



# MAPLE LEAF FOODS INC.

Notice of Annual and Special Meeting of Shareholders  
May 2, 2018  
and Management Proxy Circular



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**INVITATION TO SHAREHOLDERS**

March 20, 2018

Dear Fellow Shareholder:

We are pleased to invite you to attend the Annual and Special Meeting of Shareholders of Maple Leaf Foods Inc. ("Maple Leaf Foods" or the "Corporation") to be held at ThinkFood!, 6897 Financial Drive, Mississauga, Ontario, Canada at 11:00 a.m. Eastern Daylight Time on Wednesday, May 2, 2018. The items of business you will be asked to act on are set out in the accompanying Notice of Annual and Special Meeting and Management Proxy Circular.

We also invite you to read the Corporation's 2017 annual report. It provides a discussion of the Corporation's financial and operating performance during the past year and the exciting plans we have for 2018 and beyond. In 2017 the Corporation united behind an aspirational purpose – to Raise the Good in Food – and we continue to shape Maple Leaf Foods in pursuit of our vision to be the most sustainable protein company on earth.

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

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

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

Yours very truly,



DAVID L. EMERSON  
Chairman of the Board



MICHAEL H. MCCAIN  
President & Chief Executive Officer



# MAPLE LEAF FOODS INC.

("Maple Leaf Foods")

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## NOTICE OF 2018 ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

- When** Wednesday, May 2, 2018 at 11:00 a.m. (Eastern Daylight Time)
- Where** ThinkFood!, 6897 Financial Drive, Mississauga, Ontario, Canada L5N 0A8
- Who Can Vote** You are eligible to vote if you were a shareholder of record at the close of business on March 28, 2018. Please ensure that your shares are represented at the meeting by promptly voting and submitting your proxy by telephone or the Internet, or by completing, signing, dating and returning your proxy form in the enclosed envelope.
- Business of Meeting** Shareholders will be asked to:
1. receive the consolidated financial statements for the year ended December 31, 2017, together with the auditors' report on the statements;
  2. elect directors;
  3. appoint auditors and authorize the directors to fix their remuneration;
  4. consider and if thought fit, confirm amendments to the Corporation's general operating by-law (By-Law Number 1);
  5. consider and, if thought fit, pass a resolution approving Maple Leaf Foods' approach to executive compensation, on an advisory and non-binding basis; and,
  6. transact such other business as may properly come before the meeting or any adjournment thereof.

The accompanying Management Proxy Circular dated March 20, 2018 provides information concerning the matters to be dealt with at the meeting.

Dated at Toronto this 20<sup>th</sup> day of March, 2018.

By Order of the Board

R. Cappuccitti  
Senior Vice-President and Corporate Secretary

*You are eligible to vote if you were a shareholder of record at the close of business on March 28, 2018.*

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

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# MAPLE LEAF FOODS INC.

## MANAGEMENT PROXY CIRCULAR

### VOTING INFORMATION

#### SOLICITATION OF PROXIES

This Management Proxy Circular (the "Circular") accompanies the Notice of the Annual and Special Meeting of Shareholders ("Notice of Meeting") of Maple Leaf Foods Inc. ("Maple Leaf Foods", "MLF" or the "Corporation") to be held on May 2, 2018. It is provided in connection with the solicitation of proxies by the Corporation's management for use at the meeting. It is planned that the solicitation will be primarily by mail, but proxies may also be solicited by telephone, in writing, by email, by fax, by other electronic means or in person by employees of the Corporation or by agents of the Corporation at a nominal and customary cost. The costs of these solicitations will be borne by the Corporation.

#### VOTING OF PROXIES – REGISTERED SHAREHOLDERS

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

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

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

- (i) FOR the election of the persons listed as nominees under the heading "Election of Directors" as directors of the Corporation;
- (ii) FOR the appointment of KPMG LLP, Chartered Accountants, as auditors of the Corporation and authorizing the directors to fix their remuneration;
- (iii) FOR the amendments to the Corporation's general operating by-law (By-Law Number 1);
- (iv) FOR the resolution approving Maple Leaf Foods' approach to executive compensation on an advisory and non-binding basis; and,
- (v) FOR or AGAINST such actions as the management nominee thinks fit with respect to any other matter that may properly come before the meeting, including any amendments or variations in the matters identified in the Notice of Meeting.

## REVOCATION

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

## VOTING SHARES AND THE PRINCIPAL HOLDERS THEREOF

There were 126,660,289 common shares outstanding as of March 20, 2018. The Corporation has been informed that MCI exercises control or direction over 47,003,894 common shares (37.1%) of the outstanding common shares of the Corporation. The Corporation has also been informed that Mr. Michael H. McCain beneficially owns and controls 100% of MCI.

Each common share entitles the holder to one vote at the meeting. Persons who are shareholders of record at the close of business on March 28, 2018 will be entitled to vote at the meeting.

## NON-REGISTERED SHAREHOLDERS/BENEFICIAL OWNERS

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

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

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

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

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

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

### ELECTION OF DIRECTORS

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

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

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

Information on each incumbent nominee's attendance at meetings of the Board and its committees in 2017 is also set out in Appendix A. For information on director assessment, selection, orientation and education, and other corporate governance topics, please see the discussion under the heading "Report on Corporate Governance" starting on page 14 of this Circular.

The Corporation has adopted a policy for individual director voting that is described in the Report on Corporate Governance on page 20 of this Circular. Under the policy, if a director is not elected by at least a majority (50% + 1 vote) of the votes cast with respect to his or her election at a meeting of shareholders (other than at a contested shareholder meeting), the director shall tender his or her resignation to the Board immediately following the meeting. The Board shall determine whether or not to accept the resignation within 90 days of the relevant shareholders' meeting. The Board shall accept the resignation absent exceptional circumstances. The resignation will be effective when accepted by the Board. The director who tenders his or her resignation will not participate in any meeting of the Board at which the resignation is considered. For purposes of the policy, the Corporation intends to use proxies validly deposited in advance of the particular meeting in order to determine whether the particular approval threshold has been met unless a ballot on the election of directors is taken at the particular meeting. A press release disclosing the Board's determination (and the reasons for rejecting the resignation, if applicable) shall be promptly issued following their determination.

**Name**

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

Age: 61  
 Residence: Oakville,  
 Ontario, Canada  
 Director Since: May 1, 2014  
 Independent<sup>(7)</sup>



**EXPERTISE:**

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

**Principal Occupation and Biography**

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

BIOGRAPHY: Through BlueTree Advisors, Mr. Aziz is currently providing his services as Chief Restructuring Officer to New Walter Energy Canada Holdings, Inc. during its restructuring. He is a member of the Leadership Council at the Ilnatowycz Institute for Leadership at the Ivey Business School at Western University, from which he is a graduate in Honors Business Administration. Mr. Aziz is Chair of the Investment Committee and a member of the Human Resources Committee of the \$95 billion Ontario Municipal Employees' Retirement System ("OMERS"). Mr. Aziz is also a Court-appointed inspector in the winding-up of Coventree Inc. and a member of the Advisory Board for Fengate Real Assets. Mr. Aziz is a Chartered Professional Accountant. He has also completed the Institute of Corporate Directors Governance College at the Rotman School of Business, University of Toronto and is a member of the Insolvency Institute of Canada. Mr. Aziz is a nominee of Mr. M.H. McCain pursuant to the terms of the Amended Governance Agreement which is described on pages 16 and 17.

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

*No interlocking outside public company directorships<sup>(3)</sup>*

**DIRECTORSHIPS WITHIN THE PAST 5 YEARS:**

Canada Bread Company, Limited (To May 23, 2014)

**BOARD AND COMMITTEE MEMBERSHIPS AND 2017 MEETING ATTENDANCE**

*All regularly scheduled board and committee meetings*

	Board	AC (Chair)	HRCC	Working Group <sup>(8)</sup>	Meets Shareholding Requirements
	7/11 – 64%	5/5 – 100%	2/4 – 50%	2/3 – 67%	

**SECURITIES HELD:**

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value <sup>(5)</sup>	Meets Shareholding Requirements
March 15, 2018 <sup>(1)(2)</sup>	16,325	21,546	37,871	\$1,204,314	Yes
March 15, 2017	16,325	16,210	32,535	\$1,015,089	Yes
Change	—	5,336	5,336	\$189,225	

**Name**

**W. GEOFFREY BEATTIE**

Age: 58  
 Residence: Toronto,  
 Ontario, Canada  
 Director Since: December 17, 2008  
 Independent<sup>(7)</sup>



**EXPERTISE:**

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

**Principal Occupation and Biography**

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

BIOGRAPHY: Mr. Beattie is Chief Executive Officer of Generation Capital and Chair of Relay Ventures. Mr. Beattie is a director of the General Electric Company, Royal Bank of Canada, Maple Leaf Foods and Acasta Enterprises Inc. 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.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:  
 Royal Bank of Canada – Member, Audit Committee and Human Resources Committee  
 General Electric Company – Member, Audit Committee  
 Acasta Enterprises Inc. – Chair, Audit Committee

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

**DIRECTORSHIPS WITHIN THE PAST 5 YEARS:**

Thomson Reuters Corporation (To May 8, 2013)

**BOARD AND COMMITTEE MEMBERSHIPS AND 2017 MEETING ATTENDANCE**

*All regularly scheduled board and committee meetings*

	Board	CGC (Chair)	SSC	Meets Shareholding Requirements
	11/11 – 100%	5/5 – 100%	3/3 – 100%	

**SECURITIES HELD:**

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value <sup>(5)</sup>	Meets Shareholding Requirements
March 15, 2018 <sup>(1)(2)</sup>	21,088	85,661	106,749	\$3,394,614	Yes
March 15, 2017	21,088	79,727	100,815	\$3,145,434	Yes
Change	—	5,934	5,934	\$249,180	



**Name**

**RONALD G. CLOSE**

Age: 59  
 Residence: Toronto, Ontario, Canada  
 Director Since: April 30, 2015  
 Independent<sup>(7)</sup>



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

**Principal Occupation and Biography**

**OCCUPATION:** President, RGC & Associates Inc. (consulting company)

**BIOGRAPHY:** Since 2017, Mr. Close is the President of RGC & Associates Inc., a privately-held consulting company. He was recently the CEO of Pelmorex Media (The Weather Network) and was Executive Entrepreneur-in-Residence at The Ivey School of Business, and at MaRS Discovery District. He has been a director on several boards including Pelmorex, The Globe and Mail, Canada Media Fund, CTVglobemedia, and MaRS Innovation. Mr. Close has had a distinguished career as a senior executive at several companies, from smaller start-ups (co-founder/CEO of Netcom Canada) to large corporations (at BCE he was President, Bell New Ventures, also overseeing Sympatico-MSN). Mr. Close holds an HBA degree from the Ivey School of Business (1981). He is past-Chairman of the Ivey Entrepreneurship Council and past-Chairman of Ability Online, a charitable organization for children with disabilities. Mr. Close is a director of MaRS Discovery District and the Thomson Reuters Founders Share Company. He is also Managing Director of Portag3 Ventures and works with several start-ups in Fintech. He is past-Chairman of the Toronto Chapter of Young Presidents Organization and is a current member of World Presidents Organization. Mr. Close is a nominee of Mr. M.H. McCain pursuant to the terms of the Amended Governance Agreement which is described on pages 16 and 17.

**CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:**

None

*No interlocking outside public company directorships<sup>(3)</sup>*

**DIRECTORSHIPS WITHIN THE PAST 5 YEARS:**

None

**BOARD AND COMMITTEE MEMBERSHIPS AND 2017 MEETING ATTENDANCE**

*All regularly scheduled board and committee meetings*

Board	11/11 – 100%
AC	5/5 – 100%
CGC	5/5 – 100%

**SECURITIES HELD:**

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value <sup>(5)</sup>	Meets Shareholding Requirements
March 15, 2018 <sup>(1)(2)</sup>	8,400	13,879	22,279	\$708,484	Yes
March 15, 2017	8,400	9,131	17,531	\$546,972	Yes
Change	—	4,748	4,748	\$161,512	

**Name**

**THE HONOURABLE DAVID L. EMERSON**

Age: 72  
 Residence: Vancouver, British Columbia, Canada  
 Director Since: May 2, 2012  
 Independent<sup>(7)</sup>



**EXPERTISE:**  
 Government relations, international business, finance, board and corporate governance.

**Principal Occupation and Biography**

**OCCUPATION:** Corporate Director

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

**CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:**

None

*No interlocking outside public company directorships<sup>(3)</sup>*

**DIRECTORSHIPS WITHIN THE PAST 5 YEARS:**

New Gold Inc.  
 Finning International Inc  
 Stantec Inc.

**BOARD AND COMMITTEE MEMBERSHIPS AND 2017 MEETING ATTENDANCE**

*All regularly scheduled board and committee meetings*

Board (Chair)	11/11 – 100%
CGC	5/5 – 100%
SSC	3/3 – 100%
Working Group <sup>(8)</sup>	3/3 – 100%

**SECURITIES HELD:**

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value <sup>(5)</sup>	Meets Shareholding Requirements
March 15, 2018 <sup>(1)(2)</sup>	10,000	82,397	92,397	\$2,938,236	Yes
March 15, 2017	10,000	72,153	82,153	\$2,563,163	Yes
Change	—	10,244	10,244	\$375,073	

**Name****JEAN M. FRASER**

Age: 70  
 Residence: Toronto,  
 Ontario, Canada  
 Director Since: October 30, 2014  
 Independent<sup>(7)</sup>

**EXPERTISE:**

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

**Principal Occupation and Biography**

OCCUPATION: Retired Partner, Osler, Hoskin & Harcourt LLP

BIOGRAPHY: Ms. Fraser is a retired partner of one of Canada's leading law firms who has advised public and private companies on corporate/governance matters, mergers and acquisitions ("M&A") and debt and equity financings. She has provided governance advice to boards of directors and board committees of numerous public companies regarding strategic and sensitive matters. Her M&A experience includes public take-over bids, asset acquisitions and divestures, privatizations and corporate restructurings.

Ms. Fraser's financing experience includes domestic and cross-border public and private offerings of debt and equity, initial public offerings and infrastructure financings.

Ms. Fraser is a director and member of the Human Resources Committee and the Audit and Conduct Review Committee of Aviva Canada Inc. She is also a director of Lithium Americas Corp. and serves on that company's Nominating and Governance Committee and Compensation and Benefits Committee. Ms. Fraser is also a former managing partner and executive committee member of her law firm.

**CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:**

Lithium Americas Corp. – Member, Nominating and Governance Committee; Member, Compensation and Benefits Committee

*No interlocking outside public company directorships<sup>(3)</sup>*

**DIRECTORSHIPS WITHIN THE PAST 5 YEARS:**

None

**BOARD AND COMMITTEE MEMBERSHIPS AND 2017 MEETING ATTENDANCE**

*All regularly scheduled board and committee meetings*

Board	11/11 – 100%
HRCC (Chair)	4/4 – 100%
CGC	5/5 – 100%

**SECURITIES HELD:**

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value <sup>(5)</sup>	Meets Shareholding Requirements
March 15, 2018 <sup>(1)(2)</sup>	—	17,553	17,553	\$558,194	Yes
March 15, 2017	—	12,504	12,504	\$390,112	No
Change	—	5,049	5,049	\$168,082	

**Name****JOHN A. LEDERER**

Age: 62  
 Residence: Calgary, Alberta,  
 Canada  
 Director Since: May 4, 2016  
 Independent<sup>(7)</sup>

**EXPERTISE:**

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

**Principal Occupation and Biography**

OCCUPATION: Executive Chairman, Staples North American companies

BIOGRAPHY: Mr. Lederer is currently a Senior Advisor with Sycamore Partners. In this capacity, he serves as the Executive Chairman of the Board of Directors of Staples, Inc. and its newly formed and independent United States and Canadian businesses.

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

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

**CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:**

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

US Foods, Inc.

*No interlocking outside public company directorships<sup>(3)</sup>*

**DIRECTORSHIPS WITHIN THE PAST 5 YEARS:**

Restaurant Brands International Inc. (To June 28, 2016)  
 Tim Hortons Inc. (no longer a public company)

**BOARD AND COMMITTEE MEMBERSHIPS AND 2017 MEETING ATTENDANCE**

*All regularly scheduled board and committee meetings*

Board	11/11 – 100%
HRCC	4/4 – 100%
SSC	2/3 – 67%

**SECURITIES HELD:**

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value <sup>(5)</sup>	Meets Shareholding Requirements
March 15, 2018 <sup>(1)(2)</sup>	50,000	8,170	58,170	\$1,849,796	Yes
March 15, 2017	50,000	3,496	53,496	\$1,669,063	Yes
Change	—	4,674	4,674	\$180,733	

**Name**

**KATHERINE N. LEMON, PH.D.**  
 Age: 59  
 Residence: Waltham, Massachusetts,  
 U.S.A.  
 Nominee  
 Independent<sup>(7)</sup>



**EXPERTISE:**  
 Marketing strategy, consumer behaviour and loyalty, consumer packaged goods, marketing metrics, teaching and research, international experience, education and academia, human resources.

**Principal Occupation and Biography**

**OCCUPATION:** Professor, Boston College, Carroll School of Management  
**BIOGRAPHY:** Dr. Lemon is the Accenture Professor at Boston College, Carroll School of Management. She is the former Executive Director of the Marketing Science Institute, a not-for-profit organization that brings the best of marketing science to management practice; she now serves on its Executive Committee. She is also rejoining the Board of the American Marketing Association, which focuses on marketing excellence and resources for firms and academics. 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 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 holds a Ph.D. from University of California, Berkeley.

**CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:**  
 None  
 No interlocking outside public company directorships<sup>(3)</sup>

**DIRECTORSHIPS WITHIN THE PAST 5 YEARS:**  
 None

**BOARD AND COMMITTEE MEMBERSHIPS AND 2017 MEETING ATTENDANCE**  
 All regularly scheduled board and committee meetings  
 Not Applicable - Nominee

**SECURITIES HELD:**

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value <sup>(5)</sup>	Meets Shareholding Requirements
March 15, 2018 <sup>(1)(2)</sup>			No common shares held.		
March 15, 2017					
Change	—	—	—	—	—

**Name**

**JONATHAN W. F. MCCAIN**  
 Age: 33  
 Residence: Toronto, Ontario,  
 Canada  
 Nominee  
 Non-Independent



**EXPERTISE:**  
 Senior leadership, finance, board and corporate governance, human resources, mergers and acquisitions, information technology and project management.

**Principal Occupation and Biography**

**OCCUPATION:** President, Andover Capital Corporation and Northstar Scaffold Services Inc.  
**BIOGRAPHY:** Mr. McCain is the President of both Andover Capital Corporation, a privately-held investment and holding company, and Northstar Scaffold Services Inc., one of Canada's leading independent scaffolding and shoring providers. Previously, he worked as a management consultant with The Boston Consulting Group. He is a director of McCain Capital Inc., and an investment committee member and director of McCain Capital Partners.  
 Mr. McCain graduated from the Richard Ivey School of Business at the University of Western Ontario with an Honours in Business Administration degree. He is a current member of the Toronto chapter of the Young Presidents Organization. Mr. McCain is a nominee of Mr. M.H. McCain pursuant to the terms of the Amended Governance Agreement which is described on pages 16 and 17.

**CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:**  
 None  
 No interlocking outside public company directorships<sup>(3)</sup>

**DIRECTORSHIPS WITHIN THE PAST 5 YEARS:**  
 None

**BOARD AND COMMITTEE MEMBERSHIPS AND 2017 MEETING ATTENDANCE**  
 All regularly scheduled board and committee meetings  
 Not Applicable – Nominee

**SECURITIES HELD:**

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value <sup>(5)</sup>	Meets Shareholding Requirements
March 15, 2018 <sup>(1)(2)</sup>			No common shares held		
March 15, 2017					
Change	—	—	—	—	—

**Name**

**MICHAEL H. MCCAIN**

Age: 59  
 Residence: Toronto, Ontario, Canada  
 Director Since: April 24, 1995  
 Non-Independent



**EXPERTISE:**  
 Consumer packaged goods, food and agriculture, senior leadership, finance, board and corporate governance, human resources, mergers and acquisitions, information technology, engineering and project management.

**Principal Occupation and Biography**

OCCUPATION: President and CEO, Maple Leaf Foods

BIOGRAPHY: Mr. McCain is President and CEO of Maple Leaf Foods. He joined the Corporation in April 1995 as President and COO and was appointed CEO in January 1999. Prior to joining Maple Leaf, Mr. McCain spent 16 years with McCain Foods in Canada and the United States, where he was President and Chief Executive Officer of McCain Foods USA. He is a director of McCain Capital, the Royal Bank of Canada, the Centre for Addiction and Mental Health Foundation and MaRS Discovery District. Mr. McCain is a member of the Richard Ivey School of Business Advisory Board and the Business Council of Canada. He is a director and the Honourary Chair of the Maple Leaf Centre for Action on Food Security, a registered Canadian charity. Mr. McCain is a nominee of Mr. M.H. McCain pursuant to the terms of the Amended Governance Agreement which is described on pages 16 and 17.

**CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:**

Royal Bank of Canada – Member, Audit Committee; Member, Human Resources Committee

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

**DIRECTORSHIPS WITHIN THE PAST 5 YEARS:**

Canada Bread Company Limited (To May 23, 2014)

**BOARD AND COMMITTEE MEMBERSHIPS AND 2017 MEETING ATTENDANCE**

*All regularly scheduled board and committee meetings*  
 Board 11/11 – 100%

**SECURITIES HELD:<sup>(4)</sup>**

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value <sup>(5)</sup>	Meets Shareholding Requirements
March 15, 2018 <sup>(1)(2)</sup>	47,003,894	—	47,003,894	\$1,494,723,829	Yes
March 15, 2017	46,807,307	—	46,807,307	\$1,460,387,978	Yes
Change	196,587	—	196,587	\$34,335,851	

**Name**

**JAMES P. OLSON**

Age: 68  
 Residence: Gulfport, Florida, U.S.A.  
 Director Since: April 28, 2011  
 Independent<sup>(7)</sup>



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

**Principal Occupation and Biography**

OCCUPATION: Corporate Director

BIOGRAPHY: Mr. Olson has 35 years of executive experience in the food and beverage industry in senior roles at major global food and beverage manufacturers. From 2002 to 2006, he was Senior Vice President, Operations for the Europe, Middle East and Africa division of PepsiCo International where he was responsible for all manufacturing, distribution, purchasing and engineering. From 1999 to 2002, he served as Vice President, Operations of Ernest & Julio Gallo Winery, one of the largest global wine production companies, where he was responsible for all vineyards, procurement, production, bottling and distribution operations. From 1990 to 1992, Mr. Olson was Vice President of Operations for Frito-Lay Canada. Mr. Olson is a former director of Winn-Dixie Stores from 2006 to 2011. Additionally, he was a director of Snack Food Ventures Europe from 2003 to 2005, a PepsiCo/General Mills joint venture in Western Europe, and the European Snack Food Association. He was a director and member of the executive committee of the United Way of Forsyth County, North Carolina from 2014 to 2017. In 2011, Mr. Olson was awarded and maintains the National Association of Corporate Directors Board Leadership Fellow Certificate for completion of a rigorous suite of ongoing courses covering board and committee governance best practices.

**CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:**

None  
*No interlocking outside public company directorships<sup>(3)</sup>*

**DIRECTORSHIPS WITHIN THE PAST 5 YEARS:**


None

**BOARD AND COMMITTEE MEMBERSHIPS AND 2017 MEETING ATTENDANCE**

*All regularly scheduled board and committee meetings*  
 Board 11/11 – 100%  
 AC 5/5 – 100%  
 SSC (Chair) 3/3 – 100%  
 Working Group<sup>(8)</sup> 3/3 – 100%

**SECURITIES HELD:**

Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value <sup>(5)</sup>	Meets Shareholding Requirements
March 15, 2018 <sup>(1)(2)</sup>	—	51,889	51,889	\$1,650,057	Yes
March 15, 2017	—	46,265	46,265	\$1,443,455	Yes
Change	—	5,624	5,624	\$206,602	

Name	Principal Occupation and Biography																																
<p><b>CAROL M. STEPHENSON</b>            Age: 67            Residence: London, Ontario, Canada            Director Since: May 4, 2016            Independent<sup>(7)</sup></p>	<p>OCCUPATION: Corporate Director</p> <p>BIOGRAPHY: From 2003 to 2013 Ms. Stephenson was the Dean of the Ivey Business School at Western University. She was President and Chief Executive Officer of Lucent Technologies Canada from July 1999 to February 2003. Prior to that, Ms. Stephenson held a number of executive positions with Bell Canada and BCE Media. From 1995 to 1999 she was Chief Executive Officer of Stentor Resource Centre.</p> <p>Ms. Stephenson is a Director of Intact Financial Corporation, and General Motors Company. Ms. Stephenson was the 2010 Chair of the United Way Campaign for London &amp; Middlesex, Ontario and also served on the Board of Directors of the Vancouver Olympic Games Organizing Committee.</p> <p>Ms. Stephenson is a graduate of the University of Toronto. She completed the Executive Program at the Graduate School of Business Administration, University of California and the Advanced Management Program at Harvard University. She holds honorary doctorates from Ryerson Polytechnic University and Western University, and in 2009 was appointed an Officer of the Order of Canada. Ms. Stephenson was named one of the 2016 National Association of Corporate Directors Directorship 100, a list of notable and current directorships.</p> <p>CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:            General Motors Company – Chair, Executive Compensation Committee; Member, Governance and Corporate Responsibility Committee; Member, Executive Committee            Intact Financial Corporation – Chair, Compliance and Corporate Governance Committee; Member, Human Resources and Compensation Committee  <i>No interlocking outside public company directorships<sup>(3)</sup></i></p> <p>DIRECTORSHIPS WITHIN THE PAST 5 YEARS:            Manitoba Telecom Services Inc. (To September 30, 2016)            Ballard Power Systems Inc. (To June 7, 2017)</p> <p>BOARD AND COMMITTEE MEMBERSHIPS AND 2017 MEETING ATTENDANCE  <i>All regularly scheduled board and committee meetings</i></p> <table border="1"> <tr> <td>Board</td> <td>11/11 – 100%</td> </tr> <tr> <td>AC</td> <td>5/5 – 100%</td> </tr> <tr> <td>HRCC</td> <td>4/4 – 100%</td> </tr> <tr> <td>Working Group<sup>(8)</sup></td> <td>3/3 – 100%</td> </tr> </table> <p>SECURITIES HELD:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Common Shares</th> <th>DSUs</th> <th>Total Common Shares and DSUs</th> <th>Market Value<sup>(5)</sup></th> <th>Meets Shareholding Requirements</th> </tr> </thead> <tbody> <tr> <td>March 15, 2018<sup>(1)(2)</sup></td> <td>13,911</td> <td>—</td> <td>13,911</td> <td>\$442,370</td> <td>No<sup>(6)</sup></td> </tr> <tr> <td>March 15, 2017</td> <td>10,911</td> <td>—</td> <td>10,911</td> <td>\$340,423</td> <td>No</td> </tr> <tr> <td>Change</td> <td>3,000</td> <td>—</td> <td>3,000</td> <td>\$101,947</td> <td></td> </tr> </tbody> </table>	Board	11/11 – 100%	AC	5/5 – 100%	HRCC	4/4 – 100%	Working Group <sup>(8)</sup>	3/3 – 100%	Date	Common Shares	DSUs	Total Common Shares and DSUs	Market Value <sup>(5)</sup>	Meets Shareholding Requirements	March 15, 2018 <sup>(1)(2)</sup>	13,911	—	13,911	\$442,370	No <sup>(6)</sup>	March 15, 2017	10,911	—	10,911	\$340,423	No	Change	3,000	—	3,000	\$101,947	
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Change	3,000	—	3,000	\$101,947																													
																																	
<p>EXPERTISE:            International, government relations, education and academia, CEO/COO, financial literacy, board and corporate governance, engineering and project management, mergers and acquisitions, human resources, information technology.</p>																																	

Notes:

- (1) Number of common shares of Maple Leaf Foods beneficially owned, directly or indirectly, or over which control or direction is exercised, as reported by respective nominees as at March 15, 2018.
- (2) Number of DSUs held by each director under the current Share Purchase and Deferred Share Unit Plan (the “2013 DSU Plan”) for directors as at March 15, 2018. The 2013 DSU Plan is described on page 28 and pages 62 to 65 inclusive under the heading “Directors’ Compensation”. Mr. M.H. McCain does not participate in the 2013 DSU Plan and receives no fees for his services as a director of the Corporation.
- (3) Directors who served together on the board of directors of unrelated publicly traded companies as at March 20, 2018.
- (4) The Corporation understands that as of March 20, 2018 MCI exercises control or direction over 47,003,894 common shares (37.1% of the common shares) of the Corporation. The Corporation understands that Mr. M. H. McCain beneficially owns and controls 100% of MCI and therefore has beneficial ownership or control of 47,003,894 common shares or 37.1% of the common shares.
- (5) The closing prices of the Corporation’s stock on the TSX on March 15, 2018 and March 15, 2017 were \$31.80 and \$31.20 respectively.
- (6) Directors joining the Board have five years from the date of their appointment or from the date of an increase to the required holdings (such as on an increase of the annual retainer) to reach compliance with the equity ownership guidelines. Accordingly, Ms. Fraser has until 2019, Mr. Close until 2020 and Ms. Stephenson and Mr. Lederer until 2021 to reach compliance with the equity ownership guidelines. Notwithstanding the five-year time allowance, all directors except Ms. Stephenson exceed the required holding. On December 31, 2017, prior to the 2018 increase in directors’ fees, Ms. Stephenson exceeded the three times retained ownership requirement. Furthermore, Ms. Stephenson has elected to have 100% of her director’s remuneration paid in common shares. She will meet the share ownership requirement in 2018, well ahead of the five-year requirement.
- (7) The CGC has reviewed the nominees’ relationship to the Corporation and has determined that each is independent of the Corporation.
- (8) Board Working Group formed to evaluate a capital project.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Within ten years preceding the date of this Circular:

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

When Mr. Aziz was appointed the Chief Financial Officer of Hollinger Inc. on March 8, 2007, and, as a result of that appointment, he became subject to a management cease trade order (“MCTO”) in respect of Hollinger Inc., which was originally issued on June 1, 2004 by the Ontario Securities Commission and which order remained in place until April 10, 2007, when the MCTO was revoked by the Ontario Securities Commission as a result of Hollinger Inc. filing all documents it was required to file pursuant to Ontario securities laws. Mr. Aziz was subsequently appointed Chief Restructuring Officer of Hollinger Inc. in May 2008. In 2008 and 2009,

respectively, the Ontario and Alberta Securities Commissions issued permanent cease trade orders against Hollinger Inc., with the consent of the company and approved by the Ontario Superior Court of Justice. The orders were imposed due to the failure of Hollinger Inc. to file certain continuous disclosure documents with the Ontario and Alberta Securities Commissions as a result of Hollinger Inc.'s restructuring under the CCAA. The orders remain in effect.

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

## APPOINTMENT OF AUDITORS

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

The fees paid by the Corporation for the services performed by KPMG LLP for the years ended December 31, 2017 and 2016 are in Table 1 below. Annually, the AC reviews a summary of the services provided by the auditors to the Corporation and its subsidiaries. In 2004, the AC established a policy requiring approval in advance by the AC for all non-audit services to be rendered by the external auditors; between meetings of the AC, authority for approval is delegated to the AC Chairman. Approvals under the delegated authority are presented to the full AC at its next meeting. The policy also prohibits the engagement of KPMG LLP in a number of services that the AC believes may have the potential to impact KPMG LLP's independence.

In the last two years, KPMG LLP has not provided any of the following services to the Corporation:

- (i) bookkeeping services and other services related to accounting records or financial statements;
- (ii) financial information systems design and implementation;
- (iii) appraisal or valuation services, fairness opinions or contribution-in-kind reports;
- (vi) actuarial services;
- (vii) internal audit outsourcing services;
- (viii) management functions;
- (ix) human resources;
- (x) broker-dealer, investment advisor or investment banking services; and
- (xi) legal services and expert services unrelated to the audit.

TABLE 1 – AUDIT FEES FOR 2017 AND 2016

Description	2017 \$	2016 \$
Audit fees <sup>(1)</sup>	\$ 983,895	\$ 940,900
Audit-related fees <sup>(2)</sup>	681,663	357,770
Tax fees <sup>(3)</sup>	279,284	134,087
All other fees <sup>(4)</sup>	342,070	—
<b>Total Fees</b>	<b>\$2,286,912</b>	<b>\$1,432,757</b>

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) For post-merger integrations for business acquisitions made during the year.

## SPECIAL BUSINESS OF THE MEETING

### Amendments to By-law Number 1

The Corporation has enacted By-law Number 1, being a by-law relating generally to the transaction of the business and affairs of the Corporation. As part of its ongoing review of the Corporation's practices, the Board has determined that certain provisions of By-law Number 1 should be amended as further described below. The proposed changes deal primarily with electronic delivery of materials but also include a small number of other housekeeping changes in order to modernize parts of By Law Number 1.

The *Canada Business Corporations Act* (the "Act") provides that unless the articles, by-laws or a unanimous shareholder agreement otherwise provide, the directors may, by resolution, make, amend or repeal any by-laws that regulate the business or affairs of the corporation. The Board amended a limited number of provisions in Articles 7, 10 and 11 of By-law Number 1 by resolution passed on March 20, 2018.

The Act requires the directors to submit an amendment of a by-law to the shareholders at the next meeting of shareholders, and the shareholders may, by ordinary resolution, confirm, reject or amend the amendment. Accordingly, the resolution confirming the amendment of By-law Number 1 must be passed by a simple majority of the votes cast in respect thereof at the meeting.

An amendment of a by-law is effective from the date of the resolution of the directors making the amendment until it is confirmed, confirmed as amended or rejected by the shareholders and, where the by-law is confirmed or confirmed as amended, it continues in effect in the form in which it was so confirmed.

If the amendments to By-law Number 1 are rejected by the shareholders, the amendments cease to be effective and no subsequent resolution of the directors to make, amend or repeal By-law Number 1 having substantially the same purpose or effect is effective until the amendments are confirmed or confirmed as amended by the shareholders.

A copy of By-Law Number 1, as amended by the Board, showing the amendments made is attached as Appendix C.

#### *Summary of Proposed Amendments*

The following is a summary of the proposed amendments to By-Law Number 1, including the actual text of the amendments.

#### Indemnification

In order to confirm, for greater certainty, that the indemnification and insurance protection provided to officers, directors and other individuals under Article 7 of By-Law Number 1 is not limited, a new section 7.3 was added to By-Law Number 1 as follows:

"7.3 Indemnification Not Exclusive - Each of the provisions of this Article 7 shall be in addition to and not in substitution for or derogation from any rights to which any person referred to herein may otherwise be entitled."

#### Unclaimed Dividends

Section 10.4 of By-law Number 1 relating to unclaimed dividends is amended reducing the time period in which unclaimed dividends shall be forfeited and revert to the Corporation from six years to two years in order to conform to the time periods currently in the *Limitations Act (Ontario)*.

## Electronic Communications

Section 11.1 of By-law Number 1 relating to the method of giving notices to shareholders, directors, officers and others is amended to permit electronic communications and to authorize the Corporation, to the extent permitted by law, to make shareholder meeting materials available by "notice and access" methods as follows: (Note – The portions of Section 11.1 that changed are underlined for identification.)

"11.1 Method of Giving Notices –

(a) Any notice or other document to be given or sent by the Corporation to a shareholder, director or officer or to the auditor of the Corporation may be given or sent by prepaid mail addressed to, or may be delivered personally to, or may be sent by means of fax, e-mail or other form of electronic transmission to, the person to whom it is to be given or sent at his latest address as shown in the records of the Corporation or its transfer agent or in any notice filed in accordance with the provisions of the Act.

(b) To the extent permitted by law, in addition to the delivery methods set out in (a) above, any notice or other document to be given or sent by the Corporation to a shareholder may be sent by providing or posting the notice or other document on or making it available through a generally accessible electronic source and providing notice of the availability and location of the notice or other document to the shareholder via any of the methods specified in (a) above, including by mail, personal delivery, fax, e-mail or other form of electronic transmission. A notice or other document sent to a shareholder by posting it on or making it available through a generally accessible electronic source shall be deemed to be received on the day such person is sent notice of the availability and location of such notice or other document."

## *Forum Selection and Invalidity*

New sections 11.4 and 11.5 were added to By-law Number 1 as set out below. Section 11.4 was added in order to clarify where certain proceedings may be brought against the Corporation, namely, the courts of the Province of Ontario. These forum selection clauses are intended to reduce litigation costs and increase predictability by having all matters litigated in a single forum. New section 11.5 was added to prevent any invalidity of any one provision of By-Law Number 1 from affecting the enforceability of other provisions of By-Law Number 1. The new sections are as follows:

"11.4 Forum Selection - Unless the Corporation consents in writing to the selection of an alternative forum, the courts of the Province of Ontario and the appellate courts therefrom shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (a) any derivative action or proceeding brought on behalf of the Corporation; (b) any action or proceeding asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation; (c) any action or proceeding asserting a claim arising out of any provision of the Act or the articles or the by-laws of the Corporation (as either may be amended from time to time); or (d) any action or proceeding asserting a claim or otherwise related to the affairs of the Corporation. If any action or proceeding the subject matter of which is within the scope of the preceding sentence is filed other than with the court (a "Foreign Action") in the name of any securityholder, such securityholder shall be deemed to have consented to (x) the personal jurisdiction of the court in connection with any action or proceeding brought in any such court to enforce the preceding sentence, and (y) having service of process made upon such securityholder in any such action or proceeding by service upon such securityholder's counsel in the Foreign Action as agent for such securityholder.

11.5 Invalidity - The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law."

No other amendments to By-law Number 1 have been made.

As noted previously, in order to be confirmed, the amendments to By-Law Number 1 detailed above must be passed by a simple majority of the votes cast in respect thereof at the meeting.



The Board recommends that the shareholders vote FOR the following resolution confirming the amendments to By-Law Number 1 detailed above and, unless otherwise instructed, the persons designated in the form of proxy intend to vote FOR the following resolution:

**RESOLVED THAT** the amendments to By-law Number 1 of Maple Leaf Foods Inc., as described in the Management Proxy Circular dated March 20, 2018, be and are hereby confirmed.

### **SAY-ON-PAY NON-BINDING ADVISORY VOTE**

The Board believes that shareholders should have the opportunity to understand the objectives, philosophy and principles the Board has used in its approach to executive compensation decisions. Detailed disclosure of our executive compensation program is provided in the executive compensation section of this Circular, including the letter from the Chair of the HRCC starting on page 31 of this Circular, and the compensation discussion and analysis that follows the letter.

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

At the 2017 annual meeting of shareholders held in April 2017, shareholders holding 98.49% of the shares voted at the meeting, voted in favour of the Corporation's approach to executive compensation.

The Board encourages you to read the letter from the Chair of the HRCC on pages 31 and 32 and to carefully review the disclosure of the Corporation's executive compensation program starting on page 35 of this Circular before voting on this matter. The Board recommends that shareholders vote FOR the following resolution and, unless otherwise instructed, the persons designated in the form of proxy intend to vote FOR the following resolution:

**RESOLVED**, on an advisory basis and not to diminish the role and responsibilities of the Board, that the shareholders accept the approach to executive compensation as described in the Management Proxy Circular dated March 20, 2018.

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

## REPORT ON CORPORATE GOVERNANCE

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

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

### BOARD RESPONSIBILITIES

#### 1. Board Mandate

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

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

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

#### 2. Corporate Strategy

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

Over the past two years, the Board has overseen the development of the Corporation's strategic plan for the future including expansion into alternative protein and continuing supply chain rationalizations. The Board supported management in identifying, developing and confirming the individual strategy initiatives that comprise the overall plan in the areas of sustainability, waste and cost elimination, sales growth and investments.

From 2010 to 2016, Maple Leaf Foods was engaged in the execution of a multi-year transformative strategy to reduce complexity and transform the Corporation's manufacturing and distribution network which was successful in bringing about a step-change in structural profitability. In 2017, following a comprehensive process under the advice and guidance of the Board, Maple Leaf Foods defined its vision to become the most sustainable protein company on earth, and its purpose to Raise the Good in Food. This vision and purpose is consistent with investments the Corporation has been making for several years, and a core conviction that its emerging North American leadership in sustainability can strategically differentiate the organization and create significant commercial and social value. The Corporation believes it can further increase structural profitability over the next five years with an aspirational goal of 14-16% Adjusted EBITDA margin, and has developed a comprehensive strategic plan with six priorities to achieve its vision and growth agenda.

3. Succession Planning

Management succession planning is an ongoing activity. The succession plans, including emergency plans, for each of the executive officer positions are reviewed by the HRCC each year and the conclusions are reported to the Board. These plans include the CEO's recommendation of short- and long-term successors for the CEO and each of the Corporation's senior executive officers. The HRCC also conducts an overall review of senior talent in the organization. Due to its importance to the long-term health and success of the Corporation, the results of the review are shared with the full Board. Neither the Board nor the HRCC has established a specific target for the number of women in executive officer positions in the Corporation, as they believe first and foremost the Corporation should seek to recruit those individuals who are most qualified for the particular position, regardless of personal characteristics. The Board and the CGC, however, do monitor the number of women in executive officer positions and do consider gender diversity in making executive officer appointments to ensure a level of diversity in the organization. As of December 31, 2017, there were two executive officers of the Corporation who were women, representing 13% of the total number of executive officers (15) as of such date. In 2017, the Corporation set a goal of having women represent 50% of its workforce at the manager level and above by 2022.

4. Board Communication with Stakeholders

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

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

5. Corporate Governance

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

6. CEO

The CEO's prime responsibility is to lead the Corporation by providing strategic and operational direction for the growth and profitable operation of the Corporation. The CEO's duties are defined in a document that describes the role and its responsibilities, including general management and oversight of the business, annual and strategic planning, human resources and personnel, succession planning and communications. The CEO reports to the Board and is expected to ensure that the Board is fully informed of the progress and issues involving the business. The CEO must also seek approval for any matter for which he has not been delegated authority.

## BOARD ORGANIZATION AND MEMBERSHIP

### 1. Chairman of the Board

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

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

### 2. Board Size and Selection of New Director Candidates

The maximum number of directors permitted by the Corporation's articles is 18; the minimum is eight. The Board is authorized to establish the number of directors within that range. Subject to rights to nominate directors under the Amended Governance Agreement described below, the CGC manages the process of new director nominations. There are currently nine directors and 11 directors are being nominated at this annual meeting of shareholders, a number the Board believes is appropriate for the Corporation. Under the terms of the Amended Governance Agreement, the increase in the size of the Board from nine to 11 members increased the number of directors McCain Capital Inc. can nominate from three to four. Following completion of a skills assessment by the CGC with outside assistance, the CGC established search criteria for new director candidates and commissioned an outside recruiting firm in order to assist it in identifying additional nominees to the Board.

#### *Amended Governance Agreement*

The Corporation entered into an amended and restated governance agreement with MCI and Mr. Michael H. McCain, the Corporation's President and CEO (together, the "McCain Holders"), dated February 21, 2017 (the "Amended Governance Agreement") which amends and restates the original governance agreement (the "Governance Agreement") entered into on July 28, 2011 with Michael McCain and MCC, a company controlled by the Wallace McCain family.

