

SunOpta Inc.
Form PRE 14A
April 03, 2017

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [x]
Filed by a party other than the Registrant []

Check the appropriate box:

- [x] Preliminary Proxy Statement
- [] **Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- [] Definitive Proxy Statement
- [] Definitive Additional Materials
- [] Soliciting Material Pursuant to §240.14a-12

SunOpta Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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- [x] No fee required
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- (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

SUNOPTA INC.
2233 Argentia Road
Suite 401, West Tower
Mississauga, ON L5N 2X7
905-821-9669

Dear Fellow Shareholder:

April 3, 2017

It is our pleasure to cordially invite you to attend in person, via the Internet or by telephone the Annual and Special Meeting of the Shareholders of SunOpta Inc., which will be held on Wednesday, May 24, 2017 at our corporate offices located at 2233 Argentia Road, Suite 401, West Tower, Mississauga, Ontario, Canada at 4:00 P.M. Eastern Daylight Time.

At our Annual and Special Meeting, shareholders will vote on: the election of our directors; the appointment of our independent public registered accounting firm and auditor and authorization to fix their remuneration; the compensation of our named executive officers; a resolution to approve the Company's Amended 2013 Stock Incentive Plan; and a resolution to remove the beneficial ownership exchange cap and voting cap and to waive the application of the shareholder rights plan, all as described in more detail in the accompanying proxy statement. In addition to these formal items of business, we will review the major developments of the past year and share with you some of our plans for the future.

You will have the opportunity to ask questions and express your views to the senior management of SunOpta Inc. and certain members of the Board of Directors who will be in attendance.

Your vote is important to us. Whether or not you intend to attend the meeting, please read the enclosed proxy statement and submit your vote by completing and returning the enclosed proxy card, or if you are a beneficial owner of shares held in street name, you may vote by telephone or via the Internet.

Sincerely,

Dean Hollis
Chair

David Colo
Chief Executive Officer

2233 Argentia Road
Suite 401, West Tower
Mississauga, ON L5N 2X7
T:(905) 821-9669 F:(905) 819-7971

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 24, 2017**

To the holders of the common shares (*Common Shares*) and special shares, series 1 (*Special Voting Shares*) of SunOpta Inc. (the *Company*):

Notice is hereby given that an Annual and Special Meeting of Shareholders of SunOpta Inc. (the *Meeting*) will be held on Wednesday, May 24, 2017 at 4:00 P.M. Eastern Daylight Time, at the Company's corporate offices located at 2233 Argentia Road, Suite 401, West Tower, Mississauga, ON, Canada L5N 2X7 for the following purposes, all as described in more detail in the accompanying proxy statement:

1. to elect the directors of the Company;
2. to appoint the Company's independent registered public accounting firm and auditor and to authorize the Audit Committee to fix their remuneration;
3. to consider and, if deemed advisable, approve a non-binding, advisory resolution to approve the compensation of the Company's named executive officers;
4. to consider and, if deemed advisable, to pass an ordinary resolution approving the Company's Amended 2013 Stock Incentive Plan, a copy of which is attached as Exhibit A;
5. to consider and, if deemed advisable, to pass an ordinary resolution to approve (i) the removal of the Beneficial Ownership Exchange Cap (as defined hereafter) under the terms of the Series A Preferred Stock (*Preferred Stock*) of our subsidiary, SunOpta Foods Inc., in compliance with NASDAQ Listing Rule 5635(b), (ii) the removal of the Voting Cap in accordance with the terms of the Voting Trust Agreement (as defined hereafter) and (iii) the waiver of the application of the Company's Shareholder Rights Plan to the acquisition of the Special Voting Shares and Common Shares issuable to holders of Preferred Stock in accordance with the terms of the Preferred Stock financing completed in October 2016 (collectively, the *Preferred Stock Resolution*); and
6. to consider and take action upon such other matters as may properly come before the Meeting or any adjournment or adjournments thereof.

You may also access the Meeting live by teleconference or over the Internet, by following the instructions provided in the accompanying Proxy Statement in the section Questions and Answers About the Meeting and Voting - How can I vote?

This Notice is accompanied by a Proxy Statement, a proxy card, the Annual Report of the Company on Form 10-K which includes the Audited Consolidated Financial Statements for the year ended December 31, 2016 and related Management's Discussion and Analysis, and an envelope to return the proxy card.

The Board of Directors has fixed the close of business on March 27, 2017 as the record date for the determination of the shareholders of the Company entitled to receive notice of and to vote at the Meeting. All such shareholders are cordially invited to attend the Meeting.

Your vote is important. Whether or not you intend to attend the Meeting, please read the enclosed Proxy Statement and submit your vote by completing and returning the enclosed proxy card or if you are a beneficial owner of shares held in street name, you may vote by telephone or via the Internet.

If you have any questions or need assistance to vote, please contact our strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors by toll-free telephone in North America at 1-877-659-1822 or collect call at 1-416-867-2272 outside North America, or by email at contactus@kingsdaleadvisors.com.

IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 24, 2017.

This Proxy Statement, the accompanying proxy card and our Annual Report to Shareholders for the fiscal year ended December 31, 2016 are first being made available on or about April 3, 2017 to shareholders of the Company entitled to receive notice of and vote at the Meeting as of the record date, and such materials are also available on our website at www.sunopta.com, under the Investor Relations link.

In order to be represented by proxy at the Meeting, you must complete and submit the enclosed Form of Proxy or another appropriate form of proxy.

**SUNOPTA INC.
PROXY STATEMENT
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BASIS OF PRESENTATION

In this document, all currency amounts are expressed in United States (U.S.) dollars (\$) unless otherwise stated. Amounts expressed in Canadian dollars are preceded by the symbol Cdn \$. Amounts expressed in euros are preceded by the symbol € .

If you have any questions or need assistance completing your proxy or voting instruction form, please call Kingsdale Advisors at 1-877-659-1822 or email contactus@kingsdalesadvisors.com.

QUESTIONS AND ANSWERS ABOUT THE MEETING AND VOTING

What is the Notice of Internet Availability of Proxy Materials that I received instead of complete proxy materials?

The Securities and Exchange Commission (the *SEC*) rules allow companies to furnish proxy materials, including this proxy statement and our Annual Report to Shareholders, by providing access to these documents on the Internet instead of mailing printed copies of our proxy materials to shareholders. Most shareholders who reside in the United States have received a Notice of Internet Availability of Proxy Materials (the *Notice*), which provides instructions for accessing proxy materials on a website or for requesting electronic or printed copies of the proxy materials.

If you would like to receive a paper copy of the proxy materials for the Annual and Special Meeting of Shareholders (the *Meeting*) of SunOpta Inc. (sometimes referred to as *we*, *us*, *our*, *the Company* or *SunOpta*) and for meetings, please follow the Notice instructions for requesting such materials. The chosen electronic delivery option lowers costs and reduces environmental impacts of printing and distributing the materials.

What is the date, time and place of the Meeting?

The Meeting will be held on Wednesday, May 24, 2017 at 4:00 P.M. Eastern Daylight Time at our corporate offices located at 2233 Argenta Road, Suite 401, West Tower, Mississauga, ON L5N 2X7.

You may also access the Meeting live by teleconference or over the Internet. To access the Meeting by teleconference, dial toll free at 1-877-312-9198 or international at 1-631-291-4622. To access the Meeting over the Internet, go to the Company's website at www.sunopta.com. You should plan to access the Company's website at least 15 minutes prior to the Meeting time in order to register, download and install any necessary audio software.

Why am I receiving proxy materials?

We sent you the Notice or this proxy statement relating to the Meeting (this *Proxy Statement*) and the accompanying proxy card because our Board of Directors (sometimes referred to as the *Board*) is soliciting your proxy to vote at the Meeting and at any adjournment or postponement thereof. You are invited to attend the Meeting and we request that you vote on the proposals described in this Proxy Statement. However, you do not need to attend the Meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card, or vote by telephone or Internet as described below under *How can I vote?*

What are the items of business scheduled for the Meeting?

There are five matters scheduled for a vote:

the election of the director nominees specified in this Proxy Statement;

the appointment of Deloitte LLP as the Company's independent registered public accounting firm and auditor and authorization for the Audit Committee to fix their remuneration;

a non-binding, advisory resolution to approve the compensation of the Company's named executive officers (*NEOs*);

a proposal to approve the Company's Amended 2013 Stock Incentive Plan, a copy of which is attached as Exhibit A; and

a proposal to approve the Preferred Stock Resolution.

Shareholders will also consider and take action upon such other matters as may properly come before the Meeting or any adjournment thereof. The Board is not currently aware of any other matters to be presented at the Meeting.

What is included in the proxy materials?

The proxy materials include:

If you have any questions or need assistance completing your proxy or voting instruction form, please call Kingsdale Advisors at 1-877-659-1822 or email contactus@kingsdalesadvisors.com.

this Proxy Statement for the Meeting;

the accompanying proxy card; and

our Annual Report to Shareholders on Form 10-K for the year ended December 31, 2016, which includes the Audited Consolidated Financial Statements for the year ended December 31, 2016 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations. The Annual Report is not incorporated by reference into this Proxy Statement and is not deemed to be a part hereof.

What is a proxy?

It is your legal designation of another person to vote the shares you own. The other person is called a proxy. If you designate someone as your proxy in a written document, that document is also called a proxy or a proxy card.

The enclosed proxy card contemplates that Robert McKeracher, Vice President and Chief Financial Officer, and Jill Barnett, General Counsel and Secretary, each be appointed to act as your proxy. However, you may choose another person to act as your proxy. If you wish to appoint as your proxy a person other than the individuals named on the proxy card to attend the Meeting and vote for you, you may do so by striking out the names on the proxy card and inserting the name of your proxy in the blank space provided in the proxy card, or you may complete another proper proxy card. Your appointed proxy need not be a shareholder of the Company. If you appoint a non-management proxyholder, please make them aware and ensure they will attend the meeting for the vote to count.

Who is soliciting my proxy?

The proxy accompanying this Proxy Statement is solicited by management and the Board of Directors of the Company. Proxies may be solicited by officers, directors and regular employees of the Company. None of the officers, directors or employees will be directly compensated for such services. In addition, Kingsdale Advisors has been retained by the Company as our strategic shareholder advisor and proxy solicitation agent in connection with the solicitation of proxies for the Meeting. The contact information for Kingsdale Advisors is set out on the last page of this Proxy Statement. The Company will pay Kingsdale Advisors a fee of approximately \$27,500, plus reasonable out-of-pocket expenses, for these services. Solicitations of proxies may be made personally or by mail, facsimile, telephone, messenger, or e-mail. The Company will bear all proxy solicitation costs.

How many classes of shares are outstanding?

The Company currently has two classes of shares issued and outstanding. The Common Shares are quoted for trading on NASDAQ (STKL) and are listed for trading on the Toronto Stock Exchange (SOY). The Company also created and issued Special Voting Shares in connection with the Preferred Stock financing completed by our subsidiary, SunOpta Foods Inc., in October 2016 as more fully described below under Proposal Five The Preferred Stock Resolution .

Unless the context otherwise requires, any reference in this Proxy Statement to shares of the Company refers to both the Common Shares and Special Voting Shares, and any reference to shareholders of the Company is intended to refer to holders of either Common Shares or Special Voting Shares.

Who can vote at the Meeting?

