



MAPLE LEAF FOODS INC.

Notice of Annual and Special Meeting of Shareholders
May 4, 2016
and Management Proxy Circular



INVITATION TO SHAREHOLDERS

March 28, 2016

Dear Fellow Shareholder:

We are pleased to invite you to attend the Annual and Special Meeting of Shareholders of Maple Leaf Foods Inc. ("Maple Leaf Foods" or the "Corporation") to be held at ThinkFood!, 6897 Financial Drive, Mississauga, Ontario, Canada at 11:00 a.m. Eastern Daylight Time on Wednesday, May 4, 2016. The items of business you will be asked to act on are set out in the accompanying Notice of Annual and Special Meeting and Management Proxy Circular.

We also invite you to read the Corporation's 2015 annual report. It provides a discussion of the Corporation's financial and operating performance during the past year and the Corporation's plans for 2016 and beyond. The Corporation substantially completed its supply chain transformation in 2015 and is now focused on becoming the premier consumer protein company.

We expect to share our view of the Corporation's future with you at the Annual and Special Meeting.

Ultimately, corporations are governed by their shareholders. We encourage you to ensure that your shares are represented and your views made known, whether or not you are able to attend the meeting of shareholders. If you do not plan to attend in person, please take the time now to sign, date and return the enclosed proxy form in the envelope provided so that your shares are voted at the meeting according to your instructions.

We thank you for your continuing support as a shareholder of Maple Leaf Foods.

Yours very truly,

DAVID L. EMERSON
Chairman of the Board

MICHAEL H. MCCAIN
President & Chief Executive Officer

**passionate people;
passionate about food**



MAPLE LEAF FOODS INC. ("Maple Leaf Foods")

NOTICE OF 2016 ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

When	Wednesday, May 4, 2016 at 11:00 a.m. (Eastern Daylight Time)
Where	ThinkFood!, 6897 Financial Drive, Mississauga, Ontario, Canada L5N 0A8
Who Can Vote	You are eligible to vote if you were a shareholder of record at the close of business on March 28, 2016. Please ensure that your shares are represented at the meeting by promptly voting and submitting your proxy by telephone or the Internet, or by completing, signing, dating and returning your proxy form in the enclosed envelope.
Business of Meeting	<p>Shareholders will be asked to:</p> <ol style="list-style-type: none">1. receive the consolidated financial statements for the year ended December 31, 2015, together with the auditors' report on the statements;2. elect directors;3. appoint auditors and authorize the directors to fix their remuneration;4. consider and, if thought fit, pass a resolution approving Maple Leaf Foods' approach to executive compensation, on an advisory and non-binding basis;5. consider and if thought fit pass the resolution in the accompanying Management Proxy Circular adopting the Maple Leaf Foods Inc. 2016 Share Option Plan and ratifying and approving the granting of 108,560 options to 15 employees on February 1, 2016 which were made subject to approval of the Maple Leaf Foods Inc. 2016 Share Option Plan; and6. transact such other business as may properly come before the meeting or any adjournment thereof.

The accompanying Management Proxy Circular dated March 28, 2016 provides information concerning the matters to be dealt with at the meeting.

Dated at Toronto this 28th day of March, 2016.

By Order of the Board

R. Cappuccitti
Senior Vice-President and Corporate Secretary

You are eligible to vote if you were a shareholder of record at the close of business on March 28, 2016.

Please ensure that your shares are represented at the meeting by promptly voting and submitting your proxy by telephone or the internet, or by completing, signing, dating and returning your proxy form in the enclosed envelope.

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MAPLE LEAF FOODS INC.

MANAGEMENT PROXY CIRCULAR

VOTING INFORMATION

SOLICITATION OF PROXIES

This Management Proxy Circular (the “Circular”) accompanies the Notice of the Annual and Special Meeting of Shareholders (“Notice of Meeting”) of Maple Leaf Foods Inc. (“Maple Leaf Foods”, “MLF” or the “Corporation”) to be held on May 4, 2016. It is provided in connection with the solicitation of proxies by the Corporation’s management for use at the meeting. It is planned that the solicitation will be primarily by mail, but proxies may also be solicited by telephone, in writing, by email, by fax, by other electronic means or in person by employees of the Corporation or by agents of the Corporation at a nominal and customary cost. The costs of these solicitations will be borne by the Corporation.

VOTING OF PROXIES – REGISTERED SHAREHOLDERS

A proxy in the form enclosed with the Notice of Meeting confers discretionary authority on the management nominees named therein with respect to amendments or variations to the matters identified in the Notice of Meeting or other matters that may properly come before the meeting. Management of the Corporation is not aware of any amendments or variations of the matters set out herein or other matters that may be properly presented for action at the meeting, but the proxy enclosed with the Notice of Meeting confers the authority on such management nominees to act on amendments or variations to the matters identified in the Notice of Meeting or other matters that may properly come before the meeting.

If you are a registered shareholder and wish to vote at the meeting, you do not need to complete or return your form of proxy. Simply attend the meeting and present yourself to a representative of the Corporation at the registration table.

Every shareholder has the right to appoint some other person or company of their choice, who need not be a shareholder, to attend and act on their behalf at the meeting. If you wish to appoint a person or company other than the persons whose names are printed on the form of proxy, please insert the name of your chosen proxyholder in the space provided on the form of proxy. That individual or company can vote for or against or withhold your vote as you’ve specified on the proxy form or as the proxy holder chooses if you have not specified voting instructions. Common shares represented by proxies executed in favour of the management nominees named in the proxy enclosed with the Notice of Meeting will be voted for or against or withheld from voting in accordance with the choices specified in the executed proxy or any ballot that may be called for, but, if no choice is specified, such shares will be voted:

- (i) FOR the election of the persons listed as nominees under the heading “Election of Directors” as directors of the Corporation;
- (ii) FOR the appointment of KPMG LLP, Chartered Accountants, as auditors of the Corporation and authorizing the directors to fix their remuneration;
- (iii) FOR the resolution approving Maple Leaf Foods’ approach to executive compensation on an advisory and non-binding basis;
- (iv) FOR the adoption of the Maple Leaf Foods Inc. 2016 Share Option Plan under the heading “Maple Leaf Foods Inc. 2016 Share Option Plan” and the ratification and approval of the grant of 108,560 options thereunder; and,
- (v) FOR or AGAINST such actions as the management nominee thinks fit with respect to any other matter that may properly come before the meeting, including any amendments or variations in the matters identified in the Notice of Meeting.

REVOCATION

A proxy in the form enclosed with the Notice of Meeting may be revoked by an instrument in writing, including another proxy, duly executed by or on behalf of the shareholder and deposited at the registered office of the Corporation at 6985 Financial Drive, Mississauga, Ontario, Canada L5N 0A1 at any time up to and including the second-last business day preceding the day of the meeting, or any adjournment or postponement thereof, or with the Chairman of the meeting on the day of the meeting or any adjournment or postponement thereof.

VOTING SHARES AND THE PRINCIPAL HOLDERS THEREOF

There were 134,571,289 common shares outstanding as of March 28, 2016. The Corporation has been informed that MCI exercises control or direction over 46,788,658 common shares (34.8%) of the outstanding common shares of the Corporation. The Corporation has also been informed that Mr. Michael H. McCain beneficially owns and controls 100% of MCI.

Each common share entitles the holder to one vote at the meeting. Persons who are shareholders of record at the close of business on March 28, 2016 will be entitled to vote at the meeting.

NON-REGISTERED SHAREHOLDERS/BENEFICIAL OWNERS

Most shareholders are “beneficial owners”, meaning they are non-registered shareholders. The common shares held by non-registered shareholders are registered in the name of an intermediary, such as a securities broker, financial institution, trustee, custodian or other nominee, who holds the shares on their behalf, or in the name of a clearing agency in which the intermediary is a participant (such as CDS Clearing and Depository Services Inc.). Intermediaries are obliged to forward meeting materials to the non-registered holders unless otherwise instructed by the holder (and as required by regulation in some cases, despite such instructions).

Non-registered shareholders should follow the directions of their intermediaries on the procedures to be followed for voting. Generally, intermediaries will provide non-registered shareholders with either: (a) a voting instruction form for completion and execution by the non-registered shareholder, or enable voting by alternate means such as telephone or Internet, or, (b) a proxy form, executed by the intermediary and restricted to the number of shares owned by the non-registered shareholder, but otherwise uncompleted. These procedures are designed to permit the non-registered shareholders to direct the voting of the common shares of the Corporation that they beneficially own.

These securityholder materials are being sent to both registered and non-registered shareholders of the Corporation. If you are a non-registered shareholder and these materials were sent directly to you by Maple Leaf Foods or its agent, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding shares on your behalf.

By choosing to send these materials to you directly, Maple Leaf Foods has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the instructions from your intermediary.

VOTING AT THE MEETING BY BENEFICIAL (NON-REGISTERED) OWNERS

Only registered shareholders or their duly appointed proxyholders are permitted to vote in person at the meeting. If a non-registered shareholder wishes to attend and vote in person at the meeting, they must insert their own name in the space provided for the appointment of a proxyholder on the voting instruction form or proxy form provided by the intermediary, and must not complete the voting instructions. When the non-registered shareholder arrives at the meeting, they must present themselves to a representative of the Corporation at the registration table.

ELECTION OF DIRECTORS

The charts below identify the persons nominated for election as directors of the Corporation, to serve until the next annual meeting of shareholders of the Corporation or until their successors are duly elected or appointed. If any of these individuals is not available to act as a director, a substitute may be nominated.

For each nominee for election as director, the chart provides:

- the nominee's name;
- place of residence;
- age;
- present principal occupation and principal occupations held in the last five years, if different;
- a brief description of his or her other principal directorships and committee memberships, positions and other relevant information;
- the date he or she became a director of the Corporation;
- the number of common shares beneficially owned or controlled⁽¹⁾, DSUs held⁽²⁾ and the market value of the shares and/or DSUs as of a specified date⁽⁵⁾;
- current membership on committees of the Board;
- whether he or she is the Chair of a committee of the Board;
- attendance statistics for Board and committee meetings;
- other public board memberships in the past five years; and,
- whether he or she is independent within the meaning of applicable securities legislation.

Information on each incumbent nominee's attendance at meetings of the Board and its committees in 2015 is also set out in Appendix A. For information on director assessment, selection, orientation and education, and other corporate governance topics, please see the discussion under the heading "Report on Corporate Governance" starting on page 15 of this Circular.

The Corporation has adopted a policy for individual director voting that is described in the Report on Corporate Governance starting on page 15 of this Circular. Under the policy, if a director is not elected by at least a majority (50% + 1 vote) of the votes cast with respect to his or her election at a meeting of shareholders (other than at a contested shareholder meeting), the director shall tender his or her resignation to the Board immediately following the meeting. The Board shall determine whether or not to accept the resignation within 90 days of the relevant shareholders' meeting. The Board shall accept the resignation absent exceptional circumstances. The resignation will be effective when accepted by the Board. The director who tenders his or her resignation will not participate in any meeting of the Board at which the resignation is considered. For purposes of the policy, the Corporation intends to use proxies validly deposited in advance of the particular meeting in order to determine whether the particular approval threshold has been met unless a ballot on the election of directors is taken at the particular meeting. A press release disclosing their determination (and the reasons for rejecting the resignation, if applicable) shall be promptly issued following their determination.

Name**WILLIAM E. AZIZ, CPA, CA**

Age: 59

Residence: Oakville,

Ontario, Canada

Director Since: May 1, 2014

Independent

**EXPERTISE:**

International business, government relations, CEO/COO, financial literacy, legal experience in enterprises, corporate governance, human resources, mergers and acquisitions, corporate finance and restructuring, information technology.

Principal Occupation and Biography

OCCUPATION: President and Chief Executive Officer, BlueTree Advisors II Inc. (*private management advisory firm*)

BIOGRAPHY: Through BlueTree, Mr. Aziz is currently providing his services as Chief Restructuring Officer to U. S. Steel Canada Inc., Walter Energy Canada Holdings, Inc. and Hollinger Inc. during their restructurings. He is a member of the Leadership Council at the Ilnatowycz Institute for Leadership at the Ivey Business School at Western University, from which he is a graduate in Honors Business Administration. Mr. Aziz is Chair of the Investment Committee and a member of the Human Resources Committee of the \$80 billion Ontario Municipal Employees' Retirement System ("OMERS"). Mr. Aziz is also a Court-appointed inspector in the winding-up of Coventree Inc. and a member of the Advisory Board for Fengate Capital Management. Mr. Aziz is a Chartered Professional Accountant. He has also completed the Institute of Corporate Directors Governance College at the Rotman School of Business, University of Toronto and is a member of the Insolvency Institute of Canada. Mr. Aziz is a nominee of Mr. M.H. McCain pursuant to the terms of the Governance Agreement which is described on pages 17 and 18.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:
Ontario Municipal Employees Retirement System (OMERS)

No interlocking outside public company directorships⁽³⁾

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

Canada Bread Company, Limited

BOARD AND COMMITTEE MEMBERSHIPS AND 2015 MEETING ATTENDANCE

(All regularly scheduled board and committee meetings)

Board	9/9 – 100%
Chair, AC	5/5 – 100%
HRCC	5/5 – 100%

SECURITIES HELD:

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value ⁽⁵⁾	Meets Shareholding Requirements
March 15, 2016 ⁽¹⁾⁽²⁾	14,275	10,167	24,442	\$654,557	Yes
February 15, 2015	9,575	4,306	13,881	\$302,328	
Change	4,700	5,861	10,561	\$352,229	

Name**W. GEOFFREY BEATTIE**

Age: 56

Residence: Toronto,

Ontario, Canada

Director Since: December 17, 2008

Independent

**EXPERTISE:**

International business, finance, law, board and corporate governance, mergers and acquisitions.

Principal Occupation and Biography

OCCUPATION: Chief Executive Officer, Generation Capital (*investment management firm*)

BIOGRAPHY: Mr. Beattie is Chief Executive Officer of Generation Capital and Chair of Relay Ventures. Mr. Beattie is a director of the General Electric Company, Royal Bank of Canada, Maple Leaf Foods, Acasta Enterprises Inc. and DBRS Inc. (Dominion Bond Rating Service). In addition to his board memberships, he is a member of the General Atlantic Executive Advisory Board and a trustee of the University Health Network in Toronto. Mr. Beattie served as Chief Executive Officer of The Woodbridge Company Limited from 1998 through 2012. Prior to that, Mr. Beattie was a partner in the Toronto office of the law firm Torys LLP and was a vice-president at Wood Gundy from 1987 to 1990. The Woodbridge Company Limited is a privately held investment holding company for the Thomson family of Canada and the majority shareholder of Thomson Reuters (formerly Thomson Corporation), where Mr. Beattie served as Deputy Chair. Mr. Beattie received a law degree from the University of Western Ontario in 1984. In 2011, Mr. Beattie received the Business Leadership Award from the University of Western Ontario's Faculty of Law.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

Royal Bank of Canada – Member, Risk Committee and Human Resources Committee

General Electric Company – Chair, Risk Committee

Acasta Enterprises Inc. – Member, Audit Committee

Interlocking outside public company directorship with M.H. McCain on the board of directors of Royal Bank of Canada⁽³⁾

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

Thomson Reuters Corporation

BOARD AND COMMITTEE MEMBERSHIPS AND 2015 MEETING ATTENDANCE:

(All regularly scheduled board and committee meetings)

Board	9/9 – 100%
Chair, CGC	3/3 – 100%
EHSC	2/3 – 67%

SECURITIES HELD:

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value ⁽⁵⁾	Meets Shareholding Requirements
March 15, 2016 ⁽¹⁾⁽²⁾	21,088	73,056	94,144	\$2,521,176	Yes
February 15, 2015	21,088	66,327	87,415	\$1,903,899	
Change	0	6,729	6,729	\$617,277	

Name

GREGORY A. BOLAND

Age: 51

Residence: Toronto,
Ontario, Canada

Director Since: February 23, 2011
Independent



EXPERTISE:

International business, finance,
law, board and corporate
governance, mergers and
acquisitions, and information
technology.

Principal Occupation and Biography

OCCUPATION: President and Chief Executive Officer, West Face Capital Inc.
(investment manager)

BIOGRAPHY: Mr. Boland is the President and CEO of West Face Capital, a Toronto-based investment manager. Prior to founding West Face Capital in 2006, Mr. Boland managed portfolios for Enterprise Capital Management in Toronto beginning in 1998. Mr. Boland focuses on value and distressed investing and has been actively involved in the restructurings of a number of portfolio companies. Prior to joining Enterprise Capital Management, Mr. Boland was a Vice President and Partner in proprietary investments at RBC Dominion Securities. Mr. Boland holds a Bachelor of Commerce from the University of British Columbia.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

None

No interlocking outside public company directorships⁽³⁾

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

Connacher Oil and Gas Limited
PetroMaroc Corporation plc (formerly LongReach Oil & Gas Limited)
Ace Aviation Holdings Inc.
SilverBirch Energy Corporation
SilverWillow Energy Corporation

BOARD AND COMMITTEE MEMBERSHIPS AND 2015 MEETING ATTENDANCE:

(All regularly scheduled board and committee meetings)

Board	7/9 – 78%
CGC	2/3 – 67%
HRCC	3/5 – 60%

SECURITIES HELD:

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value ⁽⁵⁾	Meets Shareholding Requirements
March 15, 2016 ⁽¹⁾⁽²⁾	0	34,477	34,477	\$923,294	Yes
February 15, 2015	0	28,664	28,664	\$624,302	
Change	0	5,813	5,813	\$298,992	

Name

RONALD G. CLOSE

Age: 57

Residence: Toronto,
Ontario, Canada

Director Since: April 30, 2015
Independent



EXPERTISE:

International business
development, human resources
and leadership, government
relations, CEO/COO, education
and academia, financial literacy,
corporate governance, mergers
and acquisitions, information
technology, project management,
innovation.

Principal Occupation and Biography

OCCUPATION: Corporate Director

BIOGRAPHY: Mr. Close was recently the CEO of Pelmorex Media (The Weather Network). He was Executive Entrepreneur-in-Residence at The Ivey School of Business, and at MaRS Discovery District. He has been a director on several boards including Pelmorex, The Globe and Mail, Canada Media Fund, CTVglobemedia, and MaRS Innovation.

Mr. Close has had a distinguished career as a senior executive at several companies, from smaller start-ups (co-founder/CEO of Netcom Canada) to large corporations (at BCE he was President, Bell New Ventures, also overseeing Sympatico-MSN).

Mr. Close holds an HBA degree from the Ivey School of Business (1981). He is past-Chairman of the Ivey Entrepreneurship Council and past-Chairman of Ability Online, a charitable organization for children with disabilities. Mr. Close is a director of MaRS Discovery District and the Thomson Reuters Founders Share Company. He is past-Chairman of the Toronto Chapter of Young Presidents Organization (YPO) and is a current member of World Presidents Organization (WPO). Mr. Close is a nominee of Mr. M.H. McCain pursuant to the terms of the Governance Agreement which is described on pages 17 and 18.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

None

No interlocking outside public company directorships⁽³⁾

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

None

BOARD AND COMMITTEE MEMBERSHIPS AND 2015 MEETING ATTENDANCE:

All regularly scheduled meetings

Board	6/6 – 100%
AC	3/3 – 100%
CGC	1/1 – 100%

SECURITIES HELD:

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value ⁽⁵⁾	Meets Shareholding Requirements
March 15, 2016 ⁽¹⁾⁽²⁾	8,400	3,651	12,051	\$322,726	No ⁽⁶⁾
February 15, 2015	N/A	N/A	N/A	N/A	
Change	8,400	3,651	12,051	\$322,726	

Name

THE HONOURABLE DAVID L. EMERSON

Age: 70

Residence: Vancouver,
British Columbia, Canada
Director Since: May 2, 2012
Independent



EXPERTISE:

Government relations,
international business, finance,
board and corporate governance.

Principal Occupation and Biography

OCCUPATION: Corporate Director

BIOGRAPHY: Mr. Emerson P.C., O.B.C. is a Corporate Director, Public Policy Advisor. Nationally, he has held senior positions in the Government of Canada including Minister of Foreign Affairs, Minister of International Trade, and Minister of Industry. In British Columbia, Mr. Emerson was the Province's Deputy Minister of Finance, Secretary to Treasury Board, Deputy to the Premier and Secretary to Cabinet. His leadership roles in the private sector included President and CEO of Canfor Corporation, President and CEO of the Vancouver International Airport Authority and Chairman and CEO of Canadian Western Bank. Mr. Emerson currently serves on the boards of New Gold Inc. and is the Chair of the Board of Global Container Terminals Corporation and the Asia Pacific Foundation of Canada. Mr. Emerson holds a Bachelors and Masters Degree in Economics from the University of Alberta and Doctorate in Economics from Queen's University.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

New Gold Inc. – Member, Audit Committee; Chair, Corporate Governance & Nominating Committee

No interlocking outside public company directorships⁽³⁾

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

Finning International Inc.
Chorus Aviation Inc.
Postmedia Network Inc.
TimberWest Forest Corporation (*no longer a public company*)
Stantec Inc.

BOARD AND COMMITTEE MEMBERSHIPS AND 2015 MEETING ATTENDANCE:

(All regularly scheduled board and committee meetings)

Board	9/9 – 100%
CGC	3/3 – 100%
EHSC	3/3 – 100%

SECURITIES HELD:

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value ⁽⁵⁾	Meets Shareholding Requirements
March 15, 2016 ⁽¹⁾⁽²⁾	10,000	60,616	70,616	\$1,891,096	Yes
February 15, 2015	10,000	49,237	59,237	\$1,290,182	
Change	0	11,379	11,379	\$600,914	

Name

JEAN M. FRASER

Age: 68

Residence: Toronto,
Ontario, Canada
Director Since: October 30, 2014
Independent



EXPERTISE:

Mergers and acquisitions,
financing and corporate
governance, securities and
corporate law matters.

Principal Occupation and Biography

OCCUPATION: Retired Partner, Osler, Hoskin & Harcourt, LLP

BIOGRAPHY: Ms. Fraser is a retired senior corporate counsel and partner of one of Canada's leading law firms who has advised public and private companies on corporate/governance matters, mergers and acquisitions ("M&A") and debt and equity financings. She has provided governance advice to boards of directors and board committees of numerous public companies regarding strategic and sensitive matters. Her M&A experience includes public take-over bids, asset acquisitions and divestitures, privatizations and corporate restructurings. Ms. Fraser's financing experience includes domestic and cross-border public and private offerings of debt and equity, initial public offerings and infrastructure financings. Ms. Fraser is a director and member of the Human Resources Committee and the Audit and Conduct Review Committee of Aviva Canada Inc. and is also a former managing partner of her firm.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

None

No interlocking outside public company directorships⁽³⁾

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

None

BOARD AND COMMITTEE MEMBERSHIPS AND 2015 MEETING ATTENDANCE:

(All regularly scheduled board and committee meetings)

Board	9/9 – 100%
CGC	1/1 – 100%
Chair, HRCC (from April 30, 2015)	3/3 – 100%

SECURITIES HELD:

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value ⁽⁵⁾	Meets Shareholding Requirements
March 15, 2016 ⁽¹⁾⁽²⁾	0	6,683	6,683	\$178,971	No ⁽⁶⁾
February 15, 2015	0	1,059	1,059	\$23,065	
Change	0	5,624	5,624	\$155,906	

Name

Principal Occupation and Biography

JOHN A. LEDERER

Age: 60

Residence: Calgary, Alberta, Canada

Nominee

Independent⁽⁷⁾



EXPERTISE:

Consumer packaged goods, international, CEO/COO, financial literacy, board and corporate governance, food and agricultural industries, human resources, mergers and acquisitions, engineering & project management.

OCCUPATION: Corporate Director

BIOGRAPHY: Mr. Lederer is currently a director of US Foods, Inc., a leading U.S. food distributor and was its President and CEO from 2010 to 2015. He has been a director of US Foods since 2010. From 2008 to 2010, he served as Chairman and CEO of Duane Reade, a privately held chain of retail pharmacies located primarily in the New York City area. Prior to Duane Reade, he spent 30 years at Loblaw Companies Limited, Canada's largest grocery retailer and wholesale food distributor. Mr. Lederer held a number of leadership roles at Loblaw, including President from 2000 to 2006.

Mr. Lederer is a director of The Walgreens Company, the largest drug retailing chain in the United States (since 2015) and of Restaurant Brands International Inc., a quick food service operator that includes Burger King and Tim Horton's chains (since 2014). He has previously served on the boards of Tim Horton's Inc. and Duane Reade Holdings, Inc.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

Walgreens Boots Alliance, Inc. – Member, Compensation Committee; Member, Finance Committee

Restaurant Brands International Inc. – Member, Compensation Committee; Member, Nominating and Corporate Governance Committee

US Foods, Inc. – Member, Compensation Committee

No interlocking outside public company directorships⁽³⁾

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

Tim Hortons Inc. (no longer a public company)

BOARD AND COMMITTEE MEMBERSHIPS AND 2015 MEETING ATTENDANCE:

(All regularly scheduled board and committee meetings)

Nominee

N/A

SECURITIES HELD:

No common shares held

Name

Principal Occupation and Biography

MICHAEL H. MCCAIN

Age: 57

Residence: Toronto, Ontario, Canada

Director Since: April 24, 1995

Not independent



EXPERTISE:

Consumer packaged goods, international business, government relations, senior leadership, finance, board and corporate governance, food and agriculture, human resources, mergers and acquisitions, information technology, engineering and project management.

OCCUPATION: President and CEO, Maple Leaf Foods

BIOGRAPHY: Mr. McCain is President and CEO of Maple Leaf Foods. He joined the company in April 1995 as President and COO and was appointed CEO in January 1999. Prior to joining Maple Leaf Foods, Mr. McCain spent 16 years with McCain Foods Limited in Canada and the United States, where he was President and Chief Executive Officer of McCain Foods USA Inc. He is a director of McCain Capital Inc., the Royal Bank of Canada, the Centre for Addiction and Mental Health Foundation, MaRS Discovery District and the Business Council of Canada. He was the Chairman and a director of Canada Bread Company, Limited until its sale on May 23, 2014. Mr. McCain is a nominee of Mr. M.H. McCain pursuant to the terms of the Governance Agreement which is described on pages 17 and 18.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

Royal Bank of Canada – Member, Risk Committee; Member, Corporate Governance and Public Policy Committee

Interlocking outside public company directorship with W. Geoffrey Beattie on the board of directors of Royal Bank of Canada⁽³⁾

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

Canada Bread Company, Limited

BOARD AND COMMITTEE MEMBERSHIPS AND 2015 MEETING ATTENDANCE:

(All regularly scheduled board and committee meetings)

Board

9/9 – 100%

SECURITIES HELD: ⁽⁴⁾

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value ⁽⁵⁾	Meets Shareholding Requirements
March 15, 2016 ⁽¹⁾⁽²⁾	46,788,658	N/A	46,788,658	\$1,253,000,261	N/A
February 15, 2015	46,777,283	N/A	46,777,283	\$1,018,809,224	N/A
Change	11,375	N/A	11,375	\$234,191,037	

Name

JAMES P. OLSON

Age: 66

Residence: Winston-Salem,
North Carolina, U.S.A.Director Since: April 28, 2011
Independent

EXPERTISE:

Consumer packaged goods,
international business, board and
corporate governance, food
industry, change management,
mergers and acquisitions,
restructuring, engineering and
project management.

