company’s securities is a material fact or material change. This includes information about significant changes to senior management, financial results, decisions concerning dividends, major acquisitions, dispositions, investments, sales or restructurings, and the acquisition or loss of important contracts.

### Rule Against Tipping

Employees, contractors, officers and directors with knowledge of a material fact or material change with respect to Yerbaé that has not been generally disclosed to the public must not inform or “tip” others of any such information, except as required in order to carry out the duties of the person’s office or employment with the Company.

### Rule as it Applies to Other Entities

Where Yerbaé is involved in a material undisclosed transaction with another entity, each employee, officer and director of Yerbaé is in a special relationship with the other

entity and, therefore, cannot trade in securities of the other entity using knowledge pertaining to the transaction.

### When Information Becomes Public and Blackout Periods

Information is considered to become public when it has been released to the public through appropriate channels, such as by press release or public statements by senior officers.

In recognition of the need to ensure that enough time has elapsed to permit the investment community to absorb and evaluate information, the Company has established “Blackout Periods” during which employees, contractors, officers and directors (and their spouses and other relatives in their household) must not trade in the Company’s securities, including securities or accounts over which such persons have control or direction, whether or not of such persons or of relatives in the same household. The trading restriction under an established Blackout Period continues to apply to former directors, contractors, officers and employees who terminated their employment or other arrangements with Yerbaé during such Blackout Period until the applicable Blackout Period has ended.

The “Blackout Period” in respect of a fiscal quarter is:

- the period beginning on the first day of the immediately following fiscal quarter of the Company and ending at the end of the second clear trading day after the day of the announcement of the financial results for the fiscal quarter and, in respect of the fourth fiscal quarter, the financial results for the year, and
- for all other Yerbaé announcements containing Material Information, the period beginning on the day of the announcement and ending at the end of the second clear trading day after the day of the announcement.

### Blackout Period Example

For the first quarter, the Blackout Period would begin on April 1<sup>st</sup>. Assuming that first quarter results were announced on April 15<sup>th</sup>, the Blackout Period would end at the end of April 17<sup>th</sup>. This would leave the period of April 18<sup>th</sup> to June 30<sup>th</sup> as an available trading period.

### Pre-Clearance for Trading Outside Blackout Periods

Because at any time outside the established Blackout Periods there may exist corporate information concerning an existing or potential material fact or material change that has not been publicly disclosed and which might significantly affect the price or value of the Company’s securities, any trades by a director or officer or by an employee or consultant who may have access to this information (or by any spouse or other relatives

in the same household as such directors, officers, contractors or employees) must be pre-cleared in advance by the Chief Financial Officer (“CFO”) or, if unavailable, another member of the Disclosure Committee.

#### Post-trade Notification

All trades of securities by an officer or director, or any of his or her associates (which includes their spouse and other relatives in their household), must be reported by the officer or director within three days to the CFO or, if unavailable, another member of the Disclosure Committee.

#### Definition of Reporting Insider

All directors, senior officers (including the Chief Executive Officer (“CEO”), CFO, Chief Operating Officer (“COO”), President, any Vice-President, the Secretary or any other individual who performs a similar function, as applicable), directors and senior officers of any subsidiaries of the Company and any person or individual that beneficially owns or exercises control or direction over 10% or more of the common shares of the Company is a reporting insider of the Company. Note that the trading restrictions described above cover individuals that are in a “special relationship” with the Company which is a broader category than “reporting insiders”. The reporting insider designation identifies those individuals who are required by law to publicly disclose their trades.

#### Insider Trading Reporting

It is the personal duty of each of Yerbaé’s directors, senior officers and other reporting insiders to file insider reports following any trade or other change in holdings of securities of the Company (including the exercise of any options) in accordance with applicable securities laws. The Company assists directors and officers with the filing procedures by providing administrative support. This administrative support does not remove individual responsibility to file insider reports in a timely and accurate fashion. Currently, insider reports must be filed within five days after a change in direct or indirect beneficial ownership of, or control or direction over, the Company’s securities (three days for control persons). Insider trading reports may be filed electronically through the electronic filing system known as “SEDI”. Copies of all insider trading reports filed are to be promptly provided to the CFO or, if not available, another member of the Company’s Disclosure Committee.