Subject to the restriction noted below under How many votes are needed to approve each proposal , each holder of Common Shares and each holder of Special Voting Shares is entitled to one vote for every share owned. The holders of Common Shares and Special Voting Shares vote together as a single class.

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Only shareholders of record at the close of business on March 27, 2017, or the record date, will be entitled to vote at the Meeting. On the record date, there were 86,007,186 Common Shares and 11,333,333 Special Voting Shares issued and outstanding (97,340,519 shares in aggregate), representing 88.4% and 11.6%, respectively, of the aggregate voting rights attaching to all of the Company's outstanding shares. Except as otherwise stated, all information relating to the number of outstanding shares or other securities of the Company in this Proxy Statement is as of March 27, 2017.

If you have any questions or need assistance completing your proxy or voting instruction form, please call Kingsdale Advisors at 1-877-659-1822 or email contactus@kingsdalesadvisors.com.

In the event a shareholder of record transfers his, her or its Common Shares after the close of business on the record date, the transferee of those shares will be entitled to vote the transferred shares at the Meeting provided that he, she or it produces properly endorsed share certificates representing the transferred shares to the Company's Secretary or transfer agent or otherwise establishes ownership of the transferred shares at least 10 days prior to the Meeting.

What is the difference between a shareholder of record and a shareholder who holds shares in street name?

Most shareholders hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are important distinctions between shares held of record and those owned in street name.

Shareholder of Record Shares Registered in Your Name

If on March 27, 2017 your shares were registered directly in your name with our transfer agent, you are considered, with respect to those shares, the shareholder of record. As the shareholder of record, you have the right to grant your voting proxy directly to the individuals named on the proxy card, or to vote in person at the Meeting. Whether or not you plan to attend the Meeting, we urge you to fill out and return the enclosed proxy card to ensure your vote is counted.

Beneficial Owner Shares Registered in the Name of Broker, Bank or Nominee

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and the proxy materials are being forwarded to you by your broker or nominee, which is considered, with respect to those shares, the shareholder of record. As the beneficial owner, you have the right to direct your broker how to vote and are also invited to attend the Meeting. However, since you are not the shareholder of record, you may not vote these shares in person at the Meeting unless you obtain a signed proxy from the shareholder of record giving you the right to vote the shares. Your broker or nominee has provided voting instructions for you to use in directing the broker or nominee how to vote your shares. If you fail to provide sufficient instructions to your broker or nominee, that shareholder of record may be prohibited from voting your shares. See *What if I do not specify how my shares are to be voted?* and *What are broker non-votes?* below.

How can I vote?

You may vote your shares by one of the following methods:

Vote in Person. If you are the shareholder of record with respect to your shares, you may vote the shares in person at the Meeting. If you choose to vote in person at the Meeting, please bring your proxy card or personal identification. Shares held in street name may be voted in person by you only if you obtain a legal proxy from the shareholder of record giving you the right to vote your beneficially owned shares.

Vote by Telephone. To vote by telephone, call toll free 1-800-690-6903. You will be prompted to provide your 16 digit control located on the Notice or your proxy card. *Please note that telephone voting should not be used if you plan to attend the Meeting and vote in person or designate a proxy to vote on your behalf at the Meeting.*

Vote by Facsimile (Canadian shareholders only). You may also submit your proxy card via facsimile by sending it to 1-866-623-5305.

Vote by Internet. To vote via the Internet, go to www.proxyvote.com and follow the simple instructions. You will be required to provide your 16 digit control number located on the Notice or your form of proxy.

Vote by Mail. If you received a printed set of proxy materials, you may complete, sign, date and mail the separate proxy card or other proper form of proxy in the envelope provided with this Proxy Statement.

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If you have any questions or need assistance completing your proxy or voting instruction form, please call Kingsdale Advisors at 1-877-659-1822 or email contactus@kingsdalesadvisors.com.

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If you vote by telephone, Internet or facsimile, please do not mail your proxy card.

If you vote by telephone, facsimile or Internet, your vote must be cast no later than the proxy cut-off of 4:00 P.M. Eastern Daylight Time on Monday, May 22, 2017 (or 4:00 P.M. on the day before, excluding Saturdays, Sundays and holidays, any adjournment or postponement of the Meeting). If you vote by proxy, your completed proxy card must be received by Broadridge at 51 Mercedes Way, Edgewood, New York USA 11717, prior to 4:00 P.M. Eastern Daylight Time on Monday, May 22, 2017 (or 4:00 P.M. on the day before, excluding Saturdays, Sundays and holidays, any adjournment or postponement of the Meeting at which the proxy is to be used). The Chair of the Meeting may waive or extend the proxy cut-off without notice at his own discretion.

If your shares are held in street name by a broker, bank or other nominee, please refer to the instructions provided by that broker, bank or nominee regarding how to vote or how to revoke your voting instructions.

If you return a signed proxy card or use the telephone or Internet to vote before the Meeting, the person named as proxies in the proxy card will vote your Common Shares as you direct.

Even if you currently plan to attend the Meeting, we recommend that you also submit your proxy as described above so that your vote will be counted if you later decide not to attend the Meeting. Submitting your proxy via Internet, telephone or mail does not affect your right to vote in person at the Meeting.

How many votes are needed to approve each proposal?

The number of votes required to approve each of the proposals scheduled to be presented at the Meeting is as follows:

Proposal One: Election of Directors. Directors are elected by a plurality of the votes cast, meaning the nominees who receive the largest number of votes will be elected as directors, up to the maximum number of directors to be elected. However, in accordance with our Majority Voting Policy, any director who receives more withhold than for votes will be required to immediately submit his or her resignation as a director. See Proposal One Election of Directors Majority Voting Policy below.

Proposal Two: Appointment of Deloitte LLP as the Company's independent registered public accounting firm and auditors and authorization of the Audit Committee to fix their remuneration. This proposal will be approved if the votes cast in favor of the proposal constitute a majority of the total votes cast on the proposal.

Proposal Three: Advisory vote regarding the compensation of the Company's NEOs. This proposal will be approved if the votes cast in favor of the proposal constitute a majority of the total votes cast on the proposal. Although the outcome of this vote is not binding on us, we will consider the outcome of this vote when developing our compensation policies and practices, and when making compensation decisions in the future.

Proposal Four: Approval of the Company's Amended 2013 Stock Incentive Plan. This proposal will be approved if the votes cast in favor of the proposal constitute a majority of the total votes cast on the proposal.

Proposal Five: Approval of the Preferred Stock Resolution. This proposal will be approved if the votes cast in favor of the proposal constitute a majority of the total votes cast on the proposal. Holders of Special Voting Shares or Common Shares beneficially owned by the Investors (as such term is defined below in Proposal Five Approval of the Preferred Stock Resolution) or their affiliates are not entitled to vote on this proposal.

What if I do not specify how my shares are to be voted?

Shareholders of Record. If you are a shareholder of record and you submit a proxy card, but you do not provide voting instructions, your shares will be voted as follows:

FOR each of the eight nominees named in this Proxy Statement for election to the Company's Board of Directors;

If you have any questions or need assistance completing your proxy or voting instruction form, please call Kingsdale Advisors at 1-877-659-1822 or email contactus@kingsdalesadvisors.com.

FOR the appointment of Deloitte LLP as the Company's independent registered public accounting firm and auditor and authorization of the Audit Committee to fix their remuneration;

FOR the approval of the non-binding advisory resolution regarding the compensation of the Company's NEOs;

FOR the proposal to approve the Company's Amended 2013 Stock Incentive Plan; and

FOR the proposal to approve the Preferred Stock Resolution.

The Board does not expect that any additional matters will be brought before the Meeting. The persons appointed as proxies will vote in their discretion on any other matters that may properly come before the Meeting or any postponement or adjournment thereof, including any vote to postpone or adjourn the Meeting. Moreover, if for any reason any of our nominees are not available as a candidate for director, the persons named as proxies will vote for such other candidate or candidates as may be nominated by the Board.

Beneficial Owners. If you are a beneficial owner and you do not provide the broker, bank or other nominee that holds your shares with voting instructions, the broker or other nominee will determine if it has the discretionary authority to vote on the particular matter. Therefore, if you do not provide voting instructions to your broker, your broker may only vote your shares on Proposal Two. See "What are broker non-votes?" below.

What are broker non-votes ?

A broker non-vote occurs when a broker, bank or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have authority to vote on that particular proposal without receiving voting instructions from the beneficial owner. *Under NASDAQ rules, brokers that do not receive voting instructions from the beneficial owner have the discretion to vote on certain routine matters, but do not have the discretion to vote on the election of directors to the Board, executive compensation matters or any other significant matter as determined by the SEC.* We believe that Proposal Two relating to the appointment of Deloitte LLP as our independent registered public accounting firm is considered a matter on which brokers may vote in their discretion on behalf of clients who have not furnished voting instructions. However, under current NASDAQ rules, we believe that brokers who have not received voting instructions from their clients will not be authorized to vote in their discretion on Proposals One, Three, Four or Five. Accordingly, for beneficial owners of shares, if you do not give your broker specific instructions, your shares may not be voted on such proposals.

How are abstentions and broker non-votes counted?

Abstentions and broker non-votes are counted for purposes of determining whether a quorum exists at the Meeting. The shares represented by proxies marked "abstain" will not be treated as affirmative or opposing votes. Broker non-votes will not affect the outcome of the vote on any of the proposals to be voted upon at the Meeting because the outcome of each vote depends on the number of *votes cast* rather than the number of shares *entitled to vote*.

How many votes do I have?

On each matter to be voted upon, you have one vote for each common share you owned as of March 27, 2017.

Who counts the votes?

The Company has nominated Broadridge Financial Solutions, Inc. to count and tabulate the votes. This is done independently of the Company to preserve the confidentiality of individual shareholder votes. Proxies are referred to the Company only in cases where a shareholder clearly intends to communicate with management, the validity of the proxy is in question or where it is necessary to do so to meet the requirements of applicable law.

Is my vote confidential?

The Company's transfer agents (identified below) preserves the confidentiality of individual shareholder votes, except where a shareholder clearly intends to communicate his or her individual position to the management of the Company or as necessary in order to comply with legal requirements.

If you have any questions or need assistance completing your proxy or voting instruction form, please call Kingsdale Advisors at 1-877-659-1822 or email contactus@kingsdalesadvisors.com.

If I need to contact the Company's transfer agents, how do I reach them?

You can contact the transfer agent in Canada by mail at: TSX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario, Canada M5H 4H1, or via telephone at (416) 361-0930. You can contact the transfer agent in the USA by mail at: American Stock Transfer & Trust Company, LLC, 6201 15th Avenue, Brooklyn, NY USA 11219, or via telephone at (718) 921-8293.

What does it mean if I receive more than one copy of the Notice or proxy card?

If you receive more than one copy of the Notice or more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return each proxy card or follow the instructions on each copy of the Notice to ensure that all of your shares are voted.

How do I revoke or change my vote?

If you are a shareholder of record, you may revoke your proxy at any time before it is voted by one of the following methods:

Voting again by telephone or by Internet prior to *4:00 P.M. Eastern Daylight Time on May 22, 2017*, as set forth above under *How can I vote?* ;

Requesting, completing and mailing or delivering by facsimile a proper proxy card, as set forth above under *How can I vote?* ;

Sending written notice of revocation, signed by you (or your duly authorized attorney), to the Company at its corporate offices at 2233 Argentia Road, Suite 401, West Tower, Mississauga, ON L5N 2X7, at any time prior to the last business day preceding the date of the Meeting; or

Attending the Meeting (or any adjournment thereof) and delivering written notice of revocation prior to any vote to the Chair of the Meeting.