Principal Occupation and Biography

OCCUPATION: Corporate Director

BIOGRAPHY: Mr. Olson has 35 years of executive experience in the food and beverage industry, including 17 years in senior roles at major global food and beverage manufacturers. From 2002 to 2006, he was Senior Vice President, Operations for the Europe, Middle East and Africa division of PepsiCo International where he was responsible for all manufacturing, distribution, purchasing and engineering. From 1999 to 2002, he served as Vice President, Operations of Ernest & Julio Gallo Winery, one of the largest global wine production companies, where he was responsible for all vineyards, procurement, production, bottling and distribution operations. From 1990 to 1992, Mr. Olson was Vice President of Operations for Frito-Lay Canada. Mr. Olson is a former director of Snack Food Ventures Europe, a PepsiCo/General Mills joint venture in Western Europe, and the European Snack Food Association. He is a director and member of the executive committee of the United Way of Forsyth County, North Carolina and a former director of the United Way of Central Carolinas. In 2011, Mr. Olson was awarded the National Association of Corporate Directors Board Leadership Fellow Certificate for completion of a rigorous suite of courses covering board and committee best practices.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

None

No interlocking outside public company directorships⁽³⁾

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

Winn-Dixie Stores, Inc.

BOARD AND COMMITTEE MEMBERSHIPS AND 2015 MEETING ATTENDANCE:

(All regularly scheduled board and committee meetings)

Board	9/9 – 100%
AC	5/5 – 100%
Chair, HRCC (to April 30, 2015)	2/2 – 100%
Chair, EHSC (from April 30, 2015)	3/3 – 100%

SECURITIES HELD:

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value ⁽⁵⁾	Meets Shareholding Requirements
March 15, 2016 ⁽¹⁾⁽²⁾	0	40,017	40,017	\$1,071,655	Yes
February 15, 2015	0	39,449	39,449	\$859,199	
Change	0	568	568	\$212,456	

Name	Principal Occupation and Biography
<p>CAROL M. STEPHENSON, O.C. Age: 65 Residence: London, Ontario, Canada Nominee Independent⁽⁷⁾</p>	<p>OCCUPATION: Corporate Director</p> <p>BIOGRAPHY: From 2003 to 2013 Ms. Stephenson was the Dean of the Ivey Business School at Western University. She was President and Chief Executive Officer of Lucent Technologies Canada from July 1999 to February 2003. Prior to that, Ms. Stephenson held a number of executive positions with Bell Canada and BCE Media. From 1995 to 1999 she was Chief Executive Officer of Stentor Resource Centre.</p> <p>Ms. Stephenson is a Director of Intact Financial Corporation, Ballard Power Systems Inc., Manitoba Telecom Services Inc. and General Motors Company. Ms. Stephenson was the 2010 Chair of the United Way Campaign for London & Middlesex, Ontario and also served on the Board of Directors of the Vancouver Olympic Games Organizing Committee (VANOC).</p> <p>Ms. Stephenson is a graduate of the University of Toronto. She completed the Executive Program at the Graduate School of Business Administration, University of California and the Advanced Management Program at Harvard University. In 2000 she was awarded an honorary doctorate in engineering from Ryerson Polytechnic University and in 2009 she was appointed an Officer of the Order of Canada.</p> <p>CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES: Ballard Power Systems Inc. – Chair, Corporate Governance and Compensation Committee; Member, Audit Committee General Motors Company – Chair, Executive Compensation Committee; Member, Governance and Corporate Responsibility Committee Intact Financial Corporation – Chair, Compliance Review and Corporate Governance Committee; Member, Human Resources and Compensation Committee Manitoba Telecom Services Inc. – Chair, Human Resources and Compensation Committee; Member, Governance and Nominating Committee <i>No interlocking outside public company directorships⁽³⁾</i></p> <p>DIRECTORSHIPS WITHIN THE PAST 5 YEARS: None</p> <p>BOARD AND COMMITTEE MEMBERSHIPS AND 2015 MEETING ATTENDANCE: <i>(All regularly scheduled board and committee meetings)</i> Nominee N/A</p> <p>SECURITIES HELD: 3,350 common shares held</p>



EXPERTISE:
International, government relations, education and academia, CEO/COO, financial literacy, board and corporate governance, engineering and project management, mergers and acquisitions, human resources, information technology.

Notes:

- (1) Number of common shares of Maple Leaf Foods beneficially owned, directly or indirectly, or over which control or direction is exercised, as reported by respective nominees as at March 15, 2016.
- (2) Number of DSUs held by each director under the current Share Purchase and Deferred Share Unit Plan (the "2013 DSU Plan") for directors as at March 15, 2016. The 2013 DSU Plan is described on pages 60 to 61 under the heading "Compensation of Directors". Mr. M.H. McCain does not participate in the 2013 DSU Plan and receives no fees for his services as a director of the Corporation.
- (3) Directors who served together on the board of directors of unrelated publicly traded companies as at March 21, 2016.
- (4) The Corporation understands that as of March 21, 2016 MCI exercises control or direction over 46,788,658 common shares (34.8%) of the common shares) of the Corporation. The Corporation understands that Mr. M. H. McCain beneficially owns and controls 100% of MCI and therefore has beneficial ownership or control of 46,788,658 common shares or 34.8% of the common shares.
- (5) The closing prices of the Corporation's stock on the TSX on March 15, 2016 and February 13, 2015 were \$26.78 and \$21.78 respectively.
- (6) A director has five years from his or her appointment to comply with the equity ownership guidelines. Ms. Fraser has until her five-year appointment anniversary in 2019 and Mr. Close has until his five-year appointment anniversary in 2020 to acquire sufficient shares or share units to fulfill the equity ownership guidelines.
- (7) The CGC has reviewed the nominees' relationship to the Corporation and has determined that each is independent of the Corporation.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Within ten years preceding the date of this Circular:

Mr. W.E. Aziz was appointed the Chief Financial Officer of Hollinger Inc. and its subsidiaries from March 2007 to May 2008 and Chief Restructuring Officer of Hollinger Inc. and certain of its subsidiaries since May 2008, which corporation and certain subsidiaries were granted an initial order under the *Companies' Creditor Arrangement Act* ("CCAA") on August 1, 2007.

When Mr. Aziz was appointed the Chief Financial Officer of Hollinger Inc. on March 8, 2007, and, as a result of that appointment, he became subject to a management cease trade order ("MCTO") in respect of Hollinger Inc., which was originally issued on June 1, 2004 by the Ontario Securities Commission and which order remained in place until April 10, 2007, when the MCTO was revoked by the Ontario Securities Commission as a result of Hollinger Inc. filing all documents it was required to file pursuant to Ontario securities laws. Mr. Aziz was subsequently appointed Chief Restructuring Officer of Hollinger Inc. in May 2008. In 2008 and 2009, respectively, the Ontario and Alberta Securities Commissions issued permanent cease trade orders against Hollinger Inc., with the consent of the company and approved by the Ontario Superior Court of Justice. The orders were imposed due to the failure of Hollinger Inc. to file certain continuous disclosure documents with the Ontario and Alberta Securities Commissions as a result of Hollinger Inc.'s restructuring under the CCAA. The orders remain in effect.

Mr. Aziz was appointed Chief Restructuring Officer of The Cash Store Financial Services Inc. ("Cash Store") by Order of the Ontario Superior Court of Justice effective April 14, 2014. On May 30, 2014, the Alberta Securities Commission issued a cease trade order against Cash Store. On May 23, 2014, the Toronto Stock Exchange ("TSX") delisted the securities of Cash Store for failure to meet the continued listing requirements of the TSX. Cash Store voluntarily withdrew its securities from listing and registration on the New York Stock Exchange effective March 10, 2014.

APPOINTMENT OF AUDITORS

The Board proposes that KPMG LLP be appointed as auditors of the Corporation and that the shareholders authorize the directors to fix their remuneration. KPMG LLP was first appointed auditor in 1990 and has served continuously since then. The appointment must be approved by a majority of the votes cast at the meeting.

The fees paid by the Corporation for the services performed by KPMG LLP for the years ended December 31, 2015 and 2014 are in Table 1 below. Annually, the AC reviews a summary of the services provided by the auditors to the Corporation and its subsidiaries. In 2004, the AC established a policy requiring approval in advance by the AC for all non-audit services to be rendered by the external auditors; between meetings of the AC, authority for approval is delegated to the AC Chairman. Approvals under the delegated authority are presented to the full AC at its next meeting. The policy also prohibits the engagement of KPMG LLP in a number of services that the AC believes may have the potential to impact KPMG LLP's independence.

In the last two years, KPMG LLP has not provided any of the following services to the Corporation: (i) bookkeeping services and other services related to accounting records or financial statements; (ii) financial information systems design and implementation; (iii) appraisal or valuation services, fairness opinions or contribution-in-kind reports; (iv) actuarial services; (v) internal audit outsourcing services; (vi) management functions; (vii) human resources; (viii) broker-dealer, investment advisor or investment banking services; and (ix) legal services and expert services unrelated to the audit.

TABLE 1 – AUDIT FEES FOR 2015 and 2014

Description	2015 \$	2014 \$
Audit fees ⁽¹⁾	\$ 968,900	\$1,420,665
Audit-related fees ⁽²⁾	332,834	429,900
Tax fees ⁽³⁾	130,316	98,721
All other fees ⁽⁴⁾	—	728,000
Total fees	\$1,432,050	\$2,677,286

Notes:

- (1) The audit of annual and review of the quarterly financial statements of Maple Leaf Foods. The 2014 figure includes \$133,000 for audit procedures relating to Canada Bread Company, Limited, the quarterly review of the interim financial statements of Canada Bread for the quarter ended March 31, 2014, additional costs for work performed during the 2014 year-end audit due to the sale of Canada Bread, changes to the Corporation's debt and hedging portfolio, modifications to share-based payments, and additional audit procedures performed with respect to the calculation of safe income on the sale of Canada Bread.
- (2) Audit-related services consisting primarily of audit procedures for compliance and business purposes including audits of pension plan financial statements, translation services and specified procedures report on turkey, chicken and veal quota and import permits.
- (3) For Canadian and international tax advisory and compliance services, and transfer pricing services.
- (4) For products and services other than the fees reported in (1) to (3), being advisory services relating to divestitures.

SAY-ON-PAY NON-BINDING ADVISORY VOTE

The Board believes that shareholders should have the opportunity to understand the objectives, philosophy and principles the Board has used in its approach to executive compensation decisions. Detailed disclosure of our executive compensation program is provided in the executive compensation section of this Circular, including the letter from the Chair of the HRCC starting on page 32 of this Circular, and the compensation discussion and analysis that follows the letter.

The Board decided in 2011 that shareholders should have the opportunity to vote on the Corporation's approach to executive compensation. Accordingly, the Board adopted a policy of holding at each annual meeting a non-binding advisory vote on the approach to executive compensation as disclosed in this Circular. This advisory vote forms an important part of the ongoing process of engagement between shareholders and the Board on compensation.

At the 2015 annual meeting of shareholders held in April 2015, shareholders holding 92.89% of the shares voted at the meeting voted in favour of the Corporation's approach to executive compensation.

The Board encourages you to read the letter from the Chair of the HRCC on pages 32 and 33 and to carefully review the disclosure of the Corporation's executive compensation program starting on page 36 of this Circular before voting on this matter. The Board recommends that shareholders vote FOR the following resolution and, unless otherwise instructed, the persons designated in the form of proxy intend to vote FOR the following resolution:

RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board, that the shareholders accept the approach to executive compensation disclosed in the Corporation's management proxy circular delivered in advance of the 2016 annual meeting of shareholders.

Since the vote is advisory, it will not be binding on the Board. However, the HRCC will take into account the results of the vote when considering future executive compensation arrangements. Comments and questions regarding our executive compensation program are encouraged and may be directed to the Corporation at Investor.Relations@mapleleaf.com.

MAPLE LEAF FOODS INC. 2016 SHARE OPTION PLAN

BACKGROUND

Since 1982, Maple Leaf Foods has used a combination of share options, restricted share units (RSUs) and performance share units (PSUs) for equity based long term incentive compensation.

Share options were granted under the Maple Leaf Foods Inc. Share Option Plan (the "1982 Plan") from 1982 to 2004. There have been no options outstanding under 1982 Plan since 2011.

In 2004, the Corporation adopted the Maple Leaf Foods Inc. Share Incentive Plan (the "2004 Plan") under which grants of both share options and share units (RSUs and PSUs) are permitted. The shares distributed on vesting of the PSUs and RSUs under the 2004 Plan are issued from treasury. The 2004 Plan continues in use to this day for share options. However, grants of RSUs and PSUs were discontinued in 2006 when the Corporation adopted the Maple Leaf Foods Inc. Restricted Share Unit Plan (the "2006 Plan"). Shares distributed on the vesting of units under the 2006 Plan are purchased on the market and not issued from treasury. However, for tax reasons, units under the plan were limited to a term of less than four years. As a market based share plan, the 2006 Plan has a lower after tax cost to the Corporation per unit granted and does not result in any shareholder dilution.

For five years following the adoption of the 2006 Plan, the Corporation granted only RSUs and PSUs for equity based long term incentive compensation awards to between 150 to 200 of its senior managers. In 2011, the Corporation recommenced share option grants in conjunction with RSUs and PSUs. However, options grants were limited to the approximately 25 senior executives at the time and accounted for one-half of each executive's annual equity based long term incentive compensation. Since the Corporation divested of Canada Bread and other business units in 2013 and 2014, approximately 15 senior executives of the Corporation continue to participate in the 2004 Plan while a total of approximately 100 employees of the Corporation continue to receive PSUs and RSUs under the 2006 Plan.

CHANGES TO EQUITY BASED COMPENSATION PLANS

In late 2015 and early 2016, the Board made a number of changes to the equity compensation plans:

- 1. The 1982 Plan used for share options was formally terminated.**
No options are currently outstanding under the plan.
- 2. The RSU and PSU component of the 2004 Plan was effectively terminated.**
A total of 2,200,000 Maple Leaf Foods common shares were reserved for issue under the RSU and PSU component of the 2004 Plan while only 602,020 shares have been issued under the 2004 Plan. The Board amended the 2004 Plan to reduce the number of shares reserved for issuance pursuant to RSUs and PSUs granted under the 2004 Plan to 602,020, that is, the number previously issued. This prevents any further grants of RSUs or PSUs.
- 3. The Corporation adopted a new share option plan.**
At present, there remain only a nominal number of shares reserved under the 2004 Plan for the grant of share options. The remaining shares reserved are required for the options that are outstanding. Rather than amend the 2004 Plan to reserve additional shares, the Board adopted a new plan, the Maple Leaf Foods Inc. 2016 Share Option Plan (the "2016 Plan"), which is described in greater detail below.

THE 2016 PLAN

On January 25, 2016, the Board, on the recommendation of the HRCC, adopted the 2016 Plan. Implementation of the 2016 Plan is conditional upon shareholder and regulatory approval. A copy of the 2016 Plan is attached to this circular as Appendix C. If the 2016 Plan is approved by shareholders, the Corporation expects to discontinue grants under the 2004 Plan but options granted under the 2004 Plan will remain outstanding until they are exercised or expire. Under normal circumstances, Maple Leaf Foods does

not anticipate making further grants under the 2004 Plan. However, if options become available as a result of terminations or forfeitures of options currently outstanding under the 2004 Plan, the Corporation may grant additional options under the 2004 Plan.

Under the 2016 Plan, the Board is authorized to grant share options to full-time and part-time employees of, and individuals providing consulting services to, the Corporation, its subsidiaries and any partnership of which it is a member. The options have a maximum term of up to ten years and are to be exercisable at a price not below market price at the time of grant. For purposes of the 2016 Plan, market price is the weighted average trading price on the TSX for the five days prior to the day of grant (consistent with the terms of the 2004 Plan.) The number of shares that may be issued pursuant to options under the 2016 Plan is 2,500,000. This represents 1.9% of the number of outstanding common shares as of March 21, 2016. This number is in addition to the number of shares that may be issued under the 2004 Plan. At March 21, 2016, a total of 4,310,314 shares were reserved for issuance pursuant to options under the 2004 Plan representing 3.2% of total shares outstanding. The Corporation has no other employee plans or programs under which shares may be issued.

As of March 21, 2016, the following securities were issued and issuable under the Corporation's security based compensation arrangements for which shares would be issued from treasury:

Plan	Number of Securities to be Issued Upon Exercise of Outstanding Options (a)	Percentage of Outstanding Shares	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding column (a))	Percentage of Outstanding Shares
2004 Plan	4,310,240	3.2%	\$17.60	74	0.0%
2016 Plan	108,560	0.1%	\$22.53	2,391,440	1.8%
Total	4,418,800	3.3%	\$17.73	2,391,514	1.8%

The aggregate number of shares issuable to insiders under the 2016 Plan, together with shares issuable to insiders at any time under the Corporation's other security based compensation arrangements shall not exceed 10% of all issued and outstanding shares of the Corporation. In addition, the number of shares issued to insiders within in any one-year period under the 2016 Plan together with shares issuable to insiders at any time under the Corporation's other security based compensation arrangements shall not exceed 10% of the issued and outstanding shares of the Corporation.

If an option expires during, or within five business days after, a routine or special trading black-out period imposed by the Corporation to restrict trades in the Corporation's securities, then, notwithstanding any other provision of the 2016 Plan, unless the delayed expiration would result in tax penalties, the option shall expire ten business days after the trading black-out period is lifted by the Corporation.

Option holders, in lieu of exercising vested options, may surrender them for cancellation and receive shares equal to the in-the-money value of the surrendered options. The in-the-money value of a vested option is the amount, if any, by which the closing trading price of a share on the last trading day immediately preceding the date of exercise exceeds the exercise price of the option. Following the surrender of options, the Corporation shall issue to the employee the number of shares (rounded down to the nearest whole number) which, valued at the closing trading price on the last trading day immediately preceding the date of exercise, have an aggregate value equivalent to the in-the-money value. The 2016 Plan permits the Board to extend its clawback policy, which applies at present to only payments under the STIP program to options as well.

Unless otherwise determined by the Board, participants whose employment with the Corporation ceases due to normal retirement are entitled to exercise any options that were vested on the date of retirement until the option expires. In the event of a voluntary resignation by the employee, vested options on the last date of employment are exercisable for a 90-day period afterwards. While the same 90-day period applies if the participant's employment is terminated without cause by the Corporation, or due to early retirement the Board has the discretion to amend the time limit. In the event employment is terminated with cause, all vested and unvested options expire on the date of termination. Generally, options are not assignable except to a permitted assign.

Upon a change in control of the Corporation, the Board may, among other actions, without shareholder approval, accelerate the vesting of any outstanding options, in which case any unexercised options following the change in control may be terminated. In the event the Corporation's capital structure is otherwise amended, the Board shall, and without any requirement for shareholder approval, effect amendments to the terms of any outstanding option awards as it considers equitable in order to preserve the proportionate rights and obligations of the participants. The Board may also, subject to shareholder or TSX approval if required, amend, suspend or terminate the Plan provided that such action does not, among other matters, without the employee's consent, impair the rights or obligations arising from an award previously granted to such employee. Shareholder approval is required for any amendment, modification or change that: (i) increases the number of shares reserved for issuance under the 2016 Plan (except equitable adjustments following a change in the capital structure as described above); (ii) increases or removes the 10% maximum number of shares issuable or issued to insiders; (iii) reduces the exercise price of an option or cancellation of an option with a reissue of an option at a lower exercise price (except equitable adjustments following a change in the capital structure as described above); (iv) extends the term of an option beyond the original expiry date or a beyond 10 years from the date of grant (except where an expiry date would have fallen within a blackout period or within 5 business days following the expiry of a blackout period); (v) permits members of the Board who are not employees to receive options under the 2016 Plan; (vi) permits options to be transferred or assigned other than as specifically permitted in the 2016 Plan; or (vii) deletes or reduces the range of amendments which require approval of shareholders. Shareholder approval is not required for amendments to the 2016 Plan that are necessary to preserve the intended tax consequences of the 2016 Plan as reasonably determined by the Board. Furthermore, without shareholder approval and subject to the requirements above, the Board may amend the 2016 Plan for other matters, including but not limited to, the general vesting provisions of each option and matters that are in the best interests of the option holders.

Under the 2016 Plan, the Board is authorized to determine the time and performance vesting restrictions for grants of options. Nevertheless, in the recent past the Corporation has used only three-year time vesting for options granted. Over the same period, the Corporation has applied performance vesting for half of the share units granted.

The Corporation granted 108,560 options to 15 employees on February 1, 2016 under the 2016 Plan as detailed in the table below. The options were granted following the adoption of the new 2016 Plan by the Board but before the 2016 Plan received approval by shareholders and the TSX and therefore these options are conditional upon shareholder approval at the annual and special meeting approval by the TSX. Should these options not be ratified by shareholders, they will be cancelled forthwith.

Participants	Number of Options Granted	Exercise Price	Expiry Date
Officers	108,560	\$22.53	February 1, 2023

RECOMMENDATION

The Corporation, the HRCC and the Board are of the view that the 2016 Plan is appropriate and recommends approval of the 2016 Plan and ratification and approval of the 108,560 options granted subject to approval of the 2016 Plan by shareholders. For senior employees, those most able to influence the Corporation's stock price by their performance, options continue to form part and an important element of their incentive compensation due to their inherent leverage.

The Board believes the allocation of shares for options under the 2016 Plan and under the 2004 Plan with a potential dilution of 5.1% is not excessive.

RESOLUTION

Shareholders will be asked to consider, and if thought fit, approve the resolution set out below for the adoption of the Maple Leaf Foods Inc. 2016 Share Option Plan dated January 25, 2016 as described herein.

RESOLVED THAT the Maple Leaf Foods Inc. 2016 Share Option Plan is hereby adopted, and that the grants of 108,560 options to 15 employees on February 1, 2016 which were made subject to approval of the Maple Leaf Foods Inc. 2016 Share Option Plan are hereby ratified and approved.

REPORT ON CORPORATE GOVERNANCE

The Board is responsible for the overall stewardship of Maple Leaf Foods, ultimately to preserve and to enhance the underlying value of the Corporation. Under the oversight of the Board, management of the business is the responsibility of the CEO and senior management.

The Board and management are committed to maintaining a high standard of corporate governance. To fulfill this commitment, the Board has adopted the guidelines and employs the practices and procedures summarized below.

BOARD RESPONSIBILITIES

1. Board Mandate

The Board's responsibilities for the stewardship of the Corporation are documented in the Board mandate. These responsibilities include, but are not limited to, the following:

- Approving the appointment of the Corporation's officers, including the CEO and CFO, and ensuring that succession planning programs are in place, including programs to appoint, develop and monitor management;
- The strategic planning process, providing strategic guidance to management, approving management's strategic plan after consultation and discussion, and investigating alternate strategies that could enhance shareholder value;
- Monitoring financial performance of the Corporation and its progress toward strategic and operational goals, and taking action when performance falls short of the established goals or as special circumstances warrant;
- Monitoring financial reporting and approving the annual financial statements and notes as well as management's discussion and analysis;
- Identifying the principal risks of the Corporation's business and ensuring that systems to monitor and manage risks are in place;
- Approving and monitoring compliance with all significant policies and procedures by which the Corporation is operated while overseeing the integrity of internal control and management information systems; and,
- Communications with stakeholders, including oversight for the accurate and timely reporting of financial performance.

The complete Board mandate is available on SEDAR (www.sedar.com). It is incorporated by reference into this Circular. The Corporation will provide a copy of the Board's mandate to any security holder of the Corporation free of charge upon request.

2. Corporate Strategy

Management is led by the CEO who is responsible for developing long-term corporate strategy. The role of the Board is to review, question, validate and, ultimately, after its suggestions have been considered and, where appropriate, incorporated, approve the strategies of each operating segment of the Corporation and the Corporation as a whole. The process of strategy development is continuous and evolving. The Board holds in-depth reviews of each business unit's operations, competitive positioning and strategy on a rotating basis and holds an annual meeting devoted exclusively to the review of the Corporation's long-term strategy. The Board monitors the Corporation's progress toward strategic and operational goals, provides ongoing guidance to management as circumstances change, and has the responsibility to take action if performance falls short of established goals.

In September 2010, the Board approved a multi-year strategy to transform the Corporation to a premier consumer packaged meats company with an efficient network of large scale distribution and production facilities and an enterprise-wide resource planning system. In October 2011, the Board approved the final phase of the value creation plan (the "Value Creation Plan"); a \$560 million investment in infrastructure and technologies over three years to establish a world-class prepared meats manufacturing and distribution network. The strategic transformation was substantially completed in 2015.

In 2013, the Board approved the sale of the assets of the Rothsay business unit, which closed in October 2013. The sale followed a process that commenced in late 2012. In making a decision to seek a purchaser for the Rothsay business unit, the Board considered the relationship of the Corporation's core consumer packaged meats business with the rendering operations.

In late 2012, under the oversight of the Board, the Corporation commissioned an evaluation of its prospects and opportunities to grow and improve profitability in its bakery operations held through its 90% interest in Canada Bread Company, Limited ("Canada Bread"). The Board received updates during the first half of 2013 as the study developed and a strategy was being formulated. In mid-2013, prior to the finalization and implementation of the strategy, the Board determined that it would be in the Corporation's best interest to consider other strategic alternatives including the potential sale of the bakery operations, prior to committing to the organizational focus and additional investment in Canada Bread. The Board authorized the engagement of financial advisors and formed a Special Committee to oversee the sale process. In October 2013, the Board and the Special Committee, after having considered the feasibility of a sale and the impact it would have on the remaining operations, formally announced that a sale process was underway. On February 11, 2014, the Corporation reached an agreement to sell its bakery operations, allowing the Corporation to focus on its consumer protein business. The sale transaction closed on May 23, 2014.

3. Succession Planning

Management succession planning is an ongoing activity. The succession plans for each of the executive officer positions are reviewed by the HRCC each year and the conclusions are reported to the Board. These plans include the CEO's recommendation of short- and long-term successors for the CEO and each of the Corporation's senior executive officers. The HRCC also conducts an overall review of senior talent in the organization. Due to its importance to the long-term health and success of the Corporation, the full Board participates in this review. Neither the Board nor the HRCC have established a specific target for the number of women in executive officer positions in the Corporation as they believe first and foremost, the Corporation should seek to recruit those individuals who are most qualified for the particular position, regardless of personal characteristics. The Board and the CGC, however, do monitor the number of women in executive officer positions and do consider gender diversity in making executive officer appointments to ensure a level of diversity in the organization. As of December 31, 2015, there were two executive officers of the Corporation who were women, representing 13% of the total number of executive officers as of such date.

4. Board Communication with Stakeholders

The Board has reviewed and approved the Corporation's Disclosure Policy. The Board, or an appropriate committee of the Board, reviews the Corporation's major communications to shareholders and the investing public including quarterly and annual financial statements, quarterly and annual management's discussion and analysis, proxy circulars, annual information forms and prospectuses.

The Board believes that management should speak for the Corporation in its communications with the investment community, the media, customers, suppliers, employees, governments and the general public. If communications from stakeholders are received by the Chairman or other individual directors, management is informed and consulted to determine an appropriate response. Where appropriate, communications sent to management are reported to the Board.

5. Corporate Governance

The CGC is responsible for developing and recommending improvements to corporate governance guidelines, policies and mandates for implementation by the Board.

6. CEO

The CEO's prime responsibility is to lead the Corporation by providing strategic and operational direction for the growth and profitable operation of the Corporation. The CEO's duties are defined in a document that describes his role and responsibilities, including general management and oversight of the business, annual and strategic planning, human resources and personnel, succession planning and communications. The CEO reports to the Board and is expected to ensure that the Board is

fully informed of the progress and issues involving the business. The CEO must also seek approval for any matter for which he has not been delegated authority.

