MAPLE LEAF FOODS INC.

ANNUAL INFORMATION FORM

February 26, 2020

MAPLE LEAF FOODS INC.
ANNUAL INFORMATION FORM

February 26, 2020

Table of Contents

MAPLE LEAF FOODS INC.
ANNUAL INFORMATION FORM

Unless otherwise indicated, the information in this Annual Information Form is given as of December 31, 2019 and all amounts are in Canadian dollars. Unless the context otherwise requires, references herein to "Maple Leaf Foods" or the "Company" are to Maple Leaf Foods Inc. and its consolidated subsidiaries.

FORWARD-LOOKING INFORMATION

This document contains, and the Company's oral and written public communications often contain, "forward-looking information" within the meaning of applicable securities law. These statements are based on current expectations, estimates, projections, beliefs, judgments and assumptions based on information available at the time the applicable forward-looking statement was made and in light of the Company's experience combined with its perception of historical trends. Such statements include, but are not limited to, statements with respect to objectives and goals, in addition to statements with respect to beliefs, plans, targets, goals, objectives, expectations, anticipations, estimates, and intentions. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "could", "would", "believe", "plan", "intend", "design", "target", "undertake", "view", "indicate", "maintain", "explore", "entail", "schedule", "objective", "strategy", "likely", "potential", "outlook", "aim", "propose", "goal", and similar expressions suggesting future events or future performance These statements are not guarantees of future performance and involve assumptions, risks, and uncertainties that are difficult to predict.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in the forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Specific forward-looking information in this document may include, but is not limited to, statements with respect to:

- future performance, including future financial objectives, goals and targets, expected capital spend and expected SG&A expenditures for the Company and each of its operating segments;
- the execution of the Company's business strategy, including the development and expected timing of business initiatives, brand expansion and repositioning, and other growth opportunities, as well as the impact thereof;
- the impact of international trade conditions on the Company's business, including access to markets, implications associated with the spread of foreign animal disease (such as ASF), and other social, economic and political factors that affect trade;
- competitive conditions and the Company's ability to position itself competitively in the markets in which it competes;
- capital projects, including planning, construction, estimated expenditures, schedules, approvals, expected capacity, in-service dates and anticipated benefits of construction of new facilities and expansions of existing facilities;
- the Company's dividend policy, including future levels and sustainability of cash dividends, the tax treatment thereof and future dividend payment dates;
- the impact of commodity prices on the Company's operations and financial performance, including the use and effectiveness of hedging instruments;
- expected future cash flows and the sufficiency thereof, sources of capital at attractive rates, future contractual obligations, future financing options, renewal of credit facilities, and availability of capital to fund growth plans, operating obligations and dividends;
- operating risks, including the execution, monitoring and continuous improvement of the Company's food safety programs, animal health initiatives and cost reduction initiatives;
- the implementation, cost and impact of environmental sustainability initiatives, as well as the anticipated future cost of remediating environmental liabilities;
- the adoption of new accounting standards and the impact of such adoption on the financial position of the Company;
- expectations regarding pension plan performance, including future pension plan assets, liabilities and contributions; and
- developments and implications of actual or potential legal actions.

Various factors or assumptions are typically applied by the Company in drawing conclusions or making the forecasts, projections, predictions or estimations set out in the forward-looking statements. These factors and assumptions are based on information currently available to the Company, including information obtained by the Company from third-party sources, and include but are not limited to the following:

- the competitive environment, associated market conditions and market share metrics, the expected behaviour of competitors and customers and trends in consumer preferences;
- the success of the Company's business strategy, including execution of the strategy in each of the Meat Protein and Plant Protein Groups;
- prevailing commodity prices, interest rates, tax rates and exchange rates;
- the economic condition of and the socio-political dynamics between Canada, the U.S., Japan and China, and the ability of the Company to access markets in these countries;
- the spread of foreign animal disease (including ASF), preparedness strategies to manage such spread, and implications for all protein markets;
- the availability of capital to fund future capital requirements associated with existing operations, assets and projects;
- expectations regarding participation in and funding of the Company's pension plans;
- the availability of insurance coverage to manage certain liability exposures;
- the extent of future liabilities and recoveries related to legal claims;
- prevailing regulatory, tax and environmental laws; and
- future operating costs and performance, including the Company's ability to achieve operating efficiencies and maintain high sales volumes, high turnover of inventories and high turnover of accounts receivable.

Readers are cautioned that these assumptions may prove to be incorrect in whole or in part. The Company's actual results may differ materially from those anticipated in any forward-looking statements.

Factors that could cause actual results or outcomes to differ materially from the results expressed, implied, or projected in the forward-looking statements contained in this document include, among other things, risks associated with the following:

- competition, market conditions and the activities of competitors and customers;
- food safety, consumer liability and product recalls;
- the health status of livestock, including the impact of potential pandemics;
- international trade and access to markets, as well as social, political and economic dynamics affecting same;
- availability of and access to capital;
- decision respecting the return of capital to shareholders;
- the execution of capital projects, including cost, schedule and regulatory variables;
- food safety, consumer liability and product recalls;
- cyber security and the maintenance and operation of the Company’s information systems and processes;
- acquisitions and divestitures;
- climate change;
- fluctuations in the debt and equity markets;
- fluctuations in interest rates and currency exchange rates;
- pension assets and liabilities;
- cyclical nature of the cost and supply of hogs and the competitive nature of the pork market generally;
- the effectiveness of commodity and interest rate hedging strategies;
- impact of changes in the market value of the biological assets and hedging instruments;
- the supply management system for poultry in Canada;
- intellectual property, including product innovation, product development, brand strategy and trademark protection;
- consolidation of operations and focus on protein;
- availability of plant protein ingredients;
- the use of contract manufacturers;
- reputation;

- weather;
- compliance with government regulation and adapting to changes in laws;
- actual and threatened legal claims;
- consumer trends and changes in consumer tastes and buying patterns;
- environmental regulation and potential environmental liabilities;
- consolidation in the retail environment;
- employment matters, including complying with employment laws across multiple jurisdictions, the potential for work stoppages due to non-renewal of collective agreements, recruiting and retaining qualified personnel, reliance on key personnel and succession planning;
- pricing of products;
- managing the Company's supply chain;
- changes in International Financial Reporting Standards and other accounting standards that the Company is required to adhere to for regulatory purposes;
- other factors as set out in this document under the heading "Risk Factors". The Company cautions readers that the foregoing list of factors is not exhaustive.

Readers are further cautioned that some of the forward-looking information, such as statements concerning future capital expenditures, Adjusted EBITDA margin growth in the Meat Protein Group, expected sales and growth margin targets in the Plant Protein Group and SG&A spend, may be considered to be financial outlooks for purposes of applicable securities legislation. These financial outlooks are presented to evaluate potential future earnings and anticipated future uses of cash flows and may not be appropriate for other purposes. Readers should not assume these financial outlooks will be achieved.

More information about risk factors can be found under the heading "Risk Factors" in the Company's Annual Management's Discussion and Analysis for the year ended December 31, 2019, that is available on SEDAR at www.sedar.com. The reader should review such section in detail.

All forward-looking statements included herein speak only as of the date hereof. Unless required by law, the Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements contained herein are expressly qualified by this cautionary statement.

CORPORATE STRUCTURE

Maple Leaf Foods Inc. (Les Aliments Maple Leaf Inc.) is a public company that was incorporated under the *Canada Business Corporations Act*. The Company's common shares trade on the TSX under the symbol "MFI" and its registered and principal office is located at 6985 Financial Drive, Mississauga, Ontario L5N 0A1. Copies of the Company's constating documents, including its articles and bylaws, are available on SEDAR at www.sedar.com and on the Company's website at www.mapleleaffoods.com.

Greenleaf Foods, SPC ("Greenleaf") is an indirect wholly-owned subsidiary of the Company and is the only subsidiary that had total assets or operating revenues that constituted more than 10% of the consolidated assets or revenues of the Company. Incorporated in 2018 under the *Washington Business Corporation Act* as a social purpose corporation, Greenleaf is solely focused on executing the Company's plant protein business.

As of December 31, 2019, none of the Company's other subsidiaries had total assets or operating revenues that exceeded 10% of the consolidated assets and operating revenues of the Company.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Maple Leaf Foods Inc. is a producer of food products under leading brands, including Maple Leaf®, Maple Leaf Prime®, Schneiders®, Mina®, Greenfield Natural Meat Co.®, Swift®, Lightlife®, and Field Roast Grain Meat Co.™ The Company's portfolio includes prepared meats, ready-to-cook and ready-to-serve meals, valued-added fresh pork and poultry and plant protein products.

The Company employs approximately 13,000 people, primarily in Canada and the United States. It has sales customers located in approximately 30 countries worldwide, with its primary markets being Canada, the U.S., and Asia.

Following the sale of its rendering business in 2013 and its bakery businesses in 2014, Maple Leaf Foods committed to focusing on its protein business. Having completed an internal reorganization of its leadership and reporting structures to support its protein focus by 2017, it has pursued an ambitious growth agenda, through acquisitions, investments in capital projects and expansion into the plant protein business.

Consistent with its focus on protein, the Company made two significant investments in its meat protein business in 2018, including the acquisition of two poultry plants and associated supply from the private company Cericola Farms Inc., and the acquisition of Viau Food Products Inc., a privately held company and Canadian leader in premium Italian cooked, dry-cured and charcuterie meats with two plants in the Montreal area. In addition, it announced plans to construct a 640,000 square foot state-of-the-art poultry processing plant in London, Ontario.

In 2018, Maple Leaf Foods also marked the completion of its "food renovation", an extensive brand renovation program through which the Company redefined its flagship brands to meet a spectrum of consumer demands, including: natural and simple foods with nothing artificial; artisanal and indulgent with exceptional flavours; and quick-fix, convenient foods that focus on value.

During this same time frame, between 2017 and 2018, Maple Leaf Foods made a strong entry into the plant protein business, with the acquisition of two leading brands in the fast-growing refrigerated plant protein space: Lightlife® and Field Roast Grain Meat Co.™ The Company's move into the plant protein market was a natural extension of its portfolio and solidly aligned with its objective to be a leader in sustainable protein. In 2019, the Company announced plans to construct a new plant protein facility in Shelbyville, Indiana and began adding incremental plant protein production capacity within its existing network of facilities.

Maple Leaf Foods has also continued to advance its sustainability goals related to sustainable food production, animal care, communities and reducing its environmental footprint. With strong commitments and tangible goals, the Company believes that its ability to deliver on its social and environmental mandate is a key differentiator.