If you hold your shares in street name, you may revoke your proxy by following the instructions provided by your broker, bank or other nominee.

What is the quorum requirement?

Under NASDAQ listing rules and the Company's by-laws, the presence at the Meeting, in person or represented by proxy, of at least two shareholders holding not less than one-third (33 1/3%) of all the Company's outstanding shares shall constitute a quorum for the purpose of transacting business at the Meeting. As of the record date, there were 86,007,186 Common Shares and 11,333,333 Special Voting Shares outstanding (97,340,519 shares in the aggregate). Therefore, holders of at least 32,446,840 of the Company's outstanding shares must be present, in person or represented by proxy, at the Meeting in order to establish a quorum. The Company encourages all of its shareholders to participate in the Meeting.

How can I find out the results of the voting at the Meeting?

Preliminary voting results will be announced at the Meeting. We will publish final results in a Current Report on Form 8-K that we expect to file with the SEC and with applicable Canadian securities regulatory authorities within four business days of the Meeting. After the Form 8-K is filed, you may obtain a copy by visiting our website, by viewing our public filings in the U.S. at www.sec.gov or in Canada at www.sedar.com, by calling (905) 821-9669, by writing to Investor Relations, SunOpta Inc., 2233 Argentia Road, Suite 401, West Tower, Mississauga, ON L5N 2X7 or by

sending an email to beth.mcgillivary@sunopta.com.

If you have any questions or need assistance completing your proxy or voting instruction form, please call Kingsdale Advisors at 1-877-659-1822 or email contactus@kingsdalesadvisors.com.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following presents information regarding beneficial ownership of our shares as of March 27, 2017 by:

each person who we know owns beneficially more than 5% of each class of our shares;

each of our directors and nominees;

each of our NEOs; and

all of our directors and executive officers as a group.

Under the regulations of the SEC, shares are generally deemed to be beneficially owned by a person if the person directly or indirectly has or shares voting power or investment power (including the power to dispose) over the shares, whether or not the person has any pecuniary interest in the shares, or if the person has the right to acquire voting power or investment power of the shares within 60 days, including through the exercise of any option, warrant or right. In accordance with the regulations of the SEC, in computing the number of Common Shares beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all Common Shares subject to options or other rights held by the person that are currently exercisable or exercisable within 60 days of March 27, 2017. We did not deem such shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Based solely on our review of statements filed with the SEC pursuant to Section 13(d) and 13(g) under the Securities Exchange Act of 1934, as amended (the *Exchange Act*) the Company is not aware of any other person or group that beneficially owns more than 5% of any class of voting shares of the Company, except as noted below.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership	Percentage of Class⁽¹⁾	Percentage of all Shares⁽¹⁾
Oaktree Capital Management, L.P. 333 South Grand Avenue, 28 th Floor, Los Angeles, CA 90071	Common	3,000,000 ⁽²⁾	3.49%	3.08%
	Special Voting	11,333,333 ⁽²⁾	100%	11.64%
Tourbillon Capital Partners, L.P. 888 Seventh Avenue, 32 nd Floor, New York, NY 10019	Common	8,450,000 ⁽³⁾	9.82%	8.68%
Morgan Stanley 1585 Broadway, New York, NY 10036	Common	8,110,287 ⁽⁴⁾	9.43%	8.33%
Engaged Capital, LLC 610 Newport Center Drive, Suite 250, Newport Beach, CA 92660	Common	6,426,435 ⁽⁵⁾	7.47%	6.60%
UBS Group AG Bahnhofstrasse 45, PO Box CH-8021, Zurich, Switzerland	Common	5,708,968 ⁽⁶⁾	6.64%	5.86%

(1) Percentage of Class and Percentage of all Shares is calculated based on a total of 86,007,186 Common Shares and 11,333,333 Special Voting Shares outstanding, in each case as at March 27, 2017. These totals do not include Common Shares that are issuable on the exercise of outstanding options or upon exchange

of the Preferred Stock. However, to the extent Preferred Stock is exchanged for Common Shares, a corresponding number of Special Voting Shares will be redeemed by the Company. See Proposal Five The Preferred Stock Resolution Preferred Stock Financing .

- (2) On October 7, 2016, Oaktree Organics, L.P. (*Organics*) and Oaktree Huntington Investment Fund II, L.P. (*OHIF II LP*) and together with Organics, the *Oaktree Funds*) subscribed for 85,000 shares of Preferred Stock of SunOpta Foods Inc. for total consideration of \$85,000,000. Concurrently, the Company issued an aggregate of 11,333,333 Special Voting Shares to the Oaktree Funds. See Proposal Five The Preferred Stock Resolution Preferred Stock Financing . According to a Schedule 13D filed on March 8, 2017 by Oaktree Capital Management, L.P. (*Oaktree*), Organics owned directly 2,509,921 Common Shares and 71,196 shares of Preferred Stock exchangeable into 9,492,800 Common Shares at an exercise price of \$7.50 per share, and has the sole power to vote and dispose of those shares, and OHIF II LP owned directly 490,079 Common Shares and 13,804 shares of Preferred Stock exchangeable into 1,840,533 Common Shares at an exercise price of \$7.50 per share, and has the sole power to vote and dispose of those shares. Also according to the Schedule 13D, Oaktree Huntington Investment Fund II GP, L.P. (*OHIF II GP*), the general partner of OHIF II LP; Oaktree, the investment manager of OHIF II GP; and Oaktree Holdings, Inc. (*Holdings, Inc.*), the general partner of Oaktree, may be deemed to have indirect beneficial ownership of the 2,330,612 Common Shares owned directly by OHIF II LP. Additionally, Oaktree Fund GP, LLC (*GP LLC*), the general partner of OHIF II GP; Oaktree Fund GP I, L.P. (*GP I*), the managing member of GP LLC; Oaktree Capital I, L.P. (*Capital I*), the general partner of GP I; OCM Holdings I, LLC (*Holdings I*), the general partner of Capital I; Oaktree Holdings, LLC (*Holdings*), the managing member of Holdings I; Oaktree Capital Group, LLC (*OCG*), the sole shareholder of Holdings, Inc. and management member of Holdings; and Oaktree Capital Group Holdings GP, LLC, the manager of OCG, may be deemed to have indirect beneficial ownership of the 14,333,333 shares owned directly in the aggregate by the Oaktree Funds.

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- (3) According to a Schedule 13D filed jointly on May 27, 2016 by Tourbillon Capital Partners, L.P. (*Tourbillon*), Tourbillon Global Long Alpha Fund, LLC (*Long Alpha Fund LLC*), Tourbillon Global Long Alpha Fund, Ltd (*Long Alpha Fund Ltd*), Tourbillon Global Master Fund, Ltd (*Global Master Fund*) and collectively with Long Alpha Fund LLC and Long Alpha Fund Ltd, the *Funds*) and Jason H. Karp (*Karp*), Long Alpha Fund LLC owned directly 160,795 Common Shares, Long Alpha Fund Ltd owned directly 587,779 Common Shares, and Global Master Fund owned directly 7,701,426 Common Shares. Collectively the Funds had shared voting and shared dispositive power over 8,450,000 Common Shares. In addition, collectively the Funds have an interest in an additional 12,660,515 Common Shares under cash-settled swaps and Global Master Fund has an interest in an additional 1,608,300 Common Shares under cash-settled call options. Collectively, the cash-settled swaps and call options represent economic exposure comparable to an interest in an additional 16.60% of the outstanding Common Shares. Tourbillon is the Investment Manager of each of the Funds and Karp is the Chief Executive Officer of Tourbillon. By virtue of these relationships, each of Tourbillon and Karp may be deemed to beneficially own the Common Shares owned by the Funds.
- (4) According to a Schedule 13G filed jointly by Morgan Stanley (*Morgan Stanley*) and Morgan Stanley Capital Services LLC (*MSCS*) on February 13, 2017, Morgan Stanley had sole voting power over 7,986,955 Common Shares, and shared voting and shared dispositive power over 113,832 and 8,110,287 Common Shares, respectively. MSCS had sole voting and shared dispositive power over 7,869,835 Common Shares. The Common Shares reported by Morgan Stanley as a parent holding company are owned, or may be deemed to be beneficially owned, by MSCS, a wholly-owned subsidiary of Morgan Stanley.
- (5) According to a Schedule 13D filed on October 12, 2016 by Engaged Capital, LLC (*Engaged Capital*), Engaged Capital Flagship Master Fund, LP (*Engaged Capital Flagship Master*) owned directly 2,896,833 Common Shares, and has the sole power to vote and dispose of those shares and Engaged Capital Co-Invest IV, LP (*Engaged Capital Co-Invest IV*) owned directly 3,191,639 Common Shares, and has the sole power to vote and dispose of those shares. In addition, a certain managed account of Engaged Capital (the *Engaged Capital Account*) held 337,963 Common Shares. Also according to the Schedule 13D, each of Engaged Capital Flagship Fund, LP and Engaged Capital Flagship Fund, Ltd., as feeder funds of Engaged Capital Flagship Master, may be deemed to have indirect beneficial ownership of the 2,896,833 Common Shares owned directly by Engaged Capital Flagship Master. Additionally, Engaged Capital, as the general partner and investment advisor of Engaged Capital Flagship Master and Engaged Capital Co-Invest IV and the investment adviser of the Engaged Capital Account, may be deemed to have indirect beneficial ownership of the 6,426,435 Common Shares owned directly in the aggregate by Engaged Capital Flagship Master and Engaged Capital Co-Invest IV and held in the Engaged Capital Account. Engaged Capital Holdings, LLC (*Engaged Holdings*), as the managing member of Engaged Capital, may be deemed to have indirect beneficial ownership of the 6,426,435 Common Shares owned directly in the aggregate by Engaged Capital Flagship Master and Engaged Capital Co-Invest IV and held in the Engaged Capital Account. Glenn W. Welling, as the Founder and Chief Investment Officer of Engaged Capital and sole member of Engaged Holdings, may be deemed to have indirect beneficial ownership of the 6,426,435 Common Shares owned directly in the aggregate by Engaged Capital Flagship Master and Engaged Capital Co-Invest IV and held in the Engaged Capital Account.

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- (6) According to a Schedule 13G filed jointly by UBS Group AG on behalf of itself and its wholly-owned subsidiaries UBS AG London Branch, UBS Financial Services Inc. and UBS Securities LLC (collectively, the *UBS Group*) on February 7, 2017, the UBS Group has shared power to vote and dispose 5,708,968 Common Shares.