BOARD ORGANIZATION AND MEMBERSHIP

1. Chairman of the Board

An independent director serves as non-executive Chairman of the Board. The Board has approved and from time to time reviews the Chairman's responsibilities and accountabilities, which are not written. They include:

- Chairing shareholder meetings and board meetings including *in camera* meetings of independent directors;
- Ensuring the effectiveness of the Board and board meetings by overseeing the development of agendas and distribution of materials and information to directors;
- Ensuring the effectiveness of the Board and individual directors by conducting assessments and evaluations;
- Fostering an effective relationship between management and the Board; and,
- Assisting in the review and monitoring of strategies, plans and policies of the Corporation.

2. Board Size and Selection of New Director Candidates

The maximum number of directors permitted by the Corporation's articles is 18; the minimum is eight. The Board is authorized to establish the number of directors within that range. The CGC manages the process of new director nominations. There are currently ten directors and ten directors are being nominated at this annual meeting of shareholders, a number the Board believes is appropriate.

West Face Agreement

The Corporation entered into an agreement with WFC dated February 2, 2011 (the "West Face Agreement"), which is publicly available on SEDAR. The West Face Agreement provides, among other things, that:

- (i) Mr. Gregory A. Boland, the CEO of WFC, be appointed to the Board at the 2011 and 2012 annual meetings;
- (ii) Mr. Gregory A. Boland serve on the HRCC and the CGC so long as he remains on the Board; and,
- (iii) WFC agreed to withdraw its requisition for a shareholders' meeting and not engage in solicitation activities while the agreement is in effect.

The West Face Agreement terminates when Mr. Gregory A. Boland ceases to serve on the Board.

Governance Agreement

In June 2011, the Board was advised that in connection with various estate planning steps being taken in connection with the wishes and directions of the late Mr. Wallace McCain whereby MCC and the shareholders of MCC agreed to transfer beneficial ownership of 43,890,784 common shares of Maple Leaf Foods held by MCC, representing approximately 31.3% of the issued and outstanding common shares in the capital of the Corporation, to Mr. Michael H. McCain, the Corporation's President and CEO (the "Reorganization Transaction"). On July 28, 2011, the Corporation entered into an agreement with Mr. Michael H. McCain and MCC (the "Governance Agreement"), which is publicly available on SEDAR. Among other provisions, with respect to director nominations the Governance Agreement provides that:

- (i) Upon completion of the Re-organization Transaction, MCC and Mr. Michael H. McCain will have the right to nominate that number of directors of the Corporation that is proportionate to its or his ownership interest in the Corporation; and,
- (ii) Except in certain circumstances, all other directors on the Board, other than those nominated pursuant to (i) above and one nominee of WFC, will be independent of management, Mr. Michael H. McCain, MCC and WFC.

The Governance Agreement also provides that:

- (iii) The Corporation would take no steps to hinder the transfer of the shares held by MCC to Mr. Michael H. McCain; and,
- (iv) Upon completion of the Reorganization Transaction, MCC and Mr. Michael H. McCain would vote all of their shares in favour of the adoption, renewal or extension of a shareholder rights plan.

The CGC maintains a list of skills for new candidates to guide it in the search for and selection of new directors. The CGC solicits the names of potential candidates from other directors and adds the names of potential candidates who meet the Board's needs to a list of qualified candidates from which nominees are selected. In 2013, the CGC recommended and the Board approved the adoption of term limits, both age and service, as a means of ensuring continual board renewal.

3. Independence of Directors

The Board has adopted a policy requiring a majority of the directors to be independent. It defines "independent" to mean a director who is not a member of management and is free from any interest and any business, family or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Corporation. The Board has concluded that a director who is otherwise not related to the Corporation or its management will be considered to be independent notwithstanding the presence of a relationship with any of its shareholders. The Corporation does not have a controlling shareholder.

A director is not considered to be independent if the director does not meet the definition of director independence under applicable securities laws for the purpose of AC membership. The Board receives annually the CGC's report on director independence.

The Board considers the presence of nominees of significant shareholders on the Board to be constructive and a contribution to effective governance. Accordingly, under the Governance Agreement it has agreed to nominate a number of directors nominated by Mr. Michael H. McCain proportionate to his ownership interest in the Corporation, which is three directors as there are ten (10) nominees to the Board. At the 2016 annual meeting, Mr. Michael H. McCain has elected to nominate three directors who are Mr. Michael H. McCain, Mr. Ronald G. Close and Mr. William E. Aziz. While nominated by MCI, the CGC has concluded that neither Mr. Ronald G. Close nor Mr. William E. Aziz have any relationship with MCI other than as a director of the Corporation.

Set forth below is a summary indicating the current directors of the Corporation who are considered "independent" and who are considered "not independent", along with the reasons why the latter is not considered independent.

Name	Independent of Corporation	Relationship Affecting Independence
W.E. Aziz	✓	
W.G. Beattie	✓	
G.A. Boland	✓	
J.L. Bragg	✓	
R.G. Close	✓	
D.L. Emerson	✓	
J.M. Fraser	✓	
C.R. Lamoureux	✓	
J.P. Olson	✓	
M.H. McCain		President & CEO

4. Term Limits for Directors

The Board believes that the advantages that accrue from experience and long service on the Board need to be balanced against the benefits of renewal. Accordingly, the Board has adopted term limits for its directors. No candidate will be nominated for election at a meeting if he or she has completed 15 years of continuous service on the Board or has reached 75 years of age. The restriction does not apply to a candidate for election to the Board who is nominated by a shareholder with nominating rights under an agreement with the Corporation.

5. Composition of the Board

The CGC reviews the competencies, skills and personal qualities of candidates to be considered for nomination to the Board. The objective of this review is to maintain a Board composition that provides the best mix of skills and experience to provide for the overall stewardship of the Corporation. The CGC takes into account the desirability of maintaining a reasonable diversity of personal characteristics such as age, gender, geographic residence and origin. In response to the capital markets' desire for more clarity and information, the Board has adopted a policy regarding diversity including gender diversity which is set out below. However, all directors must possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of the shareholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. Each director should also have outstanding ability in his or her individual fields of expertise and be able to devote necessary time to Board matters. Neither the Board nor the CGC have established a specific target for the number of women directors on the Board as it believes first and foremost that it should seek the most qualified directors regardless of personal characteristics. Currently, there is one woman director on the Board and an additional woman is nominated for election at the annual meeting, representing 20% of the number of directors currently and 20% of the number of nominees.

Diversity Policy

The Board of Directors of Maple Leaf Foods Inc. strongly supports the principle of boardroom diversity, of which gender is one important aspect. The Board's aim is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments on merit and against objective criteria, including diversity. Board and committee members engaged in nominations are to conduct searches for potential nominees so as to put forward a diversity of candidates including women candidates.

The Board seeks to ensure that its directors possess certain specific skills that assist the Board in performing its functions in overseeing the conduct and operations of the Corporation. These skills are in addition to the personal and other characteristics listed above. These skills are set out in Table 2 below.

TABLE 2 – DIRECTORS' SKILLS MATRIX

Skill	W.E. Aziz	W.G. Beattie	G.A. Boland	J.L. Bragg	R.G. Close	D.L. Emerson	J.M. Fraser	C.R. Lamoureux	M.H. McCain	J.P. Olson
Consumer Packaged Goods. Experience with a leading consumer packaged goods company.				✓					✓	✓
International. Experience working in a major organization that has business in one or more international jurisdictions or in international trade.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Government Relations. Experience in or a strong understanding of the workings of government and public policy in Canada and internationally through public administration or government relations.	✓			✓		✓		✓	✓	
Education and Academia. Experience and skills in teaching, training, academia.				✓	✓	✓				
CEO/COO. Senior leadership operating experience as a CEO or COO of a publicly listed company or large organization.	✓			✓	✓	✓	✓	✓	✓	✓
Financial Literacy. Experience in financial accounting and reporting, and corporate finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Law. Legal training or experience relating to commercial enterprises.	✓	✓	✓	✓			✓			
Board and Corporate Governance. Experience as a board member of a public company other than MLF or governance experience as an influential shareholder.	✓	✓	✓	✓	✓	✓		✓	✓	✓
Food and Agricultural Industries. Experience in the food and agricultural industries.				✓					✓	✓
Human Resources. Understanding of compensation, benefit and pension programs; know-how in executive compensation programs; and leadership development.	✓			✓	✓	✓	✓	✓	✓	✓
Mergers & Acquisitions. Understanding of issues associated with acquisitions through experience in investment banking or with organizations that have undertaken acquisitions.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Information Technology. Experience with organizations that have undertaken major information technology or systems implementations.	✓		✓	✓	✓	✓		✓	✓	
Engineering and Project Management. Experience with organizations that have undertaken major capital expenditure projects.				✓	✓	✓			✓	✓

The Board is of the opinion that the directors being nominated possess the necessary mix of skills and experience to ensure that as a group, it can fulfill its mandate and contribute to the success of the Corporation. The process of Board renewal is expected to continue, however, and the Board may, if suitable candidates are identified, appoint additional directors before the 2017 annual meeting.

6. Individual Voting for Directors

The Corporation has adopted a policy for individual director voting. Under the policy, if a director is not elected by at least a majority (50% + 1 vote) of the votes cast with respect to his or her election at a meeting of shareholders (other than at a contested shareholder meeting), the director shall tender his or her resignation to the Board immediately following the meeting. The Board shall determine whether or not to accept the resignation within 90 days of the relevant shareholders meeting. The Board shall

accept the resignation absent exceptional circumstances. The resignation will be effective when accepted by the Board. The director who tenders his or her resignation will not participate in any meeting of the Board at which the resignation is considered. A press release disclosing the Board's determination (and the reasons for rejecting the resignation, if applicable) shall be promptly issued following their determination. For purposes of the policy, the Corporation intends to use proxies validly deposited in advance of the particular meeting in order to determine whether the particular approval threshold has been met unless a ballot on the election of directors is taken at the particular meeting.

The Board believes that basing this policy on votes represented by proxies deposited in advance is appropriate for the Corporation in circumstances where no ballot is taken with respect to the election of directors at the meeting. In April 2015, over 99.99% of all shares represented at the annual shareholders' meeting were represented by proxies deposited in advance.

Each of the directors listed as nominees in the management proxy circular dated March 19, 2015 were elected directors of the Corporation until the next Annual Meeting.

The results of the vote for the election of directors at the 2015 Annual Meeting were as follows:

Names of Directors	Number of Shares Voted For ⁽¹⁾	Percentage of Shares Voted For	Number of Shares Withheld from Voting ⁽¹⁾	Percentage of Shares Withheld from Voting
W.E. Aziz	106,038,969	94.13%	6,607,186	5.87%
W.G. Beattie	105,938,949	94.05%	6,707,206	5.95%
G.A. Boland	106,160,509	94.24%	6,485,646	5.76%
J.L. Bragg	106,231,331	94.31%	6,414,824	5.69%
R.G. Close	106,803,318	94.81%	5,842,837	5.19%
D.L. Emerson	106,524,775	94.57%	6,121,380	5.43%
J.M. Fraser	107,007,969	94.99%	5,638,186	5.01%
C. R. Lamoureux	106,227,011	94.30%	6,419,144	5.70%
M.H. McCain	106,800,982	94.81%	5,845,173	5.19%
J.P. Olson	106,534,715	94.57%	6,111,440	5.43%

Note:

(1) As the vote for each motion was taken by a show of hands, the number of votes disclosed reflects only those proxies received by management in advance of the meeting. The results do not reflect spoiled and unmarked proxies.

7. Director Orientation and Education

The CGC oversees an orientation and education program for new directors and ongoing educational opportunities for all directors.

The new director orientation includes information about the Corporation and its operations and the structure of the Board and its committees. Each new director meets one-on-one with senior management of the Corporation's operational and administrative areas to enable the director to learn about the various processes and operations of the Corporation. Through these meetings, new directors also gain an appreciation of the skills and competence of the management team. Prior to nomination, candidates for nomination are provided with an explanation of the workload and time commitment required.

The full Board is given presentations and reports from the Corporation's operating units and administrative areas on a recurring basis. Special presentations to the Board and to its committees are also made, as appropriate, regarding changes and proposed changes in laws and regulations or other issues relevant to the Corporation or the industry in which it operates.

The Corporation has run a program called “Board Connect” under which outside directors spend one day a year working with management of an operating unit or functional area. The program provides directors with the opportunity to engage in specific areas of the business at a deeper level and to engage employees directly, enabling them to assess the depth and breadth of management resources. The directors also receive educational presentations throughout the year from management concerning the Corporation’s business, the industry and its operations. Due to the complexity and time required of the directors to consider and administer the divestiture of Canada Bread and completion of the Value Creation Plan, the Board Connect program was placed in abeyance from 2013 to 2015.

BOARD COMMITTEES AND TERMS OF REFERENCE

1. Board Committees

The Board has passed a general policy respecting the composition, appointment and practices of each committee of the board which, among other requirements, provides that:

- a) The Chairman of the committee shall be the chairman of any meeting of the committee. If the Chairman of the committee is not present at any meeting of the committee, the Chairman of the meeting shall be chosen by the committee from among the members present; and,
- b) Upon the request of the auditors of the Corporation, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters the auditors believe should be brought to the attention of that Audit Committee and to the attention of the Directors or shareholders.

Each committee’s charter requires the committee to report to the Board after each meeting through its Chair. Additionally, the by-laws of the Corporation provide that the Chair of a committee shall not have a second or casting vote in the event of a tie. The Board has determined that there should be four standing Board committees:

- (i) the AC;
- (ii) the CGC;
- (iii) the HRCC; and
- (iv) the SSC.

This structure may change from time to time as the Board considers which of its responsibilities can best be fulfilled through a detailed review of matters at the committee level. Each committee operates according to a Board-approved written charter outlining its duties and responsibilities. A written set of procedures and policies also defines the role of each committee’s chair.

The Board remains responsible for matters assigned to the committees; the responsibility of the committees is to assist the Board in discharging those responsibilities. Each committee is to review and make recommendations to the Board with respect to the approval of matters, except as explicitly provided in the charter of the committee or a resolution of the Board.

2. Membership of Committees

The Board has determined that each committee shall be composed entirely of independent directors. In addition, all members of the AC shall be financially literate within the meaning of applicable securities laws.

Members of the committees hold office at the pleasure of the Board. Each year after receipt of recommendations from the CGC, the Board appoints the members of the committees, fills vacancies as necessary and generally appoints the chair of each committee.

The committees' current membership and Chair and the year the member was first appointed (as a member or Chair) are as follows:

AC		SSC	
W.E. Aziz (Chairman since 2015)	2014	J.P. Olson (Chairman since 2015)	2015
J.L. Bragg	2009	W.G. Beattie	2014
R.G. Close	2015	J.L. Bragg	2009
C.R. Lamoureux	2009	D.L. Emerson	2012
J.P. Olson	2011		
CGC		HRCC	
W.G. Beattie (Chairman since 2014)	2009	J.M. Fraser (Chair since 2015)	2015
G.A. Boland	2012	W.E. Aziz	2014
R.G. Close	2015	G.A. Boland	2011
D.L. Emerson	2012	C.R. Lamoureux	2009
J.M. Fraser	2015		

3. Committee Mandates

In summary, the responsibilities and functions of each committee are as follows.

AC

a) To assist the Board by reviewing the adequacy and effectiveness of financial and reporting processes including:

- (i) systems of internal and financial controls;
- (ii) selection of accounting policies and principles;
- (iii) preparation and audit of financial reports;
- (iv) review of financial risk management functions;
- (v) oversight of the stewardship of the Corporation's pension plan funds and report to the Board; and
- (vi) monitoring of certain other financial matters.

- b) To oversee and monitor the appointment, independence and performance of the internal and external auditors.
- c) To establish and monitor procedures for handling concerns and complaints related to financial matters.
- d) To approve, on behalf of the Board, certain financial and other matters as delegated by the Board.
- e) To review and make recommendations for approval of annual financial statements, management's discussion and analysis of the financial condition of the Corporation and the results of its operations for release to shareholders.
- f) To review and approve the interim financial statements, management's discussion and analysis of the financial condition of the Corporation and the results of its operations for release to shareholders.
- g) To conduct independent investigations into matters that may come under its scope of responsibilities.

CGC

- a) To assist the Board in matters pertaining to the Corporation's approach to governance issues, the organization and staffing of the Board, the organization and conduct of Board meetings and the effectiveness of the Board in performing and fulfilling its responsibilities.
- b) To assist the Board in matters pertaining to the delegation of responsibilities to Board committees by reviewing annually the terms of reference for Board committees and making recommendations to the Board for any amendments deemed necessary or advisable, including recommending directors for membership to each Board committee.

- c) To assess the independence of individuals nominated for election to the Board and the committees of the Board and the financial literacy of members of the AC.
- d) To assess the effectiveness of the Board, individual directors and committee members.

SSC (formerly EHSC)

- a) To review, on behalf of the Board, the Corporation's efforts to meet its objective of being a good corporate citizen with respect to the environment, employee health and safety and consumer safety. This incorporates avoiding nuisance or damage to the environment, ensuring the health and safety of employees, consumers of the Corporation's products and other persons.
- b) To assist the Board in ensuring:
 - (i) that the Corporation has appropriate environmental, health and safety policies (including product safety) that comply with legislative and regulatory requirements and industry standards; and
 - (ii) that the Corporation maintains management systems to implement such policies with proper staffing and adequate resources.

The Committee's name, previously the Environment, Health and Safety Committee ("EHSC"), was changed to Safety and Sustainability Committee ("SSC") as it has been assigned oversight responsibility for the Corporation's sustainability objectives in the areas of advancing nutrition and health, valuing the Corporation's people and communities, treating animals well and eliminating waste. The Committee's charter is being amended to codify these elements.

HRCC

- a) To review, develop and propose to the Board the necessary policies and procedures to ensure that all employees of the Corporation will be fairly and competitively compensated. Special attention is devoted to the executive group. These issues are described in detail commencing on page 36.
 - b) To evaluate annually the performance of the CEO against predetermined goals and criteria and to recommend to the Board the amount of compensation to be paid to the CEO.
 - c) To review annually the CEO's evaluation of the performance of the other executive officers of the Corporation and its major subsidiaries and the CEO's recommendations with respect to the amount of compensation to be paid to the other executive officers.
 - d) To assist the Board in ensuring that appropriate human resource development, succession planning and performance evaluation programs are in place and operating effectively.
 - e) To review and report to the Board on the pension and retirement benefits to employees.
4. Special Purpose Committees
- The Board establishes special purpose committees as required. In the past two years it has formed one special committee of independent directors, which received independent legal advice from counsel retained by the committee that has not otherwise provided advice or legal services to the Corporation.

BOARD MEETINGS AND MATERIALS

1. Functioning of the Board

The CGC with the Chairman of the Board is responsible for assessing and recommending changes to ensure the Board carries out its objectives effectively and operates independently of management.
2. Meeting Agendas, Materials and Attendance of Non-Directors

Procedures are in place governing the conduct of meetings including, among other things, agendas, distribution of briefing materials and attendance of non-directors at meetings. These procedures are followed to promote informed and effective consideration of the matters on the agenda. Senior managers attend each Board meeting to provide information and opinions to assist the directors in their deliberations.

3. *In camera* Meetings

The independent non-management directors meet *in camera* with the non-executive Chairman acting as chairman at all meetings, including non-regularly scheduled meetings conducted by telephone. Each Committee also holds an *in camera* session at every meeting. The AC meets *in camera* at least twice a year with each of the internal and external auditors to maintain open and unfettered communication with those groups.

DIRECTOR COMPENSATION AND SHARE OWNERSHIP

1. Director Compensation

The Board has determined that the directors should be compensated appropriately considering the time commitment, degree of professional and personal responsibility and current trends in director compensation.

The CGC reviews the compensation of the directors every two years. The review includes consideration of all forms of compensation that a director receives, directly or indirectly. The fee schedule for director fees was amended effective January 1, 2010 (see page 28) and more recently amended in 2015 to increase the annual director's retainer to \$150,000 per annum effective January 1, 2016. Director compensation will next be reviewed in 2017 for 2018. The CGC conducted a review of the director's fee schedule in October 2014 and determined that it would conduct a comprehensive review in 2015 and not adjust fees in 2014 with the exception of adding a per-meeting fee for members of the HRCC for compensation matters related to the sale of Canada Bread. The CGC recommended that a per-meeting fee of \$1,500 per HRCC member be paid for each HRCC meeting in 2013 and 2014 attended either in person or by telephone which dealt exclusively or primarily with compensation matters relating to the sale or the consequences of the sale of Canada Bread. The per-meeting fee was approved by the Board in December 2014.

2. Share Ownership by Directors

The Board has determined that it is appropriate to align the interests of the directors receiving fees (excluding those who are full-time employees of the Corporation) with those of shareholders by requiring them to own a minimum number of shares of the Corporation or equivalent units. Effective February 25, 2013, each director was required to hold a minimum number of shares of the Corporation or equivalent units having a value equal to three (3) times their annual retainer. Such holdings are to be acquired within five years of the director's appointment, the adoption of the policy or any increase in the amount of the retainer. For this purpose, ownership could take the form of actual shares or equivalent units acquired under the 2013 DSU Plan (described on pages 60 to 63 inclusive). This is described in detail under Directors' Compensation commencing on page 28.

BOARD'S RELATIONSHIP WITH MANAGEMENT

1. Board's Relationship with Management

Management is encouraged to make appropriate use of the Board's skills before making decisions on key issues. The CGC regularly reviews and assesses the Board's relationship with management.

2. Limits to Management Authority

As required by the Corporation's by-laws, the Board has established limits on management's approval authority depending on the nature and size of a proposed transaction. These limits provide for some flexibility for approvals within approved budgets. However, the guidelines require that transactions outside defined limits be approved by the Board or an appropriate committee. The limit is generally \$5.0 million.

3. Evaluation of the CEO

The HRCC conducts an annual assessment of the performance of the CEO against the goals and objectives for the Corporation that have been established by the Board. The Chairman of the HRCC reviews the assessment with the full Board.

4. Director Access to Management

All directors have open access to the Corporation's senior management for relevant information. Individual directors are encouraged to make themselves available for consultations with management outside Board meetings to provide specific advice and counsel on subjects where the directors have special knowledge and experience.

Since 2005, the Corporation has used a program called "Board Connect" under which directors spend one day working with management of an operating unit or administrative area. The program provides opportunities for directors to engage in specific areas of the business at a deeper level. The plan also allows directors to engage employees directly, enabling an assessment of the depth and breadth of management resources. The directors also receive educational presentations throughout the year from management concerning the Corporation's business, the industry and its operations. Due to the complexity and time required of the directors to consider and administer the divestiture of Canada Bread and completion of the Value Creation Plan, the Board Connect program was placed in abeyance from 2013 to 2015.

DIRECTOR RESPONSIBILITIES AND PERFORMANCE

1. Director Responsibilities

Directors are expected to use their skill and experience to provide oversight to the business of the Corporation. Directors have a duty to act honestly and in good faith in the best interests of the Corporation and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances.

Directors are expected to attend all Board and committee meetings in person or by telephone. In circumstances where a director is unable to do so, he or she has the opportunity to communicate his or her views, which are then shared with the full Board. A summary of the attendance record of each director at Board and committee meetings held in 2015 is detailed in Appendix A. The CGC reviews director attendance annually, taking note of any exceptional circumstances accounting for director absences. For 2015, attendance of each incumbent director nominated for election at the 2016 Annual Meeting was an average of 94% for all regularly called meetings and the Committee was satisfied with the attendance record of each director.

2. Outside Advisors for Individual Directors

The Board has determined that any director who wishes to engage at the expense of the Corporation a non-management advisor to assist on matters involving his or her responsibilities as a director should obtain authorization from the CGC. This approval requirement does not limit the authority of the AC to engage consultants or advisors on matters of financial reporting or the authority of the HRCC to engage compensation consultants. Detailed information concerning compensation consultants engaged and their responsibilities is contained in the Executive Compensation portion of this Circular on page 38.

3. Assessment of Board and Individual Director Performance

The CGC is responsible for periodic assessments of the overall performance and effectiveness of the Board and each committee, the Chairman, each committee chair and each director. The CGC is also responsible for reporting these assessments to the Board and recommending changes to the charter. The objective of the assessments is to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement.

Annually, each director completes a confidential survey of the effectiveness of the Board as a whole, the committees they sit on, the directors as a group and their individual effectiveness. The results of the survey are tabulated and all comments made available to the CGC on a non-attributed basis. The information is used to assess the effectiveness of the Board's procedures and assist the CGC in making changes.

The Chairman of the Board also makes an annual assessment of the contribution and performance of the individual directors, which is reviewed with the CGC. Individual directors also complete a self-

evaluation questionnaire biannually focused on criteria that the CGC deems significant to director effectiveness. The Chairman of the Board meets with each individual director to review the self-evaluation. The interviews with directors are constructive and are believed to lead to improvements in each director's individual performance and contribution to the Board. Following completion of the evaluations and interviews, a summary of the aggregate results is prepared for discussion by the CGC. The results are also reported to the full Board together with the recommendations of the CGC for changes to Board practices to advance director effectiveness.

ETHICS AND CONFLICTS OF INTEREST

1. Ethical Behaviour

The Board takes all steps to assure itself of the ethics and integrity of the CEO and the executive officers and ensure that they establish an appropriate "tone-at-the-top" for ethical conduct.

2. Code of Business Conduct

The Board expects directors, officers and employees to act ethically at all times and to acknowledge their compliance with the Corporation's Code of Business Conduct (the "Code"). Every year, every employee is required to reaffirm in writing his or her adherence to the Code. New employees are given a copy of the Code upon joining the Corporation. Copies are available from the Corporation and at www.mapleleaffoods.com.

An Ethics Committee composed of management personnel reviews and addresses issues of interpretation of the Code raised by employees and proposes changes to the Code. The Ethics Committee reports on its activities to the CGC. Annually, all employees are required to confirm their acceptance of and compliance with the Code. The CGC monitors the results of the signoff. The AC reviews reports received through the "whistle-blower" hot line (see "Whistle-Blower Procedures" below) and reviews reports from internal audit on compliance with the Corporation's business expense reimbursement policy by the senior executives. Release from the application of a specific part of the Code for an officer or a director may only be given by the CGC.

3. Whistle-Blower Procedures

The Corporation has established a whistle-blower hotline named the Ethics Line. The Ethics Line provides employees with an avenue to raise concerns such as fraud, accounting irregularities, kickbacks, product tampering or other issues. The process was designed to reassure complainants that they will be protected from reprisals or victimization when reporting concerns in good faith. All calls are recorded and logged at an independent call centre, and the incidents reported are tracked and resolved using the case management system. The AC reviews reports on the calls and their outcome on a quarterly basis.

4. Conflicts of Interest

Directors have the statutory responsibility to disclose all actual or potential conflicts of interest, recuse himself or herself from any discussion on such matters and generally to refrain from voting on matters that could affect his or her personal, business or professional interests.

DIRECTORS' COMPENSATION

COMPENSATION OF DIRECTORS

The Corporation does not pay compensation to directors who are full-time employees of Maple Leaf Foods, any of its subsidiaries, or shareholders holding more than 20% of the issued shares of the Corporation. The compensation paid for service of non-employee directors in 2015 totaled \$1,306,228. Directors' compensation for 2015 is set out in Table 4.