The Amended Governance Agreement provides, among other things:

- (i) The McCain Holders will continue to have the right to nominate that number of directors of the Corporation proportionate to their ownership interest as provided for in the Governance Agreement, however, the Amended Governance Agreement now caps the number of nominees of the McCain Holders so that, regardless of the McCain Holder's ownership interest, the Board will consist of a majority of independent directors nominated by the CGC.
- (ii) All directors nominated by the CGC will continue to be, except in certain circumstances, directors independent of the Corporation and the McCain Holders.
- (iii) The McCain Holders are prohibited from acquiring beneficial ownership of, or control or direction over, more than 45% of the outstanding voting shares of the Corporation (calculated on a modified fully diluted basis) except as a result of the exercise of rights to acquire shares granted under the Corporation's equity compensation plans, actions taken by the Corporation 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 Amended 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 Corporation's previous shareholder rights plan) will not constitute a permitted take-over bid for purposes of the Amended Governance Agreement.
- (iv) 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 Corporation or pursuant to certain permitted estate planning transactions. Eligible transferees under these estate planning transactions can become parties to the Amended Governance Agreement and succeed to the rights and obligations of the McCain Holders under the Amended Governance Agreement.

- (v) 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.
- (vi) The Corporation agreed that it will not put the previous shareholder rights plan of the Corporation to shareholders for reconfirmation at the Corporation's annual meeting in 2017 (and accordingly, the shareholder rights plan expired in accordance with its terms at the termination of that meeting). Furthermore, the Corporation has 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 Amended Governance Agreement except in certain circumstances.

The Board determined that it was in the best interests of the Corporation to amend and restate the Governance Agreement in order, (i) to allow the Corporation's shareholder rights plan to expire in accordance with its terms and to eliminate impediments to the accumulation of shares by third parties, (ii) upon the expiry of the Corporation's previous shareholder rights plan, to regulate in a similar manner dispositions by Michael H. McCain and MCI of their shares and to establish a limit on ownership by MCI and Michael H. McCain to a maximum of 45% of shares and rights and entitlements to acquire shares, (iii) to ensure that the Board will consist of a majority of independent directors nominated by the CGC, (iv) to give the Board flexibility with respect to share issuances and repurchases and generally with respect to capital allocation decisions, and (v) to address potential intergenerational transfers of the McCain family shareholdings. The Amended Governance Agreement was approved by the independent directors of the Corporation and was not entered into in response to any proposed or pending transaction or material event.

In 2013, the Board adopted term limits as a means of ensuring continual board renewal. The CGC maintains a list of skills for new candidates to guide it in the search for and selection of new directors. The CGC solicits the names of potential candidates from other directors and adds the names of potential candidates who meet the Board's needs to a list of qualified candidates from which nominees are selected. In 2017, at the time it determined that the size of the Board would be expanded, the Chairman of the CGC passed on the list of skills and names of potential candidates to the outside recruiting firm hired to assist the CGC in identifying candidates.

### 3. Independence of Directors

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

A director is not considered to be independent if the director does not meet the definition of director independence under applicable securities laws for the purpose of AC membership. The CGC has been delegated the responsibility to assess director independence. Annually, it delivers a report on director independence to the full Board.

For the 2018 annual meeting, MCI under the Amended Governance Agreement has elected to nominate four directors as its nominees: Michael H. McCain, Ronald G. Close, William E. Aziz and Jonathan W.F. McCain. While nominated by MCI, the CGC has concluded that neither Ronald G. Close nor William E. Aziz have any relationship with MCI other than as a director of the Corporation and accordingly are independent directors. Michael McCain is the CEO of the Corporation and Jonathan McCain is his son and accordingly neither is considered independent.

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

Name	Independent of Corporation	Relationship Affecting Independence
W.E. Aziz	Yes	
W.G. Beattie	Yes	
R.G. Close	Yes	
D.L. Emerson	Yes	
J.M. Fraser	Yes	
J.A. Lederer	Yes	
J.P. Olson	Yes	
C.M. Stephenson	Yes	
M.H. McCain	No	President & CEO

4. Term Limits for Directors

The Board believes that the advantages that accrue from experience and long service on the Board need to be balanced against the benefits of renewal. Accordingly, the Board has adopted term limits for its directors. No candidate will be nominated for election at a meeting if he or she has completed 15 years of continuous service on the Board or has reached 75 years of age. The restriction does not apply to a candidate for election to the Board who is nominated under the Amended Governance Agreement with the Corporation. (See page 16.)

5. Composition of the Board

The CGC reviews the competencies, skills and personal qualities of candidates to be considered for nomination to the Board. The objective of this review is to maintain a Board composition that provides the best mix of skills and experience to provide for the overall stewardship of the Corporation. The CGC takes into account the desirability of maintaining a reasonable diversity of personal characteristics such as age, gender, geographic residence and origin. In response to the capital markets’ desire for more clarity and information, the Board has adopted a policy regarding diversity including gender diversity which is set out below. However, all directors must possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of the shareholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. Each director should also have outstanding ability in his or her individual fields of expertise and be able to devote necessary time to Board matters. Neither the Board nor the CGC have established a specific target for the number of women directors on the Board as they believe first and foremost that the Corporation should seek the most qualified directors regardless of personal characteristics. Currently, there are two women directors on the Board, representing 22% of the total number. In addition, three of the eleven nominees or 27% are women.

*Diversity Policy*

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

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

TABLE 2 – DIRECTORS’ SKILLS MATRIX

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

At the May 2018 annual meeting, eleven candidates are being nominated for election to the Board, one additional nominee of MCI and one additional independent director for which the CGC conducted a search. In order to identify candidates that would satisfy the objectives of having a diverse and well-qualified Board, the CGC engaged an outside recruiting firm to review the skills matrix of the existing Board, interview all directors on desirable skills and establish search criteria to meet the CGC’s objectives. The criteria included geographic diversity and gender diversity and the search was conducted so as to favour these aspects. The Board is of the opinion that the directors being nominated possess the necessary mix of skills and experience to ensure that as a group, they can fulfill the Board’s mandate and contribute to the success of the Corporation.

## 6. Individual Voting for Directors

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

The Board believes that basing this policy on votes represented by proxies deposited in advance is appropriate for the Corporation in circumstances where no ballot is taken with respect to the election of directors at the meeting. In April 2017, over 99.9% of all common shares represented at the annual shareholders' meeting were represented by proxies deposited in advance.

Each of the directors listed as nominees in the management proxy circular dated March 27, 2017 were elected directors of the Corporation until the next annual meeting. The results of the vote for the election of directors at the 2017 Annual and Special Meeting were as follows:

Names of Directors	Number of Shares Voted For <sup>(1)</sup>	% of Shares Voted For <sup>(1)</sup>	Number of Shares Withheld from Voting <sup>(1)</sup>	% of Shares Withheld from Voting <sup>(1)</sup>
W.E. Aziz	104,190,680	99.90%	108,823	0.10%
W.G. Beattie	103,829,325	99.55%	470,178	0.45%
R.G. Close	104,268,640	99.97%	30,863	0.03%
D.L. Emerson	103,964,467	99.68%	335,036	0.32%
J.M. Fraser	104,251,233	99.95%	48,270	0.05%
J.A. Lederer	104,189,677	99.89%	109,826	0.11%
M.H. McCain	104,263,285	99.97%	36,218	0.03%
J.P. Olson	104,266,798	99.97%	32,705	0.03%
C.M. Stephenson	104,127,048	99.83%	172,455	0.17%

Note:

(1) As the vote for each motion was taken by a show of hands, the number of votes disclosed reflects only those proxies received by management in advance of the meeting. Fewer than 2,500 shares were voted in person. The results do not reflect spoiled and unmarked proxies.

## 7. Director Orientation and Education

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

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

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



As discussed in the section Director Access to Management (pages 24 and 25), the Corporation is restarting the Board Connect program under which directors spend one day per year working with management in an operating unit or functional area.

## BOARD COMMITTEES AND TERMS OF REFERENCE

### 1. Board Committees

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

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

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

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

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

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

### 2. Membership of Committees

The Board has determined that each committee shall be composed entirely of independent directors. In 2018, the CGC assessed the policy in light of an outside director being nominated by MCI who is not independent of the CEO. The Committee concluded that the lack of independence of a director who is otherwise not a member of management should not prevent the director from serving on committees other than the AC, HRCC or CGC. In addition, all members of the AC shall be financially literate within the meaning of applicable securities laws.

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

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

AC		SSC	
W.E. Aziz (Chairman since 2015)	2014	J.P. Olson (Chairman since 2015)	2015
R.G. Close	2015	W.G. Beattie	2014
J.P. Olson	2011	D.L. Emerson	2012
C.M. Stephenson	2016	J.A. Lederer	2016
CGC		HRCC	
W.G. Beattie (Chairman since 2014)	2009	J.M. Fraser (Chair since 2015)	2015
R.G. Close	2015	W.E. Aziz	2014
D.L. Emerson	2012	J.A. Lederer	2016
J.M. Fraser	2015	C.M. Stephenson	2016

### 3. Committee Mandates

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

#### AC

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

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

(b) To oversee and monitor the appointment, independence and performance of the internal and external auditors.

(c) To establish and monitor procedures for handling concerns and complaints related to financial matters.

(d) To approve, on behalf of the Board, certain financial and other matters as delegated by the Board.

(e) To review and make recommendations for approval of annual financial statements, management's discussion and analysis of the financial condition of the Corporation and the results of its operations for release to shareholders.

(f) To review and approve the interim financial statements, management's discussion and analysis of the financial condition of the Corporation and the results of its operations for release to shareholders.

(g) To conduct independent investigations into matters that may come under its scope of responsibilities.

#### CGC

(a) To assist the Board in matters pertaining to the Corporation's approach to governance issues, the organization and staffing of the Board, the organization and conduct of Board meetings and the effectiveness of the Board in performing and fulfilling its responsibilities.

(b) To assist the Board in matters pertaining to the delegation of responsibilities to Board committees by reviewing annually the terms of reference for Board committees and making recommendations to the Board for any amendments deemed necessary or advisable, including recommending directors for membership to each Board committee.

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

#### SSC

- (a) To review, on behalf of the Board, the Corporation's progress in meeting its objective of being a sustainable company including the areas of Nutrition and Health (including Food Safety); People and Communities (including employee health and safety and community involvement); and, Animal Care and Environmental Sustainability (including compliance), hereinafter referred to as the "sustainability objectives".
- (b) To assist the Board in ensuring that (i) the Corporation has appropriate environmental, health and safety and animal care policies to meet or exceed legislative and regulatory requirements and industry standards in those areas as well as the sustainability objectives, (ii) risks relating to matters outlined in this charter receive oversight by being periodically assessed and addressed in the appropriate policies, and (iii) the Corporation has and maintains management systems to implement and monitor compliance with and performance against such policies and strategies.

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

#### HRCC

- (a) To review, develop and propose to the Board the necessary policies and procedures to ensure that all employees of the Corporation will be fairly and competitively compensated. Special attention is devoted to the executive group. These issues are described in detail commencing on page 33.
  - (b) To evaluate annually the performance of the CEO against predetermined goals and criteria and to recommend to the Board the amount of compensation to be paid to the CEO.
  - (c) To review annually the CEO's evaluation of the performance of the other executive officers of the Corporation and its major subsidiaries and the CEO's recommendations with respect to the amount of compensation to be paid to the other executive officers.
  - (d) To assist the Board in ensuring that appropriate human resource development, succession planning and performance evaluation programs are in place and operating effectively.
  - (e) To review and report to the Board on the pension and retirement benefits to employees.
4. Special Purpose Committees
- The Board establishes special purpose committees as required. While not a formal committee, in 2017 the Board established a working group of directors in connection with a long-term capital investment project. The working group was not mandated with any authority but was formed to provide guidance to management as the opportunity was being evaluated and to assist management in determining the nature and extent of the information and analysis to be presented to the full Board at the time the Board considers the investment.

### BOARD MEETINGS AND MATERIALS

#### 1. Functioning of the Board

The CGC with the Chairman of the Board is responsible for assessing and recommending changes to ensure the Board carries out its objectives effectively and operates independently of management.

#### 2. Meeting Agendas, Materials and Attendance of Non-Directors

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

3. *In camera* Meetings

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

## DIRECTOR COMPENSATION AND SHARE OWNERSHIP

1. Director Compensation

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

The CGC reviews the compensation of the directors every two years. The review includes consideration of all forms of compensation that a director receives, directly or indirectly. In October 2017, following the CCG's review, the Board amended director compensation. The fee schedule for director's fees was amended effective January 1, 2018 to increase the annual director's retainer to \$175,000 per annum. Director compensation will next be reviewed in 2019 with changes, if any, to be effective January 1, 2020.

2. Share Ownership by Directors

The Board has determined that it is appropriate to align the interests of the directors receiving fees (excluding those who are full-time employees of the Corporation) with those of shareholders by requiring them to own a minimum number of shares of the Corporation or equivalent units. Each director is required to hold a minimum number of shares of the Corporation or equivalent units having a value equal to three (3) times their annual retainer. Such holdings are to be acquired within five years of the director's appointment or any increase in the amount of the retainer. For this purpose, ownership could take the form of actual shares or equivalent units acquired under the 2013 DSU Plan (described on pages 28 and 62 to 65 inclusive). The share ownership requirements are described in detail under Directors' Compensation commencing on page 30.

## BOARD'S RELATIONSHIP WITH MANAGEMENT

1. Board's Relationship with Management

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

2. Limits to Management Authority

As required by the Corporation's by-laws, the Board has established limits on management's approval authority depending on the nature and size of a proposed transaction. These limits provide for some flexibility for approvals within approved budgets. However, the guidelines require that transactions outside defined limits be approved by the Board or an appropriate committee. In 2017 the limit was increased to \$15.0 million from a level of \$5.0 million, at which it had been for over twenty years.

3. Evaluation of the CEO

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

4. Director Access to Management

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

The directors also receive educational presentations throughout the year from management concerning the Corporation's business, the industry and its operations. In 2005, the Corporation pioneered a program called "Board Connect" under which directors spent one day working with management of an operating or functional area. The plan was designed to provide opportunities for directors to engage in specific areas of the business at a deeper level to acquire a more practical understanding of the particular area or function. The program allowed directors to engage employees very directly, enabling an assessment of the depth and breadth of management resources and of the organizational culture at a working level. The program was suspended during the period of network transformation but is being restarted.

## DIRECTOR RESPONSIBILITIES AND PERFORMANCE

### 1. Director Responsibilities

A director is expected to use his or her skill and experience to provide oversight to the business of the Corporation. A director has a duty to act honestly and in good faith in the best interests of the Corporation and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances.

Directors are expected to attend all Board and committee meetings in person or by telephone. In circumstances where a director is unable to do so, he or she has the opportunity to communicate his or her views, which are then shared with the full Board. A summary of the attendance record of each director at Board and committee meetings held in 2017 is detailed in Appendix A. The CGC reviews director attendance annually, taking note of any exceptional circumstances accounting for director absences. In 2017, attendance at all regularly called meetings by all incumbent directors nominated for re-election at the 2018 Annual Meeting averaged 95%. The Committee was satisfied with the attendance record of each director nominated for re-election or was satisfied with the reasons for any absences. In particular, the CGC reviewed the circumstances leading to Mr. W.E. Aziz's absences from seven board and committee meetings and confirmed that his absences were for other commitments that were reasonably unavoidable. Furthermore, the CGC confirmed that Mr. Aziz's attendance in the three years prior has been exemplary; of 59 meetings, he attended all but one. The CGC also confirmed that the circumstances in 2017 are unlikely to be repeated.

### 2. Outside Advisors for Individual Directors

The Board has determined that any director who wishes to engage, at the expense of the Corporation, a non-management advisor to assist on matters involving his or her responsibilities as a director should obtain authorization from the CGC. This approval requirement does not limit the authority of the AC to engage consultants or advisors on matters of financial reporting or the authority of the HRCC to engage compensation consultants. Detailed information concerning compensation consultants who have been engaged and their responsibilities is contained in the Executive Compensation portion of this Circular on pages 37 and 38.

Generally, the CGC engages independent search consultants to assist in identifying potential candidates for election to the Board. The CGC is of the view that the Board will be able to identify a greater number of potential candidates with the skills and diversity sought by working with an independent consultant versus the Board acting on its own.

### 3. Assessment of Board and Individual Director Performance

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

Annually, each director completes a confidential survey of the effectiveness of the Board as a whole, the committees they sit on, the directors as a group and their individual effectiveness. The results of the

survey are tabulated and all comments made available to the CGC on a non-attributed basis. The information is used to assess the effectiveness of the Board's procedures and assist the CGC in making changes.

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

## ETHICS AND CONFLICTS OF INTEREST

### 1. Ethical Behaviour

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

### 2. Code of Business Conduct

The Board expects directors, officers and employees to act ethically at all times and to acknowledge their compliance with the Corporation's Code of Business Conduct (the "Code"). Every year, every employee is required to reaffirm in writing his or her adherence to the Code and the CGC monitors the results of the signoff. New employees are given a copy of the Code upon joining the Corporation. Copies are available from the Corporation and at [www.mapleleaffoods.com](http://www.mapleleaffoods.com). In March 2018, the degree of compliance with the requirement to reaffirm an employee's adherence to the Code was approximately 94%.

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

### 3. Whistle-Blower Procedures

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

### 4. Conflicts of Interest

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.

## DIRECTORS' COMPENSATION

The Corporation does not pay compensation to directors who are full-time employees of Maple Leaf Foods, any of its subsidiaries, or shareholders holding more than 20% of the issued shares of the Corporation. The compensation paid for service of non-employee directors in 2017 totaled \$1,429,500. Directors' compensation for 2017 is set out in Table 4.

Generally, the CGC reviews director compensation every two years and makes recommendations for adjustments to the Board. The fees schedule applicable in 2017 has been in effect since January 1, 2016. In late 2017, after reviewing benchmark data, the CGC recommended and the Board approved an increase in the annual retainer from \$150,000 to \$175,000 per annum effective January 1, 2018. The retainer for the Chairman remains at two times the director retainer – \$350,000 in 2018. The Committee Chair retainer increases to \$15,000 (\$20,000 for the Audit Committee) and the committee member retainer increases to \$2,000. The Board also approved a fee schedule for an ad hoc working group of directors formed to review a capital investment project under study.

All fees are denominated in cash and are payable in cash. Under the 2013 DSU Plan, each director may elect to receive DSUs or actual shares for the net amount after tax withholding instead of cash. The election available to directors under the 2013 DSU Plan is described starting on pages 28 and 62.

**TABLE 3 – DIRECTORS' COMPENSATION IN 2017**

### *Compensation – retainers for service on the Board and standing committees*

Annual Retainer	\$150,000
Annual Committee Retainer	\$ 1,500
Annual Audit Committee Chair Retainer	\$ 15,000
Annual Committee Chair Retainer (other than Audit Committee)	\$ 10,000
Annual Retainer for service as non-executive Chairman of the Board (two times the Annual Retainer) <sup>(1)</sup>	\$300,000

### *Compensation – retainers and fees for service on the ad hoc special committees and working groups<sup>(2)</sup>*

Monthly Retainer for each member of the particular special committee <sup>(3)</sup>	\$ 2,500
Monthly Retainer for the Chair of the particular special committee <sup>(3)</sup>	\$ 7,500
Meeting fee for members of the capital project working group including the chair of working group	\$ 1,500

Notes:

- (1) Inclusive of the retainer for service on the Board but exclusive of service on any committees.
- (2) There were no special committees in 2017.
- (3) Payable for each month or part thereof that the committee or working group was active.

**TABLE 4 – DIRECTORS' COMPENSATION TABLE – 2017**

Name <sup>(1)</sup>	Fees Earned <sup>(2)</sup> (\$)	Share Based Awards (\$)	Option- Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
W.E. Aziz	169,500						169,500
W.G. Beattie	161,500						161,500
R.G. Close	153,000						153,000
D.L. Emerson	307,500						307,500
J.M. Fraser	161,500						161,500
J.A. Lederer	153,000						153,000
J.P. Olson	166,000						166,000
C.M. Stephenson	157,500						157,500
<b>Total</b>	<b>1,429,500</b>						<b>1,429,500</b>

Notes:

- (1) Directors serving as employees of the Corporation or any of its subsidiaries are not entitled to directors' fees. Mr. McCain, the Corporation's CEO, did not receive fees for acting as a director during 2017.
- (2) Fees are paid quarterly in the month following the end of each quarter. The fees shown in the table are those payable in respect of service in 2017 and includes fees for the fourth quarter, which were paid in January 2018.

The table below presents a breakdown of the compensation paid to each director in 2017 and the form of payment selected by the director.

**TABLE 5 – DIRECTORS’ FEES – SUPPLEMENTARY INFORMATION**

	Annual Retainer <sup>(1)</sup>							Form of Payment <sup>(2)</sup>			
	Board Member	HR&CC	AC	SSC	CGC	Board Chair	Working Group <sup>(3)</sup>	Total Fees in 2017	Deferred Under 2013 DSU Plan	Used For Share Purchases	Paid in Cash or Retained After Share Purchases
W.E. Aziz	150,000	1,500	15,000	–	–	–	3,000	169,500	169,500	–	–
W.G. Beattie	150,000	–	–	1,500	10,000	–	–	161,500	161,500	–	–
R.G. Close	150,000	–	1,500	–	1,500	–	–	153,000	153,000	–	–
D.L. Emerson	–	–	–	1,500	1,500	300,000	4,500	307,500	307,500	–	–
J.M. Fraser	150,000	10,000	–	–	1,500	–	–	161,500	161,500	–	–
J.A. Lederer	150,000	1,500	–	1,500	–	–	–	153,000	153,000	–	–
J.P. Olson	150,000	–	1,500	10,000	–	–	4,500	166,000	166,000	–	–
C.M. Stephenson	150,000	1,500	1,500	–	–	–	4,500	157,500	–	157,500	–
	1,050,000	14,500	19,500	14,500	14,500	300,000	16,500	1,429,500	1,272,000	157,500	–

Notes:

- (1) The schedule of fees is found in Table 3 on page 27. Fees are paid quarterly in the month following the end of each quarter. The fees shown in the table are those payable in respect of service in 2017.
- (2) The amounts in the table are before tax withholding amounts.
- (3) Board Working Group formed to evaluate a capital project.

