

GABRIELLA’S KITCHEN INC.
(the “Company”)

Director Independence Standards

The Board of Directors is responsible for determining whether or not each director is independent within the meaning of the Canadian Securities Administrators National Instrument 58-101 (Disclosure of Corporate Governance Practices) and National Policy 58-201 (Corporate Governance Guidelines) (collectively, the “CSA Rules”). To achieve this, the Board analyses all of the relationships each director has with the Company and applicable subsidiaries. To assist in this analysis, the Board adopted the following independence standards. In general, a director who meets these standards, and who does not otherwise have a material relationship (direct or indirect)¹ with the Company and its subsidiaries, would be considered independent under the CSA Rules.

The Board shall determine whether each director is independent on an annual basis at the time the Board approves director nominees for inclusion in the management proxy circular, identify each independent director, and disclose the basis for that determination. Each director who has been determined to be independent shall notify the Chair of the Governance and Human Resources Committee, as soon as reasonably practicable, in the event that such director’s personal circumstances change in a manner that may affect the Board’s determination of whether such director is independent.

1) Directors

A director will not be considered independent if:

a) Company Employment

- i) The director is, or has been within the last three years, an employee or executive officer of the Company²; or
- ii) An immediate family member³ of the director is, or has been within the last three years, an executive officer of the Company, other than employment as an interim chief executive officer.

¹ A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

² For purposes of these standards, the Company includes Gabriella’s Kitchen Inc. and any applicable subsidiaries.

³ For purposes of these standards, an “immediate family member” includes a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than employees of either the person or the person’s immediate family member) who shares such person’s home. However, individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or have become incapacitated, need not be considered.

2) Company Compensation

- a) The director (or an immediate family member employed as an executive officer) received more than \$75,000 during any 12-month period within the last three years in direct compensation from the Company, other than (a) director and Board committee fees and fixed amounts of compensation under a retirement plan or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), and (b) compensation for acting as an interim chief executive officer or a part-time chair or vice-chair of the Board or any Board committee.

3) The Company Auditor

- a) The director (or an immediate family member) is a current partner of a firm that is the Company's external auditor;
- b) The director is a current employee of such a firm;
- c) The director has an immediate family member who is a current employee of such a firm and participates in its audit practice; or
- d) The director (or an immediate family member) was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time.

4) Employment by Another Company

- a) The director (or an immediate family member) is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.