Generally, the CGC reviews director compensation every two years and makes recommendations for adjustments to the Board. Fees for Board service, other than for service on special committees, had not adjusted since January 1, 2010. In late 2015, after reviewing bench mark data, the CGC recommended (and the Board approved) an increase in the annual retainer from \$120,000 to \$150,000 per annum effective January 1, 2016. No other changes were made.

All fees are denominated in cash and are payable in cash. Under the Corporation's current Share Purchase and Deferred Share Unit Plan ("2013 DSU Plan"), each director may elect to receive DSUs or actual shares for the net amount after tax withholding instead of cash. The election available to directors under the 2013 DSU Plan is described starting on page 60.

TABLE 3 – DIRECTORS' COMPENSATION in 2015

<i>Compensation – retainers for service on the Board and standing committees</i>	
Annual Retainer	\$120,000
Annual Committee Retainer	\$ 1,500
Annual Audit Committee Chair Retainer	\$ 15,000
Annual Committee Chair Retainer (other than Audit Committee)	\$ 10,000
Annual Retainer for service as non-executive Chairman of the Board (two times the Annual Retainer) ⁽¹⁾	\$240,000
<i>Compensation – retainers and fees for service on the ad hoc special committees and working groups⁽²⁾</i>	
Monthly Retainer for each member of the particular special committee or working group excluding the Chair ⁽³⁾	\$ 2,500
Monthly Retainer for the Chairman of the particular special committee or working group ⁽³⁾	\$ 7,500

Notes:

- (1) Inclusive of the retainer for service on the Board but exclusive of service on any committees.
- (2) There were no special committees in 2015.
- (3) Payable for each month or part thereof that the committee or working group was active.

TABLE 4 – DIRECTORS' COMPENSATION TABLE – 2015

Name ⁽¹⁾	Fees Earned ⁽²⁾ (\$)	Share Based Awards (\$)	Option- Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
W.E. Aziz	132,012						132,012
W.G. Beattie	131,500						131,500
G.A. Boland	123,000						123,000
J.L. Bragg	123,000						123,000
R.G. Close	82,451						82,451
D.L. Emerson	243,000						243,000
J.M. Fraser	127,677						127,677
J. Gandz	43,713						43,713
C.R. Lamoureux	123,000						123,000
D.E. McGarry	45,375						45,375
J.P. Olson	131,500						131,500
Total	1,306,228						1,306,228

Note:

- (1) Directors serving as employees of the Corporation or any of its subsidiaries and shareholders holding more than 20% of the Corporation's shares are not entitled to directors' fees. As an employee of the Corporation Mr. McCain did not receive fees for acting as a director during 2015.
- (2) Fees are paid quarterly in the month following the end of each quarter. The fees shown in the table are those payable in respect of service in 2015 and includes fees for the fourth quarter, which were paid in January 2016.

TABLE 5 – DIRECTORS' FEES – SUPPLEMENTARY INFORMATION

The table below presents a breakdown of the compensation paid to each director in 2015 and the form of payment selected by the director.

	Annual Retainer						Form of Payment			
	Board Member	HR&CC	AC	EHSC	CGC	Board Chair	Total Fees in 2015	Deferred Under 2013 DSU Plan	Used For Share Purchases	Paid in Cash or Retained After Share Purchases
W.E. Aziz	120,000	1,500	10,512	–	–	–	132,012	132,012	–	–
W.G. Beattie	120,000	–	–	1,500	10,000	–	131,500	131,500	–	–
G.A. Boland	120,000	1,500	–	–	1,500	–	123,000	123,000	–	–
J.L. Bragg	120,000	–	1,500	1,500	–	–	123,000	123,000	–	–
R.G. Close	80,440	–	1,005	–	1,005	–	82,451	82,451	–	–
D.L. Emerson	–	–	–	1,500	1,500	240,000	243,000	243,000	–	–
J.M. Fraser	120,000	6,676	–	–	1,001	–	127,677	127,677	–	–
J. Gandz	39,890	–	–	3,324	499	–	43,713	–	43,713	–
C.R. Lamoureux	120,000	1,500	1,500	–	–	–	123,000	–	123,000	–
D.E. McGarry	39,890	–	4,986	499	–	–	45,375	45,375	–	–
J.P. Olson	120,000	3,324	1,500	6,676	–	–	131,500	–	–	131,500
	1,000,220	14,500	21,004	14,999	15,505	240,000	1,306,228	1,008,015	166,713	131,500

Notes:

- (1) The schedule of fees is found on page 28. Fees are paid quarterly in the month following the end of quarter. The fees shown in the table are those payable in respect of service in 2015.
- (2) The amounts in the table are before tax withholding amounts.

DSU Plan

In 2002, the Corporation established a Share Purchase and Deferred Share Unit Plan to provide eligible directors with the opportunity to participate in the long-term success of the Corporation and to promote a greater alignment of interests between directors and shareholders. Under the DSU Plan, eligible directors could elect to receive their retainer and fees in the form of DSUs or as common shares of the Corporation.

In 2013, shareholders approved a revised plan (the "2013 DSU Plan") whose provisions are substantially similar to the plan established in 2002, except that the distributions to directors on maturity could be in the form of common shares of the Corporation issued from treasury or purchased by the Corporation on the TSX.

If an eligible director elects to receive his or her retainer and fees as common shares, the Corporation purchases shares on the TSX at market prices quarterly on predetermined dates on behalf of the participating directors. The Corporation arranges the purchase of the shares and is responsible for commissions and any administration fees. Shares acquired for an eligible director shall be registered in such name as the director may direct.

If an eligible director elects to receive his or her fees and retainer in the form of DSUs, each DSU has a value equal to the market value of one common share of the Corporation at the time the DSU is credited to the director. The value of a DSU when redeemed for cash is equivalent to the market value of a common share of the Corporation at the time of redemption. DSUs attract dividends in the form of additional DSUs at the same rate as dividends on common shares of the Corporation. An eligible director cannot redeem the DSU in cash until he or she ceases to be a member of the Board and then must do so within approximately one calendar year (exactly six months in the case of U.S. directors) of leaving the Board.

The 2013 DSU Plan may be amended, suspended or terminated by the Board. However, no amendment, suspension or termination of the 2013 DSU Plan may adversely affect any previously granted DSUs without the consent of the affected director. If the Board chooses to terminate or suspend the 2013 DSU Plan, no new DSUs will be issued, but previously credited DSUs will remain outstanding (but are not entitled to dividends except at the discretion of the Board) and shall be paid out in accordance with the terms of the 2013 DSU Plan.

Tables 6 and 7 contain the details of the number of units held by directors at December 31, 2015 and Table 8 provides a comparison of the number and market value of common shares and DSUs held by the directors as at February 15, 2015 and March 15, 2016.

TABLE 6 – DIRECTORS’ DSUs

Name	Share-Based Awards		
	Number of Shares or Units of Shares That Have Not Vested ⁽¹⁾ #	Market or Payout Value of Share-Based Awards That Have Not Vested ⁽¹⁾ \$	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ⁽²⁾ \$
W.E. Aziz			206,417
W.G. Beattie			1,701,948
G.A. Boland			787,505
J.L. Bragg			1,788,379
R.G. Close			55,076
D.L. Emerson			1,377,661
J.M. Fraser			124,922
C.R. Lamoureux			175,074
J.P. Olson	–	–	950,802

Notes:

- (1) Units credited under the 2013 DSU Plan vest at the time of being credited to the plan.
- (2) The “market or payout value” is based on the closing share price of the Corporation’s shares on the TSX on December 31, 2015 (\$23.76) and the number of units under the 2013 DSU Plan credited to the participant for director’s fees earned and dividends up to December 31, 2015. Contributions for fees earned in the quarter ended on December 31, 2015 were credited to the accounts on January 15, 2016 and accordingly are not included in the balances above.

TABLE 7 – DIRECTORS’ DSUs

Name	Share-Based Awards That Vested During the Year ⁽¹⁾ (#)	Share-Based Awards That Vested During the Year ⁽¹⁾⁽²⁾ (\$)
W.E. Aziz	5,779.92	132,012
W. G. Beattie	5,753.94	131,500
G. A. Boland	5,382.02	123,000
J. L. Bragg	5,382.02	123,000
R.G. Close	3,639.70	82,451
D. L. Emerson	10,632.76	243,000
J.M. Fraser	5,589.71	127,677
J. Gandz	–	–
C. R. Lamoureux	–	–
D. E. McGarry	1,949.27	45,375
J. P. Olson	–	–

Note:

- (1) The “Number of Shares or Units of Shares That Have Vested” represent all DSUs credited to the Directors’ accounts (including dividend reinvestment) in respect of fees earned in 2015. Units credited for dividends are not included. Contributions for fees earned in the quarter ended on December 31, 2015 were credited to the accounts on January 15, 2016 and are included in the balances above.
- (2) Amount in the column represents the amount of fees earned in 2015 and converted to DSUs.

TABLE 8 – DIRECTOR EQUITY OWNERSHIP

Name	Equity Ownership at March 15, 2016		Equity Ownership at February 15, 2015 ⁽²⁾		Net Change in Equity		Market Value of Equity Holdings at March 15, 2016 (\$) ⁽¹⁾
	Common Shares (#)	DSUs (#)	Common Shares (#)	DSUs (#)	Common Shares (#)	DSUs (#)	
W.E. Aziz	14,275	10,167	9,575	4,306	4,700	5,861	654,557
W.G. Beattie	21,088	73,056	21,088	66,327	–	6,729	2,521,176
G.A. Boland	–	34,477	–	28,664	–	5,813	923,294
J.L. Bragg	190,000	76,602	190,000	70,190	–	6,412	7,139,602
R.G. Close	8,400	3,651	–	–	8,400	3,651	322,726
D.L. Emerson	10,000	60,616	10,000	49,237	–	11,379	1,891,096
J.M. Fraser	–	6,683	–	1,059	–	5,624	178,971
C.R. Lamoureux	48,456	7,368	44,635	7,263	3,821	105	1,494,967
J.P. Olson	–	40,017	–	39,449	–	568	1,071,655
Directors Not Subject to Ownership Guidelines⁽²⁾							
M.H. McCain ⁽³⁾	46,788,658		46,777,283		11,375		1,253,000,261

Notes:

- (1) The closing price of the Corporation's stock on March 15, 2016 was \$26.78.
- (2) The closing price of the Corporation's stock on February 13, 2015 (the last trading day before February 15, 2015) was \$21.78.
- (3) The ownership guidelines do not apply to directors who are employees of the Corporation and who do not receive directors' fees, as set out above on page 25.

Compliance with Equity Ownership Guidelines The Board requires directors receiving fees to own and hold a minimum number of shares of the Corporation or equivalent units equal to three (3) times the annual retainer for directors i.e. \$360,000. . With the increase in the annual retainer effective January 1, 2016 to \$150,000 the holding requirement in dollar increased to \$450,000. Ownership may take the form of actual shares or equivalent units acquired under the 2013 DSU Plan. The value of any actual shares for this purpose is the market value or the cost of the shares, whichever is greater. In DSUs are valued at the greater of the current share price and the amount of fees contributed to the plan. The guideline holdings are to be acquired within five years of the director's appointment or any increase in the amount of the annual retainer, whichever is later. Table 9 shows each director's compliance with the equity ownership guidelines. All directors are in compliance.

TABLE 9 – DIRECTORS' COMPLIANCE WITH EQUITY OWNERSHIP GUIDELINES

Name	Date Joined Board	Number of Shares and Units held (#)	Value of Equity Holdings ⁽¹⁾ (\$)	Multiple of Current Retainer	Meets Ownership Requirements ⁽¹⁾ Yes/No
Required holding		16,804	450,000	3.0	
W.E. Aziz	2014	24,442	654,557	4.4	Yes
W.G. Beattie	2008	94,144	2,521,176	16.8	Yes
G.A. Boland	2011	34,477	923,294	6.2	Yes
J.L. Bragg	2008	266,602	7,139,602	47.6	Yes
R.G. Close	2015	12,051	322,726	2.2	No ⁽²⁾
D.L. Emerson	2012	70,616	1,891,096	12.6	Yes
J.M. Fraser	2014	6,683	178,971	1.2	No ⁽²⁾
C.R. Lamoureux	2008	55,824	1,494,967	10.0	Yes
J.P. Olson	2011	40,017	1,071,655	7.1	Yes

Notes:

- (1) The information given is as of March 15, 2016. The closing price of the Corporation's stock on March 15, 2016 was \$26.78.
- (2) All directors exceed the required holding other than Mr. Close and Ms. Fraser, each of whom are within the permitted acquisition period. A director has five years from his or her appointment to comply with the equity ownership guidelines. Ms. Fraser and Mr. Close have until the fifth anniversary appointment to the Board in 2019 and 2020 respectively to acquire sufficient shares or share units to fulfill the equity ownership guidelines.

LETTER TO SHAREHOLDERS

From the Chair of the Human Resources and Compensation Committee

To Our Shareholders:

Executive compensation at Maple Leaf Foods is determined by the Board, upon the recommendation of the Human Resources and Compensation Committee ("HRCC" or the "Committee"), made up of four independent Board members, including myself as Chair.

In 2015, Maple Leaf Foods took the final steps in its seven-year transformation into a focused consumer protein company. This enormous repositioning and restructuring of the Corporation involved divestitures of non-core assets and the establishment of one of the most technologically advanced, scale prepared meats networks in North America. A state of the art, 400,000 sq. ft. processed meat manufacturing facility focused on production of wieners and deli meats has been built and is now fully operational, new systems have been installed, the product portfolio has been reconfigured and the management structure has been realigned to reflect the Corporation's leaner, more efficient structure and operations. The Corporation is now well positioned for growth, has returned to profitability and is realizing improvement in EBITDA margins as it continues eliminating the ramp-up inefficiencies.

The Maple Leaf Foods compensation programs are designed to attract and retain the talent required, compensate executives for performance, and align incentives to the financial objectives of the Corporation and the interests of its shareholders.

External benchmarking is conducted annually for salaried employees to ensure compensation levels are market competitive within an appropriate peer group. An appropriate comparator group is used to benchmark the compensation of the CEO, COO and CFO. For the balance of the Senior Leadership Team, compensation is benchmarked to salary surveys published by Towers Watson and Aon Hewitt. The salary planning process ensures each individual's compensation is reviewed in relation to the market and is linked to an employee's performance.

Short Term Incentive Plan ("STIP") payouts for senior executives are based entirely on performance targets for Earnings Before Tax ("EBT"), as a means to reinforce accountability in the execution of the business plan. The EBT threshold for 2015 was not achieved, resulting in no payouts for the SLT, including the NEOs.

On the recommendation of the HRCC, in December 2015 the Board approved a one-time share award in respect of 2015, in recognition of the successful completion of Maple Leaf Food's strategic transformation. The amount of such award was approximately equivalent to the team component of the 2015 STIP had the target performance been achieved in the year. For the SLT, 25% of the award vested immediately with the balance vesting in March 2017 and March 2018 in equal amounts, subject to achieving specific EBITDA margin targets in 2016 and 2017, respectively. For all other employees who participate in the STIP program, 25% of the shares awarded vested immediately and were distributed in December 2015. The balance of the award will vest and be distributed in December 2016.

The goal of the Corporation's Long Term Incentive Plan ("LTIP") is to align executives to shareholder interest and focus attention on long term performance. Awards are made at the start of the year and include options, time based restricted share units ("RSUs") and performance based share units ("PSUs"). RSUs are time vested over three years. The vesting of PSUs is based solely on achieving performance targets over a three-year period ending December 31, 2017.

Employees covered by the Corporation's share ownership requirement who have not yet achieved the required level of share ownership, must retain 50% of the after-tax gain realized on the distribution of any LTIP Award.

In 2014, with the sale of Canada Bread, the Committee approved a number of changes to previously issued LTIP awards. RSUs and PSUs were converted to cash, to be paid in three installments – May 2014, 2015 and 2016. In December 2015 the Committee approved the immediate payment of the final 2016 cash payment to allow the tax treatment of the cash distribution to be aligned to the year in which it was earned.

Overall, the Committee believes that the executive structure and compensation programs in place are appropriate. However, the Committee will continue to evaluate the effectiveness of the compensation structure and programs and the changes that may be necessary to achieve the Corporation's objectives.

The Committee introduced an annual advisory vote on executive compensation in 2011 to encourage shareholders to provide input on our approach to executive compensation. I encourage you to register your vote on the "say-on-pay" resolution and to continue providing us with your considered feedback.

On behalf of the Committee and the entire Board, thank you for your continued investment in Maple Leaf Foods.

Jean M. Fraser, Chair
Human Resources and Compensation Committee
March 2016

COMPENSATION GOVERNANCE

General

The HRCC of Maple Leaf Foods has authority over Maple Leaf Foods' compensation strategy and individual compensation packages for members of the Senior Leadership Team ("SLT"), excluding the five Named Executive Officers (the "NEOs") which includes: the CEO, the CFO and the next three most highly paid executives. Compensation matters in respect of the NEOs require approval by the full Board of Directors. To fulfill its obligations, the HRCC considers recommendations from the CEO, guidance provided by independent advisors, and the practices and policies of peer companies. All Board discussions related to compensation are held *in camera*; directors who are members of management are not present.

Human Resources and Compensation Committee

The HRCC consists of four independent directors: William E. Aziz, Gregory A. Boland, Claude R. Lamoureux and the Committee Chair, Jean M. Fraser. The members of the Committee were appointed based on their independence and experience in compensation matters.

Experience of the HRCC Members

Each HRCC member has had previous experience either as a director or as a CEO in formulating, reviewing and/or approving executive compensation policies, strategies and programs. They bring this breadth of experience to the evaluation and development of Maple Leaf Foods' compensation policies and practices.

HRCC member experience includes:

William E. Aziz

Mr. Aziz has been a member of the HRCC since 2014. He is a member of the Human Resources Committee of the \$80 billion Ontario Municipal Employees' Retirement System (OMERS). In addition, he has prior relevant experience as the Chair of the Governance and Nominating Committee at Tecumseh Products Company in Ann Arbor, Michigan, where executive compensation was considered and has acted in senior executive roles where he has dealt extensively with issues of compensation, transition, succession and governance.

Gregory A. Boland

Mr. Boland has been a member of the HRCC since 2011. He is the President and CEO of West Face Capital, an investment fund that holds equity interests in public companies. Mr. Boland served on the Board of Directors and the Human Resources and Compensation Committee of ACE Aviation Holdings Inc. until June 2012.

Jean M. Fraser

Ms. Fraser is a retired corporate/mergers and acquisitions partner and former managing partner of one of Canada's leading law firms. She has extensive experience in advising boards and board committees of public companies on governance matters including compensation structures. Ms. Fraser is a director and member of the Human Resources Committee and the Audit and Conduct Review Committee of Aviva Canada Inc. Her experience also includes advising on significant mergers and acquisitions, reorganization and capital markets transactions.

Claude R. Lamoureux

Mr. Lamoureux has been a member of the HRCC since 2009. He was Chief Executive Officer of Ontario Teachers Pension Plan, a public sector pension fund, from 1990 until his retirement in 2007. He served as a member of the Board of Directors and was the Chair of the Compensation Committee of Atrium Innovations Inc. He is also on the Board of Directors of Industrial Alliance Insurance and Financial Services Inc. He previously served on the Board of Directors and the Human Resources Committee of Domtar Inc.

HRCC Mandate

The HRCC's mandate includes:

- Setting the overall compensation strategy for and approving compensation for senior executives forming the 15-member Senior Leadership Team;
- Making recommendations to the Board on the design and application of all elements of compensation;
- Making recommendations to the Board on compensation for the CEO, CFO and other NEOs;
- Ensuring compensation awards are implemented according to the design and intent of the strategy; and,
- Reviewing and approving key compensation and human resources policies.

COMPENSATION DISCUSSION AND ANALYSIS

This discussion and analysis aims to help readers understand how Maple Leaf Foods uses compensation to motivate and reward the NEOs. The NEOs for 2015 were:

- the CEO;
- the COO;
- the CFO;
- the SVP Supply Chain and Purchasing (formerly SVP, Transformation); and
- the SVP Operations.

Compensation Philosophy

Our compensation package is designed to achieve four objectives:

- to attract and retain executive talent;
- to align individual performance with corporate goals and objectives;
- to align the motivations of executives with the best interests of shareholders; and,
- ultimately to reward executives for building sustainable shareholder returns.

The compensation package has four components, each with a different function:

1. Base salary;
2. An annual bonus or short-term incentive plan ("STIP");
3. A long-term equity-based incentive plan ("LTIP"); and,
4. Benefits and retirement programs.

The combination of fixed salary and variable incentives for each executive position reflects the capacity of the individual to influence business results over the short and long term; the more senior the position, the higher the proportion of compensation based on variable incentives and the more significant the portion of pay at risk. The CEO's compensation has the highest proportion of variable pay given his role as strategic leader. The incentive package is also heavily weighted to the equity-based LTIP, which encourages long-term strategic thinking and alignment with shareholder interests.

The compensation of each executive is based on a comprehensive evaluation of performance. This includes an assessment of performance against objectives as well as adherence to the Corporation's values. The executive team establishes objectives each year based on key strategic priorities for the business. Objectives apply to operating areas, functions and the Corporation as a whole, and become individual goals for NEOs and other SLT members. Achieving these individual goals is a key factor in assessing individual performance and in aligning total compensation within market benchmark ranges. Achievement of these individual goals is not included in the formula for determining executive short-term incentive payout as it is for employees below the vice president level. For all members of the SLT including the NEOs, the STIP payout is based solely on achievement of the Corporation's overall business results.

Share Ownership Requirements

To align executive interests with shareholder interests, the HRCC has adopted a policy requiring NEOs and other SLT executives to meet significant levels of share ownership. The policy also extends the requirement to own shares to the senior management vice president group, which reports to the SLT. The share ownership requirement must be met within seven (7) years from the date an executive first becomes subject to the policy. Until the executive meets the ownership requirement, he or she is required to retain 50% of the after-tax gain realized on the distribution or exercise of any LTIP awards. Only common shares satisfy the ownership requirement. Restricted share units ("RSUs") and options are excluded. Under the policy, annually on June 1 each executive's share ownership is reported and compliance is assessed annually on June 1. On June 1, 2015, all NEOs other than the SVP Operations and Chief Food Safety Officer (Dr. Huffman) were in compliance. Dr. Huffman was in the transition period and acquired additional shares in January 2016 to meet the requirement.

NEO share ownership levels, for those NEOs who remain actively employed by Maple Leaf Foods as of February 29, 2016 are in the table below.

Name	Position	Executive Share Ownership			
		Actual Holdings		Holdings as a Multiple of Base Salary	
		Number #	Value ⁽¹⁾ \$ million	Actual	Policy Requirement
M.H. McCain	Chief Executive Officer	46,788,658	1,067.25	1,036.0	5X
D.K. Simpson	Chief Financial Officer	73,198	1.67	3.6	3X
G. Maksymetz	Chief Operating Officer	101,586	2.32	3.3	3X
R.D. Huffman	SVP Operations and Chief Food Safety Officer	24,394	0.56	1.0	1X
R. Young	SVP Supply Chain and Purchasing	160,937	3.67	5.7	1X

Note:

(1) Actual holdings and values are based on the number of common shares held on February 29, 2016. On that date, the closing price was \$22.81 per share.

PROCESS FOR DETERMINING COMPENSATION

The process for determining compensation begins with a review of market data provided by the HRCC's independent compensation consultant. After consultation between the CEO and Maple Leaf Foods' Senior Vice President, People ("SVP, People"), the CEO makes recommendations to the HRCC on compensation for members of the SLT, excluding the CEO. The HRCC then:

- Determines the compensation for the members of the SLT, excluding the NEOs; and
- Makes recommendations to the Board on compensation for the NEOs, including the CEO.

As part of the CEO compensation recommendation process, the HRCC evaluates the CEO's performance against the annual plan and strategic objectives and discusses the appropriate compensation *in camera*. The SVP, People may be present for part of that *in camera* meeting.

The HRCC also reviews all other matters related to employee compensation including pensions, benefits and incentive plans.

Reasonableness Test

The HRCC and the CEO conduct a reasonableness test of each NEO's total direct compensation, including base salary and incentive pay. The HRCC can increase or decrease compensation as it deems appropriate. It then reports the results of the reasonableness test and makes recommendations to the Board. This reasonableness test takes into account external market data, individual performance and internal equity within the peer group.

Risks associated with Compensation Plans

The Board and the HRCC assess the compensation programs to ensure that they do not promote decisions or behavior not in the best interests of the Corporation. To avoid excessive costs to the Corporation and excessive compensation to executives, all annual bonuses have maximum payout amounts, and the HRCC uses an independent compensation advisor to provide market data and counsel. All non-recurring, unusual or other items that impact earnings are considered when assessing performance and determining short-term and long-term incentive payments. NEOs may be required to return short-term incentive payments if results are restated. In addition, executive interests are aligned with shareholder interests through the requirement to own a significant level of Maple Leaf Foods shares.

Independent Advisors

In June 2013, the HRCC engaged Steven Hall and Partners ("Steven Hall") to provide independent compensation advice. To ensure independence, the HRCC selected an advisor that did not have an existing relationship with Maple Leaf Foods. Steven Hall reports directly to the HRCC Chair and restricts its association with the Corporation to its engagement with the HRCC. Steven Hall's mandate includes the following compensation-related services:

- Review and recommend changes to compensation philosophy for the CEO and other NEOs;
- Compare compensation of other NEOs to marketplace data;
- Review and recommend changes to the design of the STIP and LTIP;
- Review the performance metrics used to determine incentive payments; and,
- Provide information and advice on emerging trends and best practices.

The table below sets out the fees earned by Steven Hall for services provided in 2015 and 2014, in U.S. dollars. Steven Hall did not earn any additional fees from or provide any services to the Corporation outside of the engagement by the HRCC. There were no fees paid in 2015 or 2014 to any other independent compensation advisor.

Executive Compensation Related Fees for Services Performed by:	Fees for 2015	Fees for 2014
Steven Hall	\$111,282	\$93,609

Benchmarking Compensation and Peer Groups

The Corporation targets executive compensation at the median of the peer group for total target compensation, while recognizing and rewarding exceptional performance and contribution through above-median total compensation. Total target compensation is comprised of base salary plus short and long term incentives. The CEO and the HRCC review benchmark data to establish a market range for total target compensation. Individual compensation decisions are then made taking into account the market range, the individual's experience and performance, and the desired mix of base salary and incentives.

Benchmarking Compensation for the CEO, CFO and COO

The HRCC adopted two comparator groups in 2014 to benchmark compensation for the CEO, CFO and COO: a North American industry specific group ("Comparator Group 1") and a Canadian Reference Group ("Comparator Group 2"). This benchmark data is collected from Canadian and American companies, which is the marketplace in which the Corporation competes to retain and recruit talented executives. Influencing the choice of peer companies is the complexity of the Corporation's operations, the lack of comparable size food companies in Canada and the much larger size of many peers in the United States.

Comparator Group 1: Industry Specific Group

This group is comprised of 19 organizations in the food industry, with revenue ranging from 0.4x to 3.4x times the Corporation's annual revenue. This group includes companies that fall outside the traditional 0.5x to 2.0x revenue size in order to include the companies that the Corporation most directly competes with for profits, investment dollars and talent. The HRCC's independent compensation advisor removed two companies used for the 2014 analysis. Both Chiquita Brands and Hillshire Brands were acquired by other companies.