## DSU Plan

The Corporation maintains the 2013 DSU Plan to provide eligible directors with the opportunity to participate in the long-term success of the Corporation and to promote a greater alignment of interests between directors and shareholders. Under the 2013 DSU Plan, eligible directors can elect to receive their retainer and fees in the form of DSUs or as common shares of the Corporation under the 2013 DSU Plan. Distributions to directors on maturity may be in the form of common shares of the Corporation issued from treasury or purchased by the Corporation on the TSX.

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

If an eligible director elects to receive his or her fees and retainer in the form of DSUs, each DSU has a value equal to the market value of one common share of the Corporation at the time the DSU is credited to the director. The value of a DSU when redeemed for cash is equivalent to the market value of a common share of the Corporation at the time of redemption. DSUs attract dividends in the form of additional DSUs at the same rate as dividends on common shares of the Corporation. An eligible director cannot redeem the DSUs in cash until he or she ceases to be a member of the Board and then must do so within approximately one calendar year (exactly six months in the case of U.S. directors in respect of units earned before 2014) of leaving the Board.

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



Tables 6 and 7 contain the details of the number of units held by directors at December 31, 2017 and Table 8 provides a comparison of the number and market value of common shares and DSUs held by the directors as at March 15, 2017 and March 15, 2018.

**TABLE 6 – DIRECTORS’ DSUs AT DECEMBER 31, 2017**

Name	Share-Based Awards		
	Number of Shares or Units of Shares That Have Not Vested <sup>(1)</sup> #	Market or Payout Value of Share-Based Awards That Have Not Vested <sup>(1)</sup> \$	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed <sup>(2)</sup> \$
W.E. Aziz			725,490
W.G. Beattie			3,026,476
R.G. Close			457,469
D.L. Emerson			2,868,202
J.M. Fraser			586,863
J.A. Lederer			252,948
J.P. Olson			1,812,084
C.M. Stephenson			–

Notes:

- (1) Units credited under the 2013 DSU Plan vest at the time of being credited to the plan.
- (2) The “market or payout value” is based on the closing share price of the Corporation’s shares on the TSX on December 29, 2017 (\$35.82) and the number of units under the 2013 DSU Plan credited to the participant for director’s fees earned and dividends up to December 31, 2017. Contributions for fees earned in the quarter ended on December 31, 2017 were credited to the accounts on January 15, 2018 and accordingly are not included in the balances above.

**TABLE 7 – DIRECTORS’ DSUs – SUPPLEMENTARY INFORMATION**

Name	Share-Based Awards That Vested During the Year <sup>(1)</sup> #	Share-Based Awards That Vested During the Year <sup>(1)(2)</sup> (\$)
W.E. Aziz	5,099	169,500
W. G. Beattie	4,862	161,500
R.G. Close	4,606	153,000
D. L. Emerson	9,252	307,500
J.M. Fraser	4,862	161,500
J.A. Lederer	4,606	153,000
J. P. Olson	4,992	166,000
C.M. Stephenson	–	–

Notes:

- (1) The “Share-Based Awards That Vested During the Year” represent all DSUs credited to the directors’ accounts (excluding dividend reinvestment) in respect of fees earned in 2017. Units credited for dividends are not included. Contributions for fees earned in the quarter ended on December 31, 2017 were credited to the accounts on January 15, 2018 and are included in the balances above.
- (2) Amount in the column represents the amount of fees earned in 2017 and converted to DSUs.

**TABLE 8 – DIRECTOR EQUITY OWNERSHIP**

Name	Equity Ownership at March 15, 2018 <sup>(1)</sup>		Equity Ownership at March 15, 2017		Net Change in Equity		Market Value of Equity Holdings at March 15, 2018 (\$) <sup>(1)</sup>
	Common Shares (#)	DSUs (#)	Common Shares (#)	DSUs (#)	Common Shares (#)	DSUs (#)	
W.E. Aziz	16,325	21,546	16,325	16,210	–	5,337	1,204,314
W.G. Beattie	21,088	85,661	21,088	79,727	–	5,934	3,394,614
R.G. Close	8,400	13,879	8,400	9,131	–	4,748	708,484
D.L. Emerson	10,000	82,397	10,000	72,153	–	10,245	2,938,236
J.M. Fraser		17,553	–	12,504	–	5,050	558,194
J.A. Lederer	50,000	8,170	50,000	3,496	–	4,674	1,849,796
J.P. Olson		51,889	–	46,265	–	5,624	1,650,057
C.M. Stephenson	13,911		10,911	–	3,000	–	442,370
<b>Directors Not Subject to Ownership Guidelines<sup>(2)</sup></b>							
M.H. McCain <sup>(2)</sup>	47,003,894		46,807,307		196,587		1,494,723,829

Notes:

(1) The closing price of the Corporation's stock on March 15, 2018 was \$31.80.

(2) The ownership guidelines do not apply to directors who are employees of the Corporation and who do not receive directors' fees.

### Compliance with Equity Ownership Guidelines

The Board requires directors receiving fees to own and hold a minimum number of shares of the Corporation or equivalent units equal to three (3) times the annual retainer for directors. With the annual retainer, increasing in 2018 to \$175,000, the holding requirement in dollars is \$525,000. In 2017, it was \$450,000. Ownership may take the form of actual shares or equivalent units acquired under the 2013 DSU Plan. The value of any actual shares for this purpose is the market value or the cost of the shares, whichever is greater. DSUs are valued at the greater of the current share price and the amount of fees contributed to the 2013 DSU Plan. The guideline holdings are to be acquired within five years of the director's appointment or any increase in the amount of the annual retainer, whichever is later. Table 9 shows each director's compliance with the equity ownership guidelines. All directors are in compliance except Ms. Stephenson, who would have been in compliance but for the increase in directors' compensation in 2018. Furthermore, Ms. Stephenson has elected to have 100% of her director's remuneration paid in common shares. She will meet the share ownership requirement in 2018, well ahead of the five-year requirement.

**TABLE 9 – DIRECTORS' COMPLIANCE WITH EQUITY OWNERSHIP GUIDELINES**

Name	Date Joined Board	Number of Shares and Units held (#)	Value of Equity Holdings <sup>(1)</sup> (\$)	Multiple of Current Retainer	Meets Ownership Requirements <sup>(2)</sup> Yes/No
Required holding				3.0X	
W.E. Aziz	2014	37,871	1,204,314	6.9X	Yes
W.G. Beattie	2008	106,749	3,394,614	19.4X	Yes
R.G. Close	2015	22,279	708,484	4.0X	Yes
D.L. Emerson	2012	92,397	2,938,236	16.8X	Yes
J.M. Fraser	2014	17,553	558,194	3.2X	Yes
J.A. Lederer	2016	58,170	1,849,796	10.6X	Yes
J.P. Olson	2011	51,889	1,650,057	9.4X	Yes
C.M. Stephenson	2016	13,911	442,370	2.5X	Yes
March 15/18 share price		\$ 31.80			

Notes:

(1) The information given is as of March 15, 2018 using the closing price of the Corporation's stock of \$31.80.

(2) All directors except Ms. Stephenson exceed the required holding. A director has five years from his or her appointment or from the date of an increase to the required holdings (such as on an increase of the annual retainer) to comply with the equity ownership guidelines. On December 31, 2017, prior to the 2018 increase in fees, Ms. Stephenson exceeded the requirement. Furthermore, Ms. Stephenson has elected to have 100% of her director's remuneration paid in common shares. She will meet the share ownership requirement in 2018, well ahead of the five-year requirement.

(3) The ownership guidelines do not apply to directors who are employees of the Corporation and who do not receive directors' fees.

## LETTER TO SHAREHOLDERS

### From the Chair of the Human Resources and Compensation Committee

To Our Fellow Shareholders:

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

The Corporation's financial achievement in 2017 of an Adjusted EBITDA margin exceeding 10% reflects the completion after several years of the Corporation's transformation strategy to create a cost-competitive prepared meats supply chain. During the year the Corporation announced its strategic plan to become the most sustainable protein company on earth. Underpinned by six core strategies, the Corporation believes it can continue to increase structural profitability over the next five years with an aspirational goal of 14-16% Adjusted EBITDA margin.

The Maple Leaf Foods compensation programs are designed to attract and retain the talent required to achieve this financial target. The programs compensate executives for performance and align incentives to the short and long-term financial objectives of the Corporation and the interests of its shareholders.

Compensation for senior executives consists of base salary, short term incentive plan ("STIP") payments, long term incentive plan ("LTIP") awards, and benefits and retirement programs.

External benchmarking is conducted for salaried employees to ensure compensation levels are market competitive within an appropriate peer group. An appropriate comparator group is used to benchmark the compensation of the CEO, COO, CFO and other Named Executive Officers. For the balance of the Senior Leadership Team, ("SLT"), compensation is benchmarked to salary surveys published by Towers Watson and Aon Hewitt.

STIP payouts for senior executives are based entirely on performance targets for adjusted Earnings Before Tax ("EBT"), as a means to reinforce accountability for execution of the business plan. In 2017, the Adjusted EBITDA margin was 10.8%. This corresponds to an STIP payout based on performance of 114.2% of target as explained on page 40 of this Circular. This results in a STIP cash payment between target and maximum performance.

The goal of the LTIP is to align executives to shareholder interest and focus attention on long term performance. Awards are made at the start of the year and for members of the SLT, include options, time-based RSUs and performance-based share units ("PSUs"). Options and RSUs are time vested over three years. The vesting of PSUs is based solely on achieving performance targets over a three-year period. Starting in 2016, the performance metric is based entirely on the achievement of a Return On Net Assets ("RONA") target. We believe that a RONA target is the best measure of assessing long-term overall performance, as it encourages earnings growth and the efficient deployment of assets and capital.

A key function of the Committee is to ensure appropriate human resource development and succession planning programs are in place and that they are operating effectively. The Committee regularly reports to the Board on these matters. In 2017, the Committee spent more time than usual focusing on a review of management succession and talent development strategies and plans.

The Committee believes that the executive structure and compensation programs in place are appropriate and supportive of the Corporation's short and long-term strategies. However, the Committee will continue to evaluate the effectiveness of the compensation structure and programs and will, from time to time, make the changes that may be necessary to achieve the Corporation's objectives. The Committee continues to monitor trends in executive compensation with input from the Committee's independent advisor, including the compensation mix among variable and fixed and short and long-term compensation relative to other companies in the marketplace. There were no material modifications to the longstanding compensation programs in 2017. The Committee introduced an annual advisory vote on executive compensation in 2011

to encourage shareholders to provide input on our approach to executive compensation. On an advisory basis, the shareholders accepted the approach to executive compensation recommended by the Committee and approved by the Board. At last year's annual meeting, 98.49% of shares were voted "For" the advisory vote, up from almost 97% the year earlier. I encourage you to register your vote on the "say-on-pay" resolution and to continue providing us with your considered feedback.

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

Jean M. Fraser, Chair  
Human Resources and Compensation Committee  
March 2018

### General

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

### Human Resources and Compensation Committee

The HRCC consists of four independent directors: Jean M. Fraser (the Committee Chair), William E. Aziz, John A. Lederer and Carol M. Stephenson. The members of the Committee were appointed based on their independence and experience in compensation matters.

### Experience of the HRCC Members

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

HRCC member experience includes:

#### Jean M. Fraser – Chair

Ms. Fraser first joined the Committee as Chair in April, 2015. She is a retired corporate/mergers and acquisitions partner and former managing partner of one of Canada's leading law firms. She has extensive experience in advising the boards and board committees of public companies on governance matters, including compensation structures. Ms. Fraser is a director and member of the Human Resources Committee and the Audit and Conduct Review Committee of Aviva Canada Inc. and a director and member of the Nominating and Governance Committee and the Compensation and Benefits Committee of Lithium Americas Corp. Her experience also includes advising on significant mergers and acquisitions, reorganization and capital markets transactions.

#### William E. Aziz

Mr. Aziz has been a member of the HRCC since 2014. He is a member of the Human Resources Committee of the \$95 billion Ontario Municipal Employees' Retirement System (OMERS). In addition, he has prior relevant experience as the Chair of the Governance and Nominating Committee at Tecumseh Products Company in Ann Arbor, Michigan, where executive compensation was considered and has acted in senior executive roles where he has dealt extensively with issues of compensation, transition, succession and governance.

#### John A. Lederer

Mr. Lederer joined the Committee in May 2016. He has over 40 years of corporate and business experience. Mr. Lederer is currently a Senior Advisor with Sycamore Partners. In this capacity, he serves as the Executive Chairman of the Board of Directors of Staples, Inc. and its newly formed and independent United States and Canadian businesses. Mr. Lederer served as an advisor of US Foods, Inc. from July 2015 to January 2016, as the Chief Executive Officer and President of US Foods, Inc. from September 2010 to July 2015 and as the Chief Executive Officer and President of US Foods Holding Corp. from September 2010 until July 2015. From 2008 to 2010, he served as Chairman and CEO of Duane Reade, a privately held chain of retail pharmacies located primarily in the New York City area. In addition, Mr. Lederer joined Loblaw Companies Limited in 1976, served as its President from January 2001 to September 2006 and also held numerous other senior leadership positions. In these and other roles, he was responsible for operation, performance, innovation and growth of national and regional banners, businesses and divisions including review of executive compensation.

**Carol M. Stephenson**

Ms. Stephenson joined the Committee in May 2016. From 2003 to 2013 she was the Dean of the Ivey Business School at Western University. She was President and Chief Executive Officer of Lucent Technologies Canada from July 1999 to February 2003. Prior to that, Ms. Stephenson held a number of executive positions with Bell Canada and BCE Media. From 1995 to 1999 she was Chief Executive Officer of Stentor Resource Centre. Ms. Stephenson serves on the compensation committee of Intact Financial Corporation and chairs the compensation committee of General Motors Company. Ms. Stephenson's education and experience in executive compensation is extensive.

**HRCC Mandate**

With regard to executive compensation, the HRCC's mandate includes:

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

## COMPENSATION DISCUSSION AND ANALYSIS

This discussion and analysis aims to help readers understand how Maple Leaf Foods uses compensation to motivate and reward the NEOs. The NEOs, which include the CEO, CFO and the next three most highly paid executive officers, in 2017 were:

Position	Name	Years with the Corporation	Years in Position
Chief Executive Officer	M.H. McCain	23	19
Chief Financial Officer	D.K. Simpson	11	4
Chief Operating Officer	G. Maksymetz	27	4
SVP & GM, Pork Complex <sup>(1)</sup>	I.W. Stewart	29	4
SVP, Operations, Supply Chain and Purchasing <sup>(1)</sup>	R. Young	40	3

Note:

(1) In 2017, Mr. Stewart and Mr. Young's responsibilities were expanded as each took on additional duties. Mr. Stewart assumed responsibility for leading the agri-business (hog growing) operations as well as commodity risk management. Mr. Young assumed responsibility for the prepared meats manufacturing network.

### Compensation Philosophy

The Corporation's compensation package is designed to achieve four objectives:

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

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

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

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

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

### Share Ownership Requirements

To align executive interests with shareholder interests, the Corporation has a policy requiring NEOs as well as all senior employees at the vice-president level and higher to hold a significant number of shares of Maple Leaf Foods. Under the policy, the shareholdings required (the "Ownership Requirement") is the

number of shares the value of which is equal to a specified multiple of the executive's salary, ranging from one-half for vice-presidents to five for the CEO. Until the executive meets the Ownership Requirement, he or she is required to retain 50% of the after-tax gain realized on the distribution or exercise of any LTIP awards in the form of shares ("Retention Requirement"). Only common shares satisfy the Ownership Requirement. Restricted Share Units ("RSUs"), Performance Share Units ("PSUs") and options are excluded. Executives who have not met the Ownership Requirement are not permitted to sell any shares other than the shares received under the LTIP that are not required to be retained. Executives who violate the Retention Requirement are disqualified from receiving additional LTIP grants.

In May of each year share ownership is reported and compliance is assessed. In 2017, all NEOs were in compliance with the policy. All NEOs, except for Iain Stewart, SVP & GM, Pork Complex, have met the Ownership Requirement. Mr. Stewart's Ownership Requirement increased in 2017 as a result of a salary adjustment related to an increase in job responsibilities. NEO share ownership levels for those NEOs who remain actively employed by Maple Leaf Foods as of February 28, 2018 are set out in the table below.

Name	Position	Executive Share Ownership			
		Actual Holdings		Holdings as a Multiple of Base Salary	
		Number #	Value <sup>(1)</sup> \$ million	Actual	Policy Requirement
M.H. McCain	Chief Executive Officer	46,983,607	1,516.2	1,354.9X	5X
D.K. Simpson	Chief Financial Officer	83,434	2.7	5.4X	3X
G. Maksymetz	Chief Operating Officer	110,459	3.6	4.7X	3X
I.W. Stewart <sup>(2)</sup>	SVP & GM, Pork Complex	5,981	0.2	0.4X	1X
R. Young	SVP Operations, Supply Chain and Purchasing	170,702	5.5	8.3X	1X

Notes:

- (1) Actual holdings and values are based on the number of common shares held on February 28, 2018. On that date, the closing price was \$32.27 per share.
- (2) Under the share ownership policy, Mr. Stewart must retain at least 50% of the after-tax distributions under equity plans until he reaches the one-times salary policy requirement.

While only actual shares held qualify for purposes of the Ownership Requirement, the equity component of the Corporation's long term incentive plans act in furtherance of the Corporation's objectives of aligning the motivations of executives with interests of shareholders, and reward executives for shareholder returns. The table below sets out the value of all share units, options and shares held by each executive at February 28, 2018.

in \$ millions	Non Executive Controlled Holdings <sup>(1)</sup>			Executive Controlled Holding <sup>(1)</sup>		Total \$ millions <sup>(3)</sup>	Multiple of Salary
	Unvested RSUs \$ millions	Unvested PSUs <sup>(2)</sup> \$ millions	Unvested Options \$ millions	Vested Options \$ millions	Actual Shares \$ millions		
M.H. McCain	4.9	5.4	3.9	33.3	1,516.2	1,563.7	1,397.4X
D.K. Simpson	1.0	1.1	0.8	1.1	2.7	6.7	13.3X
G. Maksymetz	1.5	1.6	1.0	2.0	3.6	9.7	12.7X
I.W. Stewart	0.7	0.8	0.3	0.3	0.2	2.3	5.0X
R. Young	0.6	0.8	0.4	0.7	5.5	8.0	12.1X

Notes:

- (1) "Executive Controlled" units and shares include actual shares personally held and the value of in-the-money vested share options. Executives are permitted to sell personally held shares and may exercise options and sell the acquired shares at any time after the options vest, subject only to the trading blackouts and the requirements of the share ownership guidelines. Executives are not permitted to sell, exercise or otherwise transfer any undistributed RSUs or PSUs and any unvested share options. Therefore, these unvested units and options are described as "Non Executive Controlled". RSUs and PSUs are distributed immediately after vesting. Options vest in three equal annual instalments commencing on the first anniversary of the date of grant and have a term of seven years.
- (2) Depending on performance, between 0 and 2.0 shares (or between 0 and 1.6 shares in the case of a special one-time award granted in December 2015) vest for each PSU granted with a target of 1.0 share. For purposes of the table above,



- (i) in respect of PSUs where the performance period is the 2017 financial year or any earlier year, the number of units valued is the number of shares expected to be distributed given actual performance; and,
  - (ii) in respect of PSUs where vesting depends wholly or in part on a performance period after 2017, the target number of shares is valued.
- (3) The total includes the value of both Executive Controlled and Non Executive Controlled shares, RSUs and PSUs and in-the-money value of share options as at February 28, 2018 and uses the closing share price of \$32.27 on that date.

## PROCESS FOR DETERMINING COMPENSATION

The process for determining compensation begins with a review of market data provided by the HRCC's independent compensation consultant, Steven Hall & Partners, LLC. After consultation between the CEO and Maple Leaf Foods' Senior Vice President, People ("SVP, People") and having regard to the individual and team performance, the CEO makes recommendations to the HRCC on compensation for members of the SLT, excluding the CEO. Following discussion with the CEO, the HRCC then:

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

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

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

### *Reasonableness Test*

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

### *Risks Associated with Compensation Plans*

The Board and the HRCC assess the compensation programs to ensure that they do not promote decisions or behavior not in the best interests of the Corporation. To avoid excessive costs to the Corporation and excessive compensation to executives, all annual bonuses have maximum payout amounts and the HRCC uses its independent compensation consultant to provide market data and counsel. All non-recurring, unusual or other items that impact earnings are considered when assessing performance and determining short-term and long-term incentive payments. NEOs and other members of the SLT may be required, at the discretion of the HRCC, to return incentive compensation if results are restated. (See "Recoupment Policy" on page 42.) In addition, executive interests are aligned with shareholder interests through the requirement to own a significant level of Maple Leaf Foods shares. (See "Share Ownership Requirements" starting on page 35.)

### *Independent Advisors*

The HRCC engaged Steven Hall & Partners commencing in 2013 to provide independent compensation advice. Steven Hall & Partners reports directly to the HRCC Chair. The advisor's mandate includes the following compensation-related services:

- Review and recommend changes to compensation structure for the CEO and other NEOs;
- Compare compensation of NEOs to marketplace data;
- Review and recommend changes to the design of the STIP and LTIP;
- Review the performance metrics used to determine incentive payments;

- Provide marketplace consensus data based on US industry surveys for all SLT members, and,
- Provide information and advice on emerging trends and best practices.