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Name and Address of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership(2)			Total Number of Common Shares, Vested Options and Vested RSUs	Percentage of Class(5)	Percentage of all Shares(5)
	Common Shares	Vested Options(3)	Vested RSUs(4)			
Margaret Shân Atkins Director	13,381	-	14,343 ⁽⁶⁾	27,724	*	*
Dr. Albert Bolles Director	40,000	-	-	40,000	*	*
David Colo President, Chief Executive Officer and Director	145,000	-	-	145,000	*	*
Michael Detlefsen Director	59,915 ⁽⁷⁾	9,000	17,170 ⁽⁸⁾	86,085	*	*
Ed Haft Senior Vice President, Healthy Fruit	-	39,049	-	39,049	*	*
Dean Hollis(9) Chair of the Board	50,000	-	-	50,000	*	*
Katrina Houde Director, Former Interim Chief Executive Officer	74,311	51,000	11,586	136,897	*	*
Hendrik Jacobs(10) Former President, Chief Executive Officer and Director	41,638	335,067	-	376,705	*	*
Robert McKeracher Vice President and Chief Financial Officer	49,475	213,384	-	262,859	*	*
John Ruelle Chief Administrative Officer and Senior Vice President	23,759	181,615	-	205,374	*	*
Brendan Springstubb Director	-	-	-	-	*	*
	-	-	-	-	*	*

Gregg Tanner Director						
Gerard Versteegh Senior Vice President, Global Ingredients	103,078	142,122	-	245,200	*	*
All directors and executive officers as a group(17)	600,557	971,237	43,099	1,614,893	1.88%	1.66%

- (1) The address of each director and executive officer is 2233 Argentia Road, Suite 401, West Tower, Mississauga, ON L5N 2X7.
- (2) Unless otherwise indicated, the persons in this table have sole voting and dispositive power with respect to the Common Shares shown as beneficially owned by them. The information as to shares beneficially owned or over which control or direction is exercised, directly or indirectly, not being within the knowledge of the Company, has been furnished by the respective directors and executive officers individually.

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- (3) The number of vested options includes options that will become exercisable within 60 days of March 27, 2017. The exercise price of vested options range from \$3.27 to \$11.30 per share.
- (4) The number of vested Restricted Stock Units (RSUs) includes RSUs that will vest within 60 days of March 27, 2017 as well as any deferred RSUs that a director has deferred until his or her departure from the Board, which are specifically noted within the individual biography section.
- (5) Percentage of Class and Percentage of all Shares is calculated based on a total of 86,007,186 Common Shares and 11,333,333 Special Voting Shares outstanding, in each case as at March 27, 2017 (*indicates less than 1% of the outstanding Common Shares).
- (6) The number includes 5,366 deferred RSUs that Ms. Atkins has deferred until her departure from the Board.
- (7) Includes 2,000 Common Shares beneficially owned by Mr. Detlefsen s spouse, in respect of which Mr. Detlefsen has no voting or dispositive power or authority.
- (8) The number includes 5,584 of the total RSUs are deferred RSUs that Mr. Detlefsen has deferred until his departure from the Board.
- (9) Mr. Hollis also owns 500 limited partnership units of Organics, which owns 2,509,921 Common Shares, 9,492,800 Special Voting Shares and Preferred Stock which is exchangeable for 9,492,800 Common Shares. See Note (2) under Security Ownership of Certain Beneficial Owners and Management . However, Mr. Hollis does not directly or indirectly exercise control or direction over the securities of the Company held by Organics.
- (10) Mr. Jacobs resigned from his position of President and Chief Executive Officer and as a director of the Company effective November 11, 2016. These numbers reflect the information as of his last day of employment.

The Company does not currently have a formal policy to prohibit officers and directors from hedging against declines in the market value of their equity based compensation or equity securities through the use of financial instruments. However, this practice is discouraged and the Company is not aware of any NEOs or directors engaging in any hedging transactions.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers, among others, to file with the SEC an initial report of ownership of our Common Shares on Form 3 and reports of changes in ownership on Form 4 or Form 5. Persons subject to Section 16 are required by SEC regulations to furnish us with copies of all Section 16 forms that they file related to SunOpta stock transactions. Under SEC rules, certain forms of indirect ownership and ownership of our Common Shares by certain family members are covered by these reporting requirements. As a matter of practice, our administrative staff assists our directors and executive officers in preparing initial ownership reports and reporting ownership changes and typically files these reports on their behalf.

Based solely on a review of the copies of Forms 4 and 5 furnished to us, or written representations from reporting persons that all reportable transactions were reported, we believe that during the fiscal year ended December 31, 2016 all of our executive officers, directors and greater than 10% holders, if any, filed the reports required to be filed under Section 16(a) on a timely basis, except that the Form 4 filings made on May 18, 2016 for Jay Amato, Katrina Houde and Alan Murray were late and the Form 4 filing made on July 5, 2016 for James Gratzek was late. The seven late Form 4 filings reported a total of thirteen transactions.

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PROPOSAL ONE - ELECTION OF DIRECTORS

Nominees

The term of office of each director expires at the close of the next Annual Meeting of Shareholders unless he or she resigns or his or her office becomes vacant as a result of death, removal or other cause.

It is proposed that the following eight individuals be elected as directors of the Company at the Meeting. Each of the nominees named below has consented to be named herein and to serve as a director if elected. Management has no reason to believe that any of the nominees will not be a candidate or, if elected, will be unable to serve as a director. There are no family relationships among the Company's directors, executive officers or persons nominated or chosen to become directors.

Board of Director Nominees in Alphabetical Order:

Margaret Shân Atkins
Dr. Albert Bolles
David Colo
Michael Detlefsen
Dean Hollis
Katrina Houde
Brendan Springstubb
Gregg Tanner

Recommendation of the Board of Directors; Vote Required

The Board of Directors recommends that shareholders vote FOR the election of each of the eight director nominees named above. The eight nominees who receive the greatest number of votes cast at the Meeting will be elected as directors. In accordance with our by-laws, any director who receives more withhold than for votes will be deemed to have tendered his or her resignation as a director. See Majority Voting Policy below. Abstentions and broker non-votes are counted only for purposes of determining whether a quorum exists at the Meeting, but will have no effect on the results of the vote. Brokers and other nominees will not have discretionary authority to vote your shares if you hold your shares in street name and do not provide instructions as to how your shares should be voted on this proposal. If any of the nominees for director at the Meeting becomes unavailable for election for any reason, the proxies on this proposal will have discretionary authority to vote pursuant to the proxy for a substitute or substitutes.

Information about the Board Nominees

The biographies that follow provide certain information as of March 27, 2017 with respect to each director nominee. The information presented below for each director includes the specific experience, qualifications, attributes and skills that led us to the conclusion that such director should be nominated to serve on the Board in light of our business.

In addition to the factual information provided for each of the nominees, the Board and the Corporate Governance Committee (as Nominating Committee) also believe that each of the nominees has attributes that are important to an effective board, including: sound judgment and analytical skills; integrity and demonstrated high ethical standards; the ability to engage management and one another in a constructive and collaborative manner; diversity of background and experience; and the continued commitment to devote his or her time, energy and skills to ensure the growth and prosperity of the Company.

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Majority Voting Policy

The Board has adopted a policy providing that, in an uncontested election of directors, shareholders will be able to vote in favor of, or to withhold from voting, separately for each director nominee. If any nominee receives a greater number of votes withheld than votes for, then that nominee is required to tender his or her resignation to the Board immediately following the relevant shareholder meeting. At the option of the nominee, his or her resignation may be unconditional and effective immediately or may be subject to or conditional upon acceptance by the Board and only effective upon acceptance by the Board. If the resignation is conditional upon acceptance by the Board, the Board will then refer the resignation for consideration by the Corporate Governance Committee which, among other matters, is responsible for selecting or recommending director nominees, and the Corporate Governance Committee will provide a recommendation as to whether the resignation should be accepted. Any director who tenders his or her resignation shall not participate in any meeting of the Board or of the Corporate Governance Committee, if he or she is a member of the Corporate Governance Committee, at which his or her resignation is considered. The Board shall accept the resignation absent exceptional circumstances. The Board will make its decision as to whether or not to accept the resignation within ninety (90) days after the date the resignation is tendered. The Board will promptly issue a news release with the Board's decision and, if the decision is not to accept the resignation, shall include in the news release the reasons for its decision. A copy of the news release will be filed with the Toronto Stock Exchange and any other applicable regulatory authority.

Advance Notice By-Law

Effective November 10, 2015, the Board approved and adopted by-law number 15 (the *Advance Notice By-Law*) providing for advance notice requirements for the nomination of directors. The Company's shareholders subsequently approved the Advance Notice By-law at the annual and special meeting of shareholders held on May 10, 2016. A copy of the Advance Notice By-law can be found under the Company's profile on the SEDAR website at www.sedar.com.

The Advance Notice By-Law establishes the conditions and framework under which holders of record of Common Shares may exercise their right to submit director nominations and is designed to ensure that shareholders receive adequate notice of all director nominations to be considered at a shareholders' meeting and sufficient information so that shareholders can cast an informed vote.

The Advance Notice By-Law provides that for an annual meeting of shareholders (including an annual and special meeting), advance notice of director nominations to the Company must be given not less than thirty (30) days prior to the date of the annual meeting. If the annual meeting is to be held on a date that is less than fifty (50) days following the date of public announcement of date of the annual meeting, notice must be given by the nominating shareholder not later than the close of business on the tenth (10th) day following the notice date. In the case of a special meeting of shareholders (which is not also an annual meeting), called for the purpose of electing directors (whether or not called for other purposes as well), notice to the Company must be given not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting was made. The Advance Notice By-Law requires the nominating shareholder to include in its notice to the Company certain information regarding the nominating shareholder and the director nominees.

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Margaret Shân Atkins was appointed to the Board of Directors in October 2014. Ms. Atkins served as Chair of the Audit Committee from January 2015 through November 2016 and was appointed Chair of the Compensation Committee in November 2016. Ms. Atkins was appointed to the Corporate Governance Committee on February 27, 2017. She is also a member of the Operations Transformation Committee.

Margaret Shân Atkins

Age: 60

Location: Illinois, USA

Director Since: Oct 2014

Independent Director

Ms. Atkins has been an independent corporate director for more than a decade, serving on a number of public and private company boards in the United States and Canada. She spent most of her executive career in the retail/consumer sector, including various positions with Sears Roebuck & Co., a major North American retailer, from 1996 to 2001 where she was promoted to Executive Vice President in 1999. Prior to joining Sears, Ms. Atkins spent 14 years at Bain & Company, Inc., the international management consultancy, as a leader in Bain's consumer and retail practice. Ms. Atkins began her career as a public accountant at what is now PricewaterhouseCoopers LLP, a major accounting firm, and has designations as a Chartered Professional Accountant, Chartered Accountant (Ontario) and Certified Public Accountant (Illinois). Ms. Atkins holds an Honours Bachelor of Commerce degree from Queen's University in Kingston, Ontario, as well as a Masters of Business Administration from Harvard University. She is recognized as a Board Governance Fellow by the (U.S.) National Association of Corporate Directors, and is also a member of the Canadian Institute of Corporate Directors.

Director Qualifications: Ms. Atkins currently serves on the boards of Spartan Nash Company, a national grocery wholesaler and retailer in the US; Darden Restaurants, Inc., an owner and operator of more than 1,500 restaurants in North America including Olive Garden, Longhorn Steakhouse and The Capital Grille; and LSC Communications, a leading printer of books, catalogs, magazines and a manufacturer of office supplies.