Campbell Soup Co.	Hershey Co.	Sanderson Farms Inc.
Cott Corporation	Hormel Foods Corp.	Saputo, Inc.
Dr Pepper Snapple Group, Inc.	J.M. Smucker Co.	Snyder's-Lance, Inc
Flowers Foods, Inc	Keurig Green Mountain, Inc.	SunOpta Inc.
Fresh Del Monte Produce Inc.	McCormack & Co. Inc.	Treehouse Foods, Inc.
Hain Celestial Group, Inc	Pinnacle Foods Inc.	United Natural Foods, Inc.
		WhiteWave Foods Company

Comparator Group 2 – Canadian Reference Group

Maple Leaf Foods has very few Canadian comparators from the viewpoint of size and business focus. The most relevant comparators have been included in Comparator Group 1 (identified in the list below with the † symbol). This second Comparator Group of 15 companies provides a cross-section of Canadian companies to assess competitive compensation levels and to understand compensation levels and practices at similarly sized Canadian companies. In 2015, Tim Horton's, Inc was removed from the group because it was acquired by Burger King in December 2014.

Canadian Tire Corporation, Ltd.	Leon's Furniture Ltd.	Saputo Inc. †
Cogeco Inc.	Metro Inc.	Shaw Communications, Inc.
Cott Corporation †	Molson Coors Brewing Company	SunOpta Inc. †.
Dollarama Inc.	North West Company, Inc.	
Hudson's Bay Company	Quebecor Inc.	
Jean-Coutu Group Inc., The	RONA Inc.	

Benchmarking Compensation for other NEOs

The HRCC's independent compensation advisor, Steven Hall, used the following published survey sources to benchmark compensation for NEOs other than the CEO, CFO and COO. The providers of these published surveys have advised that they cannot disclose the identity of participating organizations within a specific revenue range due to confidentiality agreements with the participants.

Survey Name	Data Effective Date	Aging	Revenue Range	Industry
Towers Watson 2015 Top Management Compensation Survey – U.S.	3/1/2015	3% annually to 06/30/15	\$2-\$10B	General Industry
Towers Watson 2015 Compensation Data Bank (CDB) General Industry Executive Compensation	3/1/2015	3% annually to 06/30/15	\$3-\$6B	Food & Beverage Producers and Processors & General Industry
Aon Hewitt 2014 U.S. Total Compensation Measurement™ (TCM) Executive Compensation	3/1/2015	3% annually to 06/30/15	\$2.5-\$5B	Food/Beverage/Tobacco & General Industry

ELEMENTS OF COMPENSATION

The four main components of the Corporation's executive compensation program are referred to as "Total Direct Compensation".

Base Salary

The median (50th percentile) base salary in each comparator group provides a context for setting the base salaries of the NEOs. A number of other factors are then considered to make adjustments:

- An evaluation of the executive's responsibility, experience, contribution and performance during the year;
- The financial performance of the Corporation, including its ability to absorb costs;
- Market trends related to base salaries; and,
- The HRCC's assessment of internal equity between positions of similar scope.

The weight given to each factor is not defined by a fixed formula; the HRCC uses its business judgment. The annual salary adjustment date for all employees of the Corporation is normally the start of the pay period in which July 1st occurs. In 2015, any salary adjustments were made effective June 19, 2015. In 2015 base salaries for all members of the SLT, including the NEOs, were reviewed as part of a total compensation

analysis. As a result, compensation levels were set to levels appropriate to market for individual experience and performance and with respect to peers within the team. This included increases for some members and freezing salary levels for others. While his base salary remained unchanged, in 2015, Mr. Young received a lump sum merit based payment in lieu of an increase. The payment is shown in the column entitled “All Other Compensation” in the Summary Compensation Table on page 47.

Short Term Incentive Plan (“STIP”)

This section contains a description of the Corporation’s annual STIP, which links executive pay to the achievement of annual business objectives. The award is at risk and a STIP payment is paid only if the objectives are met. The EBT target threshold for 2015 was not achieved, resulting in no payouts for the SLT, including the NEOs. In December 2015 the Board approved a one-time share award in respect of 2015, in recognition of the successful completion of Maple Leaf Foods’ strategic transformation as described below under the heading “Transformation Completion Award”. The amount of STIP payment depends on performance. Performance exceeding established goals will lead to above-target payments. Performance below established goals will lead to below-target payments, which can be zero if goals are not substantially achieved. The award is paid in cash.

STIP payments are based on earnings before tax adjusted for the impact of restructuring and other related costs (“Adjusted EBT”) compared to target. The target Adjusted EBT and minimum acceptable performance for triggering a STIP payout are reviewed annually. In 2015, 100% of the STIP for all NEOs as well as other executives of the Corporation was tied to the achievement of overall business objectives, which is intended to align STIP compensation with shareholder interests. While performance against individual goals does not impact STIP payouts for senior executives (including the NEOs), it is considered in decisions regarding salary and LTIP awards. The STIP payments to employees below the executive level include an individual performance component.

Payments to STIP participants below the executive level will have a component that is based on performance against personal goals. The personal goals are business related and reflect objectives where the participant can directly influence the outcome.

The table below summarizes the target ranges.

	Target Payout Ranges – As a % of Base Salary for Various Performance Levels			
	Below Threshold Performance	At Threshold Performance	At Target Performance	At Maximum Performance
NEOs				
CEO	0%	40%	100%	160%
CFO and COO	0%	35%	80%	125%
Other NEOs	0%	20%	50%	80%
Senior Leadership Team	0%	20%	50%	80%

Transformation Completion Award

In 2015, Maple Leaf Foods took the final steps required to complete a seven-year transformation journey that included the establishment of one of the most technologically advanced, scale prepared meats networks in North America, including the installation of new systems, reconfiguration of the product portfolio, divesting of non-core assets and realigning the management structure to reflect a lean operation. The Corporation is now well positioned for growth and has realized a structural improvement in Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) percentage margins over time.

On the recommendation of the HRCC, the Board approved a one-time share award in the form of RSUs and Performance Share Units (“PSUs”) in recognition of the strategic success of and commitment to this transformation, at a comparable economic value to the portion of the normal STIP that would be paid at target levels relating to Corporation’s overall performance. For all employees in the STIP other than the 15 members of senior leadership team (which includes the NEOs), 25% of the shares awarded under this

one-time action vested immediately and were distributed in December 2015, with the balance vesting and to be distributed in December 2016 for additional employee retention incentive value to the Corporation. For the SLT, 25% vested immediately and were distributed in December 2015 and 37.5% will vest in each of March 2017 and March 2018 based on reaching an EBITDA margin target in 2016 and 2017 respectively. The awards are included in the “Long Term Incentive Plan – Share Based Awards” in the Summary Compensation Table on page 47.

Employees covered by the Corporation’s share ownership requirement who have not yet achieved the required level of share ownership must retain 50% of the after-tax gain realized on the distribution of this award.

Claw-Back

The Board can require an executive to give all or a portion of an STI payment back to the Corporation if the STI amount was based on financial results that are subsequently restated and the payment would have been lower had the financial results been properly reported. The restatement must be due entirely or partially to gross negligence, intentional misconduct or fraud. The decision to exercise this right is at the discretion of the Board.

Long Term Incentive Plan

The goal of the LTIP is to align executives to shareholder interests and focus attention on long term performance. Since LTIP grants vest over a period of time, they also encourage retention. Similar to the STIP, it is also based on performance and is, therefore, at risk.

Since 2011, to strengthen the alignment between the long-term interests of executives and shareholders, vesting of a portion of the LTIP awards was linked to achievement of the Maple Leaf Foods Value Creation Plan. The LTIP for NEOs from this date has been comprised of 25% RSUs, 25% PSUs and 50% time-vested stock options (“Options”). RSUs and PSUs are granted under the 2006 RSU Plan (described more fully on page 59) while Options are granted under the 2004 Plan (described starting on page 55).

The number of RSUs, PSUs and Options awarded to an executive is based on five factors:

- an assessment of individual performance, potential and impact;
- the total target compensation ranges in the relevant industry comparator group;
- the grant date value of similar awards at the median and the 75th percentile in the comparator groups;
- the grant date value at the time the grant is awarded; and,
- the amount of previous grants.

The number and value of the RSUs, PSUs and Options awarded considers the performance of the executive and could result in total target compensation or an LTIP award that is higher or lower than the benchmark median. Executives who deliver superior performance will tend to receive above-median awards.

RSUs are time-vested over three (3) years. For each RSU granted, one common share is awarded on maturity.

PSUs are performance-vested after three (3) years, based on results as measured by two metrics:

- 80% weighting on Return on Net Assets (“RONA”); and,
- 20% weighting on EBITDA margin.

The targets for PSUs granted in 2015 are included in the following table.

Performance Level 2015-2017	Threshold	Target	Maximum
RONA (80%)	6.2%	7.7%	9.3%
EBITDA Margin (20%)	7.5%	9.3%	11.2%

Vesting of PSUs awarded in 2015 is based solely on achieving the cumulative performance target over the three (3) year performance period ending December 31, 2017. The number of PSUs will be prorated for performance between levels, with one common share awarded for each PSU that vests. The percentages of the PSUs that will vest at various levels of performance are as follows:

- Below threshold: 0%;
- At threshold: 50%;
- At target: 100%; and
- At or above maximum: 200%.

The Options granted in 2015 vest in three equal annual installments over a three year period on the anniversary date of the grant. The exercise price is the weighted average trading price of the Maple Leaf Foods common shares on the Toronto Stock Exchange ("TSX") for the five (5) trading days prior to the date of grant. The Options granted in 2015 have a term of seven (7) years.

The implementation of PSUs and RSUs that vest over three (3) years and Options with seven (7) year terms balance relatively frequent rewards for performance and longer-term strategic behaviour that is designed to deliver sustainable earnings improvement and shareholder returns.

Actual compensation received depends on the share price at the time the RSUs and PSUs vest, as well as the share price at the time vested options are exercised.

All RSUs and PSUs granted in 2015 that meet the time and/or performance vesting conditions will be distributed as shares in May 2018, unless otherwise determined by the Board and the HRCC. Shares required for distributions under the 2006 RSU Plan are purchased on the TSX by a trust established for the purpose. Accordingly, awards under the 2006 RSU Plan avoid dilution of shareholder interests.

Changes to Outstanding Share-Based Incentive Awards

In 2014, with the sale of Canada Bread, the Corporation completed the reconfiguration of its business to focus on consumer protein. The sale, which followed the sale of the Rothsay and Olivieri operations in 2013, necessitated a reconfiguration of the management and administration structure. Furthermore, the changes to the business made the performance targets established for vesting purposes for the outstanding PSUs no longer valid. In 2013, in preparation for the potential sale, the Board amended the 2006 RSU Plan to allow maturing RSU and PSU awards to be distributed in cash as an alternative to actual shares, allowing greater flexibility.

The PSUs and RSUs outstanding were amended as of the date of the sale of Canada Bread.

1. The PSUs which on vesting would be entitled to a distribution of shares of between 0% and 200%, were deemed to vest at the target 100% level.
2. The payout value of the PSUs and RSUs would be fixed to the volume weighted average trading value ("VWAP") of the Corporation's shares for the five (5) trading days before the date of the sale of Canada Bread. (The five (5) day VWAP was \$17.22 per share.)
3. For employees remaining with the Corporation, the fixed payout value of the RSUs and PSUs would be distributed in three equal installments: the first immediately after the sale in May 2014; the second in May 2015; and, the last in May 2016.

These arrangements were further amended by the Board, on the recommendation of the HRCC, to distribute the May 2016 fixed payout value in December 2015. By making this change, the Corporation ensures that the tax treatment of the cash distribution is aligned to the same period that the original award was to vest, which is the three (3) years ended December 31, 2015. As a condition for early distribution, senior executives have agreed to a "clawback" provision undertaking to reimburse the Corporation for the payment should they voluntarily resign or be terminated with cause prior to May 2016.

Policy on Hedging

The Corporation's insider trading policy prohibits NEOs and other executives from entering into call and put options, including options intended to hedge or offset the effect of a decline in market value of any shares held or LTIP awards.

2015 Total Direct Compensation Mix

The table below shows the mix of compensation for NEOs and other executives in 2015 at the target levels for each direct compensation element.

	2015 Compensation ⁽¹⁾ As a Percentage of Total Direct Compensation		
	Variable Compensation STIP	LTIP	Non-Variable (Fixed) Compensation
CEO	18%	64%	18%
CFO	24%	46%	30%
COO	25%	44%	31%
SVP Operations	23%	30%	47%
SVP, Supply Chain and Purchasing	24%	27%	49%

Notes:

- (1) Includes base salary, STIP and LTIP at the expected value at the time the grant is awarded. The amounts in the table were calculated including the LTIP award granted March 2015.

Indirect Compensation

Benefits and Perquisites

Benefits and perquisites are not intended to form a significant part of overall compensation. Executives are provided the same group insurance benefits as other salaried employees. Benefits and perquisites are provided in accordance with a written policy and selected on the basis of cost effectiveness.

Perquisites include a car benefit, annual medical examination and a lump sum allowance toward reimbursement of a club membership and financial counseling. The total value of benefits and perquisites for each NEO is below the lesser of \$50,000 and 10% of their base salary.

Retirement Income/Savings Arrangements

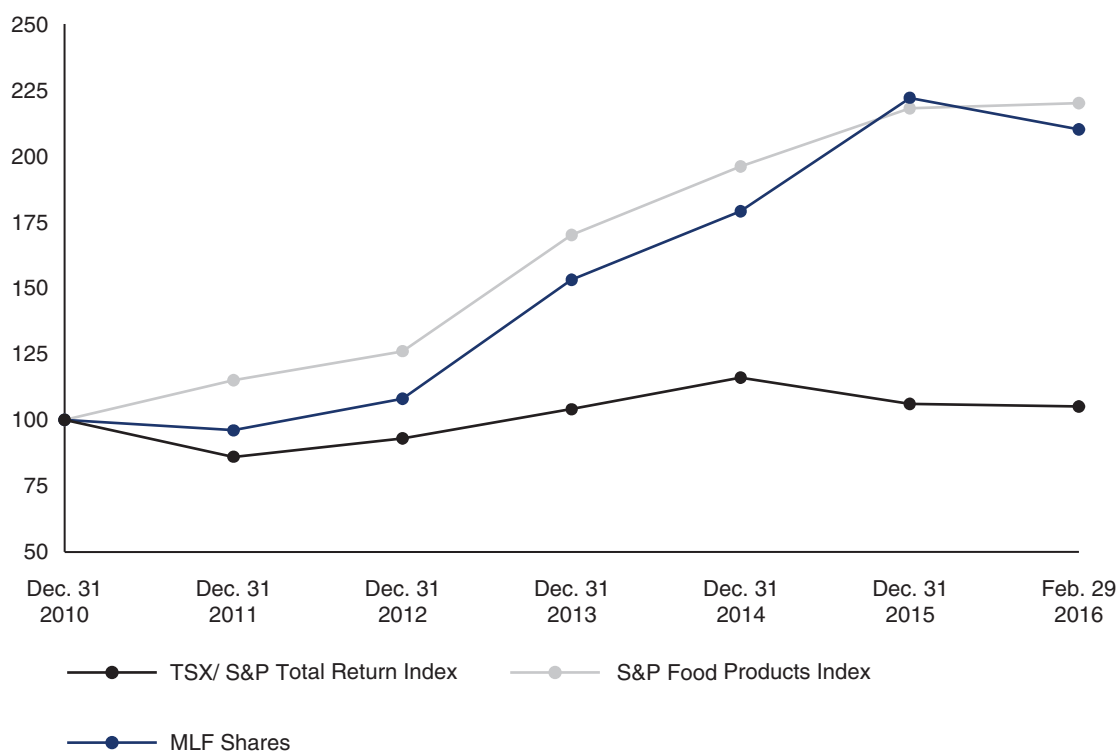
Pension benefits provided to executives are non-discriminatory, which means that NEOs participate in the pension arrangements available to substantially all of the Corporation's salaried employees. For NEOs who are members of the defined benefit pension arrangement, the Corporation makes 100% of the required contributions to the plan. Starting in 2015, NEOs participating in the defined contribution plan are required to make contributions. Employees with annual salaries that exceed the maximum amount against which they can contribute to registered plans under the *Income Tax Act* (Canada) contribution limits can also participate in supplemental retirement arrangements. Annual cash STIP payments are excluded from retirement programs.

The Corporation has long recognized the risk associated with defined benefit pension plans. As a result, these plans have been closed to new employees since April 2004. Employees who belonged to those plans prior to April 2004 and who elected to remain in the plans continue to accrue benefits.

STOCK PERFORMANCE CHART

The following chart compares the cumulative total return from \$100 (Canadian) invested on January 1, 2011 in common shares of Maple Leaf Foods, the S&P 1500 Composite Food Products Index ("S&P Food Index") and the S&P/TSX Composite Total Return Index. The U.S. dollar denominated S&P Food Index is not converted to Canadian dollars. It is assumed that all dividends are reinvested. On December 31, 2015 the Corporation's shares closed on the TSX at \$23.76 and on February 29, 2016 the Corporation's shares closed on the TSX at \$22.81.

The S&P Food Index is not a published index. It is created by Standard & Poor's ("S&P"), which also calculates the returns. The index consists of every food products company in S&P's three major U.S. market indices: the S&P 500 Index, the S&P Midcap 400 Index and the S&P 600 Smallcap Index. The composition of the S&P Food Index reflects changes in these indices, which are determined by S&P according to a methodology that considers market capitalization, liquidity and public float.



Note:

- (1) The U.S. dollar denominated S&P Food Index is not converted to Canadian dollars. S&P Food Index consists of every food products company in S&P's three major U.S. market indices: the S&P 500 Index, the S&P Midcap 400 Index and the S&P 600 Smallcap Index. Further details of the index are set out above the performance graph.

As at February 29, 2016, the following companies make up the S&P Food Index:

Company Name	Ticker	Company Name	Ticker	Company Name	Ticker
Archer-Daniels-Midland Co	ADM	Hain Celestial Group Inc (The)	HAIN	Mead Johnson Nutrition Co	MJN
B&G Foods Holdings Corp	BGS	Hershey Co (The)	HSY	Mondelez International Inc	MDLZ
Cal Maine Foods Inc	CALM	Hormel Foods Corp	HRL	Post Holdings Inc	POST
Calavo Growers Inc	CVGW	Ingredion Inc	INGR	Sanderson Farms Inc	SAFM
Campbell Soup Co	CPB	J & J Snack Foods Corp	JJSF	Seneca Foods Corp.	SENEA
ConAgra Foods Inc.	CAG	J.M. Smucker Co (The)	SJM	Snyders-Lance Inc	LNCE
Darling Ingredients Inc	DAR	Kellogg Co	K	Tootsie Roll Industries Inc.	TR
Dean Foods Co	DF	Keurig Green Mountain Inc	GMCR	TreeHouse Foods Inc	THS
Diamond Foods Inc	DMND	Kraft Heinz Co (The)	KHC	Tyson Foods Inc.	TSN
Flowers Foods Inc.	FLO	Lancaster Colony Corp	LANC	WhiteWave Foods Co (The)	WWAV
General Mills Inc.	GIS	McCormick & Co Inc	MKC		

Comparison of Executive Compensation and Shareholder Returns

The table below shows the Total Shareholder Return (“TSR”) for the Corporation’s common shares, the S&P Food Index and the S&P/TSX Composite Total Return Index for the five fiscal years ended December 31, 2015. It also shows the total change in market value of the Corporation and change in total compensation for the CEO, CFO and the three most highly compensated executive officers at the end of the year. The information is presented to allow a comparison of executive compensation over the past five years to changes in market capitalization and shareholder returns.

The amounts in the table do not include compensation paid to former employees who were not executive officers, ensuring that the comparison is between five individuals for each year in the period. For the five-year period, a majority of the change in reported compensation is due to changes in payouts under the annual STIP. Reflecting corporate earnings below the threshold performance level, there were no STI payouts from 2012 through 2015. However, in 2015 there was a special RSU award in respect of completion of the transformation. Compensation in 2012 was also affected by the deferral to early 2013 of the LTIP award that would normally have been granted late in 2012. In 2014, the Corporation paid a special incentive compensation to one of its current executive officers, Ms. Deborah K. Simpson. Various former executive officers also participated. The incentive was paid in respect of the sales of the Rothsay operations in late 2013 and Canada Bread in 2014.

Executive compensation is not directly correlated to shareholder returns for a number of reasons:

- the Corporation’s salary and compensatory pension costs are relatively fixed and generally unaffected by the day-to-day changes in shareholder returns;
- short-term incentive compensation is tied to internal measures of company success related to the current year, primarily earnings for the year. Current-year earnings do not necessarily translate into shareholder returns in the short term; and,
- equity compensation awarded to the NEOs at target is over half of the total calculated amount of the total compensation. Historically, equity compensation plans were designed so that the actual value transferred to the participant at maturity is higher or lower depending on the Corporation’s absolute shareholder return and the return relative to the peer group during the holding period. However, the compensation amount is calculated at the time of grant and is based on the grant date share price and expected vesting, which does not reflect the actual value distributed on maturity. Therefore, there may not be a direct correlation between the reported total compensation for NEOs and shareholder returns in the year of grant. There is, however, a high correlation between share option gains realized and actual compensation received under RSU and PSU distributions and shareholder returns for the period the options and units are held.

	Total 2011-15	2015	2014	2013	2012	2011
TSR:						
Maple Leaf Foods (% change – CAD per share) ⁽¹⁾	122%	24%	17%	42%	12%	-4%
S&P Food Index (% change – USD) ⁽¹⁾	118%	11%	16%	35%	9%	15%
S&P/TSX Composite Total Return Index	6%	-8%	11%	13%	7%	-14%
Change in MLF market capitalization (\$ millions) ⁽²⁾	1,873	648	401	699	182	(56)
Total compensation for all NEOs ⁽³⁾ (\$ millions)	80.8	12.8	27.3	15.2	7.7	17.9

Notes:

- (1) TSR is the gain or loss in share price plus reinvestment of all dividends paid during the period. The amount in the “Total 2011–15” column is the aggregate compound return over the five-year period. The return for the S&P Food Index covers the same period except that the return is calculated in U.S. dollars and is not translated to Canadian dollars. Further details of the S&P Food Index are found herein under the heading “Stock Performance Chart”.
- (2) Increase or decrease in market capitalization is based on year-end shares outstanding and closing share prices. The change in market capitalization for the period is reduced by the proceeds for shares issued and increased by dividends paid.
- (3) Compensation for 2012 does not include equity-based long-term compensation. In the years up to and including 2011, the Corporation granted RSUs, PSUs and Options on October 1. The grant that would normally have been made on October 1, 2012 was deferred to January, 2013.
- (4) Compensation in 2014 included \$9.0 million connected to the sale of Canada Bread and Rothsay. Furthermore, in 2014, the reported compensation covers six named executive officers versus five in each of the other years in the 2011 to 2015 time frame.

SUMMARY COMPENSATION TABLE

The following table provides a summary of compensation earned during each of the last three fiscal years by the NEOs: the CEO, the CFO (including any individual who held the position during the year) and the next three most highly compensated employees who were executive officers at the end of the year. This information is given as of December 31, 2015, the end of the Corporation's most recently completed financial year.

Name and Principal Position	Year	Salary (\$)	Equity Incentive Plan Compensation		Non-Equity Incentive Plan Compensation		All Other Compensation ⁽⁵⁾ (\$)	Total Compensation (\$)
			Share-Based Awards ⁽¹⁾ (\$)	Option-Based Awards ⁽²⁾ (\$)	Annual Incentive Plans ⁽³⁾ (\$)	Pension Value ⁽⁴⁾ (\$)		
M.H. McCAIN ⁽⁶⁾ President and CEO	2015	1,050,125	2,930,062	1,869,641	-	243,268	-	6,093,096
	2014	1,030,125	2,448,156	2,447,676	-	107,466	-	6,033,423
	2013	1,018,142	2,010,889	2,009,250	-	201,454	-	5,239,735
D.K. SIMPSON ⁽⁷⁾ CFO	2015	469,788	754,818	375,111	-	27,981	-	1,627,698
	2014	438,000	1,245,188	213,004	-	25,937	-	1,922,129
	2013	396,969	200,184	199,740	-	23,626	-	820,519
G. MAKSYMETZ ⁽⁸⁾ COO	2015	713,385	1,075,896	500,543	-	173,935	-	2,463,759
	2014	696,750	572,694	572,993	-	132,234	-	1,974,671
	2013	677,732	501,026	499,350	-	139,448	-	1,817,556
R.D. HUFFMAN ⁽⁹⁾ SVP Operations and Chief Food Safety Officer	2015	572,940	510,583	199,981	-	33,477	-	1,316,981
	2014	472,855	201,099	200,547	-	27,988	-	902,489
	2013	425,035	162,862	162,500	-	24,733	-	775,130
R. YOUNG ⁽¹⁰⁾ SVP Supply Chain and Purchasing	2015	647,481	497,443	175,131	-	(53,591)	16,125	1,266,464
	2014	647,481	213,021	213,004	-	29,764	83,850	1,103,270
	2013	638,018	219,411	220,053	-	155,942	-	1,233,424

Notes:

- (1) The share-based awards represent RSUs and PSUs granted under the 2006 RSU Plan. Details of this plan are found starting on page 59 under the heading "Description of Share Option and Share Incentive Plans – 2006 RSU Plan". The vesting terms of the RSUs granted and outstanding at the end of 2015 are described in footnote (3) to the table found on page 49.

The RSUs have been valued using assumptions and methodologies consistent with those for valuing the expense for accounting purposes including the discount to account for the fact that dividends are not paid on RSUs and the fact that for accounting purposes value is calculated using the closing share price on the date of grant while for compensation purposes the closing share price on the date before the date of grant or the weighted average share price on the date of grant is used. Furthermore, for compensation purposes no discount for potential forfeiture of RSUs due to termination of employment was factored into the valuation. Awards are made on the assumption that the executive will remain employed during the vesting period. For accounting purposes, an estimate is made of forfeitures due to termination of employment based on past experience. The special grant of short term RSUs and PSUs were valued at the weighted average share price. The assumptions used for accounting purposes are found in Note 24 of the financial statements of the Corporation for the years ended December 31, 2015 and 2014. The financial statements may be found on the Corporation's website at www.mapleleaffoods.com and on SEDAR at www.sedar.com.

The table below compares the fair value of the RSUs and PSUs reported in the Summary Compensation Table. The unit values are the weighted average for the units granted to the NEOs.

	2015		2014		2013	
	Compensation Fair Value	Fair Value for Financial Statements	Compensation Fair Value	Fair Value for Financial Statements	Compensation Fair Value	Fair Value for Financial Statements
RSU/PSU unit values	\$21.86	\$21.69	\$19.20	\$18.87	\$11.35	\$11.36

A portion of the awards made in each year is subject to performance vesting based on the achievement of earnings margins and returns on net assets. The valuation of the award is based on the Corporation's estimate at the date of grant of the number of units that are expected to vest and result in the distribution of shares at maturity.