Within this context and building on its deeply embedded purpose "To Raise the Good in Food", the Company's vision to become the most sustainable protein company on earth has taken root. Embracing this vision, the Company has demonstrated a track record of making meaningful investments in its meat and plant protein businesses and advancing its sustainability strategy. It has implemented short- and long- term initiatives aimed at building significant and sustainable shareholder value and is continuing to advance longer-term initiatives, including strategic capital investments.

An overview of Maple Leaf Foods' vision and strategy, as well as the key developments and milestones for the Company over the last three years, are described below.

Vision and Strategy

With a vision to become the most sustainable protein Company on earth, Maple Leaf Foods is committed to creating shared value by driving commercial and financial results and enhancing competitive advantage through addressing some of society's most pressing issues. The Company believes that the pursuit of its purpose to 'Raise the Good in Food' is a significant differentiator that will build trust and confidence among stakeholders.

Maple Leaf Foods is committed to making better food for consumers, reducing its environmental impact, caring for animals responsibly and strengthening communities while achieving business targets, delivering operational and financial performance and long-term value creation.

The Company has created a blueprint to guide its drive for long-term value creation based on the following foundational strategies:

Strategy	Key Developments
Leveraging leadership in sustainability	Over the last three years, Maple Leaf Foods has advanced its sustainability commitment in a number of ways, including transitioning key brands to 100% “raised without antibiotics”; advancing animal care initiatives (including progressing its goal to move all sows under management to open housing systems by 2021); and making investments that support food security. In 2019, the Company reached two important milestones: • adopted the globally respected Science-Based Targets; and • became the world’s first major carbon neutral food Company. For more information about the Company’s sustainability goals and performance, refer to the Company’s Sustainability Reports which can be found on the Maple Leaf Foods website at www.mapleleaffoods.com/sustainability.
Eliminating waste and improving efficiency	Maple Leaf Foods has a history of executing initiatives designed to improve efficiencies and contribute to profitability. Looking back, the Company successfully completed the transformation of its prepared meats business, which included a major network consolidation. In 2019, the Company continued to pursue operating efficiencies in its plants and supply chain, and with construction starting on its new poultry plant in London, Ontario, it took another step forward in executing its plans to create more efficiencies in its poultry network. In addition, the Company has continued to focus on cost and efficiency, with zero-based budgeting as a foundational element of that culture. Maple Leaf Foods targets continuous improvement throughout the Company as a means of sustaining ongoing efficiencies.
Broadening reach into new geographies, channels and protein alternatives	With the acquisition of Lightlife Foods, Inc. and the Field Roast Grain Meat Company, SPC in 2017 and 2018, Maple Leaf Foods has emerged as a strong player in the rapidly evolving plant protein space. Throughout 2019, the Company continued to expand its plant protein business, by accelerating its investment in this hyper-growth space. By maximizing capacity in its existing network, investing in innovation and product development and ramping up marketing efforts throughout the year, the Company expanded its penetration in retail and foodservice. The Company also announced plans to construct a plant protein facility in Shelbyville, Indiana and continued to advance its design plans to align with anticipated trends in product demand and mix. Maple Leaf Foods also delivered growth in its sustainable meats business in the U.S. and Canada which contributed to both the Company's earnings and its sustainability goals.
Embracing a digital future across the business	Maple Leaf Foods continues to deploy digital solutions throughout the Company that improve access to data and information capture. After a successful mobility solution pilot in 2018, the Company deployed a similar solution for Food Safety and Quality Assurance teams in the field, with more deployments planned. These mobile solutions provide ready access to critical information and enable plant associates to perform most of their tasks from the shop floor. Maple Leaf Foods is also leveraging technology in its marketing activities and exploring e-commerce opportunities.
Investing in brands to build demand and consumer loyalty	Maple Leaf Foods completed a comprehensive brand renovation for its flagship brands in 2018. With a suite of newly-renovated brands, in 2019 the Company has focused on executing its strategy to connect with consumers through authentic advertising that speaks to consumer needs and delivering quality products.

Investing in people so talent thrives	Developing people and enabling them to maximize their contributions has continued over the last three years, as the Company leverages relationships with universities, offering important courses to rising leaders. The Company has also been advancing multiple initiatives to foster a diverse and progressive workforce and in 2019 it hired its first Director of Diversity and Inclusion.

DESCRIPTION OF THE BUSINESS

Operating Segments

During the year ended December 31, 2019, the Company completed a comprehensive analysis of the role of its rapidly expanding plant protein business in the Company's meat and plant protein portfolio, their respective financial profiles and long-term value creation opportunities. Based on the importance of these two distinct businesses and differing strategic and financial requirements to maximize their market leadership and long-term shareholder value, the Company has disaggregated its business into two operating segments. These segments offer different products, with separate organizational structures, brands, financial and marketing strategies. The Company's chief operating decision makers regularly review internal reports for these businesses; performance of the Meat Protein Group is based on revenue growth, Adjusted Operating Earnings and Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), while the performance of the Plant Protein Group is based predominantly on revenue growth rates, managing gross margins and controlling investment levels which generate high revenue growth rates.

Meat Protein

Overview

The Meat Protein Group is comprised of prepared meats, ready-to-cook and ready-to-serve meals, value-added fresh pork and poultry products that are sold to retail, foodservice and industrial channels and agricultural operations in pork and poultry. The Meat Protein Group includes leading brands such as Maple Leaf®, Maple Leaf Prime®, Schneiders®, Mina®, Greenfield Natural Meat Co.®, Swift® and many leading regional brands. With the acquisition of VIAU in 2018, the Company added the Viau®, Sila®, and Fantimo & Mondello® brands. The Meat Protein Group also includes leading regional brands such as Hygrade®, Mitchell's Gourmet™, Larsen® and Shopsy's® and supplies a number of private label brands. Key aspects of the Meat Protein Group's business are summarized below:

Principal Products: The value-added products in the Company's Meat Protein Group include bacon, hams, wieners, meat snacks, a wide variety of delicatessen products, processed chicken products such as fully cooked chicken breasts and wings, processed turkey products, specialty sausages, a complete line of cooked meats, sliced meats, cooked sausage products, lunch kits, lard and canned meats. The Company also produces fresh primal and value-added pork cuts, fresh cut- up and whole chicken and turkey products and frozen whole birds and turkey parts. Most of the chicken produced is sold in fresh form, while turkey is sold in both fresh and frozen formats. The Company offers a growing selection of protein sourced from animals raised without the use of antibiotics ("RWA" in Canada, commonly referred to as Antibiotic-Free or "ABF" in the U.S.).

Principal Customers: The Meat Protein Group sells products into a variety of channels, including: retail (including major grocery chains, independent grocery outlets, large discount stores and retail and wholesale buying groups); foodservice restaurants and distributors; institutional buyers; other food processors; and eCommerce platforms.

Principal Markets: While domestic sales in Canada represent the majority of the revenues in this segment, a significant portion of the Company's meat protein sales are into international markets, including the United States, Japan and China. In addition to its sales teams in Canada and the US, the Company also has sales offices the Korea, Japan and China that are focused on the sale of chilled and frozen pork, by-products and value- added meat in the Asian markets. Substantially all the hogs produced by Maple Leaf Foods are transferred internally to the Company's primary hog processing plants. The Company has a negligible amount of external feed and hog sales Products are sold primarily in Canada, U.S. and Asia. There are significant sales of pork products outside of Canada, principally in Japan, China, Korea and the U.S.

Agricultural Operations: In its agricultural operations, the Company's hog production operations have approximately 200 production locations in Manitoba, Saskatchewan and Alberta, with approximately 64,000 sows under management at the end of 2019. The Company owns all of the sows in the barns which it manages and owns a number of nursery barns where weanlings are converted to feeder pigs. The Company grows additional weanlings in nursery barns leased by the Company. Most of the feeder pigs are converted to market hogs in third-party owned and operated finishing barns under contracts of up to five years. The Company also owns five feed mills in Manitoba which produce in excess of 600,000 tons of animal feed annually, primarily used to feed the Company's hogs.

In Canada, the poultry industry is governed by a supply management system. Maple Leaf Foods holds Canadian hatching egg producers' quota which permits it to hatch eggs and also holds plant supply quota for its chicken processing plants in Ontario and Quebec which allow it to acquire live chicken for processing.

Overall, the portfolio of brands, value-added product lines, selling channels and ability to access key markets, provides the Company with a diversified revenue stream in its Meat Protein Business. To deliver on its plans to deliver profitable growth, the Company's strategy for its Meat Protein Business is driven by:

- pursuing growth in sustainable meats, including further establishing the business as a leading provider of RWA pork and poultry in North America;
- continuing to leverage brand renovation strategies to accelerate volume growth and product mix shift in branded prepared meats products; and
- focusing on cost control through operational efficiencies.

Recent Developments

Key developments in the Meat Protein Group over the last three years include:

Investing through Acquisitions: In 2017, the Company acquired specific assets, liabilities and assembled workforce from a privately-held hog production operation for total consideration of $10.3 million and in a separate transaction, later in 2017 acquired additional barns for a total consideration of $15.0 million.

On October 22, 2018, the Company acquired two poultry plants and associated supply from Cericola Farms Inc. ("Cericola"), a privately held Canadian company. The purchase price of the assets was $80.0 million, with a put/call option to purchase a third processing facility for a purchase price of $40.0 million, exercisable within three years. The Company financed the transaction using existing credit facilities.

On November 13, 2018, the Company acquired 100% of the outstanding shares of VIAU Food Products Inc. ("VIAU"), a privately held Canadian market leader in premium Italian cooked, dry-cured and charcuterie meats, for a purchase price of $215.0 million. The Company financed the transaction using a combination of drawings on existing credit facilities and equity. VIAU operates two plants in the Montreal area.

Investing in Capital Expansions: On November 26, 2018, the Company announced plans to build a value-added fresh poultry facility in London, Ontario. The new 640,000 square feet facility is expected to be one of the most technologically advanced poultry-processing plants in the world, with leading-edge food safety, environmental, and animal welfare processes and technologies. Construction commenced in 2019 and is currently expected to be completed in the second quarter of 2022, assuming the construction schedule holds. The Company is also investing in its existing network of facilities on projects to add incremental capacity and make efficiency improvements in our prepared meats business capacity to meet market demand.

Consolidation and Network Optimization: The Company consistently seeks out opportunities to maximize efficiencies in its operations, including through consolidation of facilities and optimization of its network. For example, in 2017, the Company sold an investment property in North Battleford, Saskatchewan, as well as its Kitchener legacy plant.

In 2018 the Company closed its 80-year old Thamesford turkey processing facility as it entered into a turkey processing agreement with a third party to process the Company’s supply of live turkeys. In this way, the Company has been able to maintain its supply of fresh turkey meat for further processing.

Upon completion of the new poultry facility under construction in London, the Company has plans to recognize additional efficiencies in its poultry operations as it will be able to cease operations at three of its older facilities and consolidate processing at the new, more efficient facility.