Other Public Company Directorships in the Past Five Years

SEC Reporting Companies

LSC Communications (NYSE: LKSD) 10/16-Present

Darden Restaurants, Inc. (NYSE: DRI) 10/14-Present

SpartanNash Company (NASD: SPTN) 12/13-Present

Spartan Stores (NASD: SPTN) 8/03-12/13

The Pep Boys Manny, Moe & Jack (NYSE: PBK) 6/04-7/15

Tim Hortons (NYSE: THI) 5/07-12/14

Canadian Listed Reporting Companies

Tim Hortons (TSX: THI) 5/07-12/14

Shoppers Drug Mart (TSX: SC) 5/05-5/12

2016 Board / Committee Membership

2016 Meeting Attendance

Percentage

Member of Board	14 of 15	93%
Chair of Audit Committee(1)	5 of 5	100%
Member/Chair of Compensation Committee (1)	7 of 7	100%

Member Operations Transformation Committee	8 of 8	100%
Combined Total	34 of 35	97%

Equity Ownership

Common Shares	Options(2)	RSUs(2)	Total Common Shares, Options and RSUs	Total Market Value of Common Shares, Options and RSUs(3)
13,381	-	14,343	27,724	\$185,751

- (1) Ms. Atkins was Chair of the Audit Committee until November 8, 2016. Ms. Atkins was appointed Chair of the Compensation Committee on November 8, 2016.
- (2) Represents vested options and RSUs, including options and RSUs that will vest within 60 days of March 27, 2017. 5,366 of the total RSUs are deferred RSUs that Ms. Atkins has deferred until her departure from the Board.
- (3) The market value has been determined based on \$6.70 being the closing price of the Common Shares as at March 27, 2017.

If you have any questions or need assistance completing your proxy or voting instruction form, please call Kingsdale Advisors at 1-877-659-1822 or email contactus@kingsdalesadvisors.com.

Dr. Albert Bolles was appointed to the Board on October 7, 2016 and currently serves as a member of the Audit Committee, Corporate Governance Committee and Operations Transformation Committee.

Dr. Bolles most recently served as Executive Vice President, Chief Technology & Operations Officer of ConAgra Foods, a leading consumer products food company with net sales exceeding \$16 billion. Prior to this role, Dr. Bolles was Executive Vice President, Research, Quality and Innovation for ConAgra, championing the development and execution of multiple new and improved products, realizing incremental growth for ConAgra Foods and a multi-year pipeline to sustain and advance growth further. Prior to joining ConAgra in 2006, Dr. Bolles served as Vice President, Worldwide Research & Development (R&D) for PepsiCo Beverages and Foods, responsible for global R&D leadership for beverages (Pepsi, Gatorade, and Tropicana) and Quaker Foods including product, process, package and sensory R&D, Nutrition, Quality, and Scientific & Regulatory Affairs. His prior appointment was with Gerber Foods for over eight years up to R&D Director, overseeing infant and toddler global research and development. Dr. Bolles holds six patents and has won numerous awards for his contribution to the world of food science.

Dr. Albert Bolles

Age: 59

Location: Illinois, USA

Director Since: Oct 2016

Independent Director

Director Qualifications: Dr. Bolles currently serves as a director of Landec Corporation, where he is a member of the Compensation Committee, the Food Innovation Committee and the Nominating and Corporate Governance Committee. He is a graduate of Michigan State University with a B.S. in Microbiology and an M.S. and Ph.D. in Food Science. His experience in the areas of research and development, innovation and quality along with breadth of knowledge in the food industry is a great addition to the Board of Directors. Dr. Bolles also has experience partnering with the FDA and USDA on influencing and crafting public policy that benefits consumers and the passage of the Food Safety Modernization Act in 2010.

Other Public Company Directorships in the Past Five Years

SEC Reporting Companies

Landec Corporation (NASD: LNDC) 5/14-Present

Canadian Listed Reporting Companies

None

2016 Board / Committee Membership	2016 Meeting Attendance	Percentage
Member of Board(1)	3 of 4	75%
Member of Audit Committee(1)	6 of 6	100%
Member of Corporate Governance Committee(1)	1 of 1	100%
Member of Operations Transformation Committee	7 of 8	88%
Combined Total	17 of 19	89%

Equity Ownership

Total Common **Total Market Value of**

Common Shares	Options(2)	RSUs(2)	Shares, Options and RSUs	Common Shares, Options and RSUs(3)
40,000	-	-	40,000	\$268,000

- (1) Dr. Bolles was appointed to the Board on October 7, 2016. Dr. Bolles was appointed to the Audit Committee and Corporate Governance Committee on November 8, 2016. His attendance reflects the number of meetings following his appointment date.
- (2) Represents vested options and RSUs, including options and RSUs that will vest within 60 days of March 27, 2017.
- (3) The market value has been determined based on \$6.70 being the closing price of the Common Shares as at March 27, 2017.

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David J. Colo was appointed as the Company's President and Chief Executive Officer and as a director of the Company on February 6, 2017. Mr. Colo joined the Company from Diamond Foods, Inc. where he served as Executive Vice-President, Chief Operating Officer. Mr. Colo has 30 years of leadership experience in general management, operations and supply chain management. As Executive Vice-President and Chief Operating Officer for Diamond Foods, Mr. Colo had direct responsibility for marketing, innovation, R&D, operations, supply chain, procurement, quality, food safety, grower services and contract manufacturing. Together with the Diamond Foods executive team, he was responsible for leading the turnaround of the highly distressed company and its successful sale for approximately \$1.9 billion to Snyder's-Lance in March 2016.

David Colo Age: 54

Location: Nebraska, USA

Director Since: Feb 2017

Non-Independent

Before joining Diamond Foods, Mr. Colo spent approximately three years as an independent industry consultant, focusing on organizational optimization and planning. From 2005 to 2009, he held leadership positions in the consumer products division of ConAgra Foods, including roles as Senior Vice President of Sales and Operations Planning, Senior Vice President of Enterprise Manufacturing and Senior Vice President of Operations. From 2003 to 2005, he served as President of ConAgra Food Ingredients.

Mr. Colo is a member of the board of MGP Ingredients, Inc., a leading U.S. supplier of premium bourbons, whiskeys, distilled gins and vodkas, where he serves as Chair of the HR and Compensation Committee and is a member of the Audit Committee and Governance Committee. Mr. Colo holds a Bachelor of Science, Agribusiness Economics, from Southern Illinois University.

Director Qualifications: Mr. Colo brings to the SunOpta Board of Directors leadership, business intensity and operational skills along with a proven track record in the food industry. His significant experience in and understanding of general management, operations, supply chain management and company turnarounds provides the Board with valuable perspective.

Other Public Company Directorships in the Past Five Years

SEC Reporting Companies

MGP Ingredients, Inc. (NASDAQ: MGPI) 8/15-Present

Canadian Listed Reporting Companies

None

2016 Board / Committee Membership

Not applicable

2016 Meeting Attendance

Not applicable

Percentage

Not applicable

Equity Ownership

Common Shares	Options(1)	RSUs(1)	Total Common Shares, Options and RSUs	Total Market Value of Common Shares, Options and RSUs(2)
145,000	-	-	145,000	\$971,500

(1) Represents vested options and RSUs, including options and RSUs that will vest within 60 days of March 27, 2017.

(2)

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The market value has been determined based on \$6.70 being the closing price of the Common Shares as at March 27, 2017.

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Michael Detlefsen was appointed as a director of the Company in May 2013 and since that time has also served as a member of the Audit Committee. On November 8, 2016, Mr. Detlefsen was appointed Chair of the Audit Committee and a member of the Compensation Committee. Mr. Detlefsen is also a member of the Operations Transformation Committee.

Mr. Detlefsen is currently Managing Director of Pomegranate Capital Advisors Inc. and President and CEO of Tangerine Holdings Inc. He is also Executive Chairman of Elevation Brands, LLC, a gluten free food processor. From 2011-2016, Mr. Detlefsen was Co- Managing Director of Muir Detlefsen & Associates Limited. He was Chief Restructuring Officer of Organic Meadow Inc. from 2014 to 2015. From 2013 to 2014 he was Interim CEO of Ceres Global Ag Corp. and from 2008 to 2013, he was President of Ceres. Mr. Detlefsen was also previously with Maple Leaf Foods Inc. where he held the position of Vice President, Corporate Development from 1999 to 2000, Executive Vice President Vertical Coordination from 2000 to 2004 and President of Maple Leaf Global Foods, the global sales, marketing and trading subsidiary of Maple Leaf Foods Inc. from 2005 to 2007. Prior to joining Maple Leaf Foods, Mr. Detlefsen was with BCE Inc. in Montreal where he was Vice President, Corporate Development at Bell Canada International, from 1997 to 1999, responsible for telecom investments in Korea, Brazil, Mexico and the United Kingdom.

Mr. Detlefsen is currently a director of Phoenix Canada Oil Company Limited, a director of the State Street Bank and Trust (Canada), a Governor of the Royal Ontario Museum, a member of Harvard University's Private and Public, Scientific, Academic and Consumer Food Policy Committee and a member of the Finance Committee and 150th Anniversary Campaign Cabinet of Trinity College School.

Director Qualifications: Mr. Detlefsen brings extensive strategy, operating, transactional and governance experience in the food and other industries to the SunOpta Board of Directors. Mr. Detlefsen has a unique combination of domestic and international expertise and a deep understanding of global supply chain risks and opportunities.

Other Public Company Directorships in the Past Five Years

SEC Reporting Companies

None

Canadian Listed Reporting Companies

Phoenix Canada Oil Co. Ltd. (TSX: PCO) 12/15-Present

2016 Board / Committee Membership

2016 Meeting Attendance

Percentage

Member of Board	15 of 15	100%
Member/Chair of Audit Committee(1)	10 of 10	100%
Member Compensation Committee(1)	4 of 4	100%
	8 of 8	100%

Member Operations Transformation
Committee

Combined Total 37 of 37 100%

Equity Ownership

Common Shares(2)	Options (3)	RSUs(3)	Total Common	Total Market Value
			Shares, Options and	of
			RSUs	Common Shares,
				Options and
				RSUs(4)
59,915	9,000	17,170	86,085	\$576,770

- (1) Mr. Detlefsen was appointed Chair of the Audit Committee on November 8, 2016. Mr. Detlefsen was appointed to the Compensation Committee on November 8, 2016.
- (2) Includes 2,000 Common Shares beneficially owned by Mr. Detlefsen's spouse, in respect of which Mr. Detlefsen has no voting or dispositive power or authority.
- (3) Represents vested options and RSUs, including options and RSUs that will vest within 60 days of March 27, 2017. 5,584 of the total RSUs are deferred RSUs that Mr. Detlefsen has deferred until his departure from the Board.
- (4) The market value has been determined based on \$6.70 being the closing price of the Common Shares as at March 27, 2017.

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Dean Hollis was appointed to the Board on October 7, 2016 and as Board Chair effective November 9, 2016. Mr. Hollis is currently a member of the Corporate Governance Committee, Compensation Committee and Operations Transformation Committee.

Mr. Hollis presently serves as a senior advisor for Oaktree Capital and Chairman of the Board at AdvancePierre Foods Holdings, Inc., a national producer and distributor of hand held convenience items and value added protein products. Prior to retiring in 2008, Mr. Hollis served as the President and Chief Operating Officer of the Consumer Foods Division of ConAgra Foods from December 2004 to July 2008. In that role, Mr. Hollis developed and executed a worldwide business transformation strategy, while overseeing the largest part of the ConAgra Foods portfolio. During Mr. Hollis' 21 years with ConAgra Foods, he held many executive level positions, including Executive Vice President, Retail Products; President, Grocery Foods; President, Frozen Foods; President, Specialty Foods; and President, Gilardi Foods.