- (2) The option-based awards were granted under 2004 Share Incentive Plan. Details of this plan are found starting on page 55 under the heading “Description of Share Option and Share Incentive Plans – 2004 Share Incentive Plan”. The options granted have been valued using the Black-Scholes model using methodology consistent with those for valuing the expense for accounting purposes, but subject to different assumptions. Valuation is based on the maximum term of seven (7) years versus the average expected holding period of 4.5 years used for accounting purposes. Furthermore, for accounting purposes, shares are valued at the closing share price on the date of grant while the award value for grant purposes is based on the market value specified in the 2004 Plan which is the five-day volume weighted average price. Furthermore, no discount for potential forfeiture of options due to termination of employment was factored into the valuation whereas for accounting purposes the value expressed shown in the table below is further reduced by forfeitures and terminations. Also, awards are made with the belief that the executive will remain employed during the vesting period. For accounting purposes an estimate is made of forfeitures due to termination of employment based on past experience. The assumptions used for accounting purposes are found in Note 24 of the financial statements of the Corporation for the years ended December 31, 2015 and 2014. The financial statements may be found on the Corporation’s website at www.mapleleaffoods.com and on SEDAR at www.sedar.com. Each option granted in 2015 was valued in the Summary Compensation Table at \$5.92. For accounting purposes, the options were valued at \$3.74.

	2015		2014		2013	
	Compensation Fair Value	Fair Value for Financial Statements	Compensation Fair Value	Fair Value for Financial Statements	Compensation Fair Value	Fair Value for Financial Statements
Exercise Price	\$ 22.52	\$ 22.52	\$ 20.28	\$ 20.28	\$ 11.85	\$ 11.85
Grant Date Share Fair Value	\$ 22.52	\$ 21.86	\$ 20.28	\$ 19.87	\$ 11.85	\$ 11.82
Expected Volatility	28.53%	24.33%	28.94%	24.78%	29.76%	26.53%
Risk Free Rate	1.26%	0.95%	1.85%	1.69%	1.67%	1.42%
Dividend Yield	1.42%	1.46%	0.79%	0.81%	1.35%	1.35%
Expected Life- years	7.0	4.5	7.0	4.5	7.0	4.5
Vesting Period – years	3.0	3.0	3.0	3.0	3.0	3.0
Option Value	\$ 5.92	\$ 3.74	\$ 6.23	\$ 4.11	\$ 3.39	\$ 2.46

- (3) No amounts were paid to executives under the Corporation’s STIP which is explained starting on page 40.
- (4) Messrs. M.H. McCain, Maksymetz and Young accrue benefits under the Corporation’s defined benefit pension arrangements for salaried employees in Canada. The amount in the table above represents the compensatory pension expense related to the service for each of the NEOs, excluding the impact of differences between actual compensation paid in 2015 and the actuarial assumptions used for the year. Ms. Simpson and Dr. Huffman participated in defined contribution pension arrangements and the amounts shown are amounts allocated to the accounts maintained for their respective benefits.
- (5) The table does not include the value of perquisites which, for each executive, is less than both \$50,000 and 10% of salary.
- (6) Mr. M.H. McCain was a director of the Corporation throughout 2013-2015. As an employee of the Corporation, he does not receive any separate or additional compensation for service on the Board as a director. Several of the NEOs are directors of the Corporation’s subsidiaries. They do not receive any compensation for those positions in addition to the compensation disclosed in the table above.
- (7) Ms. Simpson was the CFO from May 23, 2014 onwards. Prior to that, she was the Senior Vice President, Finance to February 25, 2013 and President, Maple Leaf Business Services to May 23, 2014.
- (8) Mr. Maksymetz was the President, Maple Leaf Consumer Foods to May 23, 2014 and COO thereafter.
- (9) Dr. Huffman was the Chief Food Safety Officer and Senior Vice President, Quality and Six Sigma to May 23, 2014 and SVP Operations and Chief Food Safety Officer thereafter.
- (10) Mr. Young was the Executive Vice President, Transformation, Maple Leaf Consumer Foods to May 23, 2014, Senior Vice President, Transformation to February 26, 2015 and SVP Supply Chain and Purchasing thereafter. The payments shown in the “All Other Compensation” column consist of lump sum payments made in connection with adjustments to his compensation package implemented at the time of the reorganization of the Corporation’s business and management at the time of the sale of Canada Bread. At that time, the target bonus as a percentage of salary was set at an equal level for senior executives. Mr. Young received a lump sum in 2014 as compensation as his target percentage was reduced. In 2015, Mr. Young received a lump sum payment in lieu of a salary increase.

Share-Based Incentive Plans

The Corporation has two equity incentive plans under which there are outstanding awards:

- the 2004 Share Incentive Plan, which provides for the grant of options and RSUs satisfied by the issuance of shares by the Corporation from treasury; and
- the 2006 RSU Plan, which provides for the grant of time-vested RSUs and performance-vested PSUs that are satisfied through the acquisition of shares in the market by a trust established for that purpose.

See “Description of Share Option and Share Incentive Plans” starting on page 55 for more detailed descriptions of the 2004 Share Incentive Plan and the 2006 RSU Plan. The options currently outstanding were granted under the 2004 Share Incentive Plan and the RSUs and PSUs currently outstanding were granted under the 2006 RSU Plan.

The options and the RSUs granted are subject to time vesting only. The PSUs granted in 2015 have a performance-vesting feature based on the achievement of three-year (2015 through 2017) EBITDA margins and return on net asset (“RONA”) targets for the Corporation as it was then configured. The performance period for the PSUs is generally three years but for the 2014 annual grant, the performance period was limited to one year: 2016.

Changes to Outstanding Share-Based Incentive Awards

In 2014, effective on the sale of Canada Bread, the Corporation amended the terms of all RSUs and PSUs outstanding at that time to fix the payout values and to payout out the values in cash in three installments. In 2015, the Corporation paid out the last installment. Accordingly, no amounts remain outstanding for RSUs and PSUs that were modified in connection with the Canada Bread sale. Further details on the changes are found in the Compensation Discussion and Analysis on page 42.

Outstanding RSUs/PSUs and Options

Name	Option Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options #	Option Exercise Price \$	Option Expiration Date ⁽¹⁾	Value of unexercised in-the-Money Options ⁽²⁾ \$	Number of Shares or Units of Shares That Have Not Vested ⁽³⁾⁽⁵⁾ #	Market or Payout Value of Share-Based Awards That Have Not Vested ⁽⁴⁾ \$	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ⁽⁵⁾ \$
M.H. McCain	634,000	\$11.36	May 23, 2018	7,861,600			
	593,500	\$11.85	May 23, 2018	7,068,585			
	393,000	\$20.28	September 15, 2021	1,367,640			
	316,000	\$22.52	March 9, 2022	391,840			
Totals	1,936,500			16,515,380	374,399	2,523,222	0
D.K. Simpson	34,200	\$20.28	September 15, 2021	115,938			
	63,400	\$22.52	March 9, 2022	72,910			
Totals	97,600			188,848	62,711	340,375	0
G. Maksymetz	147,500	\$11.85	May 23, 2018	1,743,450			
	92,000	\$20.28	September 15, 2021	311,880			
	84,600	\$22.52	March 9, 2022	97,290			
Totals	324,100			2,152,620	108,985	625,835	0
R.D. Huffman	48,000	\$11.36	May 23, 2018	590,880			
	48,000	\$11.85	May 23, 2018	567,360			
	32,200	\$20.28	September 15, 2021	109,158			
	33,800	\$22.52	March 9, 2022	38,870			
Totals	162,000			1,306,268	45,612	233,623	0
R. Young	21,000	\$11.36	May 23, 2018	258,510			
	65,000	\$11.85	May 23, 2018	768,300			
	34,200	\$20.28	September 15, 2021	115,938			
	29,600	\$22.52	March 9, 2022	34,040			
Totals	149,800			1,176,788	45,319	226,522	0

Notes:

- (1) All options were granted with a term of seven years but may expire earlier if the executive ceases to be an employee of the Corporation. The options vest in three equal annual installments. The options with an exercise price of \$11.36 and \$11.85 were granted with an original expiry date of October 1, 2018 and January 7, 2020 respectively. Each of these options fully vested on May 23, 2014 and the seven year term of each such option was shortened such that the expiry date was advanced to May 23, 2018. (See “Changes to Outstanding Share-Based Incentive Awards” above on page 42.) At December 31, 2015, the options expiring in 2021 were one-third vested and all options expiring in 2022 are unvested.
- (2) The in-the-money value in the column is for all options, both vested and unvested. The value was calculated using a value of \$23.76 per share, the closing price of the Corporation’s shares on the TSX on December 31, 2015.

- (3) Share based awards consist of both RSUs and PSUs granted under the 2006 RSU Plan. The RSUs are time-vested only over approximately 3 years. The PSU grants generally vest based on the achievement of cumulative EBITDA margin and RONA targets for a three year period starting with the year of grant. (The performance criteria are more fully described on under the heading “Long Term Incentive Plan” on pages 41 to 42 of this Circular.) Depending on the performance, between zero and two shares will vest for each PSU. As described on pages 40 and 41, one series of PSUs was granted in December 2015 with a term and performance vesting requirements different from the standard arrangements. One-half of this series of PSUs vests in approximately one year based on EBITDA margin performance in 2016 and the other half vests in two years based on EBITDA margin performance in 2017. Furthermore, depending on performance, between zero and 1.6 shares vest for each PSU held. The number of shares shown in the column is the maximum number of shares that will be distributed, assuming the Corporation’s performance exceeds the maximum performance level.
- (4) In respect of the RSUs and PSUs granted, the “market or payout value” is based on:
- (i) the share price at December 31, 2015, \$23.76; and,
 - (ii) the minimum number of shares that will be distributed. Under the performance vesting formula, the minimum number of shares that may be distributed on the maturity of the PSUs is zero.
- (5) The 2006 RSU Plan calls for RSUs and PSUs to be distributed immediately on vesting. There are no undistributed vested awards.

Incentive Plan Awards – Valued Vested or Earned in the Year

Name	Option-Based Award – Value Vested During the Year ⁽¹⁾	Share-Based Award – Value Vested During the Year ⁽²⁾ \$	Non-Equity Incentive Plan Compensation – Value Earned During the Year ⁽³⁾ \$
M.H. McCain	213,530	1,285,900	
D.K. Simpson	18,582	254,045	
G. Maksymetz	50,041	398,356	
R.D. Huffman	17,441	160,357	
R. Young	18,582	192,014	

Notes:

- (1) The option-based awards vesting in 2015 were granted on September 15, 2014 with an exercise price of \$20.28 per share. One-third of the grant vested in September 2015. The value was calculated using the closing share price on the vesting date of \$21.91 per share.
- (2) The RSUs and PSUs granted in January and February 2013 were amended in May 2014 concurrently with the sale of the Corporation’s baking operations. As set out above on page 42, the value of those awards was fixed as of the sale date and was to be paid in three installments. The amounts in the table include the final two installments which were paid in 2015.
- (3) A description of the STIP is described under the subheading “Short-Term Incentive Plan (STIP)” on page 40 of this Circular. There were no payments made under the STIP for 2015. However, as explained in the description for those plans, the Corporation approved a one-time RSU award in recognition of the strategic success of and commitment to the Corporation’s business transformation. One quarter of the RSUs vested and were distributed in 2015. The amounts distributed to the NEOs in 2015 are in the amounts under the column labeled “Share-Based Award – Value Vested During the Year”.

Summary of Gains Realized on Exercise of Options

During 2015, one NEO exercised share options. The table below indicates the aggregate number of options exercised, the average exercise price and the gains realized on exercise.

	Number	Average Exercise Price \$ per share	Average Value on Date of Exercise \$ per share	Gain Realized \$
G. Maksymetz	69,000	11.36	23.63	846,820

Participants may exercise options at any time provided they comply with the insider trading guidelines and the share ownership policy requirements for executives. The share ownership guidelines are detailed on pages 36 to 37 of this Circular.

Pension/Retirement Plans

Messrs. McCain, Maksymetz and Young participate in the Corporation’s registered defined benefit and non-registered supplemental defined benefit retirement plans. The Corporation’s defined benefit plans have

been closed to new employees since April 2004 when they were replaced with defined contribution plans. Ms. Simpson and Dr. Huffman participate in defined contribution arrangements for Canadian salaried employees.

Pension Table – Defined Benefit Plans

The table below contains the following information about each NEO participating in the Corporation's defined benefit pension plans:

- Years of credited service as at December 31, 2015 and at age 65;
- Estimated annual benefit accrued, or earned, for service to December 31, 2015 and to the normal retirement age of 65; and,
- A reconciliation of the accrued obligation from December 31, 2014 to December 31, 2015.

Name	Number of Years of Credited Service ⁽¹⁾		Annual Benefits Payable ⁽²⁾		Opening present value of defined benefit obligation at December 31, 2014 ⁽³⁾⁽⁷⁾	2015 Compensatory Change ⁽⁴⁾⁽⁷⁾	2015 Non-Compensatory Change ⁽⁵⁾⁽⁷⁾	Closing present value of defined benefit obligation at December 31, 2015 ⁽⁶⁾⁽⁷⁾
	At December 31, 2015	At Age 65 ⁽¹⁾	At December 31, 2015	At Age 65 ⁽¹⁾				
			\$	\$	\$	\$	\$	\$
M.H. McCain	21	29	414,624	573,493	4,930,458	243,268	301,575	5,475,302
G. Maksymetz	15	22	202,605	283,674	2,532,531	173,935	162,027	2,868,493
R. Young	35	35	430,124	430,124	6,236,592	(53,591)	130,080	6,313,081

Notes:

- (1) The Number of Years of Credited Service as at December 31, 2015 corresponds to the actual years of service with the Corporation and its subsidiaries. The Number of Years of Credited Service at age 65 is the sum of the number of years of credited service as at December 31, 2015 and the projected years of credited service from December 31, 2015 to the date the executive turns 65. Although the Corporation's pension plans do not prohibit granting years of service in addition to years of membership, this option has been used infrequently in the last 10 years.
- (2) The Annual Benefits Payable is the amount of lifetime pension payable in the normal form. None of the NEOs were eligible to retire at December 31, 2015 with an unreduced pension. For them, the amount of Annual Benefits Payable at December 31, 2015 is the pension the NEO would be entitled to starting at age 65 based on termination of employment at December 31, 2015. The amount is based on the years of credited service earned to December 31, 2015 and on average pensionable earnings at December 31, 2015. For all NEOs other than Mr. Young, the Annual Benefits Payable at age 65 is the Annual Benefits Payable at December 31, 2015 increased to reflect credited service at age 65. Mr. Young's credited service has reached the 35 year maximum permitted under the plan. Pensionable earnings are composed of salary only, and exclude annual cash incentive payments and other compensation. The NEOs are fully vested in their pension entitlements earned to December 31, 2015.
- (3) The opening present value of the defined benefit obligation is the value of the projected pension earned for service to December 31, 2014. The values have been determined as at December 31, 2014 based on actual pensionable earnings adjusted to reflect expected increases to retirement.
- (4) The 2015 Compensatory Change is the value of the projected pension earned for service during 2015 as well as experience gains and losses arising from the NEO's salary increase for the year being greater or lesser than the assumption used. The values have been determined as at December 31, 2015 based on actual pensionable earnings adjusted to reflect expected increases to retirement. The valuation method and assumptions are those used for purposes of the Corporation's financial statements. Information regarding the method and assumptions is in Note 9 to the financial statements for December 31, 2015.
- (5) The 2015 Non-Compensatory Change includes interest accruing on the beginning-of-year obligation, other experience gains and losses, and changes in interest rate assumptions resulting from changes in long-term bond yields.
- (6) The closing present value of the defined benefit obligation is the value of the projected pension earned for service to December 31, 2015. The values have been determined as at December 31, 2015, based on actual pensionable earnings adjusted to reflect expected increases in pensionable earnings.
- (7) The calculations of reported amounts use the same actuarial assumptions and methods that are used for calculating accrued benefit obligations and annual expenses, as disclosed in the Corporation's 2015 and 2014 consolidated financial statements in Note 9, and as prescribed by International Financial Reporting Standards. The methods and assumptions used to determine estimated amounts will not be identical to the methods and assumptions used by other issuers and, as a result, the figures may not be directly comparable across issuers. In accordance with Canadian generally accepted accounting principles, the amounts above make no allowance for the different tax treatment of the portion of pension not paid from the registered pension plans. All amounts shown above are based on assumptions and represent contractual entitlements that may change over time.

Pension Table – Defined Contribution Plans

The table below shows pension details for the NEOs participating in the Corporation's Canadian defined contribution pension plan. It also shows the account balances for December 31, 2014 and December 31, 2015 and the Corporation's contribution to the plans on the NEO's behalf (reflected as 2015 Compensatory Change).

Name	Accumulated Value at December 31, 2014 \$	2015 Compensatory Change ⁽¹⁾ \$	Accumulated Value at December 31, 2015 \$
D.K. Simpson	211,068	27,981	264,410
R.D. Huffman	186,837	33,477	238,863

Notes:

- (1) The 2015 Compensatory Change amount is the contribution made by the Corporation to the plan in 2015 in respect of the NEO, and is based on eligible earnings in 2015.

Summary of Defined Benefit Plan Provisions (Canada)

Messrs. McCain, Maksymetz and Young participate in defined benefit arrangements, as summarized below.

Pension benefits are based on the member's credited service in the plan and average pensionable earnings at retirement calculated as the highest average of the member's pensionable earnings. Pensionable earnings include salary earned over 60 months in the last 120 months of earnings preceding retirement. This excludes annual cash STIP payments and other compensation. Retirement income is payable for the lifetime of the member with a minimum of 60 monthly payments. Payment options of actuarially equivalent value are also available.

The annual pension benefit is determined as follows:

- multiply years of credited service (up to 35 years) by
- the sum of:
 - 1.3 per cent of average pensionable earnings up to the average of the last five years' maximum pensionable earnings under the Canada/Quebec Pension Plans ("final average YMPE"); and
 - 2.0 per cent of the excess of average pensionable earnings above the final average YMPE.

The pension benefit is determined without regard to the maximum pension limit for registered pension plans under the *Income Tax Act* (Canada). Any amount in excess of this limit is paid under the supplemental non-registered plan.

The normal retirement age is 65, but members may elect to start their pension anytime between the ages of 55 and 71. There is no reduction to a member's pension if retirement occurs on or after 60 years of age. If a member retires between age 55 and 60 and their age plus years of continuous service total at least 85 points, their pension will be reduced by 0.5 percent for each month that retirement is before age 60. Otherwise, pensions are reduced on an actuarially equivalent basis.

Participants in the plan who are given the "designated executive" status prior to January 1, 2015 (which include NEOs) are not required to contribute to the plan.

Summary of Defined Contribution Plan Provisions (Canada)

Ms. Simpson and Dr. Huffman participate in defined contribution arrangements for Canadian salaried employees. Effective January 1, 2015 all employees are required to contribute 1.5% of eligible earnings and may contribute an additional 1.5% of eligible earnings to the plan. Prior to 2015, "designated executives" were not required to contribute to the plan. Ms. Simpson and Dr. Huffman were "designated executives"

and were not required to make contributions to the plan before 2015. The Corporation contributes 4.5% of eligible earnings plus 100% of the additional contributions made by the employee. Eligible earnings include base salary excluding annual cash STIP payments and other compensation.

Contributions up to the maximum dollar limit allowed under the *Income Tax Act* (Canada) are deposited into the participant's account and invested according to the investment instructions made by the participant. The contributions in excess of these limits allowed are credited to an unfunded supplemental non-registered plan. Investment income is credited to the participant's account in the unregistered plan at a rate equal to the rate of return earned in the participant's registered pension plan account.

The Corporation's portion of the participant's account vests immediately on enrollment. The participant's account is distributed when the participant leaves the Corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER SECURITIES PURCHASE AND OTHER PROGRAMS

None of the directors or executive officers are indebted to the Corporation.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Corporation does not have contracts of employment with any of its NEOs that specify benefits are payable on termination of employment or change of control.

The Committee has established rules for the expiry of units held by employees under the 2006 RSU Plan and for options held under the 2004 Share Incentive Plan ("2004 Plan") and the 2016 Share Option Plan ("2016 Plan") on termination of employment. These rules apply to all participants in the plan, including NEOs.

Reason for Termination of Employment	Termination of RSUs	Termination of Options
Termination by the Corporation for Cause	RSUs held expire on the date of termination.	Options held expire on the date of termination.
Termination by Voluntary Resignation	RSUs held expire on the date of termination.	Unvested options held expire on the date of termination. Vested options expire 30 days following the date of termination (90 days in the case of the 2016 Plan.)
Termination by the Corporation Without Cause	RSUs granted less than six months before the date of termination expire on termination. RSUs granted more than six months before the date of termination – a proportionate ⁽¹⁾ number of units continue to be held to the maturity/distribution date.	Unvested options held expire on the date of termination. Vested options held expire 30 days following the date of termination (90 days in the case of the 2016 Plan.).
Retirement from the Industry ⁽²⁾	RSUs granted less than six months before the date of termination expire on termination. RSUs granted more than six months before the date of termination continue to be held to the maturity/distribution date.	Unvested options granted less than six months before the date of termination expire on termination. Vested options and options granted more than six months before the date of termination continue to be held until exercised or the normal expiry date.
Normal Retirement ⁽³⁾	RSUs granted less than six months before the date of retirement expire on retirement. RSUs granted more than six months before the date of retirement continue to be held to the maturity/distribution date.	Unvested options under the 2016 Plan granted less than six months before the date of retirement expire on retirement. Unvested options granted at least 6 months before the date of retirement continue to vest under the terms of the award and together with vested options can be held until exercised or the normal expiry date.

Reason for Termination of Employment	Termination of RSUs	Termination of Options
Early Retirement ⁽⁴⁾	<p>RSUs granted less than six months before the date of termination expire on retirement.</p> <p>RSUs granted more than six months before the date of retirement – a proportionate⁽¹⁾ number of units continue to be held to the maturity/distribution date.</p>	<p>Unvested options that do not, in accordance with term of the award, vest within 11 months of the date of retirement (12 months under the 2016 Plan) expire on the date of retirement.</p> <p>Vested options as of the date of retirement and options that, in accordance with term of the award, vest within 11 months of the date of retirement (12 months under the 2016 Plan) expire 12 months following the date of retirement (15 months under the 2016 Plan)</p>

Notes:

- (1) On maturity, the employee will receive a proportion of the distribution he or she would have been entitled to had he or she remained employed with the Corporation. The proportion is equal to the number of months from the date of grant to the date of termination, to the number of months from the date of grant to the distribution date. For example, assume an employee was granted RSUs in an award with a three year vesting period. If the employee is terminated by the Corporation without cause or takes early retirement after one year, one-third of the full amount of the final distribution will be distributed.
- (2) Retirement from the Industry is defined as termination of employment, other than by the Corporation for cause, at the time when the employee is 55 or older with a minimum of five (5) years of service and the employee agrees not to provide any services directly or indirectly to any company or other organization that competes with the Corporation in the industry in which the executive was engaged by the Corporation.
- (3) Normal Retirement is defined as termination of employment, other than by the Corporation for cause, at the time when the employee is 60 years or older and has at least 10 years of service.
- (4) Early Retirement is defined as termination of employment, other than by the Corporation for cause, at the time when the employee is 55 years or older and has at least 10 years of service.

DESCRIPTION OF SHARE OPTION AND SHARE INCENTIVE PLANS AND SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

1982 OPTION PLAN

The 1982 Maple Leaf Foods Inc. Option Plan (the "1982 Plan") became effective April 16, 1982, and was last amended effective April 24, 2008. On January 25, 2016, the Board of Directors terminated the 1982 Plan. At that time there were no options outstanding under the 1982 Plan.

2004 SHARE INCENTIVE PLAN

The 2004 Share Incentive Plan (the "2004 Plan") was adopted on September 8, 2004, and was last amended effective January 25th, 2016. When adopted, the 2004 Plan allowed for awards of both share options and RSUs. On January 25, 2016, the Board effectively terminated the 2004 Plan in respect of RSU grants by reducing the number of shares reserved for issue for RSUs to the number that had been previously distributed. As of the date hereof, there are no RSUs outstanding under the 2004 Plan. Accordingly, the information regarding the 2004 Plan below is limited to share options.

Eligibility

Under the 2004 Plan, the Board is authorized to grant share options to full-time employees of the Corporation, its affiliates and any partnership of which the Corporation is a partner.

Exercise Price of Options

Options to be granted under the 2004 Plan are exercisable at a price not below market value at the time of grant. For purposes of the 2004 Plan, market value is the weighted average trading price on the TSX for the five days prior to the day of grant.

Number of Shares

The maximum number of shares that may be issued upon the exercise of options under the 2004 Plan is 14,077,799 less any shares that were issued after September 8, 2004 upon the exercise of options granted under the 1982 Option Plan. The Corporation did not grant any share options between September 2006 and October 2011 when it resumed granting share options under the 2004 Plan. The table below indicates the status of the shares reserved for option grants under the 2004 Plan as of February 29, 2016.

	Options	
	Number of Shares or Options ⁽¹⁾	Percentage of Shares Outstanding ⁽¹⁾
Shares issued pursuant to the exercise of options under the 2004 Plan	3,251,300	2.4%
Shares issued pursuant to the exercise of options under the 1982 Plan after September 8, 2004	6,516,185	4.8%
Options granted and outstanding under the 2004 Plan	4,310,240	3.2%
Options granted and outstanding under the 1982 Plan	0	0.0%
Options available for future grants	74	0.0%
Total number of shares reserved for issue	14,077,799	

Note:

(1) The number of options and shares and percentage of the number of shares outstanding are given as of March 15, 2016.

Exercise Periods/Term of Options /Assignability

The options granted have a term of seven years, but at the discretion of the Board the term can be up to 10 years.

Unless otherwise determined by the Board and subject to the earlier expiration of the option, participants whose employment with the Corporation ceases due to retirement or death are entitled to exercise any

options for the one-year period following death or retirement. In the event of a voluntary resignation by the employee and subject to the earlier expiration of the options, vested options on the last date of employment are exercisable for a 30-day period afterward. While the same 30-day period applies if the participant's employment is terminated without cause by the Corporation, the Board has the discretion to amend the time limit. If employment is terminated with cause, all vested and unvested options expire on the date of termination. The Board and the HRCC have adopted extended holding periods for holders of options in the event of termination of employment under certain conditions, such as early retirement. The details are found on pages 53 and 54.

Generally, options are not assignable. However, the Board is authorized to allow a participant to assign his or her awards to a wholly-owned holding company, a registered retirement savings plan or a registered retirement income fund established by or for the participant or under which such individual is a beneficiary.

Limits on Individual and Insider Participation

The number of shares reserved for issuance or issued to any one person pursuant to the 2004 Plan together with shares issuable under the Corporation's other security-based compensation arrangements may not exceed 5% of the Corporation's outstanding issued shares. The number of shares reserved for issuance or issued to insiders pursuant to the 2004 Plan together with shares issuable to insiders under the Corporation's other security-based compensation arrangements may not at any time exceed 10% of all outstanding shares of the Corporation.

Share Capital Adjustments

Adjustments to the terms of outstanding options are permitted under the 2004 Plan in the event of a capital reorganization of the Corporation including any amalgamation, combination, arrangement or merger, a subdivision or consolidation of common shares or any similar capital reorganization or payment of a stock dividend, that does not constitute a "change in control" (as defined in the 2004 Plan). In the event the Corporation's capital structure is otherwise amended, the Board shall make any amendments to the terms of any outstanding option awards as it considers equitable in order to preserve the proportionate rights and obligations of the participants.

Vesting

Under the 2004 Plan, the Board is authorized to determine the time-and-performance vesting restrictions for grants of options. Upon a change in control of the Corporation, the Board may accelerate the vesting of any outstanding options, in which case any unexercised options will be terminated following the change in control. Similarly, the Board may at any time accelerate the vesting of any options in circumstances involving the retirement, death or other termination of employment of a participant.