Sustainable Meat: Maple Leaf Food’s sustainable meat products deliver the key attributes consumers are seeking: meat and poultry raised humanely and without antibiotics (RWA) and produced and processed in ways that minimize environmental impact. The Company is continuing to invest in sustainable meat, including through investments in animal housing and the infrastructure and techniques necessary to raise RWA animals. In 2019, the Company produced 1.54 million hogs, 61% of which were raised without antibiotics, compared to 1.54 million hogs in 2018 and 1.61 million in 2017. The Company effectively owned approximately 41% of the hogs that it processed in its hog slaughter facilities in 2019, unchanged from 2018 and 2017.

Competitive Environment and Market Conditions

The number of competitors and the degree of competition varies by product and region. The meat industry in Canada is highly competitive and includes competition from foreign manufacturers. Major competitors include several multinational food companies, and national and regional manufacturers. The markets for fresh pork are international, and the Company competes with large pork processors located in the United States and throughout the world. The Company is a significant purchaser of live hogs in Canada and competes with both Canadian and United States processors for hog supply. In the fresh pork and poultry operations, the Company's financial results are influenced by market prices for live hogs, chickens and turkeys. The hog growing operations face competition from other hog production systems for nursery and finishing barn spaces.

The Company is continuing in its efforts to minimize the influence of underlying commodity prices by focusing on sustainability and value-added products, and by increasing operating efficiencies to improve its competitive position. The Company also attempts to minimize the overall impact of these commodity prices through its balanced portfolio of production and processing operations throughout the pork and poultry value chains.

The Company is sufficiently large and diversified, with a balanced portfolio, that seasonal factors within various parts of its operations tend to offset each other; therefore, in isolation, they do not have a material impact on the Company's consolidated earnings. For example, in general, margins on fresh pork products tend to be higher in the last half of the year when hog prices historically decline which in turn depresses earnings from raising hogs, maintaining balance within the Company's pork complex. Strong demand for grilled meat products positively affects categories such as wieners and fresh sausages in the summer, while back-to-school promotions support increased sales of sliced meats and lunch items in the fall. Higher demand for turkey and ham products occurs in the spring and fourth quarter holiday seasons.

The Company's strategy for pork production is to supply pork for the Company's prepared meats operations. In 2019, the Brandon, Manitoba and Lethbridge, Alberta plants processed an aggregate of approximately 73,000 hogs per week, unchanged from the 73,000 hogs per week processed in 2018 and 74,900 hogs per week processed in 2017.

Raw Material Supply

The majority of the hogs procured by the Company are sourced through direct contracts with producers with terms from one to five years with varying pricing mechanisms and premiums for livestock with specific quality characteristics. The availability of hogs is limited by the size of the herds in the general location of the primary processing plants. In 2019 the Company effectively owned 41% of the hogs that it processed in its hog slaughter facilities, unchanged from 2018. Under its contracts with producers, producers gain access to risk management tools managed by the Company.

Poultry processing operations in Canada function within a highly regulated environment where live supply is controlled by marketing boards and other government agencies. The Company's live chicken supply for its processing operation is purchased through supply marketing boards that regulate both the supply and the cost of the Company's primary raw material. The Company's raw material requirements (other than the significant amount of fresh pork produced in its own plants) are purchased as commodities on the open market, either directly from suppliers or through brokers in Canada or the United States, with prices fluctuating based on demand and available supply.

Most of the Meat Protein Group's raw materials for further processing are sourced internally for pork and poultry with the balance of supplies required to meet demand purchased externally at market prices. Some finished products are purchased through co-manufacturing agreements with outside suppliers. Subject to the comments above regarding live hog and poultry supply, the raw materials necessary for the production of the Company's primal and prepared meats products are readily available.

The Company purchases breeding stock, feeds and medication, each of which is readily available at competitive prices. The Company owns five feed mills in Manitoba which are used primarily to service the internal animal feed requirements of the hog operations. The mills purchase grains and pre-mixes to manufacture finished feed rations, both of which are readily available.

Plant Protein

Overview

The Company's Plant Protein Group is primary run through its wholly-owned subsidiary Greenleaf. The Plant Protein Group is comprised of refrigerated plant protein products, premium grain-based protein and vegan cheese products. Its leading brands include *Lightlife®*, *Field Roast Grain Meat Co.*™ and *Chao*™. The principal products, customers and markets for the Plant Protein Group are summarized below.

> Principal Products: The principal products produced by the Plant Protein Group include plant-based sausages, weiners, bacon, grounds, burgers, deli meat, chicken products, loaves & roasts, along with tempeh, plant-based cheeses and frozen entrees.

Principal Customers: The Plant Protein Group markets its products to major grocery store chains, independent grocery outlets, large discount stores, retail and wholesale buying groups and eCommerce platforms. The products are merchandized in the produce, natural and meat sections of the store. In addition, products are sold to food service restaurants and distributors, institutions and other food service establishments. In the retail environment, the products may be merchandized in the produce, natural or meat sections of the store.

Principal Markets: Products are sold primarily in Canada and the U.S.

The Company's long-term objective of significantly growing its plant protein business is driven by its plans to:

- Capitalize on the high growth plant protein market, predominantly in the refrigerated space.
- Leverage its established expertise in brand development and effective marketing.
- Deliver on a pipeline of new product innovation to broaden and deepen its product portfolio.
- Execute on a multi-tier supply capacity strategy including leverage of existing Meat Protein footprint, opportunistic utilization of co-packing services and development of new capacity.

Recent Developments

Investing through acquisitions: The Company's Plant Protein Group is founded upon two strategic acquisitions that were completed in 2017 and 2018.

On March 10, 2017, the Company completed the acquisition of 100% of the outstanding shares of Lightlife, a privately held U.S.-based corporation engaged in the production and distribution of plant protein products. Lightlife was a leading U.S. producer of alternative protein products based in Massachusetts producing refrigerated and frozen products including plant-based “meats”, burgers, dogs, sausage and tempeh. The purchase price was US$140.0 million prior to transaction fees, debt settlement, and working capital adjustments.

On January 29, 2018, the Company acquired 100% of the outstanding shares of The Field Roast Grain Meat Company, SPC ("Field Roast Grain Meat Co."), a privately held U.S. based corporation engaged in the production and distribution of premium grain-based protein and vegan cheese products, for a purchase price of $140.2 million. The Company financed the transaction using a combination of cash-on-hand and drawings on existing credit facilities.

In 2018, these companies were consolidated into Greenleaf Foods, SPC, the Company’s direct wholly owned subsidiary that leads the Plant Protein Group. The Lightlife®, Field Roast™ and Chao® brands continue to be the Company’s premier plant protein brands.

Investing in Innovation: Core to the ability of the Plant Protein Group to compete is the ability to continually innovate and build leading brands for customers and consumers. The Company is investing in new ingredients, technologies and processes to drive more healthy, lower cost, and more sustainable products. The Company also develops products in collaboration with foodservice providers and ingredient developers. As consumer demands and technologies change, the Company intends to continue to innovate to meet these needs.

In addition, in early 2020, the Company made two strategic investments in companies that are at the forefront of plant protein innovation, including Gathered Foods Corporation which manufactures plant-based seafood products and Mychotechnology Corp., an innovative leader in plant protein ingredient development.

Investing in Advertising, Promotion and Marketing: Beginning in 2019, the Company significantly ramped up its investment in advertising and promotion of its Lightlife® and Field Roast Grain Meat Co.™ brands. Investments in marketing are aimed at building brand awareness and equity, and increasing the velocity at which the Company’s products are sold and consumed. The Company believes these investments are important to the long-term growth and profitability of the Plant Protein Group in this highly competitive and rapidly evolving sector.

Investing in Capital Expansion: In 2019, the Company announced its intention to construct a new plant protein manufacturing facility in Shelbyville, Indiana. Initial ground work started in 2019, and the Company is continuing to advance engineering and design work on the facility, adapting its original plans in order to provide the flexibility necessary to meet the demands of the rapidly evolving plant protein market. While this additional engineering and design work means that completion of the Shelbyville, Indiana facility will be delayed from the original schedule, the Company is adding capacity within its existing network to allow it to increase production meet near term demand. By taking this approach to capital expansion, the Company expects to benefit from leveraging its existing footprint, while it refines its design for the new Shelbyville facility to provide appropriate scalability and flexibility meet anticipated consumer demand. Based on current planning, the Company is targeting the end of 2022 to complete construction of the new facility.

Competitive Environment and Market Conditions

In its plant protein business, the Company competes in the meat alternatives market (particularly in the refrigerated meat alternatives category), as well as the frozen meat alternatives, meals and entrees, and plant-based cheese categories. There is also competition with traditional meat protein, as more consumers look to incorporate both meat and plant protein into their diets. In the United States, the Company has been a leader in the refrigerated category, with its brands holding the number one or number two national market share positions in almost all of its core product sub-categories as of the date hereof. The Company is also a leading player in the Canadian market.

The market for plant protein has experienced accelerated growth over the last three years. With this growth there has also been intense competitive pressure, as new entrants, legacy plant protein companies and more traditional multi-national food manufacturers compete for market share in this rapidly evolving space. The Company's sales teams in the U.S. and Canada are actively engaged in building expanding distribution of its products, as the Company focuses on deepening its penetration in retail and foodservice channels. The Company competes in the marketplace on the strength of its brands, product assortment, quality, pricing, and supply chain.

Demand for the Company's plant protein products can be somewhat seasonal as demand increases certain sub-categories in the summer grilling season, and other categories in the winter holidays season. The Company also competes with other meat alternative companies when purchasing key raw materials.

Raw Material Supply

The Company's plant protein products are made primarily from textured soy, soy beans, and soy isolates, wheat gluten and textured pea protein sourced from a global network of suppliers which are subject to stringent product specifications. The input prices are generally stable and not usually susceptible to commodity price swings; however, as demand for these raw materials increases, risk of shortages or increased raw materials prices may also increase. The Company primarily processes finished products internally, however some finished products are purchased through co-manufacturing agreements with outside suppliers. The Company has multi-year supply agreements with these suppliers.

OTHER INFORMATION ABOUT MAPLE LEAF FOODS

Foreign Operations

Revenues earned outside of Canada for the year ended December 31, 2019, were $1,013.9 million (2018: $913.6 million). Of the total amount earned outside of Canada, $419.6 million (2018: $363.5 million) was earned in the U.S. and $372.9 million (2018: $343.4 million) was earned in Japan. Revenue by geographic area is determined based on the shipping location.

The Company operates an international export business through a network of offices located in Canada, Japan, Korea and China that are focused on the sale of chilled and frozen pork and value-added prepared meats and meals and on serving the needs of the Company's strategic international customers. The Company markets a number of products that are produced in Canada to customers outside of Canada including value-added prepared meats, pork and poultry products. There are significant sales of pork products in Japan, the United States, Mexico, China and Korea.