#### Individual Responsibility

Each insider or person in a special relationship with the Company has the individual responsibility to comply with this policy and applicable securities laws. The guidelines set forth in this policy are guidelines only, and appropriate judgement should be exercised in connection with any trade in the Company’s securities.

## Exhibit A

### Individuals and Entities to Whom this Policy Applies

This Policy applies to Contractors, Directors, Employees, Officers, Persons in a Special Relationship with the Company and Reporting Insiders.

“**Contractors**” means independent contractors of the Company or any of its subsidiaries (as outlined below);

“**Directors**” means directors of the Company;

“**Employees**” means full-time, part-time, contract or secondment employees of the Company or any of its subsidiaries;

“**Officers**” means officers of the Company or any of its subsidiaries;

“**Persons in a Special Relationship with the Company**” means:

1. Directors, Officers, Employees and Contractors;
2. Significant Shareholders;
3. directors, officers, employees and contractors of Significant Shareholders;
4. members of an operating or advisory committee of the Company or any of its subsidiaries;
5. directors, officers, partners and employees of a company that is engaging in any business or professional activity with the Company or any of its subsidiaries and who routinely comes into contact with Material Information;
6. persons or companies that learned of Material Information with respect to the Company from a person or company described in (1) through (5) of this definition and knew or ought reasonably to have known that the other person or company was in such a special relationship; and
7. spouses, live-in partners or relatives of any of the individuals referred to in (1) through (6) who reside in the same household as that individual.

“**Reporting Insider**” means an insider of the Company if the insider is:

1. the CEO, CFO or COO of the Company, of a significant shareholder of the Company or of a major subsidiary of the Company;

2. a director of the Company, of a significant shareholder of the Company or of a major subsidiary of the Company;
3. a person or company responsible for a principal business unit, division or function of the Company;
4. a significant shareholder of the Company;
5. a significant shareholder based on post-conversion beneficial ownership of the Company's securities and the CEO, CFO, COO and every director of the significant shareholder based on post-conversion beneficial ownership;
6. a management company that provides significant management or administrative services to the Company or a major subsidiary of the Company, every director of the management company, every CEO, CFO and COO of the management company, and every significant shareholder of the management company;
7. the Company itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security; or
8. any other insider that
  - (a) in the ordinary course receives or has access to information as to material facts or material changes concerning the Company before the material facts or material changes are generally disclosed; and
  - (b) directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the Company;

**"Significant Shareholder"** means a person or company that has beneficial ownership of, or control or direction over, whether direct or indirect, or a combination of beneficial ownership of, and control or direction over, whether direct or indirect, securities of an issuer carrying more than 10 percent of the voting rights attached to all the Company's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person or company as underwriter in the course of a distribution.

A company is considered to be a **"Subsidiary"** of another company if it is controlled by (1) that other company, (2) that other and one or more companies, each of which is controlled by that other, or (3) two or more companies, each of which is controlled by that other; or it is a subsidiary of a company that is that other's subsidiary. In general, a company will control another company when the first company owns more than 50% of the outstanding voting securities of that other company.

## **Exhibit B**

### **Examples of Information that may be Material**

(Based on National Policy 51-201 - *Disclosure Standards*)

#### **Changes in corporate structure**

- changes in share ownership that may affect control of the Company
- changes in corporate structure, such as reorganizations, amalgamations, or mergers, or a change of name
- take-over bids, issuer bids, or insider bids

#### **Changes in capital structure**

- the 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 the Company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders

#### **Changes in financial results**

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the Company's assets
- any material change in the Company's accounting policies

### **Changes in business and operations**

- any development that affects the Company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- changes to the Board or executive management, including the departure of the Chair of the Board, CEO, CFO (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

### **Acquisitions and dispositions**

- 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

### **Changes in credit arrangements**

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the 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



## **Exhibit C**

### **Examples of Disclosures that may be Necessary in the Course of Business**

(Reproduced from National Policy 51-201- *Disclosure Standards*)