Mr. Hollis holds a Bachelor's degree in Psychology from Stetson University, and serves on its board of directors.

Director Qualifications: Mr. Hollis is currently Chairman of the Board of AdvancePierre Foods, Inc. He is also a member of its Compensation Committee. From 2009 to October 2015, Mr. Hollis served as a director of Landec Corporation, a developer and marketer of patented polymer products for food, agriculture and licensed partner applications, where he also served as Chairman of the Compensation Committee. From July 2011 until the completion of its sale in January 2016, Mr. Hollis served as a director of Boulder Brands, Inc., a leader and innovator in health and wellness foods, where he also served as Chairman of the Board and a member of the Audit Committee. From May 2012 until the completion of its sale in February 2016, Mr. Hollis served as a director of Diamond Foods, Inc., a leading branded snacks supplier, where he also served on the Audit Committee and Nominating and Governance Committee.

Dean Hollis

Age: 56

Location: Nebraska, USA

Director Since: Nov 2017

Independent Director

Other Public Company Directorships in the Past Five Years

SEC Reporting Companies

AdvancePierre Foods, Inc. (NYSE:APFH) 12/08-Present

Landec Corporation (NASDAQ:LNDC) 8/09-10/15

Boulder Brands, Inc. (formerly NASDAQ:BDBD)
7/11-1/16

Diamond Foods, Inc. (formerly NASDAQ:DMND)
5/12-2/16

Canadian Listed Reporting Companies

None

2016 Board / Committee Membership	2016 Meeting Attendance	Percentage
Chair of Board(1)	4 of 4	100%
Chair of Corporate Governance Committee(1)	1 of 1	100%

Member of Operations Transformation Committee	8 of 8	100%
Combined Total	13 of 13	100%

Equity Ownership

Common Shares(2)	Options (3)	RSUs(3)	Total Common	Total Market Value
			Shares, Options and RSUs	of Common Shares, Options and RSUs(4)
50,000	-	-	50,000	\$335,000

- (1) Mr. Hollis was appointed to the Board on October 7, 2016 and Chair of the Board effective November 9, 2016. He was appointed Chair of the Corporate Governance Committee from November 8, 2016 through February 27, 2017. His attendance reflects the number of meetings following his appointment dates.
- (2) Mr. Hollis also owns 500 limited partnership units of Organics, which owns 2,509,921 Common Shares, 9,492,800 Special Voting Shares and Preferred Stock of SunOpta Foods Inc. which is exchangeable for 9,492,800 Common Shares. See Note (2) under Security Ownership of Certain Beneficial Owners and Management . However, Mr. Hollis does not directly or indirectly exercise control or direction over the securities of the Company held by Organics.
- (3) Represents vested options and RSUs, including options and RSUs that will vest within 60 days of March 27, 2017.
- (4) The market value has been determined based on \$6.70 being the closing price of the Common Shares as at March 27, 2017.

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Katrina Houde was appointed to the Board of Directors in December 2000 and served as Chair of the Compensation Committee from August 2014 to November 2016 and as a member of the Audit Committee until November 8, 2016. Ms. Houde was appointed Interim Chief Executive Officer for the Company effective November 11, 2016 and served in that capacity through February 6, 2017 until the appointment of Mr. Colo as Chief Executive Officer. In February 2017, Ms. Houde was appointed Chair of the Corporate Governance Committee and a member of the Audit Committee. Ms. Houde is also a member of the Operations Transformation Committee.

Katrina Houde

Age: 58

Location: Ontario, Canada

Director Since: Dec 2000

Independent Director

Ms. Houde has been an independent consultant since March 2000. From January 1999 to March 2000, Ms. Houde was President of Cuddy Food Products, a division of Cuddy International Corp. and was Chief Operating Officer of Cuddy International Corp. from January 1996 to January 1999. She is a Director of a number of private and charitable organizations.

Director Qualifications. Ms. Houde has held a variety of senior level positions in the food industry. When combined with her extensive knowledge of the Company's history, strategies and governance practices, she brings valuable insight, leadership and experience to the Board of Directors. Additionally, Ms. Houde's significant understanding of the Company's business and operations acquired through her service as the Interim Chief Executive Officer provides the Board with a valuable perspective.

Other Public Company Directorships in the Past Five Years

SEC Reporting Companies

None

Canadian Listed Reporting Companies

None

2016 Board / Committee Membership	2016 Meeting Attendance	Percentage
Member of Board	15 of 15	100%
Chair of Compensation Committee(1)	4 of 4	100%
Member of Audit Committee(1)	5 of 5	100%
Member of Operations Transformation Committee	8 of 8	100%
Combined Total	32 of 32	100%

Equity Ownership

Common Shares	Options (2)	RSUs(2)	Total Common Shares, Options and RSUs	Total Market Value of Common Shares, Options and RSUs(3)
74,311	51,000	11,586	136,897	\$917,210

(1) Ms. Houde served as Chair of the Compensation Committee and a member of the Audit Committee until November 8, 2016.

(2) Represents vested options and RSUs, including options and RSUs that will vest within 60 days of March 27, 2017.

- (3) The market value has been determined based on \$6.70 being the closing price of the Common Shares as at March 27, 2017.

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Brendan B. Springstubb was appointed to the Board on October 7, 2016 and is currently a member of the Audit Committee, Compensation Committee and the Operations Transformation Committee.

Mr. Springstubb is a Principal at Engaged Capital, a California-based investment firm and registered advisor with the SEC focused on investing in small and mid-cap North American equities, which he joined in June 2013. In this role, Mr. Springstubb has been responsible for sourcing and managing a variety of Engaged Capital's investments in the consumer, healthcare and technology sectors. Prior to joining Engaged Capital, Mr. Springstubb held multiple roles with Relational Investors, LLC (Relational) a \$6 billion activist equity fund, from June 2005 to April 2013. At Relational, Mr. Springstubb was most recently the senior analyst covering the healthcare sector where he was responsible for identifying and overseeing activist investment opportunities and communicating with portfolio company management teams. Prior to leading the healthcare group, Mr. Springstubb was a generalist covering investments in the telecom, financial and technology sectors. Mr. Springstubb earned a Master's degree in Biotechnology with a dual concentration in Biotechnology Enterprise and Regulatory Affairs from Johns Hopkins University and a Bachelor's degree in Economics and Molecular Biology from Pomona College. Mr. Springstubb is also a CFA Charter holder and a Certified Financial Risk Manager.

Director Qualifications: Mr. Springstubb's experience working at an investment firm and activist equity fund provides the Board with a unique perspective. Additionally, Mr. Springstubb's financial acumen and experience enables him to analyze and review financial statements in order to oversee financial reporting, understand capital structure and provide insight on Company strategy and operations.

Brendan Springstubb

Age: 33

Location: California, USA

Director Since: Oct 2016

Independent Director

Other Public Company Directorships in the Past Five Years

SEC Reporting Companies

None

Canadian Listed Reporting Companies

None

2016 Board / Committee Membership

2016 Meeting Attendance

Percentage

Member of Board(1)

4 of 4

100%

Member of Audit Committee(1)

6 of 6

100%

Member of Compensation Committee(1)

4 of 4

100%

Member of Operations Transformation
Committee

8 of 8

100%

Combined Total

22 of 22

100%

Equity Ownership

Common Shares	Options (2)	RSUs(2)	Total Common Shares, Options and RSUs	Total Market Value of Common Shares, Options and RSUs(3)
-	-	-	-	-

- (1) Mr. Springstubb was appointed to the Board on October 7, 2016. Mr. Springstubb was appointed to the Audit Committee and Compensation Committee on November 8, 2016. His attendance reflects the number of meetings following his appointment date.
- (2) Represents vested options and RSUs, including options and RSUs that will vest within 60 days of March 27, 2017. Consistent with the Company's compensation guidelines for non-employee directors, Mr. Springstubb has been awarded 5,322 options and 7,995 RSUs. See Compensation of Directors below. Pursuant to the terms of his employment arrangements with Engaged Capital, all such options and RSUs were issued to Engaged Capital.
- (3) The market value has been determined based on \$6.70 being the closing price of the Common Shares as at March 27, 2017.

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Gregg Tanner was appointed to the Board and as a member of the Operations Transformation Committee on January 19, 2017. On February 27, 2017, Mr. Tanner was appointed Chair of the Operations Transformation Committee and a member of the Audit Committee and Corporate Governance Committee.

Mr. Tanner served as Chief Executive Officer and Director for Dean Foods Company from October 2012 to December 2016. As the Dean Foods Chief Executive Officer, and with his experience in supply chain management, Mr. Tanner provided the board of Dean Foods with invaluable insight regarding its operations and businesses.

Age: 60

Location: Texas, USA

Director Since: Jan 2017

Independent Director

Prior to serving as CEO, Mr. Tanner served as Dean Foods Chief Supply Chain Officer and President of its Fresh Dairy Direct division, where he was responsible for all sales, marketing, manufacturing and distribution functions for Dean Foods' largest business unit and for supply chain operations for Dean Foods as a whole. Mr. Tanner joined Dean Foods in 2007.

Prior to joining Dean Foods, Mr. Tanner was Senior Vice President, Global Operations with The Hershey Company. Before joining Hershey, Mr. Tanner was Senior Vice President, Retail Supply Chain at ConAgra Foods, Inc. where he directed the entire supply chain for retail products. Earlier in his career, Mr. Tanner held positions at Quaker Oats Company and Ralston Purina Company. He is a graduate of Kansas State University.

Director Qualifications. Since 2007, Mr. Tanner has served on the Board of Directors of The Boston Beer Company, Inc., where he is the Chair of the Audit Committee. He serves as Chair of the Milk Industry Foundation, as Vice Chair of the Board of Directors of the International Dairy Foods Association and as a member of the Board of Directors of the Grocery Manufacturers Association. His knowledge and experience in the food industry, leadership and management of various business operations throughout his career and corporate governance and public company board experience make him highly qualified for service on the Board.

Other Public Company Directorships in the Past Five Years

SEC Reporting Companies

Dean Foods Company (NYSE: DF) 10/12-12/16

Boston Beer Company, Inc. (NYSE: SAM) 10/07-Present

Canadian Listed Reporting Companies

None

2016 Board / Committee Membership

Not applicable

2016 Meeting Attendance

Not applicable

Percentage

Not applicable

Equity Ownership

Common Shares	Options (1)	RSUs(1)	Total Common	Total Market Value
			Shares, Options and	of
			RSUs	Common Shares,
				Options and
				RSUs(2)

- - - - -
- (1) Represents vested options and RSUs, including options and RSUs that will vest within 60 days of March 27, 2017.
 - (2) The market value has been determined based on \$6.70 being the closing price of the Common Shares as at March 27, 2017.

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CORPORATE GOVERNANCE

Introduction

The Board of Directors believes that effective corporate governance contributes to improved corporate performance and enhanced shareholder value. Consequently, the Board of Directors is committed to ensuring that the Company follows best practices and continually seeks to enhance and improve its corporate governance practices.

Board Mandate

The Board is responsible for the stewardship of the Company and to supervise the management of the business and affairs of the Company in accordance with the best interests of the Company and its shareholders. The Board establishes overall policies and standards for the Company. Where appropriate, the directors rely upon management and the advice of the Company's outside advisors and auditors. The Board also delegates certain responsibilities to its standing committees, based upon the approved charters of each such committee.