The majority of the Company's plant protein production facilities and sales are in the United States. However, the Company is investing in adding plant protein manufacturing capability in its Canadian protein network.

Overall, the Company's performance is affected by global market demand, prices and foreign exchange fluctuations as well as trade barriers. For more information on these risk factors refer to the "Risk Factors" section of the Company's Management Discussion and Analysis for the year ended December 31, 2019.

Intellectual Property: Trademarks, Brands and Innovation

As a food products company, Maple Leaf Foods relies heavily on brand recognition and loyalty, and places a great deal of emphasis on its established range of trademarks. The Company believes its brands are recognized by consumers for quality and reliability.

The Company's key trademarks in its meat protein and plant protein product lines are presented below.

Maple Leaf®	Larsen®
Maple Leaf Prime®	Cappola®
Maple Leaf® Natural Selections®	Holiday®
Maple Leaf® Simply Lunch™	Ready Crisp®
Schneiders®	Oktoberfest®
Schneiders® Country Naturals®	Klik®
Schneiders Deli Best®	Kam®
Schneiders® Blue Ribbon®	Burns®
Greenfield Natural Meat Co.®	Field Roast Grain Meat Co.™
Mina®	Olympic®
Lightlife®	Parma®
Lunch Mate™	Sunrise®
Top Dogs™	Pepperettes®
Red Hots®	Hot Rods®
Juicy Jumbos®	Devour®
Shopsy's®	Oh Naturel!®
Mitchell's Gourmet™	Chao™
Swift®	Fantino & Mondello™
Mère Michel®	Sila®
Big Stick!™	Hygrade®
Viau®	

The Company routinely introduces new products for consumers and customers under its brands. The new products are derived from plant protein, chicken, pork, turkey and beef, and include fresh and frozen meat offerings, ready-to-heat refrigerated entrees, family-size deli offerings, ethnic offerings, lunch kits and fresh protein snacks.

Employees and Labour Relations

As of December 31, 2019, the Company employed approximately 13,000 people of which about 7,700 were covered by some 20 collective agreements. These agreements are normally negotiated for varying terms, and in any given year, a number of these agreements expire and are renegotiated; most renew without significant issues. However, if a collective agreement covering a significant number of employees or involving certain key employees were to expire and lead to a work stoppage, there can be no assurance that such work stoppage would not have a material adverse effect on the Company's financial condition and results of operations.

Key collective agreements to be negotiated in 2020 include: the poultry facility in Edmonton, Alberta, the prepared meats facility in Port Perry, Ontario, the tool shop in Hamilton, Ontario and the prepared meats facility in Winnipeg, Manitoba.

Currency

A portion of the Company's revenues and costs are either denominated in or directly linked to other currencies (primarily U.S. dollars and Japanese yen). In periods when the Canadian dollar has appreciated both rapidly and materially against these foreign currencies, revenues linked to U.S. dollars or Japanese yen are immediately reduced, while the Company's ability to change prices or realize natural hedges may lag the immediate currency change. The effect of such sudden changes in exchange rates can have a significant immediate impact on the Company's earnings. Due to the diversity of the Company's operations, normal fluctuations in other currencies do not generally have a material impact on the Company's profitability in the short term due to either natural hedges and offsetting currency exposures (for example, when revenues and costs are both linked to other currencies) or the ability in the near term to change prices of its products to offset adverse currency movements. However, as the Company competes in international markets, and faces competition in its domestic markets from U.S. competitors, significant changes in the Canadian to U.S. dollar exchange rate can have, and have had, significant effects on the Company's relative competitiveness in its domestic and international markets, which can have, and have had, significant effects on the Company's financial condition and results of operations.

The Canadian dollar, on average weakened relative to the U.S. dollar by 2.4% in 2019, by 0.1% in 2018 and weakened by 1.5% in 2017. These fluctuations did not have a material impact on earnings.

In the short term, a stronger Canadian dollar compresses export margins in the Company's primary pork processing and hog production operations. Conversely, a stronger Canadian dollar decreases the cost of raw materials and ingredients in the domestic prepared meats business. The prepared meats business is able to react to changes in input costs over time through pricing, cost reduction, or investment in value-added products. However, over the longer-term, a stronger Canadian dollar reduces the relative competitiveness of the domestic Canadian packaged goods operation, as imports of competing products from the U.S. become more competitive. Conversely, a weaker Canadian dollar increases the Company's ability to export and expand into the U.S. market.

During 2019, the Japanese yen, on average increased in value relative to the Canadian dollar by 3.6% in 2019 and by 1.4% in 2018 but declined in value relative to the Canadian dollar by 5.3% in 2017. In general, a stronger Japanese yen expands export margins to Japan in the Company's fresh pork business. The Company ultimately seeks to manage pricing to offset the impact of currency fluctuations.

The Company uses derivatives and other non-derivative financial instruments to manage its exposures to fluctuations in foreign exchange rates.

Pricing

The Company's profitability is dependent, in large part, on the Company's ability to make pricing decisions regarding its products that, on one hand encourage consumers to buy, yet on the other hand recoup development and other costs associated with those products. Products that are priced too high will not sell and products priced too low will not generate an adequate return. Accordingly, any failure by the Company to properly price its products could have a material adverse effect on the Company's financial condition and results of operations. (See "Risk Factors" in the Company's annual Management Discussion and Analysis for the year ending December 31, 2019).

Reliance on Key Customers

For the year ended December 31, 2019, the Company reported sales to two customers representing 11.2% and 10.4% of total sales. For the year ended December 31, 2018, the Company reported sales to two customers representing 11.9% and 10.9% (2017: 12.0% and 10.3%) of total sales. No other sales were made to any one customer that represented in excess of 10.0% of total sales. during these years.

SUSTAINABILITY

Maple Leaf Foods is committed to maintaining high standards of environmental responsibility and positive relationships in the communities where it operates. It operates within the framework of an environmental policy entitled "Our Environmental Sustainability Commitment" that is approved by the Board of Directors' Safety and Sustainability Committee (the "Committee"). The Environmental Sustainability Commitment can be found on www.mapleleaffoods.com/sustainability.

The Company's environmental program is monitored on a regular basis by the Committee, including compliance with regulatory requirements and the use of internal environmental specialists and independent, external environmental experts. The Company continues to invest in environmental infrastructure related to water, waste, and air emissions to ensure that environmental standards continue to be met or exceeded, while implementing procedures to reduce the impact of operations on the environment.

Expenditures related to current environmental requirements are not expected to have a material effect on the financial position or earnings of the Company. However, it is possible that events could occur causing environmental expenditure to be significant and have a material adverse effect on the Company's financial condition or results of operations. Such events could include, but not be limited to, additional environmental regulation or the occurrence of an adverse event at one of the Company's locations. The Company currently has a provision of $2.7 million related to expected environmental remediation costs. Please refer to Note 13 of the Company's consolidated financial statements for additional information.

As a large food company there are health, environmental, and social issues that go beyond short-term profitability that Management believes must shape its business if the Company is to realize a sustainable future. Increasingly, moving beyond compliance to materially reducing the Company's environmental footprint is critical to addressing mounting environmental issues and realizing increased operating efficiencies and cost reductions. The Company is committed to reducing its environmental footprint by 50.0% by 2025, encompassing the three areas where Maple Leaf Foods has the largest environmental impact: climate change (energy usage and emissions), water usage and solid waste.

The Company has developed environmental sustainability action plans at every operation to deliver on its environmental goals. In 2019, the Company has made progress towards the implementation of these plans and reducing the Company's environmental footprint. In the fourth quarter of 2019, the Company publicly announced the development of a comprehensive carbon management strategy that includes the setting and approval of SBTs for GHG emissions reduction, and the achievement of becoming a carbon neutral company. Details on the Company's environmental performance and carbon strategy can be found in the Company's sustainability reports which can be found at www.mapleleaffoods.com/sustainability.

RISK FACTORS

In carrying out its business and operations, the Company faces many risks. Further, through the normal course of business the Company is exposed to financial and market risks that have the potential to affect its operating results.

These risk factors, along with other risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, could materially and adversely affect the Company's performance, operating results and ability to pay dividends or return capital to shareholders. Such risks could cause actual events to differ materially from those described in any forward-looking statements, including any financial outlooks, targets or goals. Many of the risks are beyond the Company's control and, in spite of any efforts the Company may make to manage or mitigate its risk exposure, there is no guarantee that such risk management or mitigation activities will be successful. Readers should carefully consider the risk factors set out below, along with the other information contained in this document and the Company's other public filings before making an investment decision. The identified risks and uncertainties are described under the headings "Financial Instruments and Risk Management Activities" and "Risk Factors" in the Company's Management's Discussion and Analysis ("MD&A") for the fiscal year ended December 31, 2019 and incorporated by reference herein. The Company has filed the MD&A with the Canadian securities regulators and it is available on SEDAR at www.sedar.com.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital consists of an unlimited number of common shares, an unlimited number of non-voting common shares (the "non-voting securities") and an unlimited number of preferred shares issuable in series.

As of February 20, 2020, the issued capital of the Company consisted of 123,890,126 common shares. There are no non-voting securities and no preferred shares issued and outstanding. The key features of each of these classes of securities is included below. Full details of the rights, privileges and restrictions are contained in the articles of the Company which are available on SEDAR at www.sedar.com.

Common Shares

The rights, privileges, restrictions and conditions attaching to the common shares are as follows:

- Voting: Holders of common shares are entitled to one vote per share at all meetings of shareholders.
- Dividends: Holders of common shares are entitled to dividends if, as and when declared by the board of directors of the Company (subject to any preference accorded to the holders of shares raking senior to the common shares).
- Liquidation, Dissolution or Wind-Up: In the event of the liquidation, dissolution or winding-up of its affairs, holders of common shares are entitled to a pro rata share of the assets of the Company after payment of all liabilities and obligations of the Company (subject to any preference accorded to the holders of shares raking senior to the common shares).
- Other: There are no pre-emptive, conversion or redemption rights attaching to the common shares.

As of the date hereof, the common shares are the only class of shares issued and outstanding and there are no shares issued and outstanding ranking senior to the common shares.