The table below sets out the fees earned by Steven Hall & Partners services provided in 2017 and 2016, in U.S. dollars. Steven Hall & Partners did not earn any additional fees from or provide any services to the Corporation outside of the engagement by the HRCC. There were no fees paid in 2017 or 2016 to any other external independent compensation advisor to the Committee.

Executive Compensation Related Fees for Services Performed by:	Fees for 2017	Fees for 2016
Steven Hall & Partners	\$104,430	\$127,690

## Benchmarking Compensation and Peer Groups

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

## Benchmarking Compensation for the CEO, CFO and COO

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

### Comparator Group 1: Industry Specific Group

This group is comprised of 17 organizations in the food industry, with revenue ranging from 0.4x to 3x times the Corporation's annual revenue. This group includes companies that fall outside the traditional 0.5x to 2.0x revenue size in order to include the companies that the Corporation most directly competes with for profits, investment dollars and talent. The HRCC's independent compensation advisor removed one company used for the 2016 analysis; WhiteWave Foods which was acquired and no longer publishes compensation information.

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

### Comparator Group 2 – Canadian Reference Group

Maple Leaf Foods has very few Canadian comparators from the viewpoint of size and business focus. The most relevant comparators have been included in Comparator Group 1 (identified in the list below with the † symbol). This second Comparator Group of 15 companies provides a cross-section of Canadian companies to assess domestic competitive compensation movement and practices at similarly sized Canadian companies.

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

## Benchmarking Compensation for other NEOs

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

Survey Name	Data Effective Date	Aging to	Revenue	Industry
Towers Watson 2015 Top Management Compensation Survey – U.S.	3/1/2016	3% annually to 06/30/17	\$2-\$10B	General Industry
Towers Watson 2015 Compensation Data Bank (CDB) General Industry Executive Compensation	3/1/2016	3% annually to 06/30/17	\$3-\$6B	Food & Beverage Producers and Processors & General Industry
Aon Hewitt 2014 U.S. Total Compensation Measurement™ (TCM) Executive Compensation	3/1/2016	3% annually to 06/30/17	\$2.5-\$5B	Food/Beverage/Tobacco & General Industry

## ELEMENTS OF COMPENSATION

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

### Base Salary

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

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

The weight given to each factor is not defined by a fixed formula; the HRCC uses its business judgment. The annual salary adjustment date for all employees of the Corporation is normally the start of the pay period in which July 1st occurs. In 2017, any salary adjustments were made effective July 2, 2017. In 2017 base salaries for all members of the SLT, including the NEOs, were reviewed as part of a total compensation analysis. As a result, compensation levels were set to levels appropriate to market for individual experience and performance and with respect to peers within the team.

### Short Term Incentive Plan ("STIP")

This section contains a description of the Corporation's annual STIP, which links executive pay to the achievement of annual business objectives. The award is at risk and a STIP payment is paid only if the objectives are met. The amount of STIP payment depends on performance. Performance exceeding established goals will lead to above-target payments. Performance below established goals will lead to below-target payments, which can be zero if goals are not substantially achieved. The award is paid in cash.

In 2017, 100% of the STIP for all NEOs as well as other executives of the Corporation was tied to the achievement of corporate earnings targets, which is intended to align STIP compensation with shareholder interests. While performance against individual goals does not impact STIP payouts for senior executives (including the NEOs), it is considered in decisions regarding salary and LTIP awards.

Adjusted Earnings Before Taxes ("Adjusted EBT") was used as the basis for the STIP in 2017. Adjusted EBT is Adjusted Operating Earnings (a measure reported in the Corporation's Management's Discussion and Analysis) after making other adjustments approved by the HRCC. Adjusted Operating Earnings is a before

tax measure of earnings used by management to evaluate financial operating results. It is defined as earnings adjusted for items that are not considered representative of ongoing operational activities of the business, and items where the economic impact of the transactions will be reflected in earnings in future periods when the underlying asset is sold or transferred. Additional details regarding Adjusted Operating Earnings can be found in the Management’s Discussion and Analysis in the Annual Report for the Corporation’s 2017 financial year. Starting with the 2017 year, both target and actual Adjusted EBT exclude the cost of the STIP plan. The Committee believes that Adjusted EBT provides a relevant assessment of the Corporation’s operating results against the business plan. The performance measure is used to calibrate the STIP payout. The target Adjusted Operating Earnings and minimum acceptable performance for triggering an STIP payout are reviewed annually.

For the 2017 STIP program, the Adjusted EBT target was \$251.5 million with a threshold of \$188.6 million and a maximum of \$314.4 million. The actual Adjusted EBT was \$287.3 million resulting in a performance of 114.2% measured against the target. The actual payouts under the STIP for the NEOs are found in the table on page 51 and in the Summary Compensation Table on page 47. STIP payments to participants below the executive level generally have a component that is based on performance against team goals. The team goals are business related and reflect objectives where the participant can directly influence the outcome.

In 2016, the STIP program was supplemented with a one-time RSU award with a value equal to 50% of the team portion of the 2016 STIP for all participants in the plan. The granting of the RSUs was conditional on achieving the Adjusted 2016 EBT target and certain cost control targets. These objectives were achieved with the result that in 2017, this one-time RSU award was granted to participants of the STIP. These RSUs vest over a two year period for which common shares will be distributed in May 2019.

The table below summarizes the target ranges for the STIP.

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

### Long Term Incentive Plan

The goal of the LTIP is to align executives to shareholder interests and focus attention on long term performance. Since LTIP grants vest over a period of time, they also encourage retention. Similar to the STIP, a portion of the LTIP grant is in the form of PSUs whose vesting is also based on performance and is therefore at risk. The final amount received on the maturity or exercise of all other LTIP grants is dependent on the Corporation’s share price.

Since 2011, the annual LTIP grant for NEOs has been comprised of 25% RSUs, 25% PSUs and 50% time-vested stock options (“Options”). RSUs and PSUs are granted under the 2006 RSU Plan. The 2006 RSU Plan is described more fully on pages 61 and 62. Options are granted under the 2016 Option Plan which is described starting on page 57).

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

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

RSUs are time-vested over three years. For each RSU granted, one common share is awarded on maturity. PSUs are performance-vested after three years, subject to achieving certain specified performance criteria.

Although the Corporation would consider a longer vesting period, the three-year period is used for tax reasons. Terms exceeding three years attract a punitive tax result for this type of market share settled share-based award.

PSU grants use RONA as the single performance measure for LTIP awards granted in 2017. During the period 2010 to 2015 as the Corporation was executing a manufacturing and supply chain network transformation plan intended to step-change profitability, both EBITDA margin and RONA were used as LTIP performance metrics. At the outset of the network transformation plan, the Corporation had set an EBITDA margin target against which it measured progress and reported to shareholders. For that reason, EBITDA margin was one of the performance measures.

The Committee believes that RONA is a more appropriate measure for long-term performance for the Corporation since it reached performance levels in line with industry peers, and has used it as the sole metric since the 2016 annual grant. Vesting based on RONA rewards improvements in earnings, provided that assets and capital are deployed judiciously. While still encouraging profitable investment, the measure gives participants the incentive to maximize the value and return of current investments.

The three-year target is determined using the targets for each of the three years, with the first year being the annual target for STIP purposes at the projected net asset levels. For the future years, a level of growth in sales at an inflationary level and consequential growth in earnings is projected, as well as changes to the balance sheet assuming capital investment tracks depreciation.

The targets for PSUs granted in 2017 are included in the following table:

Performance Level 2017-2019	Threshold	Target	Maximum
RONA (100%)	7.18%	8.98%	10.77%

Vesting of PSUs awarded in 2017 is based solely on achieving the cumulative performance target over the three (3) year performance period ending December 31, 2019. The number of PSUs will be prorated for performance between levels, with one common share awarded for each PSU that vests. The percentages of the PSUs that will vest at various levels of performance are as follows:

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

Neither RSUs nor PSUs accrue or are paid dividends. However, the units are valued for compensation purposes using a methodology consistent with that used for valuing the expense for accounting purposes, and includes a discount to account for the fact that dividends are not paid or accrued.

On maturity of the PSUs, the HRCC reviews and approves the performance and makes any adjustments it deems appropriate. For the distribution due in 2018 for PSUs, whose performance period was from 2015 to 2017, the Committee amended the targets to include the impact of an acquisition made early in 2017. The amount of the adjustment was the expected results for the acquisition used by the Board at the time it approved the acquisition. The HRCC believes that this form of adjustment ensures that participants in the plan do not suffer a disadvantage or a windfall solely as a result of an acquisition. Also, by adjusting targets as opposed to removing the impact of the acquired business on actual results, the HRCC ensures that management is held accountable for achieving the results expected for the acquisition.

The Options granted in 2017 vest in three equal annual installments over a three-year period on the anniversary date of the grant. The exercise price is the weighted average trading price of the Maple Leaf Foods common shares on the TSX for the five trading days prior to the date of grant. The Options granted to the NEOs in 2017 have a term of seven years and an exercise price of \$30.86 per share.

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

All RSUs and PSUs granted in 2017 that meet the time and/or performance vesting conditions will be distributed as shares in May 2020, unless otherwise determined by the Board and the HRCC. Shares required for distributions under the 2006 RSU Plan are purchased on the TSX by a trust established for the purpose. Accordingly, RSU and PSU awards under the 2006 RSU Plan do not result in a dilution of shareholder interests.

### **Special LTIP Awards**

The Corporation has made use of special RSU and PSU awards in certain circumstances. As noted above under "Short Term Incentive Plan ("STIP"), for the 2016 year, the Corporation established a one-time special incentive calculated with reference to the STIP. Provided the performance exceeded a certain level, all employees participating in the STIP bonus plan would be eligible to receive a special grant of RSUs whose underlying shares will have a current face value equal to one-half of the STIP cash bonus. As a result, on April 7, 2017 RSUs were granted to the participants including the NEOs. These units will vest and be distributed in May 2019. The amounts in the Summary Compensation Table on page 47 include this special arrangement.

Also in 2016, the Corporation implemented a one-time special grant of RSUs calculated with reference to the amount of the 2016 STIP based on both earnings performance in 2016 and cost control objectives. The program is described in footnote 3 on page 50.

In 2017, there were two supplemental individual LTIP grants awarded to two NEOs. In both cases the grants resulted from an increase in job responsibilities. Mr. Stewart added responsibility for leading the agri-business operations as well as commodity risk management. Mr. Young added responsibility for prepared meats manufacturing.

The amount and details of the special share based compensation grants are detailed on page 48 in footnote (1) to the Summary Compensation Table.

### **Recoupment Policy**

The Corporation has a recoupment policy covering both STIP and LTIP payments. In 2009, the Corporation adopted a clawback policy permitting the Corporation to recoup part of the short term annual incentive bonus. The clawback would be triggered by a restatement of earnings where the restated earnings would have generated a bonus payment that would be less than the bonus payment made and the restatement was due at least in part to gross negligence, intentional misconduct or fraud. The Corporation has revised the recoupment policy and extended it to grants under equity compensation plans made after 2016.

The purpose of this policy is to ensure executives are compensated in accordance with the terms of the incentive compensation plans in circumstances where the performance reflected in the financial statements on which the compensation was determined is found to have been incorrect after the payment, distribution or vesting date of the compensation element.

The policy requires all current and former members of the SLT, at the discretion of the HRCC, to repay or return any incentive compensation received where there is a restatement of the Corporation's financial results attributable to non-compliance with financial reporting requirements and the Committee determines that the amount of any such performance-based compensation actually paid or awarded to a member of the SLT would have been a lower amount had it been calculated based on the restated financial statements.

The Committee will consider all relevant factors and exercise business judgment in determining any appropriate amounts to recoup and has the discretion to determine the timing and form of recoupment.

### **Policy on Hedging**

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

## 2017 Total Direct Compensation Mix

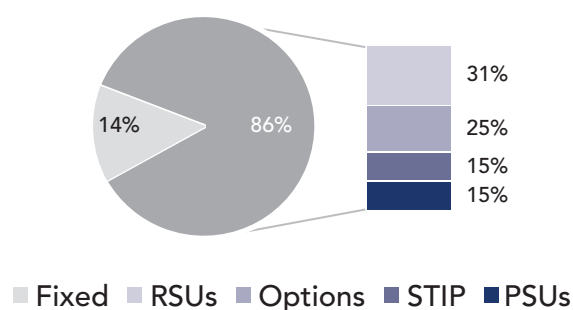
The table below shows the mix of compensation for NEOs in 2017 at the target levels for each direct compensation element.

	2017 Compensation <sup>(1)</sup> As a Percentage of Total Direct Compensation at Target		
	Variable Compensation <sup>(1)</sup>		Non-variable (Fixed) Compensation <sup>(2)</sup>
	STIP	LTIP <sup>(3)</sup>	
M.H. McCain	15%	71%	14%
D.K. Simpson	29%	48%	23%
G. Maksymetz	15%	58%	27%
I.W. Stewart	13%	64%	23%
R. Young	18%	44%	38%

Notes:

- (1) Includes STIP for 2017 at the target value (which is payable in cash in early 2018) and the LTIP granted during 2017 at the expected value on the date the grant is awarded
- (2) In 2017, none of the NEOs received any fixed amount other than base salary.
- (3) LTIP grants in 2017 are higher than normal as a result of a special RSU granted in 2017 as part of the 2016 STIP. In addition, Mr. Stewart and Mr. Young received special one-time LTIP grants in 2017 related to an increase in job responsibilities. The amount and details of the special grants are detailed on page 48 in footnote (1) to the Summary Compensation Table.

The chart below indicates the components of direct compensation at target for the CEO of which 14% is fixed.



## Indirect Compensation

### Benefits and Perquisites

Benefits and perquisites are not intended to form a significant part of overall compensation. Executives are provided the same group insurance benefits as other salaried employees. Benefits and perquisites are provided in accordance with a written policy and selected on the basis of cost effectiveness. Perquisites include a car benefit, annual medical examination and a lump sum allowance toward reimbursement of a club membership and financial counseling. The total value of benefits and perquisites for each NEO is below the lesser of \$50,000 and 10% of their base salary.

### Retirement Income/Savings Arrangements

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

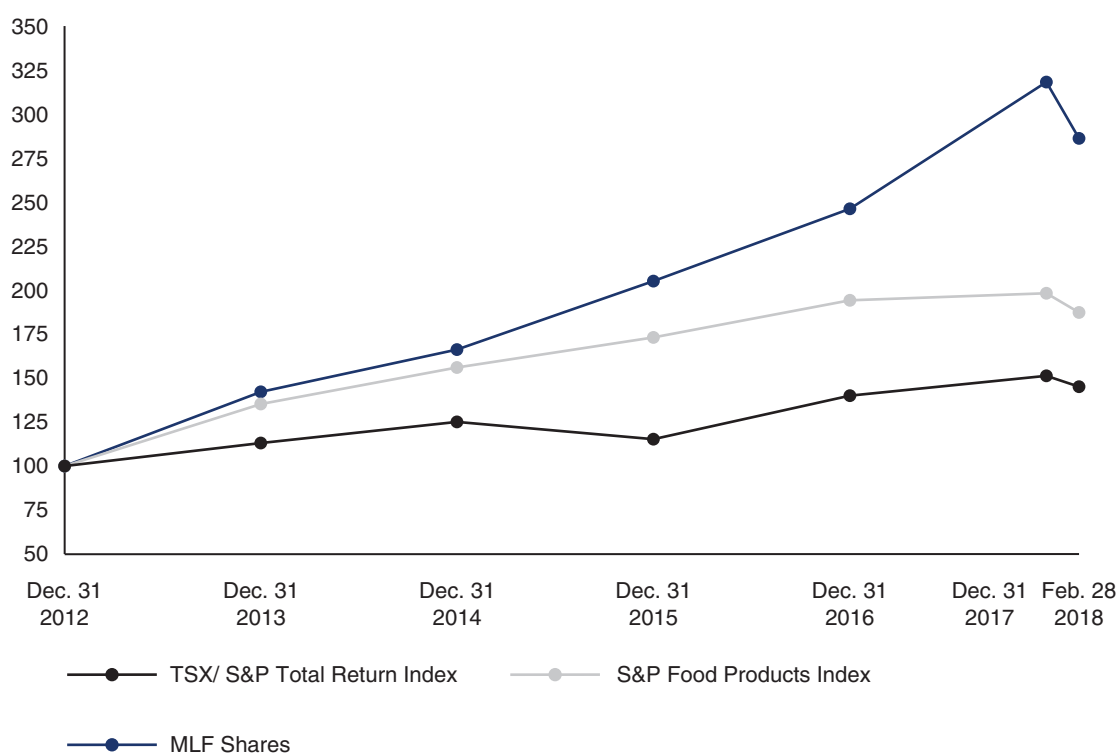
The Corporation has long recognized the funding and cost risk to the Corporation associated with defined benefit pension plans. As a result, these plans have been closed to new salaried employees since April 2004.

Employees who belonged to those plans prior to April 2004 and who elected to remain in the plans continue to accrue benefits under those plans for their continuing service with the Corporation.

## STOCK PERFORMANCE CHART

The following chart compares the cumulative total return from CAD \$100 invested on January 1, 2013 in common shares of Maple Leaf Foods, the S&P 1500 Composite Food Products Index ("S&P Food Index") and the S&P/TSX Composite Total Return Index. The U.S. dollar denominated S&P Food Index is not converted to Canadian dollars. It is assumed that all dividends are reinvested. On December 29, 2017, the Corporation's shares closed on the TSX at \$35.82 and on February 28, 2018 the Corporation's shares closed on the TSX at \$32.27.

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



	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2017	Feb. 28, 2018
S&P/TSX Composite Total Return Index (CAD)	100	113	125	115	140	151	145
S&P Food Index (USD) <sup>(1)</sup>	100	135	156	173	194	198	187
Maple Leaf Foods Shares (CAD)	100	142	166	205	246	318	286

Note:

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



As at February 28, 2018, the following companies make up the S&P Food Index:

Company Name	Ticker	Company Name	Ticker	Company Name	Ticker
Archer-Daniels-Midland Co	ADM	Hain Celestial Group Inc	HAIN	Lancaster Colony Corp	LANC
B&G Foods Inc.	BGS	Hershey Co	HSY	McCormick & Co Inc	MKC
Cal Maine Foods Inc	CALM	Hormel Foods Corp	HRL	Mondelez International Inc	MDLZ
Calavo Growers Inc	CVGW	Ingredion Inc	INGR	Post Holdings Inc	POST
Campbell Soup Co	CPB	J & J Snack Foods Corp	JJSF	Sanderson Farms Inc	SAFM
Conagra Brands Inc	CAG	J.M. Smucker Co	SJM	Seneca Foods Corp.	SENEA
Darling Ingredients Inc	DAR	John B. Sanfilippo & Son Inc	JBSS	Snyder's-Lance Inc	LNCE
Dean Foods Co	DF	Kellogg Co	K	Tootsie Roll Industries Inc.	TR
Flowers Foods Inc.	FLO	Kraft Heinz Co	KHC	TreeHouse Foods Inc	THS
General Mills Inc.	GIS	Lamb Weston Holdings Inc	LW	Tyson Foods Inc.	TSN

### Comparison of Executive Compensation and Shareholder Returns

The table below shows the Total Shareholder Return ("TSR") for the Corporation's common shares, the TSR for the S&P Food Index and the S&P/TSX Composite Total Return Index for the five years ended December 31, 2017. It also shows the total change in market capitalization of the Corporation and the total compensation for the CEO, CFO and the three most highly compensated executive officers of the Corporation for each of the years included. The information is presented to allow a comparison of executive compensation over the past five years to changes in market capitalization and shareholder returns.

	Total 2013-17	2017	2016	2015	2014	2013
Total compensation for all NEOs <sup>(1)</sup> (\$ millions)	87.2	17.9	14.0	12.8	27.3	15.2
Aggregate shareholder value created (\$ millions) <sup>(2)</sup>	3,438	1,054	636	648	401	699
TSR <sup>(3)</sup> :						
Maple Leaf Foods (% change – CAD per share)	217%	29%	20%	24%	17%	42%
S&P Food Index (% change – USD)	98%	2%	12%	11%	16%	35%
S&P/TSX Composite Total Return Index (% change – CAD)	51%	8%	22%	-8%	11%	13%

Notes:

- (1) For purposes of the chart, Total Compensation is the total for each NEO reported in the Summary Compensation Table for the reported years. Compensation in 2014 included \$9.0 million connected to the sale of Rothsay and Canada Bread. Furthermore, in 2014 the reported compensation covers six named executive officers versus five in each of the other years reported. In 2017, special one time share unit grants added \$2.6 million to the total compensation.
- (2) Aggregate shareholder value created is defined as the total return to all shareholders in terms of both dividends and share price growth. It is calculated as the increase or decrease in market capitalization based on year-end shares outstanding and closing share prices reduced by the proceeds for shares issued and increased by dividends paid and the cost of shares repurchased under normal course issuer bids.
- (3) TSR is the gain or loss in share price plus reinvestment of all dividends paid during the specified period. The amount in the "Total 2013-17" column is the aggregate compound return over the five-year period. The return for the S&P Food Index covers the same period except that the return is calculated in U.S. dollars and is not translated to Canadian dollars. Further details of the S&P Food Index are found herein under the heading "Stock Performance Chart".

For the five-year period, a majority of the change in reported compensation is due to changes in payouts under the annual STIP. Reflecting corporate earnings below the threshold performance level, there were no STIP payouts from 2013 through 2015. However, in 2015 there was a special RSU award in respect of completion of the supply chain network transformation between 2010 and 2015. In 2014, the Corporation paid a special incentive award to three NEOs at the time. The special incentive award was in respect of the divestiture of the Rothsay operation in late 2013 and Canada Bread in 2014.