In accordance with its mandate, the Board oversees and reviews the development and implementation of the following significant corporate plans and initiatives, among others:

- the Company's strategic planning process;
- the identification of the principal risks to the Company's business and the implementation of systems to manage these risks, whether financial, operational, environmental, safety-related or otherwise;
- succession planning and evaluation of relative strengths of existing management including the needs to ensure sufficient depth of management;
- oversight of communications and public disclosure including the Company's disclosure policy and receiving feedback from stakeholders;
- analysis and approval of significant transactions including material acquisitions and dispositions of businesses or other Company assets; and
- the Company's internal controls and management information systems.

Board Composition, Size and Leadership

The articles of the Company provide that its Board of Directors shall consist of a minimum of five and a maximum of fifteen directors. Presently, the Board of Directors consists of eight directors. These eight directors are being nominated for re-election at the Meeting. If suitable candidates are identified prior to the next annual meeting of shareholders, the Board may add one or two additional directors following the Meeting as part of its succession planning activities.

In accordance with its mandate, the Corporate Governance Committee regularly considers the appropriate skills and characteristics required of Board members, taking into consideration the Board's short-term needs and long-term succession plans. The Corporate Governance Committee believes that the Board should be comprised of directors with a broad range of experience and expertise. Additionally, the committee develops and periodically updates a long-term plan for the Board's composition taking into consideration the independence, age, skills, experience and availability of service to the Company of its members, as well as the opportunities, risks, and strategic direction of the Company. Having regard for the results of the foregoing, the Corporate Governance Committees makes recommendations to the full Board regarding the size and composition of the Board and seeks to identify qualified individuals to become Board members as deemed appropriate.

Each of the directors and executive officers of the Company is required to certify on an annual basis that he or she has reviewed and is knowledgeable as to the contents of the Company's Business Ethics and Code of Conduct (the *Code*) and is not aware of any violations of the Code. All new employees of the Company are required to certify at the time of hiring that they have reviewed and are knowledgeable as to the contents of the Code. The Company monitors

compliance with the Code through management oversight and regular communications with employees. In addition the Company has established and maintains, through an independent third party service provider, a confidential toll-free ethics reporting hotline which all directors, officers and employees are advised of and encouraged to use to report matters which may constitute violations of the Code.

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The Board, each committee and each of the individual directors are typically assessed annually at the end of the year as part of the Company's evaluation process. During this annual assessment process, each director is required to complete an individual assessment, which is prepared and reviewed by someone other than the directors. The results of this review are reported to, and discussed in detail at, a meeting of the full Board of Directors. Due to the significant change in directors and the composition of the committees over the past six months, the Board discussed the annual evaluation process for 2016 and determined that it would not be appropriate to conduct an annual evaluation at the end of 2016 as normally done. However, the Board discussed the importance of an annual evaluation of the Board, each committee and each director, individually, and agreed that the annual evaluation would be performed in 2017.

On October 7, 2016, we increased the size of the Board to nine directors and appointed two independent directors, Dean Hollis and Dr. Albert Bolles, to the Board who were designated by Oaktree in accordance with the terms of the Investor Rights Agreement entered into in connection with the Preferred Stock financing. See Proposal Five The Preferred Stock Resolution . Also on October 7, 2016, Brendan Springstubb was appointed to the Board to replace Douglas Greene who resigned as a director. Mr. Springstubb is a Principal at Engaged Capital LLC, one of our largest shareholders. On November 9, 2016, Alan Murray stepped down from the Board and was replaced as Chair of the Board by Mr. Hollis. On January 19, 2017, Gregg Tanner was appointed to the Board to fill the vacancy created by the resignation of director Jay Amato and the number of directors was set at eight.

On November 11, 2016, Hendrik Jacobs resigned from his positions as President, Chief Executive Officer and director of the Company. Director Katrina Houde served as Interim CEO while the Board conducted a search to identify a successor to Mr. Jacobs. Effective February 6, 2017, David Colo was appointed President and Chief Executive Officer (CEO) of the Company. In conjunction with this appointment, Mr. Colo also became a member of the Board and Ms. Houde continued her position on the Board.

David Colo, our President and CEO, currently serves on the Board of Directors and Dean Hollis is the Chair of the Board. The Board does not have a formal policy concerning the separation of the roles of CEO and Chair, as the Board believes that it is in the best interests of the Company to make that determination based on the position and direction of the Company and the membership of the Board. As indicated above, these roles are currently separate.

The Chair of the Board sets the agenda for meetings of the Board with input and feedback from the directors. All committees of the Board are chaired by independent directors. The Board and the Corporate Governance Committee believe that the current Board leadership structure is an appropriate structure for the Company and will continue to periodically evaluate whether the structure is in the best interests of the Company and its shareholders.

Director Independence

Under NASDAQ listing rules, a majority of the members of the Board must be independent directors . An independent director under NASDAQ listing rules is a person other than an executive officer or employee or any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

National Policy 58-201 *Corporate Governance Guidelines* of the Canadian Securities Administrators (the CSA) recommends that boards of directors of reporting issuers be composed of a majority of independent directors. A director is considered independent only where the board determines that the director has no material relationship with the Company. Director independence of each of the current directors is determined by the Board of Directors with reference to the requirements as set forth by the CSA in National Instrument 52-110 - *Audit Committees*, as well as the rules and regulations of the Toronto Stock Exchange (the TSX), NASDAQ and SEC.

The Board has determined that each of the following seven directors nominated for election are independent: Margaret Shân Atkins, Dr. Albert Bolles, Michael Detlefsen, Dean Hollis, Katrina Houde, Brendan Springstubb and Gregg

Tanner. David Colo, President and CEO, is currently an officer of the Company, and is therefore not considered independent. Notwithstanding that Ms. Houde served as Interim CEO for approximately three months prior to the appointment of Mr. Colo as CEO and was paid a salary for serving in that capacity, the Board has confirmed that Mr. Houde has no direct or indirect material relationship with the Company which could reasonably be expected to interfere with the exercise of her independent judgment and therefore concluded that she is independent in accordance with the applicable rules, policies and instruments discussed above. As a result, if all of the director nominees are elected at the Meeting, seven of the eight directors will be independent. These independent directors currently comprise in full the membership of each standing Board committee described in this Proxy Statement.

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Executive Sessions

The independent directors meet without management and non-independent directors at regularly scheduled in-person Board meetings, generally following meetings of the full Board. The Chair of the Board presides over these meetings.

Meeting Attendance

The Board held 15 duly called meetings during fiscal year 2016 and the committees held a total number of 29 meetings. Each incumbent board member attended all of the meetings of the Board and all committees on which he or she served, except one director missed one Board meeting and another director missed one Board meeting and one committee meeting. All directors were in attendance at the 2016 Annual and Special Meeting of the Shareholders on May 10, 2016.

Term and Age Limits

A director's term of office is from the date on which he or she is elected or appointed until the close of the next annual meeting. The Board believes that individual directors should be rigorously evaluated on the basis of their skills, knowledge, experience, character, attendance and contributions to the business of the Board and Company and the specific needs and requirements of the Board without regard to their term of service or age. At this time, the Board has, therefore, not adopted term or age limits for directors as it believes it is important to find a balance between ensuring a mechanism for fresh ideas and viewpoints while not losing the insight, experience and other benefits of continuity contributed by longer serving directors. However, as the Board recognizes that diversity of views from longer-term and newly-appointed directors can contribute to effective decision making, the Board considers the term of service of individual directors, the average term of the Board as a whole and turnover of directors in recent years when proposing a slate of nominees.

Diversity

The Board believes that directors with diverse backgrounds and experiences benefit the Company by enabling the Board to consider issues from a variety of perspectives. In 2015, the Board approved a separate written diversity policy, which is posted at <http://investor.sunopta.com/governance.cfm>. In support of the Company's commitment to diversity, when selecting qualified candidates to serve on the Board, SunOpta will consider a wide range of diversity criteria including gender, ethnicity, personal abilities, geographic location and other factors. The Board seeks to include members not only with diverse backgrounds, but also with skills and experience, including appropriate financial and other expertise relevant to the business of the Company, in order to find the best qualified candidates given the needs and circumstances of the Board. For these reasons, the Board has not established specific targets relating to the identification, nomination or representation on either the Board or among executive officers based on gender or any other specific criteria.

Currently, the Board is comprised of two female directors (25%) and six male directors (75%). Assuming all of the Company's nominees are elected, the Board will continue to be comprised of two female directors (25%) and six male directors (75%) following the meeting. The Board hopes to increase the representation of women on the Board as turnover occurs, taking into account the skills, experience and knowledge desired at that particular time by the Board.

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With respect to executive officer positions, currently there are two females (20%) and eight males (80%) at this level within the Company. While there are currently no specific goals or plans with respect to women in named executive officer positions, the Company hopes to increase the representation of women at the executive officer level as positions are available, taking into account the skills, experience and knowledge desired at that particular time by the Company.

Director Orientation and Continuing Education

The Company has a formal director orientation policy to ensure that all new directors receive proper orientation to facilitate the level of familiarity with the Company's practices, policies and operations required to meet Board responsibilities.

The current process to orient new directors is as follows:

- 1) The new director meets with the Chair of the Board and the Company's CEO to discuss various information about the Company, including history, vision, mission and values, organization structure, shareholdings, strategic plan, fiscal business plan and budget, historical and current year to date fiscal results.
- 2) The new director meets with the Chair to discuss the aspects of the Board such as organizational documents and Board and committee minutes for the past year, Board administration matters, expense reimbursement practices, and Company policies.
- 3) The new director meets with other directors of the Company and certain members of management which allows new directors an opportunity to ask questions about the role of the Board, its committees and directors and the nature and operation of the Company. Following nomination, new directors are encouraged to meet other members of management and to visit the Company's premises and view its operations.
- 4) New directors are provided access to the Company's continuous disclosure documents as filed with the SEC and on SEDAR, investor presentation material, director mandate and the Company's Business Ethics and Code of Conduct policies. New directors are required to affirm that they have read and understand the Company's Business Ethics and Code of Conduct.

The Company also encourages directors to attend other appropriate continuing education programs. Furthermore, the Board and its committees received a number of presentations in 2016 to expand the Board's knowledge of the Company's business, industry and principal risks and opportunities. Presentation topics included maximizing shareholder value, capital expenditures, cost of operational non-performance, internal controls, assessment of inventory and reserves, commodity risks, regulatory updates and product development and innovation. As well, written materials likely to be of interest to directors that have been published in periodicals, newspapers or by legal or accounting firms are routinely forwarded to directors or included with Board and committee meeting materials.

Board Role in Risk Oversight

The Board has risk oversight responsibility and sets the tone for risk tolerance within the Company. The Board strives to effectively oversee the Company's enterprise-wide risk management in a way that balances managing risks while enhancing the long-term value of the Company for the benefit of the shareholders. The Board understands that its focus on effective risk oversight is critical to setting the Company's culture towards effective risk management. To administer its oversight function, the Board seeks to understand the Company's risk philosophy by having discussions with management to establish a mutual understanding of the Company's overall appetite for risk. The Board maintains an active dialogue with management about existing risk management processes and how management identifies, assesses and manages the Company's most significant risk exposures. The Board receives regular updates from

management about the Company's most significant risks to enable it to evaluate whether management is responding appropriately. During each regularly scheduled Board meeting, the Board also reviews components of the Company's long-term strategic plans and the principal issues, including foreseeable risks that the Company expects to face in the future.