Non-Voting Securities

As of the date hereof, no non-voting securities are issued and outstanding. The non-voting securities carry rights identical to those of the common shares except as described below:

- Except as required by law, the holders of the non-voting securities as a class are not entitled as such to vote at any meeting of the shareholders of the Company.
- Holders of the non-voting securities are not entitled to vote separately as a class, and are not entitled to dissent, upon a proposal to amend the articles to (a) increase or decrease any maximum number of authorized non-voting securities resulting from a subdivision or consolidation respectively; (b) increase any maximum number of authorized shares of a class or series of a class having rights or privileges equal or superior to the non-voting securities; (c) effect an exchange, reclassification or cancellation of the non-voting securities; or (d) create a new class or series of a class of shares equal or superior to the non-voting securities, unless the holders of non-voting securities are being affected by such amendment in a manner differently from the holders of common shares.
- The non-voting securities may be converted at any time by the holder or holders thereof into fully-paid common shares on the basis of one common share for one non-voting security.
- If at any time, a current holder of non-voting securities transfers all or a portion of the non-voting securities held by such holder to another person, the shares being transferred shall be automatically converted upon such transfer into fully-paid common shares of the Company on the basis of one common share for each non-voting security.
- The conversion will occur simultaneously upon the completion of such transfer, without any further action by the Company or any other person, so that the transferee will be a holder of common shares equal in number to the non-voting securities transferred by the transferor.

- The holders of the non-voting securities have no express right to participate in a take-over bid made for the common shares of the Company. Such holders, however, may convert their non-voting securities into common shares and participate in a take-over bid in that manner.

These non-voting securities may be considered “restricted securities” under National Instrument 51-102 - Continuous Disclosure Obligations, as the common shares of the Company which are publicly traded carry a greater vote per security relative to the non-voting securities.

Preferred Shares

The preferred shares are issuable in one or more series. As of the date hereof, no series of preferred shares has been created and no preferred shares have been issued. The key features of the preferred shares are described below:

- Each series of preferred shares is to rank equally with any other series of preferred shares in respect of redemption, the payment of dividends, the return of capital and the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary.
- Each series of preferred shares shall have priority over the common shares, the non-voting securities and any other class of shares of the Company ranking junior to the preferred shares with respect to redemption, the payment of dividends, the return of capital and the distribution of assets in the event of the liquidation, dissolution or winding up of the Company.
- The preferred shares of any series may also be given such preferences, not inconsistent with the general provisions of the class, over the common shares, the non-voting securities and over any other class of shares of the Company ranking junior to the preferred shares, as may be determined by the board of directors of the Company.
- The holders of each series of preferred shares shall be entitled to receive cumulative dividends as and when declared by the board of directors of the Company at a rate per share per annum as determined by the board of directors of the Company, acting in good faith, provided such rate per annum does not exceed by more than 2.0% the yield to maturity of an unsecured bond with a comparable credit rating issued by a “comparable issuer” on the date the rights, privileges, restrictions and conditions attaching to the shares of such series of preferred shares are determined or such other date as close as practicable to such date, such bond having the same or as close as possible term to maturity as is equal to the period until the series of preferred shares are first redeemable in whole or in part. A “comparable issuer” refers to an issuer selected by the board of directors of the Company as being comparable to the Company in terms of industry focus and whose outstanding unsecured long-term debt securities have a comparable credit rating (being a credit rating that is the same or that is the closest as possible to the credit rating of the outstanding long-term debt securities of the Company).
- No series of preferred shares shall be convertible into any other class of shares of the Company. Each series of preferred shares shall be redeemable by the Company on such terms as determined by the board of directors of the Company.
- Holders of preferred shares shall not be entitled to receive notice of, to attend or to vote at any shareholders’ meeting of the Company except as provided by law, or upon an event of default by the Company where the board of directors of the Company has not declared the whole dividend on the particular series of preferred shares in any period and in that event, such holders shall be entitled to receive notice of, to attend and to vote at the shareholders’ meetings (with one vote for each share held), which voting rights shall cease upon payment by the Company of the dividend to which holders are entitled.
- Whenever a share of any series of preferred shares is to be issued, the total number of such series of preferred shares to be issued shall be limited such that the aggregate value of all preferred shares of all series issued and outstanding, including the value of the preferred shares of such series to be issued (based on the issuance price per share of each preferred share) shall not exceed 25% of the market capitalization of the common shares (the aggregate value of the common shares and non-voting securities issued and outstanding calculated based on the volume weighted average trading price of the common shares on the TSX for the five (5) trading days immediately preceding 5:00 p.m. on the date on which the board of directors of the Company determines the issuance price per share of the series of preferred shares to be issued).
- The holders of preferred shares may not have an express right to participate in a take-over bid made for the common shares of the Company.

Governance Agreement

On February 21, 2017, the Company entered into an amended and restated governance agreement with McCain Capital Inc. and Michael H. McCain (the "Governance Agreement") which amended and restated the original governance agreement entered into on July 28, 2011, in order to:

- allow the Company's rights plan to expire in accordance with its terms and to eliminate impediments to the accumulation of shares by third parties,
- regulate (in a similar manner to the shareholder rights plan that had been in place since 2011) dispositions by the Michael H. McCain and McCain Capital Inc. of their shares and establish a limit on ownership by the McCain Holders of shares and rights and entitlements to acquire shares to 45%,
- ensure that the Company's Board of Directors would consist of a majority of independent directors nominated by the Corporate Governance Committee,
- give the Board flexibility with respect to share issuances and repurchases and generally with respect to capital allocation decisions, and
- address potential intergenerational transfers of the McCain family shareholdings.

A complete copy of the Governance Agreement is available on SEDAR at www.sedar.com and a summary of the key features is provided below:

- The McCain Holders (which includes Michael H. McCain, McCain Capital Inc. and certain other parties, all as defined in the Governance Agreement) will continue to have the right to nominate that number of directors of the Company proportionate to their ownership interest, however, the Governance Agreement now caps the number of nominees of the McCain Holders so that, regardless of the McCain Holder's ownership interest, the board of directors of the Company will consist of a majority of independent directors nominated by the corporate governance committee of the board.
- All directors nominated by the corporate governance committee of the board of directors of the Company will continue to be, except in certain circumstances, directors independent of the Company and the McCain Holders.
- The McCain Holders are prohibited from acquiring beneficial ownership of, or control or direction over, more than 45% of the outstanding common shares of the Company (calculated on a modified fully diluted basis) except as a result of the exercise of rights to acquire shares granted under the Company's equity compensation plans, actions taken by the Company such as an issuer bid, or by way of a permitted take-over bid by the McCain Holders. A permitted take-over bid for purposes of the Governance Agreement is one that is for 100% of the shares not already owned by the McCain Holders and which is otherwise in compliance with applicable law. A partial bid (which may have qualified as a permitted bid under the rights plan) will not constitute a permitted take-over bid for purposes of the Governance Agreement.
- The McCain Holders have agreed that they will not transfer beneficial ownership of, or control or direction over, the outstanding shares held by them to any other person who after the transfer would own 20% or more except in specified circumstances, including pursuant to a take-over bid for 100% of the shares of the Company or pursuant to certain permitted estate planning transactions. Eligible transferees under these estate planning transactions can become parties to the Governance Agreement and succeed to the rights and obligations of the McCain Holders under the Governance Agreement.
- The McCain Holders have agreed that they will not enter into lock-up agreements in respect of an acquisition of their shares, except certain permitted lock-up agreements that allow the McCain Holders to terminate their obligations thereunder in order to accept a higher price available for their shares that is higher by a specified percentage pursuant to another transaction.
- The Company agreed that it would not put the rights plan of the Company to shareholders for reconfirmation at the Company's annual meeting in 2017. As a result, the rights plan expired on April 27, 2017 (the date of the Company's annual meeting in 2017) as it was not submitted to the shareholders for reconfirmation pursuant to the provisions of the Governance Agreement described above. The Corporation further agreed that it will not adopt a new rights plan, by-law or amend an existing by-law or charter provision, or enter into any contract that would reasonably be expected to limit, restrict, delay or impair the exercise of the rights of the McCain Holders under the Governance Agreement except in certain circumstances.

As a result of entering into Governance Agreement and changes in securities law, the shareholder rights plan agreement that had been in place since 2011 (as amended and restated, the "rights plan") was allowed to expire in accordance with its terms at the termination of the Company's annual meeting in 2017.

Credit Facilities

On April 30, 2019, the Company entered into a new syndicated credit facility (the "Credit Facility") consisting of a $1,300.0 million unsecured committed revolving line of credit maturing April 30, 2024 and two unsecured committed term credit facilities for US$265.0 million and $350.0 million maturing April 30, 2024 and April 30, 2023, respectively. The Credit Facility refinanced and replaced the Company's previous $250.0 million and $400.0 million unsecured committed revolving credit facilities, which were due to mature on November 7, 2019 and October 19, 2021, respectively. The Credit Facility can be drawn in Canadian or U.S. dollars and bears interest payable monthly, based on Banker's Acceptance and Prime rates for Canadian dollar loans and the London Inter-bank Offered Rate ("Libor") for U.S. dollar loans. The Credit Facility is intended to meet the Company's funding requirements for capital investments, including the construction of its two new manufacturing facilities in London, Ontario and Shelbyville, Indiana, in addition to providing appropriate levels of liquidity and for general corporate purposes. On December 11, 2019, the Company amended the Credit Facility to reduce interest paid upon achievement of certain sustainability targets. This reduction will not materialize until at least 2021, and there is no penalty for not achieving the targets. In addition to loans, as at December 31, 2019 the Company had drawn letters of credit of $6.2 million on the Credit Facility (2018: $6.3 million on the previous facility).

The Credit Facility requires the maintenance of certain covenants. As at December 31, 2019, the Company was in compliance with all of these covenants.

The Company has additional uncommitted credit facilities for issuing letters of credit up to a maximum of $125.0 million (2018: $125.0 million). As at December 31, 2019, $79.5 million of letters of credit had been issued thereon (2018: $72.2 million).

The Company has various government loans on specific projects, with contractual interest rates ranging from non-interest bearing to 2.9% per annum (2018: 2.9%). These facilities are repayable over various terms from 2022 to 2024. As at December 31, 2019, $7.9 million (2018: $8.6 million) was outstanding. All of these facilities are committed.

DIVIDENDS

Dividend Policy

The amount of dividends declared on the common shares, if any, is subject to the discretion of the Board of Directors and may vary depending on a variety of factors, including but not limited to current and expected cash flows, capital expenditures, borrowings anddebt repayments and working capital requirements.

The board of directors of the Company intends to maintain a stable dividend and, where appropriate, change the dividend on the basis of the stability of the Company’s earnings and stock price appreciation. Maple Leaf Foods’ general practice has been to pay quarterly cash dividends on its common shares. Typically, these dividends are payable on the last business day of the month to shareholders as of the record date established by the board of directors.

It is currently anticipated that the full amount of the dividends to be paid in 2020 will be considered eligible dividends for the purposes of the “Enhanced Dividend Tax Credit System”.

In addition to the standard legislated solvency and liquidity tests that must be met, Maple Leaf Foods" ability to declare and pay dividends is also dependent on its compliance with the covenants under its credit facility.