Amendment

The 2004 Plan originally provided that the Board may, subject to stock exchange approval, amend, suspend or terminate the plan provided that such action does not (i) impair the rights or obligations arising from an award previously granted to an employee without the employee's consent, or (ii) permit the expiry of options beyond 10 years from the grant date. On April 24, 2008, shareholders approved a resolution amending the 2004 Plan to revise the amendment provisions to more clearly specify which amendments require shareholder approval, and to automatically extend the expiry of an option outstanding under the plan to 10 days following a corporate black-out period where the option would otherwise expire within two days of a corporate black-out period.

MAPLE LEAF FOODS INC. 2016 SHARE OPTION PLAN

The Maple Leaf Foods Inc. 2016 Share Option Plan (the "2016 Plan") was adopted on January 25th, 2016. The 2016 Plan allows for share options awards subject to approval by shareholders at the May 4, 2016 annual and special meeting and approval by the TSX.

Eligibility

The Board is authorized to grant share options under the 2016 Plan to full-time and part time employees of the Corporation, its affiliates and any partnership of which the Corporation is a partner, as well as to consultants. Non-employee directors are specifically excluded from the 2016 Plan.

Exercise Price of Options

Options to be granted under the 2016 Plan are exercisable at a price not below market value at the time of grant. For purposes of the 2016 Plan, market value is the volume weighted average trading price on the TSX for the five days prior to the day of grant.

Number of Shares

The maximum number of shares that may be issued upon the exercise of options under the 2016 Plan is 2,500,000. On February 1, 2016, options for the purchase of an aggregate of 108,560 shares were granted to 15 employees under the 2016 Plan. These options are conditional on and subject to approval of the 2016 Plan by shareholders at the May 4, 2016 annual and special meeting and by the TSX. As of the date hereof, no other options are outstanding under the 2016 Plan.

Exercise Periods/Term of Options /Assignability

The options granted have a term of up to ten years.

Unless otherwise determined by the Board, participants whose employment with the Corporation ceases due to retirement are entitled to exercise any options that were vested on the date of retirement during the term of the option. for the one-year period following retirement. In the event of a voluntary resignation by the employee, vested options on the last date of employment are exercisable for a 90-day period afterwards. While the same 90-day period applies if the participant's employment is terminated without cause by the Corporation, the Board is permitted the discretion to amend the time limit. In the event employment is terminated with cause, all vested and unvested options expire on the date of termination. The Board and the HRCC have adopted extended holding periods for holders of options in the event of termination of employment under certain conditions, such as early retirement. Generally, options are not assignable except to a permitted assign. The details are found on pages 53 and 54.

Surrender of Options

The 2016 Plan allows an option holder, in lieu of exercising vested options, to surrender them for cancellation and receive shares equal to the in-the-money value of the surrendered options. For example, take the case of an employee who wishes to exercise 1,000 options with an exercise price of \$15 per share at a time when the shares have a market value of \$20. Normally, the employee would pay the total of \$15,000 for the exercise price and proceed to sell 750 shares in the market in order to fund the \$15,000. By electing to use the option to surrender of options per the 2016 Plan, the employee will receive only 250 shares and will surrender the option for the 750 shares instead of paying the exercise price. This is an alternative to broker based cashless exercise programs that will reduce dilution and permit an employee to avoid a sale in the market that he or she may be required to undertake in order to fund the exercise price for the option. Other than foregoing proceeds for the exercise price, the alternative does not have any negative tax or other consequences to the Corporation. However, the surrendered options will be deemed to have been exercised for purposes of the shares reserved under the 2016 Plan.

Limits on Insider Participation

The number of shares reserved for issuance or issued to insiders pursuant to the 2016 Plan together with shares issuable to insiders under the Corporation's other security-based compensation arrangements may not at any time exceed 10% of all issued and outstanding shares of the Corporation. In addition, the number of shares that may be issued insiders in any one-year period under the 2016 Plan and any other security based compensation arrangement of the Corporation may not exceed 10% of the issued and outstanding shares of the Corporation.

Share Capital Adjustments

Adjustments to the terms of outstanding options by the Board, without shareholder approval, are permitted under the 2016 Plan in the event of a capital reorganization of the Corporation including any amalgamation, combination, arrangement or merger, a subdivision or consolidation of common shares or any similar capital reorganization or payment of a stock dividend, that does not constitute a Change in Control (as defined in the 2016 Plan). In the event the Corporation's capital structure is otherwise amended, the Board shall, and without any requirement for shareholder approval, make any amendments to the terms of any outstanding option awards as it considers equitable in order to preserve the proportionate rights and obligations of the participants.

Vesting

Under the 2016 Plan, the Board is authorized to determine the time-and-performance vesting restrictions for grants of options. Upon a change in control of the Corporation, the Board may accelerate the vesting of any outstanding options, in which case any unexercised options will be terminated following the change in control. Similarly, the Board may at any time accelerate the vesting of any options in circumstances involving the retirement or other termination of employment of a participant.

Amendment

The Board may from time to time, without notice and without approval of the shareholders, amend, modify, change, suspend or terminate the 2016 Plan or any options granted pursuant to the 2016 Plan as it, in its discretion determines appropriate, provided, however, that no such amendment, modification, change, suspension or termination of the 2016 Plan or any options granted thereunder may materially impair any rights of an optionee or materially increase any obligations of an optionee under the 2016 Plan without the consent of the optionee, unless the Board determines such adjustment is required or desirable in order to comply with any applicable securities laws or TSX requirements. However, approval of the holders of the voting shares of the Corporation shall be required for any amendment, modification or change that:

- (a) increases the number of shares reserved for issuance under the 2016 Plan, except pursuant to the provisions in the 2016 Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increases or removes the 10% limit on shares issuable or issued to insiders;
- (c) reduces the exercise price of an option (for this purpose, a cancellation or termination of an option of an optionee prior to its expiry date for the purpose of reissuing an option to the same optionee with a lower exercise price shall be treated as an amendment to reduce the exercise price of an option) except pursuant to the provisions in the 2016 Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) extends the term of an option beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the optionee or within five Business Days following the expiry of such a blackout period);
- (e) permits an option to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period of the Corporation);
- (f) permits members of the Board who are not employees to receive options under the 2016 Plan;
- (g) permits options to be transferred to a Person other than a permitted assign or for normal estate settlement purposes; or
- (h) deletes or reduces the range of amendments which require approval of shareholders.

Equity Compensation Plan Information as at December 31, 2015

The following table provides information as at December 31, 2015, with respect to the equity compensation plans of the Corporation.

The share options and RSUs that have been issued to employees are described in Note 24 to the Corporation's 2015 consolidated financial statements. The financial statements are available from the Corporation's website at www.mapleleaffoods.com and on SEDAR at www.sedar.com.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by securityholders ⁽¹⁾	4,310,240	\$17.60	74
Equity compensation plans not approved by securityholders ⁽²⁾	108,560	\$22.53	2,391,440
Total ⁽³⁾	4,418,800	\$17.72	2,391,514

Notes:

- (1) Options granted under the 2004 Plan.
- (2) Options granted under the 2016 Plan. At the annual meeting on May 4, 2016, shareholders will be asked to approve the 2016 Plan.
- (3) In 2006, the Corporation implemented the 2006 RSU Plan, in which awards are satisfied with shares that will be purchased on the TSX. The awards under that plan are not included in the above figures as no shares will be issued from treasury to satisfy those awards.

2006 RSU Plan

In 2006, the Board adopted a share-based incentive compensation plan (the "2006 RSU Plan") for employees, including executive officers. The 2006 RSU Plan provides for the grant of RSUs. On maturity, assuming the performance criteria are achieved, participants receive one fully paid share for each vested RSU held, subject to adjustment up or down to reflect the level of achievement of the performance vesting criteria. The shares required for distribution on maturity and on achievement of the performance and service time requirements will be acquired on the open market at the Corporation's cost by a trust established for that purpose. The Board amended the 2006 RSU Plan in 2013 to allow either shares or the equivalent cash value to be distributed. The Board further amended the plan in 2015 to allow distributions to be made on a net of tax basis to satisfy the tax withholding requirements.

Eligibility

Under the 2006 RSU Plan, the Board is authorized to grant RSUs to full-time employees of the Corporation, its affiliates and partners. In 2015, eligibility was extended to part-time employees and consultants.

Vesting Under the 2006 RSU Plan

Upon the completion of the time-vesting service requirements and achievement of the performance-vesting requirements, each RSU entitles the employee to receive one fully paid share of the Corporation (subject to adjustment up or down to reflect the level of achievement of the performance-vesting criteria).

Number of Shares

The 2006 RSU Plan is funded with shares purchased on the open market, not treasury shares. There is no specified or authorized limit to the number of RSUs that may be issued.

Term of RSUs/Forfeiture/Assignability

The RSUs have a maximum term of approximately three years. Unless otherwise determined by the HRCC, the 2006 RSU Plan requires participants to be employed on the date of distribution. Participants whose employment with the Corporation ceases prior to the distribution date for any reason forfeit the right to

receive any RSUs. However, the HRCC has discretion to accelerate the vesting of any RSUs held by a participant and to permit the distribution of shares in respect of the maturing vested RSUs to a participant whose employment has ended prior to the distribution date. RSUs are not assignable. The Board and the HRCC have extended the holding periods for holders of RSUs and options in the event of termination of employment under certain conditions such as early retirement. The details are found on pages 53 and 54.

Limits on Individual and Insider Participation

The awards are not settled with treasury shares. There is no limit to individual participation.

Share Capital Adjustments

The Board shall amend the terms of any outstanding option and RSU awards as it considers equitable in order to preserve the proportionate rights and obligations of the participants in the event of a capital reorganization of the Corporation, including amalgamation, combination, arrangement or merger, a subdivision or consolidation of common shares or any similar capital reorganization or payment of a stock dividend that does not constitute a “change in control” (as defined in the 2006 RSU Plan).

Vesting

Under the 2006 RSU Plan, the Board is authorized to determine the time- and performance-vesting restrictions for grants of RSUs. Upon a change in control of the Corporation, the Board may accelerate the vesting of any outstanding RSUs, in which case any unvested RSUs following the change in control will be terminated. Similarly, the Board may at any time accelerate the vesting of any RSUs in circumstances involving retirement, death or other termination of employment of a participant and to permit the distribution of shares in respect of the maturing vested RSUs to a participant whose employment has ended prior to the distribution date.

Amendment

The 2006 RSU Plan currently provides that the Board may amend, suspend or terminate the plan provided that such action does not impair the rights or obligations arising from an award previously granted to an employee without the employee’s consent.

2013 SHARE PURCHASE AND DEFERRED SHARE UNIT PLAN

The Share Purchase and Deferred Share Unit Plan (the “2013 DSU Plan”) was adopted on March 21, 2013 and was approved by shareholders on May 2, 2013. It allows awards of DSUs to eligible directors.

Eligibility

Only non-employee directors of the Corporation are eligible to participate in the 2013 DSU Plan.

Election to Participate

Participation in the 2013 DSU Plan is voluntary. Under the 2013 DSU Plan, eligible directors may elect annually to receive their retainer and fees in the form of DSUs or common shares of the Corporation (or any combination thereof).

If an eligible director elects to receive all or a portion of his or her retainer and fees as common shares of the Corporation, quarterly, on predetermined dates, the Corporation or its designee purchases common shares on the TSX at market rates on behalf of the participating directors equal in value to the retainer and fees elected by the director to be satisfied in common shares. The Corporation arranges the purchase of the common shares and is responsible for commissions and any administration fees. Common shares acquired for an eligible director shall be registered in such name as the director may direct.

If an eligible director elects to receive all or a portion of his or her fees and retainer in the form of DSUs, the Corporation credits to an account established for that purpose by the Corporation on the books of the Corporation the number of DSUs received. The number of DSUs an eligible director receives is equal to

(i) the amount of his or her fees and retainer elected to be received in the form of DSUs divided by (ii) the weighted average trading price of the common shares on the TSX for the five (5) trading days immediately preceding the date DSUs are to be awarded. The award date, unless otherwise determined by the CGC, is the first business day following the 14th day of the month following the end of each calendar quarter. DSUs attract dividends in the form of additional DSUs at the same rate as dividends on common shares of the Corporation. The number of additional DSUs received as a result of the payment of a dividend on the common shares is equal to (i) (a) the amount of the dividend per common share multiplied by (b) the number of DSUs in the participant's account on the payment date of the dividend, divided by (ii) the weighted average trading price of the common shares on the TSX for the five (5) trading days immediately preceding the dividend record date.

Distribution on the DSUs

Participants are not eligible to receive a distribution on the DSUs until, among other things, the participant ceases to be a director of the Corporation. The value of a DSU on distribution is calculated on a predetermined date in the future (which may be more than a year after the participant ceases to be a director), or an earlier date if elected by the participant or his or her estate. Generally, the value of a DSU (or number of common shares to be distributed) cannot be determined during or within two business days following a corporate blackout period applicable to then current directors of the Corporation but must be made as of the tenth business day following the end of such blackout period.

Under the 2013 DSU Plan, the Corporation is provided with the ability to elect, in its sole discretion, the method in which the Corporation will make a distribution on the DSUs. Distributions may be in the form of: (i) common shares issued by the Corporation from treasury equal in number to the whole number of DSUs (rounded down) recorded in the participant's account on the distribution date; (ii) common shares purchased by the Corporation or its designee on the TSX equal in number to the whole number of DSUs (rounded down) recorded in the participant's account on the distribution date; or (iii) a lump sum payment in cash equal to the number of DSUs (rounded down) recorded in the participant's account on the distribution date multiplied by the weighted average trading price of the common shares on the TSX for the five trading days immediately preceding the distribution date (or any combination of options (i), (ii) and/or (iii)). Fractional DSUs will be satisfied in cash calculated as in (iii) above. Any distribution on account of DSUs shall be made net of applicable withholding taxes.

Any purchases made by the Corporation or its designee on the TSX are to be made in accordance with the policies and procedures of the TSX.

The Corporation shall bear the cost of commissions and all other expenses incurred in respect of the issuance of common shares from treasury or the purchase of common shares on the TSX and all common shares issued to or acquired for a participant shall be registered in such name as the participant may direct and shall be delivered in accordance with his or her instructions.

Number of Shares

The maximum number of common shares that may be issued by the Corporation from treasury pursuant to the 2013 DSU Plan is 700,000. There is no limit, however, on the number of common shares that may be purchased by the Corporation or its designee on the TSX to satisfy DSUs outstanding under or governed by the 2013 DSU Plan subject to any requirements of the TSX. The table below indicates the status of the shares reserved for DSU grants under the 2013 DSU Plan as of February 29, 2016.

	Number of Shares or DSUs ⁽¹⁾	Percentage of Shares Outstanding ⁽¹⁾
Shares issued from treasury pursuant to the distribution of DSUs		0.0%
DSUs granted and outstanding	323,497	0.2%
DSUs available for future grants ⁽²⁾	376,503	0.3%
Total number of shares reserved for issue	700,000	0.5%

Notes:

- (1) The number of DSUs and shares and percentage of the number of shares outstanding are given as of February 29, 2016.
- (2) Number of DSUs available for future grants to be satisfied by shares issued from treasury assuming that all granted and currently outstanding DSUs are satisfied by the shares issued from treasury. DSUs can be satisfied in cash or by shares purchased on the TSX.

Limits on Individual and Insider Participation

No more than 10% of the Corporation's total issued and outstanding common shares shall be issued to insiders of the Corporation within any one year period under the 2013 DSU Plan when combined with common shares issued to insiders of the Corporation under all of the Corporation's other security-based compensation arrangements.

In addition, no more than 10% of the Corporation's total issued and outstanding common shares shall be issuable to insiders of the Corporation at any time under the 2013 DSU Plan, when combined with all of the Corporation's other security-based compensation arrangements.

Share Capital Adjustments

The number of DSUs (and related number of common shares available for distribution in respect thereof) outstanding under the 2013 Plan shall be adjusted in such manner, if any, as the Board may in its discretion deem appropriate to preserve proportionally the interests of participants under the 2013 DSU Plan in the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the common shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of the Corporation or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders.

Transfers of DSUs

Except as required by law, the rights of a participant under the 2013 DSU Plan and any DSUs held by such participant are not capable of being assigned or transferred except by testate or intestate succession. The Corporation may assign its rights under the 2013 DSU Plan to any company resulting from the amalgamation, reorganization, combination, merger or arrangement of the Corporation or any company acquiring all or substantially all of the assets or business of the Corporation.

Effect of Death of a Participant

Upon the death of a participant, a payment on the participant's outstanding DSUs shall be made to the estate of such participant on the last business day of the month which is at least 180 days after the Corporation is notified of the death of the participant unless prior to such date the participant's estate chooses a later date for such payment, provided that such date is no later than the earlier of (i) the last business day of the calendar year following the calendar year in which the participant died and (ii) 15 business days following the distribution date of the participant otherwise determined under the 2013

DSU Plan. Similar but different rules apply to participants that are U.S. taxpayers. Payment on such outstanding DSUs shall be made in cash and/or common shares at the election of the Corporation and such payment shall be equivalent to the amount which would have otherwise been paid to the participant under the 2013 DSU Plan, calculated on the basis that the date on which the participant dies, or the date elected by the estate, as applicable, is the distribution date.

If a participant dies while still a director, the last quarterly installment of the director's fees and retainer, as applicable, shall be paid in cash notwithstanding any election previously provided by such participant.

Amendments

The 2013 DSU Plan may be amended, suspended or terminated by the Board, subject to provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX, if any, that require the approval of shareholders or any governmental or regulatory body).

The Board may make any types of amendments to the 2013 DSU Plan without seeking shareholder approval except the following types of amendments which will require shareholder approval:

- (i) amendments to the fixed maximum number of common shares issuable from treasury under the 2013 DSU Plan, including an increase to the fixed maximum number of common shares issuable from treasury under the 2013 DSU Plan (other than as a result of customary share capital adjustments as contemplated in the 2013 DSU Plan) or a change from a fixed maximum number of common shares issuable from treasury under the 2013 DSU Plan to a fixed maximum percentage;
- (ii) any amendment expanding the categories of eligible directors entitled to participate in the 2013 DSU Plan which would have the potential of broadening or increasing insider participation;
- (iii) any amendment permitting the transfer or assignment of a DSU, except by testate or intestate succession; and
- (iv) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

Examples of amendments that can be made to the 2013 DSU Plan without shareholder approval include (i) those of a technical or "housekeeping" nature or (ii) those that are necessary to conform the Plan to the requirements of applicable law or applicable regulatory requirements (including, without limitation, the rules, regulations and policies of the TSX) unless those amendments are required to be approved by shareholders under applicable law or such regulatory requirements.

No amendment, suspension or termination of the 2013 DSU Plan, however, may adversely affect any previously granted DSUs without the consent of the affected director. If the Board chooses to terminate or suspend the 2013 DSU Plan, no new DSUs will be issued, but previously credited DSUs will remain outstanding (but are not entitled to dividends except at the discretion of the Board) and shall be paid out in accordance with the terms of the 2013 DSU Plan.

OTHER MATTERS

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation provides directors' and officers' liability insurance with a policy limit of \$50,000,000. Under this insurance coverage, Maple Leaf Foods is reimbursed for payments made under corporate indemnity provisions on behalf of its directors and officers subject to a deductible of \$100,000 per occurrence. Individual directors and officers are also reimbursed for losses arising during the performance of their duties for which they are not indemnified by Maple Leaf Foods. Excluded from coverage are illegal acts and acts which result in personal profit.

The total premium paid by the Corporation for directors' and officers' liability insurance in the last completed financial year was \$136,486, including taxes. No part of the premium is paid by any officer or director.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the informed persons of the Corporation, as that term is defined in National Instrument 51-102, nor any proposed director of the Corporation, nor any associate or affiliate of any such person had any direct or indirect material interest, since January 1, 2015, in respect of any transaction or proposed transaction that has materially affected or will materially affect the Corporation or any of its subsidiaries.

OTHER BUSINESS

Management of the Corporation is not aware of any matters to come before the meeting other than those referred to in the Notice of Meeting.

RECEIPT OF SHAREHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

Any shareholder who intends to present a proposal at our 2017 annual meeting of shareholders must send the proposal to the Corporation's Corporate Secretary at 6985 Financial Drive, Mississauga, Ontario, Canada L5N 0A1. In order for the proposal to be included in the proxy materials sent to shareholders for that meeting, the proposal must be received by the Corporation no later than December 27, 2016 and must comply with the requirements of Section 137 of the *Canada Business Corporations Act*.

ADDITIONAL INFORMATION

Additional documents of the Corporation including the most recent Annual Information Form (including any documents incorporated by reference); the Annual Report, including the audited financial statements of the Corporation and management's discussion and analysis for its most recently completed financial year; interim financial statements; and the Management Proxy Circular in respect of its most recent annual meeting of shareholders, are available upon written request from the Senior Vice-President and Corporate Secretary, Maple Leaf Foods Inc., 6985 Financial Drive, Mississauga, Ontario, Canada L5N 0A1. The above information and additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year.

DIRECTORS' APPROVAL

The directors of the Corporation have approved the contents of this Circular and its circulation.



R. Cappuccitti
Senior Vice-President and Corporate Secretary

Mississauga, Ontario, Canada
March 28, 2016

APPENDIX A

MEETING FREQUENCY AND ATTENDANCE

ATTENDANCE BY COMMITTEE

BOARD/COMMITTEE	NUMBER OF MEETINGS	ATTENDANCE AT ALL MEETINGS	ATTENDANCE AT REGULARLY SCHEDULED MEETINGS ⁽¹⁾
Board of Directors	10 meetings	97%	97%
Audit Committee ("AC")	5 meetings	92%	92%
Corporate Governance Committee ("CGC")	4 meetings	94%	92%
Environment, Health and Safety Committee ("EHSC")	3 meetings	92%	92%
Human Resources and Compensation Committee ("HRCC")	7 meetings	89%	90%
Average for all meetings	29 meetings	95%	94%

ATTENDANCE BY DIRECTOR

DIRECTOR	ALL MEETINGS						REGULARLY SCHEDULED MEETINGS ⁽¹⁾		
	Board	AC	CGC	EHSC	HRCC	Board and All Committees		Total	
W.E. Aziz	10/10	5/5			7/7	22/22	100%	19/19	100%
W.G. Beattie	10/10		4/4	2/3		16/17	94%	14/15	93%
G.A. Boland	8/10		3/4		5/7	16/21	76%	12/17	71%
J.L. Bragg	9/10	3/5		3/3		15/18	83%	14/17	82%
R.G. Close	7/7	3/3	2/2			12/12	100%	10/10	100%
D.L. Emerson	10/10		4/4	3/3		17/17	100%	15/15	100%
J.M. Fraser	10/10		2/2		4/4	16/16	100%	13/13	100%
J. Gandz	3/3		2/2			5/5	100%	5/5	100%
C.R. Lamoureux	10/10	5/5			6/7	21/22	95%	19/19	100%
M.H. McCain	10/10					10/10	100%	9/9	100%
D.E. McGarry	3/3	2/2				5/5	100%	5/5	100%
J.P. Olson	10/10	5/5		3/3	3/3	21/21	100%	19/19	100%
	100/103	23/25	17/18	11/12	25/28	176/186	95%	154/163	94%
	97%	92%	94%	92%	89%		95%		94%

Note:

- (1) Dates for regularly scheduled meetings of the Board and each committee are set more than a year in advance. Nevertheless, in addition to these, some meetings are scheduled on short notice. The attendance record for "all meetings" includes these short notice meetings of the Board and each committee, while the attendance record for "regularly scheduled meetings" does not.

APPENDIX B

COMMONLY USED DEFINITIONS AND ACRONYMS

Term	Acronym
Audit Committee of the Board of Directors of Maple Leaf Foods Inc.	"AC"
Board of Directors of Maple Leaf Foods Inc.	"Board"
Chief Executive Officer	"CEO"
Chief Financial Officer	"CFO"
Chief Operating Officer	"COO"
Corporate Governance Committee of the Board of Directors of Maple Leaf Foods Inc.	"CGC"
Deferred Share Unit(s)	"DSU(s)"
Earnings Before Interest, Taxes, Depreciation and Amortization	"EBITDA"
Earnings Before Tax	"EBT"
Environment, Health and Safety Committee of the Board of Directors of Maple Leaf Foods Inc.	"EHSC"
Human Resources and Compensation Committee the Board of Directors of Maple Leaf Foods Inc.	"HRCC"
Long Term Incentive Plan	"LTIP"
Management Proxy Circular	"Circular"
Maple Leaf Foods Inc.	"Maple Leaf Foods", "MLF" or the "Corporation"
McCain Capital Corporation	"MCC"
McCain Capital Inc.	"MCI"
Named Executive Officers as set out in the Compensation Disclosure and Analysis portion of this Circular	"NEO(s)"
Performance Share Unit(s)	"PSU(s)"
Restricted Share Unit(s)	"RSU(s)"
Safety and Sustainability Committee of the Board of Directors of Maple Leaf Foods Inc.	"SSC"
Senior Leadership Team	"SLT"
Short Term Incentive Plan	"STIP"
System for Electronic Document Analysis and Retrieval	"SEDAR"
Toronto Stock Exchange	"TSX"
West Face Capital Inc.	"WFC"

APPENDIX C

MAPLE LEAF FOODS INC. 2016 Share Option Plan

ARTICLE 1 INTRODUCTION

1.1 Purpose

The purpose of the Plan is to advance the interests of the Company by assisting the Company in attracting, retaining and motivating key employees and officers through performance related incentives.

1.2 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

"Affiliated Company" has the meaning set forth in the *Securities Act* (Ontario), as amended from time to time;

"Board" means the board of directors of the Company;

"Business Day" means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Toronto are open for commercial business during normal banking hours;

"Cause" means, with respect to a particular Employee:

- (a) "cause" as such term is defined in the employment or other written agreement between the Company, an Affiliated Company or a Partnership and the Employee as described in Section 3.8; or
- (b) in the event there is no written or other applicable employment agreement between the Company, an Affiliated Company or a Partnership as described in Section 3.8 or "cause" is not defined in such agreement, "cause" as such term is defined in the Option Agreement; or
- (c) in the event neither (a) nor (b) apply, then "cause" as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where an employer can terminate an individual's employment without notice or pay in lieu thereof;

"CEO" means Chief Executive Officer;

"Change in Control" means the occurrence of any one or more of the following events:

- (a) any transaction at any time and by whatever means pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the Company, a wholly-owned subsidiary of the Company, or an employee benefit plan of the Company or of any of its wholly-owned subsidiaries, including the trustee of any such plan acting as trustee) hereafter acquires the direct or indirect "beneficial ownership" (as defined in the *Securities Act* (Ontario)) of, or acquires the right to exercise control or direction over, securities of the Company representing more than 50% of the aggregate of the then issued and outstanding voting securities of the Company in any manner whatsoever, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Company with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;
- (b) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a Person other than a wholly-owned subsidiary of the Company;

- (c) the dissolution or liquidation of the Company, except in connection with the distribution of assets of the Company to one or more Persons which were wholly-owned subsidiaries of the Company prior to such event;
- (d) the occurrence of a transaction requiring approval of the Company's shareholders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a wholly-owned subsidiary of the Company);
- (e) the Board passes a resolution to the effect that, for the purposes of some or all of the Option Agreements, a Change in Control shall be deemed to have occurred in such circumstances as the Board shall determine;

provided that, notwithstanding clause (a), (b), (c) and (d) above, a Change in Control shall be deemed not to have occurred if immediately following the transaction set forth in clause (a), (b), (c) or (d) above: (A) the holders of securities of the Company that immediately prior to the consummation of such transaction represented more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Company hold (x) securities of the entity resulting from such transaction (the **"Surviving Entity"**) that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees (**"voting power"**) of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of 100% of the securities eligible to elect directors or trustees of the Surviving Entity (the **"Parent Entity"**) that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, and (B) no Person or group of two or more Persons acting jointly or in concert, is the beneficial owner, directly or indirectly, of more than 50% of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and (B) above being referred to as a **"Non-Qualifying Transaction"** and, following the Non-Qualifying Transaction, references in this definition of "Change in Control" to the "Company" shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the "Board" shall mean and refer to the board of directors or trustees, as applicable, of such entity).