**(1) Disclosure to:**

- vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts
- Employees, Officers and Directors
- lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to the Company
- parties to negotiations
- labour unions and industry associations
- government agencies and non-governmental regulators
- credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available)

**(2) Disclosures in connection with a private placement**

**(3) Communications with controlling shareholders, in certain circumstance**

## APPENDIX D

### CODE OF BUSINESS CONDUCT AND ETHICS

February 8<sup>th</sup>, 2023

#### **Objectives**

Yerbaé Brands Corp.'s (the "**Company**") commitment to ethical and lawful business conduct is a fundamental shared value of our board of directors (the "**Board**"), management, contractors and employees and critical to our success. The Company's standards for business conduct provide that we will uphold ethical and legal standards vigorously as we pursue our financial objectives, and that honesty and integrity will not be compromised by us anywhere at any time. Consistent with these principles, the Board had adopted this Code of Business Conduct and Ethics (this "**Code**") as a guide to the high ethical and legal standards expected of the Company's directors, officers, contractors and employees.

#### **Application of the Code**

This Code applies to all directors, officers, contractors and employees of the Company and its subsidiaries (who are referred to collectively as "**Company Personnel**").

#### **Monitoring Compliance and Waivers**

The Board is responsible for monitoring compliance with this Code. A waiver of this Code will be granted only in exceptional circumstances. Any waivers from this Code that are granted for the benefit of the Company's directors or executive officers shall be granted by the Board only. Any waiver for employees will be granted only upon approval by the Chief Executive Officer ("**CEO**").

Company Personnel are to provide confirmation of adherence to this Code on an annual basis.

#### **Conflicts of Interest**

Company Personnel must act honestly, in good faith, and in the best interests of the Company. Company Personnel must avoid situations involving a conflict or the potential for a conflict between their personal interests and the interests of the Company. Questions or reports regarding any conflict of interest or potential conflict of interest should be directed to the CEO.

The following are examples of conflicts that may arise in the course of carrying out the Company's business:

1. **Outside Business Interests.** Company Personnel are free to take on activities outside of their work responsibilities with the Company. However, in doing so, Company Personnel must ensure that any “outside” activities do not present a real or perceived conflict with the interests of the Company or with their duties as Company Personnel.
2. **Outside Directorships.** With the approval of the Chair of the Board, Company Personnel are free to take on outside directorships. Company Personnel must be aware of any potential for conflicts with the interests of the Company.
3. **Financial Interests in Suppliers, Contractors or Competitors.** Any proposed affiliation between Company Personnel and any entity that has a relationship with the Company is subject to review by the Board.
4. **Personal Loan or Guarantee from the Company.** Unless approved by the Chair of the Compensation Committee, Company Personnel should not accept, whether directly or indirectly, any personal loan or guarantee of obligations from the Company. It is expected that the Chair of the Compensation Committee will ordinarily approve loans or guarantee of obligations from the Company in connection with such matters as the relocation of Company Personnel at the request of the Company.
5. **Giving and Receiving Gifts.** Company Personnel are prohibited from soliciting or receiving any gift, loan, reward or benefit from a supplier or customer in exchange for any decision, act or omission by any Company Personnel in the course of carrying out their functions. Similarly, Company Personnel should not try to influence the decisions of a supplier or customer by giving gifts. Anyone receiving any such gift, loan, reward or benefit must report the same to the CEO. The giving and receiving of modest gifts or entertainment as a part of normal business courtesy and hospitality is permitted. However, the use of expense accounts to deviate from any policy described herein is strictly forbidden.

### **Protection and Proper Use of Corporate Assets and Opportunities**

All Company Personnel must handle the physical and intellectual assets of the Company with integrity and with due regard to the interests of all of the Company’s stakeholders. Company Personnel cannot appropriate a corporate opportunity or corporate property for their own personal benefit.

Company Personnel must have authorization to enter into business transactions on behalf of the Company. All corporate transactions must be accounted for in the Company’s books. Records must not be manipulated or destroyed for the purpose of impeding or obstructing any investigation undertaken by the Company or a governmental body.

No action shall be taken to fraudulently influence or mislead anyone engaged in the performance of an audit of the Company's financial statements.