Dividend History

On February 21, 2017, the board of directors increased the quarterly dividend to $0.11 per common share ($0.44 per annum) commencing with the dividend payable on March 31, 2017. Certain portions of the dividends paid on each of September 29, 2017 and December 8, 2017 were declared ineligible for the purposes of the “Enhanced Dividend Tax Credit System”.

On February 20, 2018, the board of directors increased the quarterly dividend to $0.13 per common share ($0.52 per annum) commencing with the dividend payable on March 29, 2018.

On February 27, 2019, the board of directors increased the quarterly dividend to $0.145 per common share ($0.58 per annum) commencing with the dividend payable on March 29, 2019.

On February 26, 2020, the board of directors increased the quarterly dividend to $0.16 per common share ($0.64 per annum) commencing with the dividend payable on March 31, 2020.The following table sets out the dividends declared per common share for the most recently completed financial years:

Declaration Month	2019	2018	2017
February	$0.145	$0.130	$0.110
April/May	$0.145	$0.130	$0.110
July	$0.145	$0.130	$0.110
October	$0.145	$0.130	$0.110
Total	**$0.58**	**$0.52**	**$0.44**

MARKET FOR SECURITIES

The Company's common shares are listed on the TSX under the stock market symbol "MFI" and also trade on alternative Canadian marketplaces. The greatest trading volume is on the TSX. The following table outlines the price range and trading volume of the common shares for each month of the last fiscal year on the TSX.

Month (2019)	High	Low	Volume Traded
December	$26.02	$23.73	6,305,750
November	$24.74	$21.87	13,448,032
October	$30.68	$22.42	8,884,956
September	$31.95	$29.49	4,338,829
August	$35.82	$30.79	5,700,891
July	$31.05	$28.43	3,982,028
June	$31.68	$28.30	5,317,385
May	$35.60	$29.83	9,403,135
April	$31.51	$30.04	4,031,941
March	$31.11	$26.69	3,915,313
February	$30.44	$27.33	2,520,220
January	$29.72	$26.95	2,595,586

Normal Course Issuer Bids

On May 17, 2019, the Toronto Stock Exchange ("TSX") accepted the Company's notice of intention to commence a Normal Course Issuer Bid ("NCIB"), allowing the Company to repurchase, at its discretion, up to 7.5 million common shares in the open market or as otherwise permitted by the TSX, subject to the normal terms and limitations of such bids. Common shares purchased by the Company are cancelled. The program commenced on May 24, 2019 and will terminate on May 23, 2020, or on such earlier date as the Company completes its purchases pursuant to the notice of intention. Under this bid, during the year ended December 31, 2019, 0.8 million shares were purchased for cancellation for $20.3 million at a volume weighted average price paid of $24.21 per common share.

On May 22, 2018, the TSX accepted the Company's notice of intention to commence an NCIB, which allows the Company to repurchase, at its discretion, up to 7.8 million common shares in the open market or as otherwise permitted by the TSX, subject to the normal terms and limitations of such bids. Common shares purchased by the Company were cancelled. The program commenced on May 24, 2018 and was terminated on May 23, 2019 as the Company completed its purchase and cancellation of 4.0 million common shares for $126.6 million at a volume weighted average price of $31.82 per common share. Under this bid, during the year ended December 31, 2019, no shares were purchased for cancellation. Under this bid, during the year ended December 31, 2018, 4.0 million common shares were purchased for cancellation for $126.6 million at a volume weighted average price of $31.82 per common share.

On May 17, 2017, the TSX accepted the Company's notice of intention to commence an NCIB, which allowed the Company to repurchase, at its discretion, up to 8.2 million common shares in the open market or as otherwise permitted by the TSX, subject to the normal terms and limitations of such bids. Common shares purchased by the Company were cancelled. The program commenced on May 23, 2017 and was terminated on May 22, 2018 as the Company completed its purchase and cancellation of 3.6 million common shares for $117.3 million at a volume weighted average price of $32.51 per common share. Under this bid, during the year ended December 31, 2018, 1.3 million shares were purchased for cancellation for $39.9 million at a volume weighted average price paid of $31.17 per common share.

DIRECTORS AND OFFICERS

The following table sets forth each director's name and municipality of residence, the year in which he or she became a director, and his or her principal occupation. Directors are elected to hold office until the next annual meeting of the shareholders or until a successor is elected or appointed. The information is given as at February 20, 2020 as follows:

Name and Municipality of Residence	Director Since	Principal Occupation
William E. Aziz[(1)(4)] Oakville, Ontario, Canada	2014	President and Chief Executive Officer BlueTree Advisors Inc. (private management advisory firm)
W. Geoffrey Beattie[(1)(3)] Toronto, Ontario, Canada	2008	Chief Executive Officer Generation Capital (investment management firm)
Ronald G. Close[(1)(2)(3)] Toronto, Ontario, Canada	2015	Corporate Director
Jean M. Fraser[(2)(4)] Toronto, Ontario, Canada	2014	Retired Partner Osler, Hoskin & Harcourt LLP (law firm) since 2015. Partner, Osler, Hoskin & Harcourt LLP prior there to until her retirement
John A. Lederer [(2)(4)] Toronto, Ontario, Canada	2016	Executive Chairman, Staples North American companies, Chief Executive Officer of US Foods, Inc. prior thereto until his retirement in 2015
Katherine N. Lemon[(1)(3)] Waltham, Massachusetts, U.S.A.	2018	Professor, Boston College, Carroll School of Management
Michael H. McCain Toronto, Ontario, Canada	1995	President and Chief Executive Officer Maple Leaf Foods Inc.
Jonathan W.F. McCain[(3)] Toronto, Ontario, Canada	2018	President, McCain Capital Inc. since 2019; President, Andover Capital Corporation and Northstar Scafold Services Inc. prior thereto.
Carol M. Stephenson[(2)(4)] London, Ontario, Canada	2016	Corporate Director

Notes:

(1) Member of Audit Committee. Mr. Aziz is the Committee Chair.

(2) Member of Corporate Governance Committee. Ms. Stephenson is the Committee Chair.

(3) Member of Safety and Sustainability Committee. Mr. Close is the Committee Chair.

(4) Member of Human Resources and Compensation Committee. Ms. Fraser is the Committee Chair.

Committees of the Board

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

Audit Committee	**Member Since**	**Safety and Sustainability Committee**	**Member Since**
W.E. Aziz (Chair since 2015)	2014	R.G. Close (Chair since 2019)	2019
W.G. Beattie	2018	W.G. Beattie	2019
R.G. Close	2015	K.N. Lemon	2018
K.N. Lemon	2018	J.W.F. McCain	2018
Corporate Governance Committee	**Member Since**	**Human Resources and Compensation Committee**	**Member Since**
C.M. Stephenson (Chair since 2019)	2019	J.M. Fraser (Chair since 2015)	2015
R.G. Close	2015	W.E. Aziz	2014
J.M. Fraser	2015	J.A. Lederer	2016
J.A. Lederer	2019	C.M. Stephenson	2016

Executive Officers

The names, municipalities of residence and principal occupations of the Company's executive officers and executive officers of principal subsidiaries as at February 26, 2020, except as noted, are as follows:

Name and Municipality of Residence	**Position Held with the Company**	**Principal Occupation**
Michael H. McCain Toronto, Ontario	President and Chief Executive Officer	President and Chief Executive Officer (January 1999 to date), President (April 1995 to January 1999)
Bentley A. Brooks Oakville, Ontario	Senior Vice President and General Manager, Poultry	Senior Vice President & General Manager, Poultry (April 2015 to date); Senior Vice President and General Manager, Fresh Poultry (May 2014 to April 2015); Senior Vice President, Fresh Poultry (January 2014 to May 2014); Vice President, Complexity Management (March 2011 to December 2013)
Stephen L. Elmer Newmarket, Ontario	Vice President and Corporate Controller	Vice President and Corporate Controller, (May 2013 to date); Vice President, Finance, (January 2009 to 2013); Senior Director Finance, (February 2008 to December 2008)
Curtis E. Frank Carlisle, Ontario	President, Chief Operating Officer	Chief Operating Officer from February 27, 2019 and was Chief Operating Officer (October 2018 to February 2019) and Senior Vice President, Retail Sales (May 2014 to September 2018) and was Vice President and General Manager, Customer Business Development (February 2012 to May 2014)
Suzanne Hathaway Toronto, Ontario	Senior Vice President, General Counsel and Corporate Secretary	Senior Vice President, General Counsel and Corporate Secretary (March 2019 to date) and was Senior Vice President, General Counsel and Corporate Secretary, Keyera Corp. (June 2017 to February 2019) and Vice President, General Counsel and Corporate Secretary, Keyera Corp. (February 2012 to June 2017)

Ian V. Henry Mississauga, Ontario	Senior Vice President, People	Senior Vice President, People (2014 to date); CHRO and Senior Vice President (2013 to 2014); Vice President, Labour and Corporate HR, (2011 - 2013); Vice President, Labour Relations (2002-2011)
Randall D. Huffman Toronto, Ontario	Chief Food Safety and Sustainability Officer	Chief Food Safety & Sustainability Officer (June 2017 to date) and was Chief Food Safety Officer (December 2008 to June 2017), Senior Vice President, Operations (May 2014 to June 2017) and Senior Vice President, Quality & Six Sigma (June 2012 to May 2014)
Joshua H. Kuehnbaum Burlington, Ontario	Senior Vice President, Foodservice Sales and Marketing	Senior Vice President, Foodservice Sales and Marketing (September 2018 to date) and was Vice President and General Manager, U.S. and Multinational Business Teams (February 2016 to September 2018) and Vice-President and General Manager, Walmart and Costco (March 2013 to February 2016)
Lynda J. Kuhn Acton, Ontario	Senior Vice President	Senior Vice President from February 27, 2019 and was Senior Vice President, Public Affairs & Purpose Champion (June 2017 to February 2019) and Senior Vice President, Sustainability and Public Affairs (May 2014 to June 2017) and Senior Vice President, Communications (April 2010 to May 2014)
Andreas Liris Toronto, Ontario	Chief Information Officer	Chief Information Officer (February 2015 to date); Vice President, Information Solutions (2010 to 2014)
Robert S. Lorimer Burlington, Ontario	Senior Vice President, Retail Sales	Senior Vice President, Retail Sales (October 2018 to date); Vice President and General Manager, Sobeys Customer Business Team (June 2016 to September 2018); Senior Director, Sales, SC Johnson Canada (August 2013 to May 2016)
Rory A. McAlpine Oakville, Ontario	Senior Vice President, Government and Industry Relations	Senior Vice President, Government and Industry Relations (2014-present); Vice President, Government and Industry Relations (2005-2014)
René R. McLean Toronto, Ontario	Vice President, Business Finance	Vice President, Business Finance (January 2003 till date)
Michael R. Rawle Toronto, Ontario	Vice President, Finance and Treasurer	Vice President, Finance and Treasurer (December 2015 to date) and was Vice- President, Treasurer, Uranium One Inc. (July 2013 to June 2015) and Managing Director, African Barrick (Barbados) Corp. (May 2010 to July 2013)
Casey Richards Wheaton, Illinois, USA	Senior Vice President, Marketing and Innovation	Senior Vice President, Marketing and Innovation (September 2019 to date) and was Vice-President and General Manager, Pastry (November 2017 to September 2019) and Brand Director, Conagra Brands (July 2013 to November 2017)
Jonathan Sawatzky Winnipeg, Manitoba	Vice President, Maple Leaf Agri-Farms	Vice President, Maple Leaf Agri-Farms (August 2019 to date); Director, Finance, Maple Leaf Agri-Farms (October 2014 to August 2019)
Iain W. Stewart Toronto, Ontario	Senior Vice President, Operations, Supply Chain and Purchasing	Senior Vice President, Operations, Supply Chain and Purchasing (October 2019 to date) and was Senior Vice President and General Manager, Pork Complex (June 2017 to September 2019) and Senior Vice President & General Manager, Fresh Pork (January 2014 to June 2017) and Senior Vice President, Fresh Meats, Maple Leaf Consumer Foods (February 2010 to January 2014)