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

- the Corporation's salary and compensatory pension costs are relatively fixed and generally unaffected by the day-to-day changes in shareholder returns;
- short-term incentive compensation is tied to current year earnings. Current-year earnings do not necessarily translate into shareholder returns in the short term;
- the amount of equity compensation awards for individual executives is generally a function of individual performance and not a function of corporate performance in the year of grant; and,
- in aggregate, equity awards represent over half of total NEO compensation and are valued in the Summary Compensation Table on page 47 at the time of grant based on the grant date share price and expected vesting. However, by design, the amounts received by NEOs on maturity (in the case of RSUs and PSUs) and on exercise (in the case of options) are directly tied to the then prevailing share price (and also, in the case of PSUs, to EBITDA margin and RONA). Accordingly, the ultimate compensation received by NEOs pursuant to equity awards is in part correlated to shareholder returns.

## SUMMARY COMPENSATION TABLE

The following table provides a summary of compensation earned during each of the last three fiscal years by the NEOs: the CEO, the CFO and the next three most highly compensated employees who were executive officers at the end of the year. This information is given as of December 31, 2017, the end of the Corporation's most recently completed financial year.

Name and Principal Position	Year	Salary (\$)	Equity Incentive Plan Compensation		Non-Equity Incentive Plan Compensation		All Other Compensation <sup>(5)(6)</sup> (\$)	Total Compensation (\$)
			Share-Based Awards <sup>(1)</sup> (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Annual Incentive Plans <sup>(3)</sup> (\$)	Pension Value <sup>(4)</sup> (\$)		
M.H. McCAIN President and CEO	2017	1,105,465	3,091,801	2,369,911	1,500,355	268,378	-	8,335,910
	2016	1,080,104	1,870,031	1,870,133	1,487,644	246,144	-	6,554,056
	2015	1,050,125	2,930,062	1,869,641	-	243,268	-	6,093,096
D.K. SIMPSON CFO	2017	495,125	629,366	374,913	528,856	29,626	-	2,057,886
	2016	483,952	375,052	374,844	524,378	28,829	-	1,787,055
	2015	469,788	754,818	375,111	-	27,981	-	1,627,698
G. MAKSYMETZ COO	2017	750,800	985,376	600,132	802,256	194,378	-	3,332,942
	2016	733,569	500,069	499,962	794,847	177,346	-	2,705,793
	2015	713,385	1,075,896	500,543	-	173,935	-	2,463,759
I.W. STEWART <sup>(7)</sup> SVP and GM, Pork Complex	2017	402,675	980,051	137,445	301,680	110,059	-	1,931,910
	2016	351,502	125,020	125,118	424,452	20,306	-	1,046,398
	2015	341,635	272,645	100,582	-	19,212	-	734,074
R. YOUNG <sup>(8)</sup> SVP Operations, Supply Chain and Purchasing	2017	653,063	588,976	174,869	443,218	365,407	-	2,225,533
	2016	647,481	175,111	175,165	439,374	(75,139)	19,350	1,381,342
	2015	647,481	497,443	175,131	-	(53,591)	16,125	1,282,589

Notes:

- (1) The share-based awards represent RSUs and PSUs granted under the 2006 RSU Plan. Details of this plan are found starting on page 61 under the heading "Description of Share Option and Share Incentive Plans – 2006 RSU Plan". The vesting terms of the RSUs granted and outstanding at the end of 2017 are described in footnote (3) to the table found on page 50.

Other than for two specific exceptions, RSUs have been valued using assumptions and methodologies consistent with those for valuing the expense for accounting purposes, including the discount to account for the fact that dividends are not paid on RSUs. The first exception is that for accounting purposes value is calculated using the closing share price on the date of grant, while for compensation purposes the closing share price on the date before the date of grant or the weighted average share price on the date of grant is used. Secondly, for compensation purposes no discount for potential forfeiture of RSUs due to termination of employment was factored into the valuation. Awards are made on the assumption that the executive will remain employed during the vesting period. For accounting purposes, an estimate is made of forfeitures due to termination of employment based on past experience. The special grant in December 2015 of short-term RSUs and PSUs was valued at the weighted average share price. The assumptions used for accounting purposes are found in Note 22 of the financial statements of the Corporation for the years ended December 31, 2017 and 2016. The financial statements may be found on the Corporation's website at [www.mapleleaffoods.com](http://www.mapleleaffoods.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

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

	2017		2016		2015	
	Compensation Fair Value	Fair Value for Financial Statements	Compensation Fair Value	Fair Value for Financial Statements	Compensation Fair Value	Fair Value for Financial Statements
RSU/PSU unit values	\$30.50	\$30.60	\$21.78	\$21.98	\$21.87	\$21.68

A portion of the awards made in each year are PSUs and subject to performance vesting based on the achievement of earnings margins and returns on net assets generally for a three-year period starting with the year of grant. The special LTIP award in December 2015 (which is described starting at the bottom of page 45) vests over two years. The valuation of the PSU awards are based on the Corporation's estimate at the date of grant of the number of units that are expected to vest and result in the distribution of shares at maturity.

The value of share-based equity compensation incentive plan awards in 2017 for each NEO includes special one-time RSU and PSU grants. Each of the NEOs received a special grant of RSUs under a one-time incentive calculated with reference to the STIP. (This grant is described on page 50 in footnote (3) to the Outstanding RSUs/PSUs and Options at December 31, 2017 table.) Two of the NEOs received additional special RSU and PSU grants in 2017 due to changes in their responsibilities.

Name	Annual RSU/PSU Grant \$	RSU grant tied to performance under the 2016 STIP \$	Special Grants \$	Total Value of Grants in 2017 \$
M.H. McCain	2,370,030	721,771	-	3,091,801
D.K. Simpson	374,945	254,421	-	629,366
G. Maksymetz	599,735	385,641	-	985,376
I.W. Stewart	137,470	117,451	725,130	980,051
R. Young	175,230	213,178	200,568	588,976

The grants based on the 2016 STIP are time-vested RSUs and are expected to vest and be distributed in May 2019. The special grant to Mr. Stewart was in connection with a change in his responsibilities and a reflection of his performance over recent years. The grant had the same terms as the annual grant: half in RSUs with three-year vesting and half in PSUs with the same performance period and measures as the annual grant. Mr. Young was granted a unique series of PSUs vesting in 2020. The grant was made in connection with the change in his responsibilities to include manufacturing operations. The vesting of these PSUs is based on manufacturing operating performance for 2018 and 2019.

- (2) The option-based awards were granted under the 2004 Share Incentive Plan (the "2004 Plan") and the 2016 Share Option Plan (the "2016 Plan"). Details of these plans are found starting on page 56 under the heading "Description of Share Option and Share Incentive Plans". The terms of the options granted under each plan are identical. The options granted have been valued using the Black-Scholes model, using methodology consistent with those for valuing the expense for accounting purposes but subject to different assumptions. Valuation is based on the maximum term of seven (7) years versus the average expected holding period of 4.5 years used for accounting purposes. Furthermore, for accounting purposes shares are valued at the closing share price on the date of grant while the award value for grant purposes is based on the market value specified in both the 2016 Plan and 2004 Plan, which is the five-day volume weighted average price. Furthermore, no discount for potential forfeiture of options due to termination of employment was factored into the valuation, whereas for accounting purposes the value shown in the table below is further reduced by forfeitures and terminations. Also, awards are made with the assumption that the executive will remain employed during the vesting period. For accounting purposes, an estimate is made of forfeitures due to termination of employment based on past experience. The assumptions used for accounting purposes are found in Note 22 of the financial statements of the Corporation for the years ended December 31, 2017 and 2016. The financial statements may be found on the Corporation's website at [www.mapleleaffoods.com](http://www.mapleleaffoods.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). Each option granted in 2017 was valued in the Summary Compensation Table at \$6.80. For accounting purposes, the options were valued at \$5.84.

	2017		2016		2015	
	Compensation Fair Value	Fair Value for Financial Statements	Compensation Fair Value	Fair Value for Financial Statements	Compensation Fair Value	Fair Value for Financial Statements
Exercise Price	\$ 30.86	\$ 30.86	\$ 22.53	\$ 22.53	\$ 22.52	\$ 22.52
Grant Date Share Fair Value	\$ 30.86	\$ 31.41	\$ 22.53	\$ 23.14	\$ 22.52	\$ 21.86
Expected Volatility	23.65%	23.36%	25.17%	23.71%	28.53%	24.33%
Risk Free Rate	1.35%	1.15%	1.01%	0.67%	1.26%	0.95%
Dividend Yield	1.43%	1.40%	1.42%	1.56%	1.42%	1.46%
Expected Life – years	7.0	4.5	7.0	4.5	7.0	4.5
Vesting Period – years	3.0	3.0	3.0	3.0	3.0	3.0
<b>Option Value</b>	<b>\$ 6.80</b>	<b>\$ 5.84</b>	<b>\$ 5.11</b>	<b>\$ 4.05</b>	<b>\$ 5.92</b>	<b>\$ 3.74</b>

- (3) The STIP award is paid in cash immediately following approval of the performance measure by the HRCC. The HRCC approval follows approval by the Board of the annual financial statements for the year on which the performance measures are based.
- (4) Messrs. McCain, Maksymetz and Young accrue benefits under the Corporation's defined benefit pension arrangements for salaried employees in Canada. Ms. Simpson participates in defined contribution pension arrangements. Mr. Stewart has years of service under each of the defined benefit and the defined contribution pension arrangements. In respect of the defined benefit pension arrangements, the amount in the table above represents the compensatory pension expense related to the service for each of the NEOs, excluding the impact of differences between actual compensation paid in 2017 and the actuarial assumptions used for the year. In respect of the defined contribution pension arrangements, the amounts shown are amounts allocated to the accounts maintained for the NEOs' respective benefit.
- (5) The value of perquisites for each executive is less than both \$50,000 and 10% of salary. Accordingly, no amount in respect of perquisites is included in the table.

- (6) As a full-time employee, Mr. McCain does not receive any separate or additional compensation for service on the Board as a director. Several of the NEOs are directors of one or more of the Corporation's subsidiaries. They do not receive any compensation for those positions in addition to the compensation disclosed in the table above.
- (7) Mr. Stewart was the Senior Vice President and General Manager, Fresh Pork to June 21, 2017 and Senior Vice President and General Manager, Pork Complex thereafter.
- (8) Mr. Young was the Executive Vice President, Transformation, Maple Leaf Consumer Foods to May 26, 2014; Senior Vice President, Transformation to February 26, 2015; Senior Vice President, Supply Chain and Purchasing to June 14, 2017; and Senior Vice President, Operations, Supply Chain and Purchasing thereafter. The amounts shown in the "All Other Compensation" column consist of lump sum payments made in lieu of salary increases for those years. In June 2017, Mr. Young's responsibilities were expanded to include the prepared meats manufacturing network.

## Share-Based Incentive Plans

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

- the 2004 Share Incentive Plan, which provides for the grant of options satisfied by the issuance of shares by the Corporation from treasury;
- the 2016 Share Option Plan, which provides for the grant of options satisfied by the issuance of shares by the Corporation from treasury; and
- the 2006 RSU Plan, which provides for the grant of time-vested RSUs and performance-vested PSUs that are satisfied through the acquisition of shares in the market by a trust established for that purpose.

See "Description of Share Option and Share Incentive Plans" starting on page 56 for more detailed descriptions of these plans. The options currently outstanding were granted primarily under the 2004 Share Incentive Plan. A portion of the 2016 share option grants was under the 2016 Share Option Plan which was adopted in January 2016 to replace the 2004 Share Incentive Plan. After February 2016, no further options were granted under 2004 Share Incentive Plan. All the RSUs and PSUs currently outstanding were granted under the 2006 RSU Plan.

The options and the RSUs outstanding are subject to time vesting only. The PSUs granted in 2017 have a performance-vesting feature based on the achievement of three-year (2017 through 2019) RONA targets for the Corporation. The performance period for the PSUs is generally three years.

## Outstanding RSUs/PSUs and Options at December 31, 2017

Name	Option Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options	Option Exercise Price \$	Option Expiration Date <sup>(1)</sup>	Value of Unexercised in-the-Money Options <sup>(2)</sup> \$	Number of Shares or Units of Shares That Have Not Vested <sup>(3)(5)</sup> #	Market or Payout Value of Share-Based Awards That Have Not Vested <sup>(4)</sup> \$	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed <sup>(4)</sup> \$
M.H. McCain	634,000	\$11.36	May 23, 2018	15,507,640			
	593,500	\$11.85	May 23, 2018	14,226,195			
	393,000	\$20.28	September 15, 2021	6,107,220			
	316,000	\$22.52	March 9, 2022	4,202,800			
	366,200	\$22.53	February 1, 2023	4,866,798			
	348,300	\$30.86	March 1, 2024	1,727,568			
<b>Totals</b>	<b>2,651,000</b>			<b>46,638,221</b>	<b>296,485</b>	<b>8,434,535</b>	<b>—</b>
D.K. Simpson	34,200	\$20.28	September 15, 2021	531,468			
	63,400	\$22.52	March 9, 2022	843,220			
	73,400	\$22.53	February 1, 2023	975,486			
	55,100	\$30.86	March 1, 2024	273,296			
<b>Totals</b>	<b>226,100</b>			<b>2,623,470</b>	<b>62,272</b>	<b>1,871,523</b>	<b>—</b>
G. Maksymetz	500	\$11.85	May 23, 2018	11,985			
	92,000	\$20.28	September 15, 2021	1,429,680			
	84,600	\$22.52	March 9, 2022	1,125,180			
	97,900	\$22.53	February 1, 2023	1,301,091			
	88,200	\$30.86	March 1, 2024	437,472			
<b>Totals</b>	<b>363,200</b>			<b>4,305,408</b>	<b>89,028</b>	<b>2,657,128</b>	<b>—</b>

Name	Option Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options #	Option Exercise Price \$	Option Expiration Date <sup>(1)</sup>	Value of Unexercised in-the-Money Options <sup>(2)</sup> \$	Number of Shares or Units of Shares That Have Not Vested <sup>(3)(5)</sup> #	Market or Payout Value of Share-Based Awards That Have Not Vested <sup>(4)</sup> \$	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed <sup>(4)</sup> \$
I.W. Stewart	12,200	\$20.28	September 15, 2021	189,588			
	17,000	\$22.52	March 9, 2022	226,100			
	24,500	\$22.53	February 1, 2023	325,605			
	20,200	\$30.86	March 1, 2024	100,192			
<b>Totals</b>	<b>73,900</b>			<b>841,485</b>	<b>44,795</b>	<b>1,060,988</b>	<b>—</b>
R. Young	34,200	\$20.28	September 15, 2021	531,468			
	29,600	\$22.52	March 9, 2022	393,680			
	34,300	\$22.53	February 1, 2023	455,847			
	25,700	\$30.86	March 1, 2024	127,472			
<b>Totals</b>	<b>123,800</b>			<b>1,508,467</b>	<b>40,549</b>	<b>1,081,764</b>	<b>—</b>

Notes:

(1) All options were granted with a term of seven years but may expire earlier if the executive ceases to be an employee of the Corporation. The options vest in three equal annual installments. The options with an exercise price of \$11.36 and \$11.85 were granted with original expiry dates of October 1, 2018 and January 7, 2020 respectively. Each of these options fully vested on May 23, 2014 and the seven-year term of each such option was shortened such that the expiry date was advanced to May 23, 2018. At December 31, 2017, all options expiring before 2022 were fully vested, the options expiring in 2022 were two-thirds vested, options expiring in 2023 were one-third vested and none of options expiring in 2024 were vested.

(2) The in-the-money value in the column is for all options, both vested and unvested. The value was calculated using a value of \$35.82 per share, the closing price of the Corporation's shares on the TSX on December 29, 2017, the last trading day in 2017.

(3) Share-based awards consist of both RSUs and PSUs granted under the 2006 RSU Plan. The RSUs are time-vested over approximately three years. The PSUs generally vest based on the achievement of cumulative EBITDA margin and/or RONA targets for a three-year period starting with the year of grant.

The performance criteria are more fully described under the heading "Long Term Incentive Plan" starting on page 40 of this Circular. Depending on the performance, between zero and two shares will vest for each PSU. As described on page 42, one series of PSUs was granted in December 2015 with a term and performance vesting requirements different from the standard arrangements. One-half of this series of PSUs vested in March 2017 based on EBITDA margin performance in 2016 and the other half vested in March 2018 based on EBITDA margin performance in 2017. Furthermore, depending on performance between zero and 1.6 shares vest for each PSU held.

For the 2016 year, the Corporation established a special incentive calculated with reference to the STIP. Provided the performance exceeded certain level, all employees participating in the STIP bonus plan would be eligible to receive a special grant of RSUs whose underlying shares will have a current face value equal to one-half of the STIP cash bonus. As a result, on April 7, 2017, RSUs were granted to the participants including the NEOs. These units will vest and be distributed in May 2019.

The number of shares shown in this column is the maximum number of shares that will be distributed, assuming the Corporation's performance exceeds the maximum performance level.

(4) In respect of the RSUs and PSUs granted, the "market or payout value" is based on the share price of \$35.82 at December 29, 2017. The number of shares valued is as follows:

- (i) in respect of RSUs where the payout is not determined by a performance condition, the number of units granted are valued;
- (ii) in respect of PSUs where the performance period is the 2017 financial year or any earlier year, the number of units valued is the number expected to be distributed given actual performance; and
- (iii) in respect of PSUs where the vesting depends wholly or in part on a performance period after 2017, no units are valued. (Under the performance vesting formula, the minimum number of shares that may be distributed on the maturity of the PSUs is zero.)

(5) The 2006 RSU Plan calls for RSUs and PSUs to be distributed immediately on vesting. There are no undistributed vested awards as units are distributed immediately after vesting.

## Incentive Plan Awards – Value Vested or Earned in the Year

Name	Option-Based Award – Value Vested During the Year <sup>(1)</sup> \$	Share-Based Award – Value Vested During the Year <sup>(2)</sup> \$	Non-Equity Incentive Plan Compensation – Value Earned During the Year <sup>(2)</sup> \$
M.H. McCain	3,595,243	6,572,336	1,500,355
D.K. Simpson	519,395	729,758	528,856
G. Maksymetz	902,258	1,717,383	802,256
I.W. Stewart	164,846	281,520	301,680
R. Young	324,022	698,194	443,218

Notes:

- (1) Three series of option-based awards vested in 2017. One-third of the options that were granted on September 15, 2014 (\$20.28 per share exercise price) vested on September 15, 2017 when the share price was \$33.88. One-third of the options that were granted on March 9, 2015 (\$22.52 per share exercise price) vested on March 9, 2017 when the share price was \$31.21. One-third of the options that were granted on February 1, 2016 (\$22.53 per share exercise price) vested on February 1, 2017 when the share price was \$29.96.
- (2) On March 15, 2017, PSUs granted to NEOs on December 21, 2015 vested and were distributed. The trading value was \$31.19 on that day. On May 15, 2017, the RSUs and PSUs granted in 2014 vested and were distributed to the NEOs. The value is based on the trading price during the day; the shares distributed were valued at \$33.98.
- (3) A description of the STIP can be found under the subheading “Short-Term Incentive Plan (STIP)” starting on page 39 of this Circular. The short-term incentive is paid in cash immediately following approval of the payouts by the HRCC and approval by the Board of the annual financial statements on which the performance measures are based.

## Summary of Gains Realized on Exercise of Options

During 2017, two NEOs exercised share options. The table below indicates the aggregate number of options exercised, the average exercise price and the gains realized on exercise.

Name	Number	Average Exercise Price \$ per share	Average Value on Date of Exercise \$ per share	Gain Realized \$
G. Maksymetz	147,000	11.85	33.50	3,182,314
R. Young	86,000	11.73	32.42	1,779,348

Participants may exercise options at any time provided they comply with the insider trading guidelines and the share ownership policy requirements for executives. The share ownership guidelines are detailed on pages 35 to 37 of this Circular.

## Pension/Retirement Plans

Messrs. McCain, Maksymetz, Stewart and Young participate in the Corporation’s registered defined benefit and non-registered supplemental defined benefit retirement plans. The Corporation’s defined benefit plans have been closed to new employees since April 2004 when they were replaced with defined contribution plans. Ms. Simpson and Mr. Stewart participate in registered and non-registered supplemental defined contribution pension arrangements for Canadian salaried employees. Mr. Stewart has credited service under both arrangements: 6 years under the defined benefit and the last 15 years under the defined contribution arrangements.

### *Pension Table – Defined Benefit Plans*

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

- Years of credited service as at December 31, 2017 and at age 65;
- Estimated annual benefit accrued, or earned, for service to December 31, 2017 and to the normal retirement age of 65; and,
- A reconciliation of the accrued obligation from December 31, 2016 to December 31, 2017.

Name	Number of years of Credited Service <sup>(1)</sup>		Annual Benefits Payable <sup>(2)</sup>		Opening present value of defined benefit obligation at December 31, 2016 <sup>(3)(7)</sup>	2017 Compensatory Change <sup>(4)(7)</sup>	2017 Non-Compensatory Change <sup>(5)(7)</sup>	Closing present value of defined benefit obligation at December 31, 2017 <sup>(6)(7)</sup>
	At December 31, 2017	At Age 65 <sup>(1)</sup>	At December 31, 2017	At Age 65 <sup>(1)</sup>				
			\$	\$	\$	\$	\$	\$
M.H. McCain	23	29	469,932	592,649	6,082,713	268,378	669,050	7,020,141
G. Maksymetz	17	22	241,833	299,723	3,244,471	194,378	184,780	3,623,629
I.W. Stewart	6	6	41,232	41,232	519,582	85,898	63,571	669,051
R. Young	35	35	459,600	459,600	6,230,675	365,407	310,948	6,907,029

Notes:

(1) The Number of Years of Credited Service as at December 31, 2017 corresponds to the actual years of service with the Corporation and its subsidiaries. The Number of Years of Credited Service at age 65 is the sum of the number of years of credited service as at December 31, 2017 and the projected years of credited service from December 31, 2017 to the date the executive turns 65. Although the Corporation's pension plans do not prohibit granting years of service in addition to years of membership, this option has been used infrequently in the last 10 years.