Theft, carelessness and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported to any member of management, including the CEO. The Company's assets should be used for legitimate business purposes.

Email and internet systems are provided primarily for business use. Personal use of these resources should be kept to a minimum. As email may not be entirely secure, Company Personnel must exercise caution and etiquette when sending email correspondence.

### **Confidentiality of Corporate Information**

Confidential information is any information that is not known to the general public and includes business research, market plans, strategic objectives, unpublished financial information, customer, supplier and personnel lists and all intellectual property, including trade secrets, software, trademarks, copyrights and patents. Confidential information may not be given or released without proper authority and appropriate protection to anyone not employed by the Company or to Company Personnel who have no need for such information.

Company Personnel are prohibited from trading or encouraging others to trade in the securities of the Company where the person trading is in possession of material non-public information. Company Personnel are to refer to and follow the Company's Securities Trading Policy and other relevant guidelines.

### **Fair Dealing**

Company Personnel shall not obtain or use information or trade secrets from any other company. Company Personnel shall not undertake any activities that could reasonably be expected to result in an unreasonable restraint of trade, unfair trade practice or any other anticompetitive behaviour in violation of any law. However, in the normal course of business, it is not unusual for Company Personnel to acquire information about other organizations. In doing so, the Company Personnel must not use illegal means to acquire a competitor's trade secrets or other confidential information. Any Company Personnel who work in an area that requires frequent contacts with competitors, customers or suppliers should be particularly sensitive to the requirements of competition laws.

The Company undertakes to deal fairly with all Company Personnel. There is a "no tolerance" policy in place for any form of discrimination or harassment against Company Personnel with respect to race, religion, age, gender, marital and family status, sexual orientation, ethnic or national origin or disability or any other grounds enumerated in applicable human rights legislation.

## **Compliance with Laws, Rules and Regulations**

All Company Personnel must comply with all health and safety laws, regulations and Company policies.

All Company Personnel, in discharging their duties, must comply with the laws of the countries in which the Company and its subsidiaries carry on business. All Company Personnel are charged with the responsibility for acquiring sufficient knowledge of the laws involved in each area relating to their particular duties.

Company Personnel are prohibited from making payments or giving gifts to a public official in any country in which the Company and its subsidiaries operate, in order to obtain a business advantage or in violation of applicable anti-corruption legislation. For greater certainty, all Company Personnel must comply with the *Corruption of Foreign Public Officials Act* (Canada), which makes it an offence to: (1) directly or indirectly give, offer or agree to give or offer any form of advantage or benefit to a foreign public official to obtain an advantage in the course of business; or (2) engage in certain accounting practices where those practices are employed for the purpose of bribing a foreign public official or concealing a bribe.

## **Reporting of any Illegal or Unethical Behaviour**

Company Personnel are each responsible for being aware of, understanding and complying with this Code when making business decisions. Company Personnel must promptly report any problems or concerns and any actual or potential violation of this Code. To do otherwise, will be viewed as condoning a violation of this Code.

There shall be no reprisal or other action taken against any Company Personnel who, in good faith, bring forward concerns about actual or potential violations of laws or this Code. Anyone engaging in any form of retaliatory conduct will be subject to disciplinary action, which may include termination.

Company Personnel should first raise a complaint or concern with his or her supervisor. If that is not possible for some reason or if this does not resolve the matter, Company Personnel must take the matter up the chain of management within the Company. Ultimately, unresolved complaints and concerns should be referred to the Chair of the Audit Committee who will treat all disclosures in confidence and will involve only those individuals who need to be involved in order to conduct an investigation. Any complaint regarding accounting, internal accounting or auditing matters or a concern regarding questionable accounting or auditing matters should be referred to the Chair of the Audit Committee.

## **Consequences of Violating this Code**

Failure to comply with this Code will be considered by the Company to be a very serious matter. Depending on the nature and severity of the violation, disciplinary

action may be taken by the Company, including termination. In addition, the Company may make claims for reimbursement of losses or damages and/or the Company may refer the matter to the authorities. Anyone who fails to report a violation upon discovery or otherwise condones the violation of this Code may also be subject to disciplinary action.