Geert Verellen Burlington, Ontario	Chief Financial Officer	Chief Financial Officer (January 2020 to date) and was Regional Chief Financial Officer, Walmart Canada, India and Japan (February 2018 to December 2019) and Chief Financial Officer, Walmart Canada (October 2015 to January 2018) and Senior Vice President Finance, Delhaize Belgium (December 2011 to September 2015)

Ownership of Voting Securities by Directors and Executive Officers

As at February 26, 2020, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, directly or indirectly, an aggregate of 578,302 common shares, representing approximately 0.47% of the issued and outstanding common shares of the Company. The figure does not include the 48,472,517 common shares (approximately 39.12% of all issued common shares) of the Company reported to be held directly and indirectly by McCain Capital Inc., which the Company understands is beneficially owned or controlled by Mr. M.H. McCain.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Within ten years preceding the date of this Annual Information Form:

Mr. W.E. 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 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.

AUDIT COMMITTEE

Composition of the Audit Committee

The Audit Committee of Maple Leaf Foods consists of the following directors, each of whom has been a member of the committee since the year set out below.

W.E. Aziz (Chair since 2015)	2014
W.G. Beattie	2018
R.G. Close	2015
K.N. Lemon	2018

Each member of the Audit Committee is independent within the meaning of applicable securities legislation and none receives, directly or indirectly, any compensation from the Company other than for service as a member of the board of directors and its committees. Each member of the Audit Committee is financially literate as defined under National Instrument 52-110 – *Audit Committees*. In considering the criteria for determining financial literacy, the board of directors of the Company looks at the ability of a director to read and understand a balance sheet, an income statement and a cash flow statement of a company of a complexity comparable to that of the Company.

A copy of the charter of the Audit Committee is attached as Appendix A hereto.

Relevant Education and Experience of Audit Committee Members

W.E. Aziz, C.P.A., C.A.

Through BlueTree Advisors Inc., Mr. Aziz is currently providing his services as Chief Restructuring Officer to JTI Macdonald Corp. and New Walter Energy Canada Holdings, Inc. during their restructurings. Mr. Aziz was a director of OMERS (where he is Chair of its Investment Committee and a member of its Human Resources Committee) until retiring as a result of term limits on December 31, 2019. Mr. Aziz is a Member of the Advisory Board of Fengate Real Assets Private Equity. Mr. Aziz was a director and the Chair of the Audit Committee for Canada Bread Company, Limited and has been a member of the Audit Committees of both Tecumseh Products in the United States and Doman Industries in Canada. Mr. Aziz is a graduate of the Ivey School of Business at Western University in Honors Business Administration and is a Chartered Professional Accountant. In 2019 Mr. Aziz also retired from the Ivey's Leadership Council that was formed to represent and support the Ian O. Ihnatowycz Institute for Leadership at Ivey in leadership thought. 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.

W.G. Beattie

Mr. Beattie is Chief Executive Officer of Generation Capital and Chair of Relay Ventures. Mr. Beattie is a director of the Baker Hughes and Fiera Capital Corporation, and was previously a director of General Electric Company, Royal Bank of Canada and Acasta Enterprises Inc. Mr. Beattie is a Member of the HR Committee of Fiera Capital Corporation and the Lead Director, Chair of the Governance and Nominating Committee and Member of the Audit Committee of Baker Hughes. 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 and an honorary LL.B. in 2018.

R.G. Close

During his service as an executive of Pelmorex Media, Inc., NXA Inc. (formerly Nextair Inc.), Netcom Canada and AT&T Canada, Mr. Close was closely involved in the preparation and analysis of the financial statements of those corporations. He holds an Honors Business Administration degree from the Ivey School of Business at Western University.

K. N. Lemon, Ph.D.

Dr. Lemon is the Accenture Professor at Boston College, Carroll School of Management. Her research examines key drivers of firm growth from a consumer perspective, developing models that enable firms to significantly increase return on marketing investments. Her award-winning work has been implemented in organizations worldwide, and she is a globally recognized expert in understanding consumer experience and loyalty. Dr. Lemon has served on the faculty of Harvard Business School, Duke University Fuqua School of Business and the University of Groningen in The Netherlands. She has taught and conducted research in companies and universities globally, especially focused on consumer goods and services. She has advised numerous public companies and has served on several company marketing advisory boards. She currently also serves on the Audit and Finance Committee for the American Marketing Association, where she is a member of the Board of Directors and Chair-Elect. She holds a Ph.D. from University of California, Berkeley.

Fees paid to Auditors – KPMG LLP

The fees paid by the Company for the services performed by KPMG LLP for the years ended December 31, 2019 and 2018 are set out in the table below. Annually, the Audit Committee reviews a summary of the services provided by the auditors to the Company and its subsidiaries. In 2004, the Audit Committee established a policy requiring pre-approval of all non-audit services to be rendered by the external auditors. Any engagement of KPMG LLP by the Company for any non-audit services must be approved in advance by the Audit Committee. Between meetings of the Audit Committee, authority for approval is delegated to the Audit Committee Chairman. Approvals under the delegated authority are presented to the full Audit Committee at their next meeting. The policy also prohibits the engagement of KPMG LLP in a number of services that the Audit Committee 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 Company:

(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.

Description	2019 $	2018 $
Audit fees [1]	$ 1,097,481	$ 1,197,860
Audit-related fees [2]	1,386,148	649,220
Tax fees [3]	174,143	316,080
All other fees [4]	533,697	584,970
Total Fees	$ 3,191,469	$ 2,748,130

Notes:

(1) The audit of annual and review of the quarterly financial statements of Maple Leaf Foods.

(2) Audit-related services consisting primarily of audit procedures for compliance and business purposes including audits of pension plan financial statements, translation services, specified procedures report on turkey, chicken and veal quota and import permits and financial due diligence.

(3) For Canadian and international tax advisory and compliance services, and transfer pricing services.

(4) Primarily for post-merger integrations for business acquisitions made during the year.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is a defendant to certain claims arising in the normal conduct of its business. Management believes that the final resolution of these claims will not have a material adverse effect on the Company's earnings or financial position. The Company is not subject to any material legal or regulatory actions other than as set out herein or in the Company's Management's Discussion and Analysis and Annual Financial Statements for the fiscal year ended December 31, 2019.

CONFLICTS OF INTEREST

It is possible that circumstances could arise from time to time that create a real or potential conflict of interest for a member of the Board of Directors. Each director has 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.

To the best of the knowledge of the Company, no director or executive officer of Maple Leaf Foods has an existing or potential conflict of interest with the Company or any of its subsidiaries other than as set out herein or in the Company's Management's Discussion and Analysis for the fiscal year ended December 31, 2019.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the best of the knowledge of the Company, except as described in this Annual Information Form, and other than the Governance Agreement described under “Material Contracts” below, no director or executive officer of the Company, nor any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class of securities of the Company, nor any associate or affiliate of the foregoing persons or companies, has any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRARS

The Company's transfer agent is Computershare Investor Services Inc., with transfer points for the common shares of the Company in Vancouver, British Columbia; Calgary, Alberta; Toronto, Ontario; and Montreal, Quebec.

INTERESTS OF EXPERTS

The Company's independent auditors, KPMG LLP, have delivered an audit report to the Company concerning the Consolidated Balance Sheets of the Company as at December 31, 2019 and 2018, and the Consolidated Statements of Net Earnings, Consolidated Statements of Other Comprehensive Income (Loss), Consolidated Statements of Changes in Total Equity and Consolidated Statements of Cash Flows for the years ended December 31, 2019 and 2018. KPMG LLP is an independent auditor with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada.

MATERIAL CONTRACTS

The Governance Agreement is the Company's only material contract that meets the reporting requirements. The Governance Agreement is available on SEDAR at www.sedar.com and is summarized under "Capital Structure - Governance Agreement".

ADDITIONAL INFORMATION

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company's common shares, securities authorized for issuance under equity compensation plans and interest of insiders in material transactions, if applicable, is contained in the Notice of Annual Meeting of Shareholders and Management Proxy Circular issued in connection with the Company's most recent annual meeting of shareholders. Additional financial information is also provided in the Company's Management's Discussion & Analysis and consolidated financial statements for the fiscal year ended December 31, 2019. Copies of the foregoing documents may be obtained free of charge, upon request, from the Corporate Secretary of Maple Leaf Foods Inc., at 6985 Financial Drive, Mississauga, Ontario L5N 0A1.

The above information and additional information relating to Maple Leaf Foods is available on SEDAR at www.sedar.com.

APPENDIX "A"

CHARTER OF THE AUDIT COMMITTEE

(THE "COMMITTEE") OF THE BOARD OF DIRECTORS OF MAPLE LEAF FOODS INC. (THE "CORPORATION")

Nature and Scope of the Committee

The Committee is a standing committee appointed by the Board of Directors, established to fulfill applicable public company obligations respecting audit committees and to assist the Board of Directors (the "Board") in fulfilling its oversight responsibilities in the following areas: (i) accounting policies and practices, (ii) the integrity of the Corporation's financial statements, (iii) compliance with legal and regulatory requirements, (iv) the qualifications, independence, and performance of the external auditors, and (v) the performance of the internal audit function.

The Committee Chair and members are members of the Board, appointed to the Committee to provide broad oversight of the financial reporting, risk and control related activities of the Corporation, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities.