(2) The Annual Benefits Payable is the amount of lifetime pension payable in the normal form. Messrs. Maksymetz and Young were the only NEOs eligible to retire at December 31, 2017 with an unreduced pension. For each NEO, the amount of Annual Benefits Payable at December 31, 2017 is the pension the NEO would be entitled to starting at age 65 based on termination of employment at December 31, 2017. The amount is based on the years of credited service earned to December 31, 2017 and on average pensionable earnings at December 31, 2017. For each NEO, the Annual Benefits Payable at age 65 is the Annual Benefits Payable at December 31, 2017 increased to reflect credited service at age 65. Mr. Young's credited service has reached the 35-year maximum permitted under the plan.

Pensionable earnings are composed of salary only, and exclude annual cash incentive payments and other compensation. For Mr. Young, the lump sum payments made in 2014 to 2016 in lieu of salary increases have been treated as pensionable earnings. Each of the NEOs are fully vested in their pension entitlements earned to December 31, 2017.

(3) The opening present value of the defined benefit obligation is the value of the projected pension earned for service to December 31, 2017. The values have been determined as at December 31, 2017 based on actual pensionable earnings adjusted to reflect expected increases to retirement.

(4) The 2017 Compensatory Change is the value of the projected pension earned for service during 2017 as well as experience gains and losses arising from the NEO's salary increase for the year being greater or lesser than the assumption used. The values have been determined as at December 31, 2017 based on actual pensionable earnings (and in the case of Mr. Young, the lump sum payments made in lieu of salary increases) adjusted to reflect expected increases to retirement. The valuation method and assumptions are those used for purposes of the Corporation's financial statements. Information regarding the method and assumptions is in Note 9 to the financial statements for December 31, 2017.

In 2014 through 2016, Mr. Young received an annual lump sum payment in lieu of a salary increase. In 2017, in connection with expansion of Mr. Young's responsibilities, the Corporation decided to treat these lump sum payments as salary increases for pension purposes.

(5) The 2017 Non-Compensatory Change includes interest accruing on the beginning-of-year obligation, other experience gains and losses, and changes in interest rate assumptions resulting from changes in long-term bond yields.

(6) The closing present value of the defined benefit obligation is the value of the projected pension earned for service to December 31, 2017. The values have been determined as at December 31, 2017 based on actual pensionable earnings adjusted to reflect expected increases in pensionable earnings.

(7) The calculations of reported amounts use the same actuarial assumptions and methods that are used for calculating accrued benefit obligations and annual expenses, as disclosed in the Corporation's 2017 and 2016 consolidated financial statements in Note 9, and as prescribed by International Financial Reporting Standards. The methods and assumptions used to determine estimated amounts will not be identical to the methods and assumptions used by other issuers so, as a result, the figures may not be directly comparable across issuers. In accordance with Canadian generally accepted accounting principles, the amounts above make no allowance for the different tax treatment of the portion of pension not paid from the registered pension plans. All amounts shown above are based on assumptions and represent contractual entitlements that may change over time.



### *Pension Table – Defined Contribution Plans*

The table below shows pension details for the NEOs participating in the Corporation's Canadian defined contribution pension plan. It also shows the account balances for December 31, 2016 and December 31, 2017 and the Corporation's contribution to the plans on each NEO's behalf (reflected as 2017 Compensatory Change).

Name	Accumulated Value at December 31, 2016 \$	2017 Compensatory Change <sup>(1)</sup> \$	Accumulated Value at December 31, 2017 \$
D.K. Simpson	325,173	29,626	398,994
I.W. Stewart	492,174	24,161	562,114

Note:

(1) The 2017 Compensatory Change amount is the contribution made by the Corporation to the plan in 2017 in respect of the NEO, and is based on eligible earnings in 2017

### *Summary of Defined Benefit Plan Provisions (Canada)*

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

Pension benefits are based on the member's credited service in the plan and average pensionable earnings at retirement calculated as the highest average of the member's pensionable earnings. Pensionable earnings include salary earned over 60 months in the last 120 months of earnings preceding retirement. This excludes annual cash STIP payments and other compensation. From 2014 through 2016, Mr. Young received an annual lump sum payment in lieu of a salary increase. In 2017, in connection with an expansion of Mr. Young's responsibilities the Corporation decided to treat these lump sum payments as salary increases for pension purposes. Therefore, Mr. Young's pensionable earnings include the actual base salary plus the lump sum payments added as though the lump sum payments were increases to his salary.

Retirement income is payable for the lifetime of the member with a minimum of 60 monthly payments. Payment options of actuarially equivalent value are also available.

The annual pension benefit is determined by multiplying the years of credited service (up to 35 years) by the sum of:

- 1.3% of average pensionable earnings up to the average of the last five years' maximum pensionable earnings under the Canada/Quebec Pension Plans ("final average YMPE"); and
- 2.0% of the excess of average pensionable earnings above the final average YMPE.

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

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

Participants in the plan who had the "designated executive" status prior to January 1, 2015 (which includes each of the NEOs who participated in this plan) are not required to contribute to the plan.

### *Summary of Defined Contribution Plan Provisions (Canada)*

Ms. Simpson and Mr. Stewart participate in defined contribution arrangements for Canadian salaried employees. Effective January 1, 2015 all employees (including Ms. Simpson and Mr. Stewart) are required to

contribute 1.5% of eligible earnings and may contribute an additional 1.5% of eligible earnings to the plan. Before 2015, Ms. Simpson and Mr. Stewart were “designated executives” and were not required to make contributions to the plan. The Corporation contributes 4.5% of eligible earnings plus 100% of the additional contributions made by the employee. Eligible earnings include base salary excluding annual cash STIP payments and other compensation.

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

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

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

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

## TERMINATION AND CHANGE OF CONTROL BENEFITS

The Corporation does not have a contract of employment with any NEO that specifies the benefits that are payable on termination of employment or change of control.

The Committee has established rules for the expiry of units held by employees under the 2006 RSU Plan and for options held under the 2004 Plan and the 2016 Plan on termination of employment. In the case of a change of control, the benefits would not be triggered unless there were also a loss of employment. This requirement that both conditions be present is sometimes referred to as a “double trigger”.

These rules apply to all participants in the plans, including NEOs.

Reason for Termination of Employment	Early Expiry of RSUs <sup>(1)</sup>	Early Expiry of Options <sup>(1)</sup>
Termination by the Corporation for Cause	RSUs held expire on the date of termination.	All vested and unvested options held expire on the date of termination.
Termination by Voluntary Resignation	RSUs held expire on the date of termination.	Unvested options held expire on the date of termination.  Vested options expire 30 days following the date of termination (90 days in the case of the 2016 Plan.).
Termination Due to Death of the Employee	RSUs granted less than six months before the date of termination expire on death.  RSUs granted at least six months before the date of death continue to be held by the employee’s estate to the maturity/distribution date.	Unvested options granted less than six months before the date of termination and unvested options that do not, in accordance with terms of the award, vest within 11 months of the date of death (12 months under the 2016 Plan) expire on the date of death.  Unvested options that, in accordance with terms of the award, vest within 11 months of the date of death (12 months under the 2016 Plan) and vested options expire 12 months following the date of death (15 months under the 2016 Plan).

Reason for Termination of Employment	Early Expiry of RSUs <sup>(1)</sup>	Early Expiry of Options <sup>(1)</sup>
Termination by the Corporation Without Cause	<p>RSUs granted less than six months before the date of termination expire on termination.</p> <p>RSUs granted at least six months before the date of termination – a proportionate<sup>(2)</sup> number of units continue to be held to the maturity/distribution date.</p>	<p>Unvested options held expire on the date of termination.</p> <p>Vested options held expire 30 days following the date of termination (90 days in the case of the 2016 Plan).</p>
Retirement from the Industry <sup>(3)</sup>	<p>RSUs granted less than six months before the date of termination expire on termination.</p> <p>RSUs granted at least six months before the date of termination continue to be held to the maturity/distribution date.</p>	<p>Unvested options granted less than six months before the date of termination expire on the date of termination.</p> <p>Vested options and unvested options granted at least six months before the date of termination continue to be held until exercised or the normal expiry date.</p>
Normal Retirement <sup>(4)</sup>	<p>RSUs granted less than six months before the date of retirement expire on retirement.</p> <p>RSUs granted at least six months before the date of retirement continue to be held to the maturity/distribution date.</p>	<p>Unvested options under the 2016 Plan granted less than six months before the date of retirement expire on the date of retirement.</p> <p>Unvested options granted at least six months before the date of termination and vested options continue to be held until exercised or the normal expiry date.</p>
Early Retirement <sup>(5)</sup>	<p>RSUs granted less than six months before the date of termination expire on retirement.</p> <p>RSUs granted at least six months before the date of retirement – a proportionate<sup>(1)</sup> number of units continue to be held to the maturity/distribution date.</p>	<p>Unvested options granted less than six months before the date of termination expire on the date of retirement. Unvested options that do not, in accordance with terms of the award, vest within 11 months of the date of retirement (12 months under the 2016 Plan) expire on the date of retirement.</p> <p>Unvested options that, in accordance with terms of the award, vest within 11 months of the date of retirement (12 months under the 2016 Plan) and vested options expire 12 months following the date of retirement (15 months under the 2016 Plan).</p>

Notes:

- (1) All RSUs (including PSUs) and options expire on the date or dates determined by the Board of Directors at the time of grant in accordance with the terms of the respective plan. The comments in the table refer to the early termination in the event of a termination of employment before the exercise or distribution date.
- (2) On maturity, the employee will receive a proportion of the distribution s/he would have been entitled to had the employee remained employed with the Corporation. The proportion is the number of days from the date of grant to the date of termination, to the number of days from the date of grant to the distribution date. For example, assume an employee was granted RSUs in an award with a three year vesting period. If the employee is terminated by the Corporation without cause or takes early retirement one year after the grant, one-third of the full amount of the RSUs vest and are distributed.
- (3) Retirement from the Industry is defined as termination of employment, other than by the Corporation for cause, at the time when the employee is 55 or older with a minimum of five (5) years of service and the employee agrees not to provide any services directly or indirectly to any company or other organization that competes with the Corporation in the industry in which the executive was engaged by the Corporation.
- (4) Normal Retirement is defined as termination of employment, other than by the Corporation for cause, at the time when the employee is 60 years or older and has at least 10 years of service.
- (5) Early Retirement is defined as termination of employment, other than by the Corporation for cause, at the time when the employee is 55 years or older and has at least 10 years of service.

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

### 2004 SHARE INCENTIVE PLAN

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

#### *Eligibility*

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

#### *Exercise Price of Options*

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

#### *Number of Shares*

The maximum number of shares that may be issued upon the exercise of options under the 2004 Plan is 14,077,799 less any shares that were issued after September 8, 2004 upon the exercise of options granted under a prior share option plan. The table below indicates the status of the shares reserved for option grants under the 2004 Plan as of February 28, 2018.

	Options	
	Number of Shares or Options <sup>(1)</sup>	Percentage of Shares Outstanding <sup>(1)</sup>
Shares issued pursuant to the exercise of options or distribution of RSUs under the 2004 Share Incentive Plan and prior plans	10,371,785	
Options granted and outstanding under the 2004 Plan	3,705,940	2.9%
Options available for future grants	74	0.0%
<b>Total number of shares reserved for issue</b>	<b>14,077,799</b>	

Note:

(1) The number of options and shares and percentage of the number of shares outstanding are given as of February 28, 2018.

#### *Exercise Periods/Term of Options /Assignability*

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

Unless otherwise determined by the Board and subject to the earlier expiration of the option, participants whose employment with the Corporation ceases due to retirement or death are entitled to exercise any options for the one-year period following death or retirement. In the event of a voluntary resignation by the employee and subject to the earlier expiration of the options, vested options on the last date of employment are exercisable for a 30-day period afterward. While the same 30-day period applies if the participant’s employment is terminated without cause by the Corporation, the Board has the discretion to amend the time limit. If employment is terminated with cause, all vested and unvested options expire on the date of termination. The Board and the HRCC have adopted extended holding periods for holders of options in the event of termination of employment under certain conditions, such as early retirement. The details are found on pages 54 and 55.

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

#### *Limits on Individual and Insider Participation*

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

#### *Share Capital Adjustments*

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

#### *Vesting*

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

#### *Amendment*

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

### **MAPLE LEAF FOODS INC. 2016 SHARE OPTION PLAN**

The Maple Leaf Foods Inc. 2016 Share Option Plan (the "2016 Plan") was adopted on January 25, 2016. The 2016 Plan was approved by shareholders on May 4, 2016 and was approved by the TSX.

#### *Eligibility*

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

#### *Exercise Price of Options*

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

### Number of Shares

The maximum number of shares that may be issued upon the exercise of options under the 2016 Plan is 2,500,000.

	Options	
	Number of Shares or Options <sup>(1)</sup>	Percentage of Shares Outstanding <sup>(1)</sup>
Shares issued pursuant to the exercise of options under the 2016 Share Option Plan	–	
Options granted and outstanding under the 2016 Share Option Plan	840,760	0.7%
Options available for future grants	1,659,240	1.3%
Total number of shares reserved for issue	2,500,000	

Note:

(1) Calculated based on the 127,033,089 shares outstanding as of February 28, 2018.

### Exercise Periods/Term of Options /Assignability

The options granted have a term of up to ten years. Notwithstanding the ten-year limit, the Corporation's practice is to grant options with a seven-year term.

Unless otherwise determined by the Board, participants whose employment with the Corporation ceases due to retirement are entitled to exercise any options that were vested on the date of retirement for the one-year period following retirement. In the event of a voluntary resignation by the employee, vested options on the last date of employment are exercisable for a 90-day period afterwards. While the same 90-day period applies if the participant's employment is terminated without cause by the Corporation, the Board is permitted the discretion to amend the time limit. In the event employment is terminated with cause, all vested and unvested options expire on the date of termination. The Board and the HRCC have adopted extended holding periods for holders of options in the event of termination of employment under certain conditions, such as early retirement. Generally, options are not assignable except to a permitted assign. The details are found on pages 54 and 55.

### Surrender of Options

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

### Limits on Insider Participation

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

### Share Capital Adjustments

Adjustments to the terms of outstanding options by the Board, without shareholder approval, are permitted under the 2016 Plan in the event of a capital reorganization of the Corporation including any amalgamation,

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

#### *Vesting*

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

#### *Amendment*

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

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

## Equity Compensation Plan Information as at December 31, 2017

The following table provides information as at December 31, 2017, with respect to the equity compensation plans of the Corporation.

The share options and RSUs that have been issued to employees are described in Note 22 to the Corporation's 2017 consolidated financial statements. The financial statements are available from the Corporation's website at [www.mapleleaffoods.com](http://www.mapleleaffoods.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders <sup>(1)</sup>	4,245,000	\$17.75	2,391,514
Total <sup>(2)</sup>	4,245,000	\$17.75	2,391,514

Notes:

- Options granted under the 2004 Plan and the 2016 Plan.
- In 2006, the Corporation implemented the 2006 RSU Plan, in which awards are satisfied with shares that are purchased on the TSX. The awards under that plan are not included in the above figures as no shares will be issued from treasury to satisfy those awards.

### Total Dilution under All Employee Share Option Plans

The table below shows the total potential dilution from the two treasury based equity compensation plans, the 2004 Plan and the 2016 Plan. While the table below indicates that the potential dilution is under 5%, it should be noted that the amount would have been 4.7% but for the fact that the Corporation repurchased for cancellation 6.0 million common shares since the start of 2017 under a normal course issuer bid.

	Number or Options	Percentage of Shares Outstanding
Options granted and outstanding	4,546,700	3.6%
Options available for future grants	1,659,314	1.3%
Total	6,206,014	4.9%

Note:

- Calculated based on the 127,033,089 common shares outstanding as of February 28, 2018. But for the repurchase by the Corporation of 6.0 million common shares, the percent would now be 4.7%.

### Burn rate under All Employee Share Option Plans

The following table shows the number of share option grants as a percentage of average shares outstanding (the "burn rate") for the past three years.

	2015	2016	2017
Net Grants under 2004 Plan	701,600	732,740	—
Net Grants under 2016 Plan		108,560	782,200
Net grants under all treasury based equity compensation plans	701,600	841,300	782,200
Burn rate <sup>(1)</sup>	0.5%	0.6%	0.6%

Note:

- The burn rate for the year is calculated as the number of options granted less any forfeitures, divided by the average number of shares outstanding in the year.



## 2006 RSU PLAN

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

### *Eligibility*

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

### *Vesting Under the 2006 RSU Plan*

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

### *Number of Shares*

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

### *Term of RSUs/Forfeiture/Assignability*

The RSUs have a maximum term of approximately three years. Unless otherwise determined by the HRCC, the 2006 RSU Plan requires participants to be employed on the date of distribution. Participants whose employment with the Corporation ceases prior to the distribution date for any reason forfeit the right to receive any RSUs. However, the HRCC has discretion to accelerate the vesting of any RSUs held by a participant and to permit the distribution of shares in respect of the maturing vested RSUs to a participant whose employment has ended prior to the distribution date. RSUs are not assignable. The Board and the HRCC have extended the holding periods for holders of RSUs and options in the event of termination of employment under certain conditions such as early retirement. The details are found on pages 54 and 55.

### *Limits on Individual and Insider Participation*

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

### *Share Capital Adjustments*

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

### *Vesting*

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

### *Amendment*

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

### **2013 SHARE PURCHASE AND DEFERRED SHARE UNIT PLAN**

The 2013 DSU Plan was adopted on March 21, 2013 and was approved by shareholders on May 2, 2013 and approved by the TSX. It allows awards of DSUs to eligible directors.

### *Eligibility*

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

### *Election to Participate*

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

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

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

### *Distribution on the DSUs*

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

Under the 2013 DSU Plan, the Corporation is provided with the ability to elect, in its sole discretion, the method in which the Corporation will make a distribution on the DSUs. Distributions may be in the form of (i) common shares issued by the Corporation from treasury equal in number to the whole number of DSUs (rounded down) recorded in the participant's account on the distribution date; (ii) common shares purchased by the Corporation or its designee on the TSX equal in number to the whole number of DSUs

(rounded down) recorded in the participant's account on the distribution date; or (iii) a lump sum payment in cash equal to the number of DSUs (rounded down) recorded in the participant's account on the distribution date multiplied by the weighted average trading price of the common shares on the TSX for the five trading days immediately preceding the distribution date (or any combination of options (i), (ii) and/or (iii)). Fractional DSUs will be satisfied in cash calculated as in (iii) above. Any distribution on account of DSUs shall be made net of applicable withholding taxes.

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

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

#### *Number of Shares*

The maximum number of common shares that may be issued by the Corporation from treasury pursuant to the 2013 DSU Plan is 700,000. There is no limit, however, on the number of common shares that may be purchased by the Corporation or its designee on the TSX to satisfy DSUs outstanding under or governed by the 2013 DSU Plan subject to any requirements of the TSX. The table below indicates the status of the shares reserved for DSU grants under the 2013 DSU Plan as of February 28, 2018.

	Number of Shares or DSUs <sup>(1)</sup>	Percentage of Shares Outstanding <sup>(1)</sup>
Shares issued from treasury pursuant to the distribution of DSUs		0.00%
DSUs granted and outstanding <sup>(2)</sup>	261,153	0.21%
DSUs available for future grants <sup>(3)</sup>	438,847	0.34%
Total number of shares reserved for issue	700,000	0.55%

Notes:

- (1) The number of DSUs and shares and percentage of the number of shares outstanding are given as of February 28, 2018.
- (2) In addition to the units in the table above, there are 19,943 units outstanding under the previous version of the plan for which distributions may only be made in cash. As no shares will be issued in respect of those units, they are not included in the table above.
- (3) Number of DSUs available for future grants to be satisfied by shares issued from treasury assuming that all granted and currently outstanding DSUs are satisfied by the shares issued from treasury. DSUs can be satisfied in cash or by shares purchased on the TSX.

#### *Limits on Individual and Insider Participation*

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

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

#### *Share Capital Adjustments*

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

lease or exchange of all or substantially all of the property of the Corporation or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders.

#### *Transfers of DSUs*

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

#### *Effect of Death of a Participant*

Upon the death of a participant, a payment on the participant's outstanding DSUs shall be made to the estate of such participant on the last business day of the month which is at least 180 days after the Corporation is notified of the death of the participant unless prior to such date the participant's estate chooses a later date for such payment, provided that such date is no later than the earlier of (i) the last business day of the calendar year following the calendar year in which the participant died and (ii) 15 business days following the distribution date of the participant otherwise determined under the 2013 DSU Plan. Similar but different rules apply to participants that are U.S. taxpayers. Payment on such outstanding DSUs shall be made in cash and/or common shares at the election of the Corporation and such payment shall be equivalent to the amount which would have otherwise been paid to the participant under the 2013 DSU Plan, calculated on the basis that the date on which the participant dies or the date elected by the estate, as applicable, is the distribution date.

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

#### *Amendments*

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

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

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

Examples of amendments that can be made to the 2013 DSU Plan without shareholder approval include

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

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

## OTHER MATTERS

### DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation provides directors' and officers' liability insurance with a policy limit of \$60,000,000. Under this insurance coverage, Maple Leaf Foods is reimbursed for payments made under corporate indemnity provisions on behalf of its directors and officers subject to a deductible of \$50,000 per occurrence. Individual directors and officers are also reimbursed for losses arising during the performance of their duties for which they are not indemnified by Maple Leaf Foods. Excluded from coverage are illegal acts and acts which result in personal profit.