Notwithstanding the foregoing, for purposes of any Option that constitutes "deferred compensation" (within the meaning of Section 409A of the Code), the payment of which would be accelerated upon a Change in Control, a transaction will not be deemed a Change in Control for Options granted to any Optionee who is a U.S. Taxpayer unless the transaction qualifies as "a change in control event" within the meaning of Section 409A of the Code.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (x) its sole purpose is to change the state or jurisdiction of the Company's incorporation, or (y) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction;

"Code" means the United States Internal Revenue Code of 1986, as amended from time to time;

"Committee" has the meaning set forth in Section 2.2;

"Company" means Maple Leaf Foods Inc.;

"Date of Grant" means, for any Option, the date specified by the Plan Administrator at the time it grants the Option (which, for greater certainty, shall be no earlier than the date on which the Board meets or otherwise acts for the purpose of granting such Option) or if no such date is specified, the date upon which the Option was granted;

"Early Retirement" means retirement from active employment with the Company, any Affiliated Company or any Partnership, where such individual has attained age 55 with at least 10 years of service or at or after such lesser age and/or service thresholds as the Board may determine, all in accordance with such conditions as may be determined by the Board;

“Effective Date” means the effective date of the Plan, being January 25, 2016;

“Employee” means (i) a part-time or full-time employee of the Company, Affiliated Company or Partnership (as the case may be) and includes an officer of the Company, Affiliated Company or Partnership (as the case may be) or (ii) a consultant, meaning a Person other than a Person as referred to in (i) that (A) is engaged to provide services to the Company, Affiliated Company or Partnership (as the case may be), (B) provides services under a written contract with the Company, Affiliated Company or Partnership (as the case may be) and (C) spends a significant amount of time and attention on the affairs and business of the Company, Affiliated Company or Partnership (as the case may be), but shall not include a member of the Board who is not a Person referred to in (i);

“Exercise Notice” means a notice in writing, in the form specified by the Company, signed or otherwise acknowledged by an Optionee and stating the Optionee’s intention to exercise a particular Option;

“Exercise Price” means the price at which a Share subject to an Option may be purchased pursuant to the exercise of an Option, which for greater certainty, shall not be less than the Market Price on the Date of Grant;

“Expiry Date” means the expiry date specified in the Option Agreement (which shall not be later than the tenth (10th) anniversary of the Date of Grant) or, if not so specified, means the tenth (10th) anniversary of the Date of Grant;

“Insider” means an “insider” as defined by the TSX from time to time in its rules and regulations governing Security Based Compensation Arrangements and other related matter;

“Market Price” at any date in respect of the Shares shall be the value represented by the weighted average trading price of such Shares on the TSX for the last five (5) trading days prior to such date (or if such Shares did not trade on the TSX on such days, the average of the bid and ask prices of such Shares at the close of trading on such days). In the event that such Shares are not listed and posted for trading on any TSX, the Market Price shall be the fair market value of such Shares as determined by the Plan Administrator in its sole discretion;

“Normal Retirement” means retirement from active employment with the Company, any Affiliated Company or any Partnership, where such individual has attained age 60 with at least 10 years of service or at or after such lesser age and/or service thresholds as the Board may determine, all in accordance with such conditions as may be determined by the Board;

“Option” means a right to purchase Shares under the Plan that is non-assignable and non-transferable unless otherwise approved by the Plan Administrator;

“Option Agreement” means a written agreement between an Optionee and the Company signed or otherwise acknowledged by the Optionee, in a form approved by the Plan Administrator, evidencing the terms and conditions on which an Option has been granted under the Plan and which need not be identical to any other such agreements;

“Optionee” means an Employee to whom an Option has been granted under the Plan and their Permitted Assigns;

“Optionee’s Employer” means with respect to an Optionee that is or was an Employee, the Company or such Affiliated Company or such Partnership as is or, if the Optionee has ceased to be employed by the Company or such Affiliated Company or such Partnership, was the Optionee’s Employer;

“Partnership” means a partnership of which the Company or an Affiliated Company is a partner;

“Permitted Assign” has the meaning assigned to that term in National Instrument 45-106 Prospectus and Registration Exemptions of the Canadian Securities Administrators, as amended from time to time;

"Person" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

"Plan" means this Share Option Plan, as may be amended or amended and restated from time to time;

"Plan Administrator" means the Board, or if the administration of the Plan has been delegated by the Board to the Committee pursuant to Section 2.2, the Committee;

"Securities Laws" means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Company or to which it is subject;

"Security Based Compensation Arrangement" has the meaning given to that term in the Company Manual of the TSX, as amended from time to time;

"Share" means one (1) common share in the capital of the Company;

"Termination Date" means, in the case of an Employee whose employment with the Company, an Affiliated Company or a Partnership terminates in the circumstances set out in Subsection 3.8(a), (b) or (c), (i) the date designated by the Employee and the Company, an Affiliated Company or a Partnership in a written employment agreement, or other written agreement between the Employee and the Company, an Affiliated Company or a Partnership, or (ii) if no written employment agreement exists, the date designated by the Company, an Affiliated Company or a Partnership, as the case may be, on which an Employee ceases to be an employee of the Company, an Affiliated Company or a Partnership, as the case may be, provided that, in the case of termination of employment by voluntary resignation by the Optionee, such date shall not be earlier than the date notice of resignation was given, and "Termination Date" specifically does not mean the date of termination of any period of reasonable notice that the Company, an Affiliated Company or a Partnership (as the case may be) may be required by law to provide to the Optionee;

"TSX" means the Toronto Stock Exchange;

"U.S." means the United States of America; and

"U.S. Taxpayer" shall mean an Optionee who, with respect to an Option, is subject to taxation under the applicable U.S. tax laws.

1.3 Interpretation

- (a) Whenever the Board, the Committee or the Plan Administrator exercises discretion in the administration of this Plan, the term "discretion" means the sole and absolute discretion of the Board, Committee or Plan Administrator, as the case may be.
- (b) As used herein, the terms "Article", "Section", "Subsection" and "clause" mean and refer to the specified Article, Section, Subsection and clause of the Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.

- (e) In this Plan, a Person is considered to be a “subsidiary entity” of another Person if:
 - (i) it is controlled by,
 - (A) that other, or
 - (B) that other and one or more Persons, each of which is controlled by that other, or
 - (C) two or more Persons, each of which is controlled by that other; or
 - (ii) it is a subsidiary entity of a Person that is that other’s subsidiary entity.
- (f) In this Plan, a Person is considered to be “controlled” by another person or company if the first person or company provides, directly or indirectly, the principal direction or influence over the business and affairs of the second person or company by virtue of :
 - (i) ownership or direction of voting securities in the second person or company,
 - (ii) a written agreement or indenture,
 - (iii) being or controlling the general partner of a limited partnership, or
 - (iv) being a trustee of a trust.
- (g) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (h) The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 2

PLAN ADMINISTRATION

2.1 Plan Administration

Subject to Section 2.2, the Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals to whom grants under the Plan may be made;
- (b) make grants of Options under the Plan to such Persons and, subject to the provisions of the Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Options may be granted;
 - (ii) the Exercise Price at which Shares subject to each option may be purchased;
 - (iii) the time or times when each Option become exercisable and the Expiry Date;
- (c) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Option, and the nature of such restrictions or limitations, if any; and
- (d) any acceleration of exercisability or waiver of termination regarding any Option, based on such factors as the Plan Administrator may determine;
- (e) establish the form or forms of Option Agreements;

- (f) cancel, amend, adjust or otherwise change any Option under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the Plan;
- (g) construe and interpret the Plan and all Option Agreements;
- (h) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
- (i) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan.

2.2 Delegation of Plan Administration

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the "**Committee**") all or any of the powers conferred on the Plan Administrator pursuant to the Plan, including the power to sub-delegate to any specified officer(s) of the Company or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party. Any decision made or action taken by the Committee or sub-delegate arising out of or in connection with the administration or interpretation of the Plan in this context is final and conclusive and binding on the Company and any Affiliated Company or Partnership, all Optionees and all other Persons.

2.3 Determinations Binding

Any decision made or action taken by the Board, the Committee or any officers or employees to whom authority has been delegated pursuant to Subsection 2.2 arising out of or in connection with the administration or interpretation of the Plan is final, conclusive and binding on the Company, the affected Optionee(s), their legal and personal representatives and all other Persons.

2.4 Eligibility

All Employees are eligible to participate in the Plan, subject to Subsection 3.8(d). Eligibility to participate does not confer upon any Employee any right to receive any grant of an Option pursuant to the Plan. The extent to which any Employee is entitled to receive a grant of an Option pursuant to the Plan will be determined in the sole and absolute discretion of the Plan Administrator.

2.5 Compliance with Securities Laws

Any Option granted under the Plan shall be subject to the requirement that, if at any time the Company shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Option upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the TSX and any securities commissions or similar securities regulatory bodies having jurisdiction over the Company is necessary as a condition of, or in connection with, the grant or exercise of such Option or the issuance or purchase of Shares thereunder, such Option may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration, qualification, consent or approval. **Optionees shall, to the extent applicable, cooperate with the Company in complying with such legislation, rules, regulations and policies.**

2.6 Total Shares Subject to Options

- (a) Subject to any subsequent amendment to the Plan, the aggregate number of Shares reserved for issuance pursuant to Options granted under the Plan shall not exceed 2,500,000 Shares.
- (b) To the extent any Options (or portion(s) thereof) under the Plan terminate or are cancelled for any reason prior to exercise in full, or are surrendered to the Company by the Optionee, except surrenders relating to the payment of the purchase price of any such Option or the satisfaction of the tax withholding obligations related to any such Option, the Shares subject to such awards (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under the Plan and will again become available for issuance pursuant to the exercise of Options granted under the Plan.
- (c) Any Shares issued by the Company through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Shares available for issuance pursuant to the exercise of Options granted under the Plan.

2.7 Limits on Grants of Options

Notwithstanding anything in the Plan, the aggregate number of Shares:

- (a) issuable to Insiders at any time, under all of the Company's Security Based Compensation Arrangements, shall not exceed ten (10%) percent of the issued and outstanding Shares; and
- (b) issued to Insiders within any one-year period, under all of the Company's Security Based Compensation Arrangements, shall not exceed ten (10%) percent of the issued and outstanding Shares,

provided that the acquisition of Shares by the Company for cancellation shall not constitute non-compliance with this Section 2.7 for any Options outstanding prior to such purchase of Shares for cancellation.

2.8 Option Agreements

Each Option under the Plan will be evidenced by an Option Agreement. Each Option Agreement will be subject to the applicable provisions of the Plan and will contain such provisions as are required by the Plan and any other provisions that the Plan Administrator may direct. Any one officer of the Company is authorized and empowered to execute and deliver, for and on behalf of the Company, an Option Agreement to each Optionee granted an Option pursuant to the Plan.

ARTICLE 3 GRANT OF OPTIONS

3.1 Grant of Options

The Plan Administrator may, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Optionee. The terms and conditions of each Option grant shall be evidenced by an Option Agreement.

3.2 Exercise Price

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the Market Price of a Share on the Date of Grant.

3.3 Term of Options

Subject to any accelerated termination as set forth in the Plan, each Option expires on its Expiry Date.

3.4 Black-out Period

If an Option expires during, or within five Business Days after, a routine or special trading black-out period imposed by the Company to restrict trades in the Company's securities, then, notwithstanding any other provision of the Plan, unless the delayed expiration would result in tax penalties, the Option shall expire ten Business Days after the trading black-out period is lifted by the Company.

3.5 Vesting and Exercisability

Except as otherwise provided in the Plan, each Option will vest and be exercisable in accordance with such provisions, if any, as may be specified by the Plan Administrator at the time of granting an Option.

Once an instalment becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, or other written agreement between the Company, an Affiliated Company or a Partnership and the Optionee. Each Option or instalment may be exercised at any time or from time to time, in whole or in part, for up to the total number of Shares subject to Options with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any instalment of any Option becomes exercisable.

Subject to the provisions of the Plan and any Option Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Company.

The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in Section 3.5, such as performance-based vesting conditions.

3.6 Payment of Exercise Price

Unless otherwise specified by the Plan Administrator at the time of granting an Option, the Exercise Notice must be accompanied by payment in full of the purchase price for the Shares to be purchased. The Exercise Price must be fully paid by certified cheque, bank draft or money order payable to the Company or by such other means as might be specified from time to time by the Plan Administrator, which may include (i) through an arrangement with a broker approved by the Company (or through an arrangement directly with the Company) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option, (ii) through any cashless exercise process as may be approved by the Plan Administrator, or (iii) such other consideration and method of payment for the issuance of Shares to the extent permitted by the Securities Laws, or any combination of the foregoing methods of payment.

No Shares will be issued or transferred until full payment therefor has been received by the Company.

3.7 Surrender of Options

An Optionee may, in lieu of exercising vested Options, choose to surrender such Options to the Company in exchange for Shares with an aggregate fair market value equal to the In-the-Money Value of such Options. The **"In-the-Money Value"** of a vested Option as of any day is the amount, if any, by which the closing trading price of a Share on the last trading day immediately preceding the date of exercise exceeds the Exercise Price of the Option. Following the surrender of Options, the Company shall issue to the Optionee a number of Shares (such number of Shares being rounded down to the nearest whole number) which, valued at such closing trading price on the last trading day immediately preceding the date of exercise, have an aggregate value equivalent to the In-the-Money Value.

3.8 Termination of Employment or Services

Subject to Section 3.9, unless otherwise specified by the Plan Administrator at the time of granting an Option:

- (a) where an Employee's employment is terminated (i) by the Company, an Affiliated Company or a Partnership without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) (ii) for Early Retirement, (iii) by reason of voluntary resignation or (iv) for any other reason other than as set out in Subsections 3.8(b) or 3.8(c), then each Option held by the Optionee that has vested as of the Termination Date continues to be exercisable by the Optionee until the earlier of (A) its Expiry Date and (B) the date that is 90 days after the Termination Date, and any Option or other Option held by the Optionee that has not vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date;
- (b) if an Employee's employment of the Company, an Affiliated Company or a Partnership is terminated for Normal Retirement, then each Option held by the Optionee that has vested as of the Termination Date continues to be exercisable by the Optionee until its Expiry Date, and any Option or other Option held by the Optionee that has not vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date;
- (c) where an Employee's employment terminates by reason of termination by the Company, an Affiliated Company or a Partnership for Cause, then any Option or other Option held by the Optionee, whether or not it has vested as of the Termination Date, is immediately forfeited and cancelled as of the Termination Date;
- (d) an Optionee's eligibility to receive further grants of Options under the Plan ceases as of the date that the Company, an Affiliated Company or a Partnership, as the case may be, provides the Optionee with written notification that the Optionee's employment or consulting agreement or arrangement, as the case may be, is terminated in the circumstances contemplated by this Section 3.8, notwithstanding that such date may be prior to the Termination Date; and
- (e) notwithstanding Subsection 3.8(a), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Options are not affected by a change of employment arrangement within or among the Company, an Affiliated Company or a Partnership for so long as the Optionee continues to be an Employee of the Company, an Affiliated Company or a Partnership.

Notwithstanding the subsections specified above, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in the subsections above, or in an employment agreement or other written agreement between the Company, an Affiliated Company or a Partnership (as the case may be) and the Optionee, (i) extend the period that the Options continue to be exercisable by the Optionee following the Termination Date up to the original Expiry Date or (ii) permit Options that are not vested as at the Termination Date to continue to vest after the Termination Date, all in the manner and on the terms as may be authorized by the Plan Administrator.

3.9 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 3.8, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Sections, or in an employment agreement or other written agreement between the Company, an Affiliated Company or a Partnership and the Optionee, permit the acceleration of vesting of any or all Options, all in the manner and on the terms as may be authorized by the Plan Administrator.

3.10 Change in Control

Except as may be set forth in an employment agreement, or other written agreement between the Company, an Affiliated Company or a Partnership and the Optionee:

- (a) Notwithstanding anything else in the Plan or any Option Agreement, the Plan Administrator may, without the consent of any Optionee, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Options into or for, rights or other securities of substantially equivalent value (or greater value), as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Options to vest and become exercisable, realizable, or payable, or restrictions applicable to an Option to lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iii) the termination of an Option in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Option or realization of the Optionee's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise of such Option or realization of the Optionee's rights, then such Option may be terminated by the Company without payment); (iv) the replacement of such Option with other rights or property selected by the Board in its sole discretion; or (v) any combination of the foregoing. In taking any of the actions permitted under this subparagraph (a), the Plan Administrator will not be required to treat all Options similarly.
- (b) Notwithstanding Section 4.1, and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on the TSX, then the Company may terminate all of the Options granted under the Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Options equal to the fair market value of such Option held by such Optionee as determined by the Plan Administrator, acting reasonably.

3.11 Permitted Assigns

Options may be transferred by Employees to a Permitted Assign of an Employee as applicable, or as may otherwise be approved by the Plan Administrator. In any such case, the provisions of Article 3 shall apply to the Option as if the Option was held by the Employee rather than such person's Permitted Assign.

In the event of the death of the Permitted Assign, the Option shall be automatically transferred to the Employee who effected the transfer of the Option to the deceased Permitted Assign. If any Optionee has transferred Options to a corporation pursuant to this Section 3.11, such Options will terminate and be of no further force or effect if at any time the transferor should cease to own all of the issued shares of such corporation.

3.12 Recoupment

Notwithstanding any other terms of the Plan, Options may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Company, an Affiliated Company or a Partnership and in effect at the Date of Grant of the Option, or as otherwise required by law or the rules of the TSX. The Committee may at any time waive the application of this Section 3.12 to any Optionee or category of Optionees.

ARTICLE 4 SHARE CAPITAL ADJUSTMENTS

4.1 General

The existence of any Options does not affect in any way the right or power of the Company or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Company's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Company, to create or issue any bonds, debentures, Shares or other securities of the Company or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Section 4.1 would have an adverse effect on the Plan or on any Option granted hereunder.

4.2 Reorganization of Company's Capital

Should the Company effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Company that does not constitute a Change in Control and would warrant the amendment or replacement of any existing Options in order to adjust the number of Shares that may be acquired on the vesting of outstanding Options and/or the terms of any Option in order to preserve proportionately the rights and obligations of the Optionees holding such Options, the Plan Administrator will authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

4.3 Other Events Affecting the Company

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Company and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Options in order to adjust the number of Shares that may be acquired on the vesting of outstanding Options and/or the terms of any Option in order to preserve proportionately the rights and obligations of the Optionees holding such Options, the Plan Administrator will, subject to the prior approval of the TSX (if then listed on the TSX), authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

4.4 Immediate Acceleration of Options

Where the Plan Administrator determines that the steps provided in Sections 4.2 and 4.3 would not preserve proportionately the rights, value and obligations of the Optionees holding such Options in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required, to permit the immediate vesting of any unvested Options.

4.5 Issue by Company of Additional Shares

Except as expressly provided in this Article 4, neither the issue by the Company of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Options.

4.6 Fractions

No fractional Shares will be issued pursuant to an Option. Accordingly, if, as a result of any adjustment under Sections 4.2 to 4.4 inclusive, or a dividend equivalent, an Optionee would become entitled to a fractional Share, the Optionee has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 5 GENERAL PROVISIONS

5.1 U.S. Taxpayers - Section 409A of the Code

The Plan will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of the Plan. To the extent that an Option or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Option will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. The Company reserves the right to amend the Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of the Plan in light of Section 409A of the Code and any regulations or guidance under that section. In no event will the Company be responsible if Options under the Plan result in adverse tax consequences to a U.S. Taxpayer under Section 409A of the Code. Notwithstanding any provisions of the Plan to the contrary, in the case of any "specified employee" within the meaning of Section 409A of the Code who is a U.S. Taxpayer, distributions of non-qualified deferred compensation under Section 409A of the Code made in connection with a "separation from service" within the meaning set forth in Section 409A of the Code may not be made prior to the date which is 6 months after the date of separation from service (or, if earlier, the date of death of the U.S. Taxpayer). Any amounts subject to a delay in payment pursuant to the preceding sentence shall be paid as soon practicable following such 6-month anniversary of such separation from service.

5.2 Amendment, Suspension, or Termination of the Plan

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Company, amend, modify, change, suspend or terminate the Plan or any Options granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, that:

- (a) no such amendment, modification, change, suspension or termination of the Plan or any Options granted hereunder may materially impair any rights of an Optionee or materially increase any obligations of an Optionee under the Plan without the consent of the Optionee, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or TSX requirements; and
- (b) any amendment that would cause an Option held by a U.S. Taxpayer be subject to the additional tax penalty under Section 409A(1)(b)(i)(II) of the Code shall be null and void *ab initio*.

5.3 Shareholder Approval

Notwithstanding Section 5.2, approval of the holders of the voting shares of the Company shall be required for any amendment, modification or change that:

- (a) increases the number of Shares reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (b) increases or removes the 10% limits on Shares issuable or issued to insiders as set forth in Section 2.7;
- (c) reduces the exercise price of an Option (for this purpose, a cancellation or termination of an Option of an Optionee prior to its Expiry Date for the purpose of reissuing an Option to the same Optionee with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;

- (d) extends the term of an Option beyond the original Expiry Date (except where an Expiry Date would have fallen within a blackout period applicable to the Optionee or within 5 Business Days following the expiry of such a blackout period);
- (e) permits an Option to be exercisable beyond 10 years from its Date of Grant (except where an Expiry Date would have fallen within a blackout period of the Company);
- (f) permits members of the Board who are not Employees to receive Options under the Plan;
- (g) permits Options to be transferred to a Person other than a Permitted Assign or for normal estate settlement purposes; or
- (h) deletes or reduces the range of amendments which require approval of the holders of voting shares of the Company under this Section 5.3.

5.4 Permitted Amendments

Without limiting the generality of Section 5.2, but subject to Section 5.3, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Option;
- (b) making any amendments to any of Sections 3.8, 3.9 or 5.10;
- (c) making any amendments to add covenants of the Company for the protection of Optionees, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Optionees, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Optionees it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where an Optionee resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Optionees; or
- (e) making such changes or corrections which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Optionees.

5.5 Legal Requirement

The Company is not obligated to grant any Options, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its sole discretion, such action would constitute a violation by an Optionee or the Company of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any TSX upon which the Shares may then be listed.

5.6 Non-transferability of Options

Except as permitted under Section 3.11 or as otherwise permitted by the Plan Administrator, no assignment or transfer of Options, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Options whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Options will terminate and be of no further force or effect.

5.7 No Other Benefit

No amount will be paid to, or in respect of, an Optionee under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, an Optionee for such purpose.

5.8 Governing Law

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

5.9 Submission To Jurisdiction

The Company and each Optionee irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Ontario in respect of any action or proceeding relating in any way to the Plan, including with respect to the grant of Options and any issuance of Shares made in accordance with the Plan.

5.10 Optionees' Entitlement

Except as otherwise provided in the Plan, or unless as otherwise determined by the board in its sole discretion, Options previously granted under the Plan are not affected by any change in the relationship between, or ownership of, the Company and an Affiliated Company. For greater certainty, and unless as otherwise determined by the board in its sole discretion, all grants of Options remain outstanding and are not affected by reason only that, at any time, an Affiliated Company ceases to be an Affiliated Company.

5.11 Withholding Taxes

In addition to the other conditions on exercise set forth in the Plan, the exercise of each Option granted under the Plan is subject to the satisfaction of all applicable withholding taxes or other withholding liabilities as the Company may determine to be necessary or desirable in respect of such exercise. The Company may (a) require that an Optionee pay to the Company, in addition to, and in the same manner as, the Exercise Price, such amount as the Company is obliged to remit to the relevant taxing authority in respect of the exercise of the Option; (b) withhold such amount from any remuneration or other amount payable by the Company, an Affiliated Company or a Partnership to the Optionee; (c) require the sale of a number of Shares issued upon the exercise of the Option and the remittance to the Company of the net proceeds from such sale sufficient to satisfy such amount; or (d) enter into any other suitable arrangements for the receipt of such amount.

5.12 Participation in the Plan

The participation of any Optionee in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Optionee any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Company to ensure the continued employment or engagement of such Optionee. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares. The Company does not assume responsibility for the income or other tax consequences for the Optionees and they are advised to consult with their own tax advisors.

5.13 Corporate Action

Nothing contained in the Plan or in an Option shall be construed so as to prevent the Company from taking corporate action which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any Option.

5.14 Rights of Optionee

No Optionee has any claim or right to be granted an Option and the granting of any Option is not to be construed as giving an Optionee a right to remain as an employee of the Company or an employee or director of an Affiliated Company. No Optionee has any rights as a shareholder of the Company in respect of Shares issuable pursuant to any Option until the allotment and issuance to such Optionee, or as such Optionee may direct, of certificates representing such Shares.

5.15 Conflict

In the event of any conflict between the provisions of the Plan and an Option Agreement, the provisions of the Plan shall govern. In the event of any conflict between or among the provisions of the Plan, an Option Agreement and (i) an employment agreement or other written agreement between the Company or an Affiliated Company and an Optionee which has been approved by the CEO of the Company (or where the Optionee is the CEO, approved by a member of the Board who is not an Employee), the provisions of the employment agreement or other written agreement shall govern and (ii) any other employment agreement or other written agreement between the Company or an Affiliated Company and an Optionee, the provisions of the Plan shall govern.

5.16 Optionee Information

Each Optionee shall provide the Company with all information (including personal information) required by the Company in order to administer to the Plan. Each Optionee acknowledges that information required by the Company in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Optionee's jurisdiction of residence), in connection with the administration of the Plan. Each Optionee consents to such disclosure and authorizes the Company to make such disclosure on the Optionee's behalf.

5.17 International Optionees

With respect to Optionees who reside or work outside Canada and the United States, the Plan Administrator may, in its sole discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Options with respect to such Optionees in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

5.18 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and any Affiliated Company.

5.19 General Restrictions and Assignment

Except as required by law, the rights of an Optionee under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Optionee unless otherwise approved by the Plan Administrator.

5.20 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

5.21 Notices

All written notices to be given by the Optionee to the Company shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

Maple Leaf Foods Inc.
6985 Financial Drive
Mississauga, ON
L5N 0A1

Attention: Corporate Secretary
E-mail: corporate.secretary@mapleleaf.com

All notices to the Optionee will be addressed to the principal address of the Optionee on file with the Company. Either the Company or the Optionee may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth Business Day following the date of mailing. Any notice given by either the Optionee or the Company is not binding on the recipient thereof until received.

5.22 Electronic Delivery

The Company or the Plan Administrator may from time to time establish procedures for (i) the electronic delivery of any documents that the Company may elect to deliver (including, but not limited to, plan documents, Option notices and agreements, and all other forms of communications) in connection with any Option made under the Plan, (ii) the receipt of electronic instructions from Optionees and/or (iii) an electronic signature system for delivery and acceptance of any such documents. Compliance with such procedures shall satisfy any requirement to provide documents in writing and/or for a document to be signed or executed.