Management is responsible for the preparation, presentation and integrity of the financial statements and for maintaining appropriate accounting and financial reporting principles and policies, systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations.

The internal auditor is responsible for monitoring and reporting on the adequacy and effectiveness of the system of internal controls.

The external auditors are responsible for planning and carrying out an audit of the annual consolidated financial statements in accordance with generally accepted auditing standards to provide reasonable assurance that, among other things, such financial statements are in accordance with generally accepted accounting principles. The external auditors are accountable to the Committee and the Board as the representatives of the shareholders of the Corporation and the Committee shall so instruct the external auditors and the external auditors shall report directly to the Committee.

Except as set out below, the Committee does not have decision-making authority but rather conveys its findings and recommendations to the Board for consideration and decision by the Board.

Procedures, Powers and Duties

In addition to the procedures and powers set out in the policy entitled "Composition, Appointment & Practices of Each Committee of the Board of Directors of Maple Leaf Foods Inc.", as amended, or in any resolution of the Board relating to the Committee, the Committee shall have the following procedures, powers and duties:

1. *Composition* – The Committee shall be comprised of a minimum of three members. Each member of the Committee shall be both an "unrelated" director and "independent" director as such terms are defined from time to time under the requirements or guidelines for Audit Committee service under applicable securities laws and the rules of any stock exchange on which the Corporation's securities are listed for trading.

   All members of the Committee must be "financially literate" subject to any available exemption in applicable securities laws as that term is defined from time to time under the requirements or guidelines for Audit Committee service under securities laws and the rules of any stock exchange on which the Corporation's securities are listed for trading or if it is not so defined as that term is interpreted by the Board in its business judgment.

2. *In Camera Meetings* – At least annually, the Committee shall hold *in camera* meetings with each of the head of the internal audit function and the external auditors to discuss any matters that the Committee or each of these groups believes should be discussed privately and such persons shall have unrestricted access to the Committee to bring forward matters requiring its attention.

3. *Professional Assistance* – The Committee may require the external auditors and internal auditors to perform such supplemental reviews or audits as the Committee may deem desirable. In addition, the Committee may retain such special legal, accounting, financial or other consultants and determine their compensation as the Committee may determine to be necessary to carry out the Committee's duties at the Corporation's expense and will inform the Chair of the Corporate Governance Committee of any such retainer.

4. *Reliance* – Absent actual knowledge or belief to the contrary which shall be promptly reported to the Board, each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Corporation from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by management and the external auditors as to any non-audit services provided by the external auditors to the Corporation and its subsidiaries.

5. *Reporting to the Board* – The Committee will report through the Committee Chair to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.

The Committee will:

1. *Internal controls* – Review and discuss with management, the external auditors and the internal auditors as it deems necessary and exercise oversight with respect to:

    (a) The adequacy and effectiveness of the system of internal accounting and financial controls and the recommendations of management, the external auditors and the internal auditors for the improvement of accounting practices and internal controls;

    (b) Any material weaknesses in the internal control environment, including with respect to computerized information system controls and security; and

    (c) Management's compliance with the Corporation's processes, procedures and internal controls.

2. *Regulatory agency reviews* – Review the findings of any examination by regulatory agencies concerning financial matters of the Corporation and make recommendations to the Board related thereto.

3. *Appointment of external auditors* – With respect to the appointment and oversight of the external auditors:

    (a) Make recommendations to the Board on the external auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services of the Corporation to be nominated in the Corporation's proxy circular for appointment or reappointment by shareholders;

    (b) Make a recommendation to the Board for the approval of compensation for the external auditors; and

    (c) Review, evaluate and approve the terms of engagement, performance, audit scope and approach to the conduct of the external auditors with respect to the annual audit.

4. *Independence of external auditors* – Review the independence of the external auditors and make recommendations to the Board on actions the Committee deems necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee:

    (a) Shall actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;

    (b) Shall require that the external auditors submit to it on a periodic basis, and at least annually, a formal written statement delineating all relationships between the Corporation including its subsidiaries, and the external auditors including their affiliates;

    (c) Shall review and approve clear policies for hiring by the Corporation of employees or former employees of the current or former external auditors;

    (d) May approve policies and procedures for the pre-approval by a Committee member of any non-audit services to be rendered by the external auditors which the external auditors are not

    otherwise prohibited from providing and which policies and procedures shall include reasonable detail with respect to the services covered, provided that the pre-approval of non- audit services by a Committee member with delegated authority must be presented to the full Committee at its next scheduled meeting. For greater certainty, all non-audit services to be provided to the Corporation or any of its affiliates by the external auditors or any of their affiliates which are not covered by pre-approval policies and procedures approved by the Committee shall be subject to pre-approval by the Committee; and

(e) Shall review and approve the disclosure in the annual information form and management proxy circular of the fees paid in the financial year to the external auditors by category.

5. *Internal auditors* – Review the organizational structure, independence and qualifications of the internal audit department and its resources, the internal audit plans and their implementation.

6. *Internal audit function* – Oversee and monitor the internal audit function including:

   (a) Meeting periodically with the internal auditors to discuss the progress of their activities and any significant findings stemming from internal audits and any difficulties or disputes that arise with management and the adequacy of management's responses in correcting audit-related deficiencies; and

   (b) Reviewing summaries of reports to management prepared by the internal auditors and have available the full reports, communicate with the internal auditors with respect to their reports and recommendations as necessary with respect to the extent to which prior recommendations have been implemented, management's responses to such reports and any other matters that the internal auditor brings to the attention of the Committee.

7. *External audits* – Oversee and monitor external audits, including:

   (a) Reviewing with the external auditors, the internal auditors and management the audit function generally, the objectives, staffing, locations, co-ordination, reliance upon management and internal audit and general audit approach and scope of proposed audits of the financial statements, the overall audit plans, the responsibilities of management, the internal auditors and the external auditors, the audit procedures to be used and the timing and estimated budgets of the audits;

   (b) Discussing with the external auditors any difficulties or disputes that arose with management or the internal auditors during the course of the audit and the adequacy of management's responses in correcting audit-related deficiencies and resolve any outstanding disputes;

   (c) Taking such other reasonable steps as the Committee may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies; and

   (d) Reviewing and resolve any disagreements between management and the external auditors regarding financial reporting or the application of any accounting principles or practice.

8. *Accounting principles and policies* – Oversee, review and discuss, as the Committee deems necessary, with management, the external auditors and the internal auditors, the Corporation's accounting principles and policies, including:

   (a) *Selection* – the appropriateness and acceptability of the Corporation's accounting principles and practices used in its financial reporting, changes in the Corporation's accounting principles or practices and the application of particular accounting principles and disclosure practices by management to new transactions or events;

   (b) *Significant financial reporting issues* – all significant financial reporting issues and judgments made in connection with the preparation of the financial statements and any "second opinions" sought by management from an independent auditor with respect to the accounting treatment of a particular item;

   (c) *Disagreements* – disagreements between management and the external auditors or the internal auditors regarding the application of any accounting principles or practices;

   (d) *Material change or proposed change* – any material change or proposed change to the Corporation's accounting principles and practices;

   (e) *Changes in regulatory and accounting requirements* – the effect of changes in regulatory and accounting requirements;

   (f) *Legal matters, claims and contingencies* – any legal matter, claim or contingency that could have a significant impact on the financial statements, the Corporation's compliance policies and any material reports, inquiries or other correspondence received from regulators or governmental agencies and the manner in which any such legal matter, claim or contingency has been disclosed in the financial statements;

(g) *Pro forma or adjusted information* – the use of any “pro forma” or “adjusted” information not in accordance with generally accepted accounting principles; and

(h) *Goodwill impairment* – management’s determination of goodwill impairment, if any, as required by applicable accounting standards.

9. *Interim financial results* – Prior to the release of any summary of interim financial results, including any associated press release, or the filing of such reports with the applicable regulators, review with the external auditors and management the interim consolidated financial statements and related MD&A and associated press release and approve for release.

10. *Annual audited consolidated financial statements* – Review with the external auditors and management the annual audited consolidated financial statements and related MD&A and associated press release, and report on the results of such review to the full Board prior to the approval and release to shareholders of such results by the Board.

11. *Prospectuses and information circulars* – Review with the external auditors and management, financial information contained in any prospectus or information circular of the Corporation, and make recommendations regarding approval to the Board. The Committee shall also periodically assess the adequacy of the procedures in place for the review of the Corporation’s public disclosure of financial information extracted or derived from financial statements and MD&A.

12. *Communications between management, the internal and external auditors* – Provide an open avenue of communication between management, the internal auditors, the external auditors and the Board.

13. *Independent investigations* – Conduct independent investigations into any matters which come under its scope of responsibilities.

14. *Pension plans* – With respect to pension plans:

    (a) *Investment objectives, policies and asset investment mix* – Receive the recommendation of the Pension Investment Advisory Committee (of management) investment objectives, policies and asset investment mix and make recommendations to the Board.

    (b) *Engage investment managers* – Receive the recommendation of the Pension Investment Advisory Committee and approve the engagement and termination of investment management suppliers.

    (c) *Pension plan performance* – Receive reports from the Pension Investment Advisory Committee on pension fund performance and make reports to the Board.

    (d) *SIP&P* – Receive the recommendation of the Pension Investment Advisory Committee and approve the filing of the SIP&P.

    (e) *Pension Investment Advisory Committee* – Oversee the activities of the Pension Investment Advisory Committee.

15. *Other reports of the external auditors* – Review and discuss all reports which the external auditors are required to provide to the Committee or the Board under rules, policies or practices of professional or regulatory bodies applicable to the external auditors and any other reports which the Committee may require with the external auditors.

16. *Complaints regarding accounting, controls or audit matters* – Establish and monitor procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters and review periodically with management and the internal auditors these procedures and any significant complaints received.

17. *Financial risk exposures* – Meet periodically with management to review and discuss the Corporation’s major financial risk exposures and the policy steps management has taken to monitor and control such exposures, including the use of financial derivatives and hedging activities.

18. *Audit committees of material subsidiaries* – Receive and review the minutes of meetings of the audit

committees of material subsidiaries of the Corporation.

19. *Other delegated matters* – Review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial matters.

The Charter

20. *Charter review* – The Committee shall review and reassess the adequacy of this Charter at least annually and otherwise as it deems appropriate and recommend changes to the Corporate Governance Committee.

21. *Committee performance* – Annually, the Committee shall evaluate its performance with reference to this Charter and the results of its evaluation shall be submitted to the Corporate Governance Committee.

22. *Disclosure of Charter* – The Committee shall ensure that this Charter is disclosed on the Corporation's website and that this Charter is disclosed in the annual information form of the Corporation in accordance with all applicable securities laws or regulatory requirements.