The total premium paid by the Corporation for directors' and officers' liability insurance coverage for the last completed financial year was \$160,887 including taxes. No part of the premium is paid by any officer or director.

### INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, none of the informed persons of the Corporation, as that term is defined in National Instrument 51-102, nor any proposed director of the Corporation, nor any associate or affiliate of any such person had any direct or indirect material interest, since January 1, 2017, in respect of any transaction or proposed transaction that has materially affected or will materially affect the Corporation or any of its subsidiaries.

### OTHER BUSINESS

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

### RECEIPT OF SHAREHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

Any shareholder who intends to present a proposal at our 2019 annual meeting of shareholders must send the proposal to the Corporation's Corporate Secretary at 6985 Financial Drive, Mississauga, Ontario, Canada L5N 0A1. In order for the proposal to be included in the proxy materials sent to shareholders for that meeting, the proposal must be received by the Corporation no later than December 20, 2018 and must comply with the requirements of Section 137 of the Act.

### ADDITIONAL INFORMATION

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

### DIRECTORS' APPROVAL

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



R. Cappuccitti  
Senior Vice-President and Corporate Secretary

Mississauga, Ontario, Canada  
March 20, 2018

## APPENDIX A

### MEETING FREQUENCY AND ATTENDANCE

#### ATTENDANCE BY COMMITTEE

BOARD/COMMITTEE	NUMBER OF MEETINGS	ATTENDANCE AT ALL MEETINGS	ATTENDANCE AT REGULARLY SCHEDULED MEETINGS
Board of Directors	11 meetings	96%	94%
Audit Committee ("AC")	5 meetings	100%	100%
Corporate Governance Committee ("CGC")	5 meetings	100%	100%
Safety & Sustainability Committee ("SSC")	3 meetings	92%	92%
Human Resources and Compensation Committee ("HRCC")	4 meetings	88%	88%
Board Working Group ("WG")	3 meetings	92%	N/A
Average for all meetings	31 meetings	96%	95%

#### ATTENDANCE BY DIRECTOR

DIRECTOR	ALL MEETINGS						Board and All Committees		REGULARLY SCHEDULED MEETINGS <sup>(1)</sup>	Total
	Board	AC	CGC	SSC	HRCC	WG <sup>(2)</sup>	100%	100%		
W.E. Aziz <sup>(3)</sup>	7/11	5/5			2/4	2/3	16/23	70%	11/17	65%
W.G. Beattie	11/11		5/5	3/3			19/19	100%	14/14	100%
R.G. Close	11/11	5/5	5/5				21/21	100%	16/16	100%
D.L. Emerson	11/11		5/5	3/3		3/3	22/22	100%	14/14	100%
J.M. Fraser	11/11		5/5		4/4		20/20	100%	15/15	100%
J.A. Lederer	11/11			2/3	4/4		17/18	94%	14/15	93%
M.H. McCain	11/11						11/11	100%	8/8	100%
J.P. Olson	11/11	5/5		3/3		3/3	22/22	100%	16/16	100%
C.M. Stephenson	11/11	5/5			4/4	3/3	23/23	100%	17/17	100%
	95/99	20/20	20/20	11/12	14/16	11/12	171/179	96%	125/132	95%
	96%	100%	100%	92%	88%	92%	96%		95%	

#### Notes:

- (1) Dates for regularly scheduled meetings of the Board and each committee are set more than a year in advance. Nevertheless, in addition to these, some meetings are scheduled on short notice. The attendance record for "all meetings" includes these short notice meetings of the Board and each committee, while the attendance record for "regularly scheduled meetings" does not.
- (2) Board Working Group formed to evaluate a capital project.
- (3) See discussion of the CGC's assessment of the attendance. The CGC was satisfied that Mr. Aziz's absences were reasonably unavoidable and confirmed that they are unlikely to repeat in the future. The CGC also noted that Mr. Aziz's attendance record in the previous three years was exemplary, having only one absence in a total of 59 meetings, or over 98%.

## APPENDIX B

### COMMONLY USED DEFINITIONS AND ACRONYMS

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



## APPENDIX C

### CONSOLIDATION

#### BY-LAW NUMBER 1

a by-law relating generally  
to the transaction of the  
business and affairs of

**MAPLE LEAF FOODS INC.**  
(the "Corporation")

### CONTENTS

1. Interpretation
2. General Business
3. Borrowing And Banking
4. Directors
5. Committees
6. Officers
7. Protection Of Directors And Officers
8. Meetings Of Shareholders
9. Shares
10. Dividends And Rights
11. Miscellaneous

## 1 – INTERPRETATION

1. Definitions – In this by-law and all other by-laws of the Corporation:
  - (a) “the Act” means the *Canada Business Corporations Act* or any statute which may be substituted therefor, including the regulations thereunder, as amended from time to time;
  - (b) “articles” means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution or articles of revival of the Corporation and includes any amendments thereto;
  - (c) “board” means the board of directors of the Corporation;
  - (d) “business day” means a day other than a “non-business day”;
  - (e) “Corporation” means Maple Leaf Foods Inc./Les Aliments Maple Leaf Inc.;
  - (f) “meeting of shareholders” means an annual meeting of shareholders or a special meeting of shareholders;
  - (g) “non-business day” means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Canada);
  - (h) “officer” means any individual appointed as an officer by the board under the provisions of Section 6.1;
  - (i) “person” includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;
  - (j) words importing the singular number also include the plural and vice-versa; words importing the masculine gender include the feminine and neuter genders;
  - (k) subject to the foregoing, all words used in this by-law and defined in the Act shall have the meanings given to such words in the Act or in the related Parts thereof.

## 2 – GENERAL BUSINESS

2.1 Registered Office – Until changed in accordance with the Act, the registered office of the Corporation shall be in the province within Canada specified in the articles and at such place and address therein as the board may from time to time determine.

2.2 Corporate Seal – The Corporation may have a corporate seal which shall be adopted and may be changed by the board.

2.3 Financial Year – Until changed by the board, the financial year of the Corporation shall end on the 31st day of December in each year.

2.4 Execution of Instruments – The board shall from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed or executed on behalf of the Corporation. Notwithstanding the generality of the foregoing, the board may permit or direct that:

- (a) subject to the Act, any instrument or document required or permitted to be executed by one or more persons on behalf of the Corporation may be signed by means of secure electronic signature (as defined in the Act) or facsimile;
- (b) any instrument or document required or permitted to be executed by one or more persons may be executed in separate counterparts, each of which when duly executed, whether manually or electronically, by one or more of such persons, shall be an original and all such counterparts together shall constitute one and the same such instrument or document; and
- (c) subject to the Act, wherever a notice, resolution, requisition, statement or other document or other information is required to be created in writing, that requirement be satisfied by the creation of an electronic document.

Where appropriate such instruments may be executed under the corporate seal.

2.5 Authority to Act for Corporation – The board shall from time to time and on such terms and conditions as it may specify authorize any person or class of persons, for and on behalf of the Corporation:

- (a) to make, enter into, execute and deliver any and all leases, extensions and renewals of leases, deeds, assignments, transfers, discharges, releases and main levées;
- (b) to acquire, to dispose of or to take security upon any property whether real or personal, movable or immovable;
- (c) to grant security on any property whether real or personal, movable or immovable;
- (d) to surrender or release security upon any property whether real or personal, movable or immovable; and
- (e) to do any one or more of the foregoing acts relating to any class of transactions or matters.

2.6 Delegation – Subject to the Act, the board may from time to time delegate to a director, a committee of directors or an officer of the Corporation or such other person or persons so designated by the board all or any of the powers conferred on the board by Section 3.1 or by the Act to such extent and in such manner as the board shall determine at the time of each such delegation.

### **8.3 – BORROWING AND BANKING**

3.1 Borrowing – Without limit to the powers of the board as provided in the Act, the board may from time to time on behalf of the Corporation:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation; and
- (d) give, directly or indirectly, financial assistance to any person by means of a loan, or guarantee to secure the performance of an obligation or otherwise.

3.2 Banking Arrangements – The banking business of the Corporation, or of any part or division of the Corporation, shall be transacted with such bank, trust company or other firm or body corporate as the board may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers or other persons as the board may designate, direct or authorize from time to time and to the extent thereby provided. Notwithstanding the generality of the foregoing, the board may delegate to officers of the Corporation the authority to designate the employees, by name or by title, who may sign jointly, cheques or other instruments of payment of the Corporation.

## **4 – DIRECTORS**

4.1 Duties of Directors – The board shall manage or supervise the management of, the business and affairs of the Corporation.

4.2 Quorum – Subject to the Act, a majority of the number of directors fixed or elected by shareholders from time to time shall constitute a quorum for the transaction of business. Notwithstanding vacancies, a quorum of directors may exercise all the powers of the board.

4.3 Meetings by Telephone, Electronic or other Communication Facility – Subject to the Act, if all of the directors of the Corporation consent, a director may participate in a meeting of directors or of a committee of directors by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board held while a director holds office.

4.4 Place of Meetings – Meetings of the board may be held at the registered office of the Corporation or at any other place within or outside Canada.

4.5 Calling of Meetings – Meetings of the board shall be held from time to time at such place, on such day and at such time as the board, the chairman of the board, the chief executive officer or any two directors may determine.

4.6 Notice of Meetings – Notice of the time and place of each meeting of the board shall be given in writing, including by electronic means or by facsimile, to each director not less than 48 hours, exclusive of non-business days, before the time when the meeting is to be held. To the extent feasible, the Notice of Meeting shall specify the business to be transacted at the meeting. A majority of the directors may determine that a matter may be dealt with at the meeting notwithstanding the failure to provide notice to directors in the manner specified in this Section 4.6.

4.7 First Meeting of New Board – Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting following the meeting of shareholders at which such board is elected.

4.8 Votes to Govern – At all meetings of the board any question shall be decided by a majority of the votes cast on the question and in the case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote. Any question at a meeting of the board shall be decided by a show of hands unless a ballot is required or demanded.

4.9 Conflict of Interest – A director or an officer of the Corporation who is a party to or is a director or officer of or has a material interest in any person who is a party to a material contract or material transaction or proposed material contract or proposed material transaction with the Corporation shall disclose the nature and extent of his interest in writing to the Corporation or request that such information be entered in minutes of meetings of the board in a manner specified by the board and such officer or director shall otherwise comply with the provisions of the Act. For purposes of this Section 4.9, a “material contract” or “material transaction” is one that is material to the Corporation or is material to the director or officer.

## 5 – COMMITTEES

5.1 Committees of Directors – The board may appoint a committee or committees of directors, however designated, and, subject to the Act, may delegate to such committee or committees any of the powers of the board.

5.2 Procedure – Unless otherwise provided in the by-laws or determined by the board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure. Unless otherwise determined by the board, the provisions of Sections 4.3, 4.4, 4.5, 4.6 and 4.8 shall apply equally to meetings of each committee.

## 6 – OFFICERS

6.1 Appointment of Officers – Subject to Sections 6.2 and 6.3 the board may from time to time appoint such officers as the board may determine. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation.

6.2 Chief Executive Officer – The board shall designate a chief executive officer. The chief executive officer shall have general supervision of the business and affairs of the Corporation, subject to the direction of the board.

6.3 Secretary – The secretary shall attend and be the secretary of all meetings of the board and shareholders; shall give or cause to be given notice of such meetings; and shall be the custodian of the corporate seal and of the records and contracts, documents and other instruments of the Corporation except when some other person has been designated for that purpose by the board.

6.4 Term of Office – Every officer shall hold office at the pleasure of the board.

## 7 - PROTECTION OF DIRECTORS AND OFFICERS

### 7.1 Indemnity of Directors and Officers

- (a) The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer or an individual acting in a similar capacity, of another entity against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgement, reasonably incurred by such individual in respect of any civil, criminal or administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity;
- (b) The Corporation may advance moneys to such individual for the costs, charges and expenses of a proceeding referred to in (a) provided such individual agrees in advance, in writing, to repay the moneys if the individual does not fulfil the condition of paragraph (c);
- (c) The Corporation may not indemnify an individual under paragraph (a) unless the individual:
  - (i) acted honestly and in good faith with a view to the best interests of the Corporation or other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request, as the case may be; and
  - (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful;
- (d) The Corporation may also seek the approval of a court to indemnify an individual referred to in paragraph (a), or advance monies under paragraph (b) in respect of an action by or on behalf of the Corporation or other entity to procure a judgment in its favour, to which such individual is made a party because of the individual's association with the Corporation or other entity as described in paragraph (a) against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfils the conditions set out in paragraph (c).
- (e) Despite paragraph (a), an individual referred to in that paragraph is entitled to indemnity from the Corporation in respect of all costs, charges and expenses reasonably incurred by the individual in connection with the defence of any civil, criminal, administrative, investigative or other proceeding to which the individual is subject because of the individual's association with the Corporation or other entity as described in paragraph (a), if the individual seeking indemnity:
  - (i) was not adjudged by the court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done; and
  - (ii) fulfils the conditions set out in paragraph (c).

7.2 Insurance – The Corporation may purchase and maintain insurance for the benefit of an individual referred to in this Section 7 against any liability incurred by the individual:

- (a) in the individual's capacity as a director or officer or former director or officer of the Corporation; or
- (b) in the individual's capacity as a director or officer or former director or officer, or similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

7.3 Indemnification Not Exclusive – Each of the provisions of this Article 7 shall be in addition to and not in substitution for or derogation from any rights to which any person referred to herein may otherwise be entitled.

## 8 – MEETINGS OF SHAREHOLDERS

8.1 Annual Meetings – Subject to the Act, the annual meeting of shareholders shall be held on such day and at such time in each year as the board may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

8.2 Special Meetings – Subject to the Act, the board may at any time call a special meeting of shareholders to be held on such day and at such time as the board may determine for the purposes specified by the board and for the transaction of such other business as may be properly brought before the meeting.

8.3 Notice of Meeting – Notice of the time and place for holding a meeting of shareholders shall be given in the manner provided in Section 11.1 of this by-law not more than 50 days and not fewer than 21 days before the date of the meeting (or within such other time limits as may be prescribed by any other applicable statute or rule or regulation of a stock exchange) to each shareholder entitled to vote at the meeting, to each director and to the auditor of the Corporation.

8.4 Place of Meetings – Subject to the Act, meetings of shareholders shall be held at such place within Canada as the directors shall determine or at any place outside Canada that may be specified in the articles.

8.5 Participation in Meeting by Electronic Means – Subject to the Act, any person entitled to attend a meeting of shareholders may participate in the meeting, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes such a communication facility available. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting.

Chairman and Secretary – The chairman of the board or, in the chairman's absence, the vice chairman, if any, or in the vice chairman's absence, the chief executive officer, or in the chief executive officer's absence, the president or in the president's absence, a vice-president shall be chairman of any meeting of shareholders and, if none of the said officers be present within 15 minutes after the time appointed for holding the meeting, the persons present and entitled to vote shall choose a chairman from amongst themselves. The secretary of the Corporation shall act as secretary at any meeting of shareholders or, if the secretary of the Corporation be absent, the chairman of the meeting shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by the chairman with the consent of the meeting.

8.6 Persons Entitled to be Present – The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

8.7 Quorum – At any meeting of shareholders, a quorum shall be at least two (2) persons present in person or represented by proxy holding or representing by proxy not less than one-third (1/3) of the shares entitled to be voted thereat. A quorum need not be present throughout the meeting provided a quorum is present at the opening of the meeting.

8.8 Proxies and Representatives – A shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or one or more alternate proxyholders, who are not required to be shareholders, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the power conferred by the proxy.

8.9 Time for Deposit of Proxies – The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours, exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, it shall have been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

8.10 Voting – Subject to the Act, every matter at a meeting of shareholders shall be decided by a show of hands unless a ballot is required by the chairman or demanded by any person entitled to vote. Upon a show of hands every person entitled to vote shall have one vote. After a vote by a show of hands has been taken the chairman may still require or any person entitled to vote may still demand a ballot thereon. Whenever a

vote by show of hands has been taken, unless a ballot is required or demanded, a declaration by the chairman of the meeting that the vote upon the matter has been carried or carried by a particular majority or not carried, and an entry to that effect in the minutes of the meeting, shall be, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution. Subject to the Act, any vote may be held entirely by means of a telephonic, electronic or other communication facility if the Corporation makes available such a communication facility. Subject to the Act, any person participating in a meeting of shareholders electronically and entitled to vote at the meeting may vote by means of the telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

8.11 Casting Vote – In case of an equality of votes at any meeting of shareholders either upon a show of hands or upon a ballot, the chairman of the meeting shall not be entitled to a second or casting vote.

8.12 Ballots – On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, the chairman may require, or any shareholder or proxyholder entitled to vote at the meeting may demand, a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which each person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

### 9.3 – SHARES

9.1 Securities Records – The Corporation shall maintain a register of shares and other securities in which it records the shares and other securities issued by it in registered form, showing with respect to each class or series of shares and other securities:

- (a) the names, alphabetically arranged, and the latest known address of each person who is or has been a holder;
- (b) the number of shares or other securities held by each holder; and
- (c) the date and particulars of the issue and transfer of each share or other security.

9.2 Transfer Agent and Registrar – The board may appoint, remove or replace a transfer agent or a registrar and one or more branch transfer agents or registrars to maintain a central securities register and branch securities registers.

9.3 Registered Owner of Shares – Subject to the provisions of the Act, the Corporation may treat the registered owner of a share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payments in respect thereof and otherwise to exercise all the rights and powers of an owner of a share.

9.4 Share Certificates – Unless otherwise ordered by the board, any share certificates shall be signed by any director or officer of the Corporation and need not be under corporate seal. Signatures may be printed or otherwise mechanically reproduced on the share certificates and every such signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. Share certificates representing shares in respect of which a transfer agent has been appointed shall be countersigned manually by or on behalf of such transfer agent. If a share certificate contains a printed or mechanically reproduced signature of a person, the Corporation may issue the share certificate, notwithstanding that the person has ceased to be a director or an officer of the Corporation, and the share certificate is as valid as if the person were a director or an officer at the date of its issue.

### 10 – DIVIDENDS AND RIGHTS

10.1 Dividends – Subject to the provisions of the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

10.2 Record Date for Dividends – The board may fix in advance a date, preceding the date for the payment of any dividend by not more than 50 days, for the determination of the persons entitled to receive payment of such dividend. Notice of such date shall be given not less than seven business days prior to such date by press release and by written notice to each stock exchange on which the shares of the Corporation are listed for trading.

10.3 Non-receipt of Payment – In the event of non-receipt or loss of any dividend payment by the person to whom it is sent, the Corporation shall issue to such person a replacement payment for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

10.4 Unclaimed Dividends – Any dividend unclaimed after a period of two years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

## 11 – MISCELLANEOUS

### 11.1 Method of Giving Notices -

- (a) Any notice or other document to be given or sent by the Corporation to a shareholder, director or officer or to the auditor of the Corporation may be given or sent by prepaid mail addressed to, may be delivered personally to, or may be sent by means of fax, e-mail or other form of electronic transmission to, the person to whom it is to be given or sent at his latest address as shown in the records of the Corporation or its transfer agent or in any notice filed in accordance with the provisions of the Act.
- (b) To the extent permitted by law, in addition to the delivery methods set out in (a) above, any notice or other document to be given or sent by the Corporation to a shareholder may be sent by providing or posting the notice or other document on or making it available through a generally accessible electronic source and providing notice of the availability and location of the notice or other document to the shareholder via any of the methods specified in (a) above, including by mail, personal delivery, fax, e-mail or other form of electronic transmission. A notice or other document sent to a shareholder by posting it on or making it available through a generally accessible electronic source shall be deemed to be received on the day such person is sent notice of the availability and location of such notice or other document.

11.2 Waiver of Notice – Any shareholder (or such shareholder's duly appointed proxyholder), director, officer, auditor or member of a committee of the board may at any time waive the sending of any notice, or waive or abridge the time for any notice, required to be given to such person under any provision of the Act, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board which may be given in any manner. Attendance of a director at a meeting of directors or of a shareholder or any other person entitled to attend a meeting of shareholders is a waiver of notice of the meeting except where such director, shareholder or other person, as the case may be, attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

11.3 Omissions and Errors – The accidental omission to give notice to any shareholder, director or officer or to the auditor or the non-receipt of any notice or any error in a notice not affecting the substance thereof shall not invalidate any action taken at any meeting called by such notice or otherwise founded thereon. Any notice with respect to any shares registered in more than one name may, if more than one address appears on the books of the Corporation in respect of such joint holding, be given the joint shareholders at any such address.

11.4 Forum Selection – Unless the Corporation consents in writing to the selection of an alternative forum, the courts of the Province of Ontario and the appellate courts therefrom shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (a) any derivative action or proceeding brought on behalf of the Corporation; (b) any action or proceeding asserting a claim of breach of fiduciary duty owed by any director,



officer or other employee of the Corporation to the Corporation; (c) any action or proceeding asserting a claim arising out of any provision of the Act or the articles or the by-laws of the Corporation (as either may be amended from time to time); or (d) any action or proceeding asserting a claim or otherwise related to the affairs of the Corporation. If any action or proceeding the subject matter of which is within the scope of the preceding sentence is filed other than with the court (a "Foreign Action") in the name of any securityholder, such securityholder shall be deemed to have consented to (x) the personal jurisdiction of the court in connection with any action or proceeding brought in in any such court to enforce the preceding sentence, and (y) having service of process made upon such securityholder in any such action or proceeding by service upon such securityholder's counsel in the Foreign Action as agent for such securityholder.

11.5 Invalidation – The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

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