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The Board oversees risk management directly, as well as through its committees. For example, the Audit Committee reviews the Company's policies and practices with respect to risk assessment and risk management, including discussing with senior management major financial risks and the steps taken to monitor and control exposure to such risk. The Corporate Governance Committee considers risks related to succession planning and internal trading governance and the Compensation Committee considers risks related to the attraction and retention of talent and risks relating to the design of executive compensation programs and arrangements. See below for additional information about the Board's committees. Each of these committees is required to make regular reports of its actions and any recommendations to the Board, including recommendations to assist the Board with its overall risk oversight function.

Board Committees

The Board of Directors presently has four committees, with the principal functions and membership described below. Each committee has a charter, which is available at our website at www.sunopta.com, under the Investors link. The following table summarizes the current membership of each of our four Board committees. Each of the four committees is composed entirely of independent directors.

Director	Audit Committee	Corporate Governance Committee	Compensation Committee	Operations Transformation Committee
Margaret Shân Atkins			Chair	
Dr. Albert Bolles				
Michael Detlefsen	Chair			
Dean Hollis				
Katrina Houde		Chair		
Brendan Springstubb				
Gregg Tanner				Chair

Audit Committee

The Audit Committee's duties and responsibilities are documented in a formal Audit Committee Charter, which is regularly updated. These duties and responsibilities include (a) providing oversight of the financial reporting process and management's responsibility for the integrity, accuracy and objectivity of financial reports and related financial reporting practices; (b) recommending to the Board the appointment and authorizing remuneration of the Company's auditors; (c) providing oversight of the adequacy of the Company's system of internal and related disclosure controls; and (d) providing oversight of management practices relating to ethical considerations and business conduct, including compliance with laws and regulations. The Audit Committee meets a minimum of four times a year, once to review the Annual Report on Form 10-K and annual Audited Consolidated Financial Statements, and once before each quarter's earnings are filed to review interim financial statements and the Quarterly Report on Form 10-Q which is filed with the SEC in the U.S. and with applicable securities regulators in Canada. Other meetings may be held at the discretion of the Chair of the Audit Committee. The Audit Committee has free and unfettered access to Deloitte LLP, the Company's independent registered accounting firm and auditors, the Company's risk management and internal audit team and the Company's internal and external legal advisors.

The Audit Committee maintains a company-wide whistle-blower policy related to the reporting of concerns in accounting or internal controls. This policy gives all employees of the Company the option of using a hot line administered by a third party for communication of concerns dealing with a wide range of matters including accounting practices, internal controls or other matters affecting the Company's or the employees well-being.

Our Audit Committee is currently comprised of Michael Detlefsen (Chair), Dr. Albert Bolles, Katrina Houde, Brendan Springstubb and Gregg Tanner. The Board has determined that each member of the Audit Committee (1) is independent as defined by applicable SEC and CSA rules and NASDAQ and TSX listing rules; (2) has not participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; and (3) is able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement. In addition, the Board has determined that Michael Detlefsen and Gregg Tanner each meet the definition of audit committee financial expert, as defined in SEC and CSA rules, and has appointed Mr. Detlefsen as Chair of the Audit Committee.

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The report of the Audit Committee appears under the heading "Report of the Audit Committee" below.

The Audit Committee met formally ten times during fiscal 2016.

Corporate Governance Committee (Nominating Committee)

The Corporate Governance Committee's duties and responsibilities are documented in a formal Corporate Governance Committee Charter, which is updated regularly. These duties and responsibilities include: (a) identifying individuals qualified to become members of the Board of Directors, and selecting or recommending director nominees; (b) developing and recommending to the Board of Directors corporate governance principles applicable to the Company; (c) leading the Board of Directors in its annual review of the performance of the Board of Directors; (d) recommending to the Board of Directors director nominees for each committee; (e) discharging the responsibilities of the Board of Directors relating to compensation of the Company's directors; (f) leading the Board of Directors in its annual review of the performance of the CEO; and (g) regularly assessing the effectiveness of the Company's governance policies and practices.

The Corporate Governance Committee, in its capacity as the Nominating Committee, concerns itself with the composition of the Board with respect to depth of experience, balance of professional interests, required expertise and other factors. The Nominating Committee evaluates prospective nominees identified on its own initiative or referred to it by other Board members, management, shareholders or external sources and all self-nominated candidates. The Nominating Committee uses the same criteria for evaluating candidates nominated by shareholders and self-nominated candidates as it does for those proposed by other Board members, management and search companies. To be considered for membership on the Board, the Nominating Committee will consider certain necessary criteria that a candidate should meet, which would include the following: (a) be of proven integrity with a record of substantial achievement; (b) have demonstrated ability and sound judgment that usually will be based on broad experience but, particularly, industry experience; (c) be able and willing to devote the required amount of time to the Company's affairs, including attendance at Board and committee meetings; (d) possess a judicious and critical temperament that will enable objective appraisal of management's plans and programs; and (e) be committed to building sound, long-term Company growth. The committee also takes into consideration the range of skills and expertise that should be represented on the Board, geographic experience with businesses and organizations, and potential conflicts of interest that could arise with director candidates. Evaluation of candidates occurs on the basis of materials submitted by or on behalf of the candidate. If a candidate continues to be of interest, additional information about her/him is obtained through inquiries to various sources and, if warranted, interviews. The Company adheres to its diversity policy and seeks to include members with diverse backgrounds, skills and experience, including appropriate financial and other expertise relevant to the business of the Company.

A shareholder may recommend a person as a nominee for election as a director at the Company's next annual meeting of shareholders by writing to the Secretary of the Company. In order for a shareholder to formally nominate a person for election as a director, including by submitting a shareholder proposal in accordance with the Canada Business Corporations Act, the shareholder must comply with the Company's Advance Notice By-Law. See "Proposal One Election of Directors Advance Notice By-Law and Shareholder Proposals for 2018 Annual and Special Meeting of Shareholders; Shareholder Communications."

Our Corporate Governance Committee is currently comprised of Katrina Houde (Chair), Margaret Shân Atkins, Dr. Albert Bolles, Dean Hollis and Gregg Tanner, each of whom has been determined by the Board to be independent.

The Corporate Governance Committee met formally four times during fiscal 2016.

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Compensation Committee

The Compensation Committee's duties and responsibilities are documented in a formal Compensation Committee Charter, which is updated regularly. These duties and responsibilities include to (a) reward executives for long-term strategic management and enhancement of shareholder value; (b) support a performance-oriented environment that rewards achievement of internal Company goals and recognizes the Company's performance compared to the performance of similarly situated companies; (c) attract and retain executives whose abilities are considered essential to the long-term success and competitiveness of the Company through the Company's salary administration program; (d) align the financial interests of the Company's executives with those of the shareholders; and (e) ensure fair and equitable treatment for all employees.

The function of the Compensation Committee is to determine the compensation of the CEO as well as to review and approve the compensation recommended by the CEO for certain officers of the Company and to review overall general compensation policies and practices for all employees of the Company. In addition, this committee oversees the administration of the Company's 2013 Stock Incentive Plan and the Company's Amended and Restated 2002 Stock Option Plan (collectively, the "Stock Incentive Plans"), Employee Stock Purchase Plan and any other incentive plans that may be established for the benefit of employees of the Company.

Our Compensation Committee is currently comprised of Margaret Shân Atkins (Chair), Michael Detlefsen, Dean Hollis and Brendan Springstubb. The Board has determined that the committee consists entirely of "non-employee directors," within the meaning of Rule 16b-3 under the Exchange Act, "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code and "independent directors" within the meaning of NASDAQ listing rules and National Policy 58-201 "Corporate Governance Guidelines of the CSA.

Our Compensation Committee has deep experience with compensation matters. Specifically:

Ms. Atkins, the Chair of the Compensation Committee, has extensive compensation related experience from both a senior operating and board governance perspective having served as a senior operational executive and as a Chair and member of compensation committees of other publicly traded and private organizations.

Mr. Hollis, as the former President and Chief Operating Officer of the Consumer Foods Division of ConAgra Foods, was responsible for employee annual performance and salary reviews and has extensive compensation related experience as a Chair and member of compensation committees of other publicly traded organizations.

The report of the Compensation Committee appears under the heading "Executive Compensation Compensation Committee Report" below.

The Compensation Committee met formally seven times during fiscal 2016.

Compensation Committee Interlocks and Insider Participation

No member of our current Compensation Committee has served as one of our officers or employees at any time over the past year. None of our executive officers serves as a member of the compensation committee of any other entity that has an executive officer serving as a member of our Board or Compensation Committee. None of our executive officers serve as a member of the board of directors of any other company that has an executive officer serving as a member of our Compensation Committee.

Furthermore, other than with respect to the Company's Board of Directors, none of the Company's directors currently sits on the same public company board as any other director.

Operations Transformation Committee

The Operations Transformation Committee was established in October 2016 and its duties and responsibilities are documented in a formal Operations Transformation Committee Charter. These duties and responsibilities include to: (a) oversee development of, and recommend to the Board for approval, the Company's annual and longer-term value creation plans; (b) review individual operating unit plans for alignment with the strategic objectives set by the Board and the Company's operating plan; (c) review and provide feedback to the Board and management on the Company's capital allocation strategy; including, but not limited to, capital expenditures, capital structure, acquisitions and/or divestitures; (d) conduct reviews with management of performance against the Company's business plan and provide feedback and guidance to management and the Board on plan execution; (e) provide input to management and the Audit Committee on the financial and/or operational information that will be presented to external parties; (f) within current corporate spending approval limits, review and approve the engagement and compensation of third party advisors in connection with achieving plan objectives; and (g) provide input to the Compensation Committee and the Corporate Governance Committee on critical executive hiring, retention, motivation, and compensation decisions aimed at reinforcing achievement of plan goals.

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Our Operations Transformation Committee is currently comprised of Gregg Tanner (Chair), Margaret Shân Atkins, Dr. Albert Bolles, Michael Detlefsen, Dean Hollis, Katrina Houde and Brendan Springstubb, each of whom has been determined by the Board to be independent.

The Operations Transformation Committee met formally eight times during fiscal 2016.

Code of Ethics

The Company has a Code of Ethics policy titled Business Ethics and Code of Conduct. The policy is applicable to all employees, including the Company's executive officers and employees performing similar functions, as well as all persons serving as directors and consultants to the Company. A copy of the Business Ethics and Code of Conduct is available, without charge, at www.sunopta.com or upon written request to the Company at SunOpta Inc., 2233 Argentia Road, Suite 401, West Tower, Mississauga, ON L5N 2X7. Any amendments to, or waivers of, the Business Ethics and Code of Conduct which specifically relate to any financial professional will be disclosed promptly following the date of such amendment or waiver at www.sunopta.com.

Insider Ownership Guidelines for Directors, Officers and Executives

The Board approved insider ownership guidelines for all non-employee directors and members of the senior management in May 2012 and in August 2015 approved an amendment to the insider ownership guidelines for all non-employee directors. These guidelines are reviewed on an annual basis and are intended to align the interests of directors and management with those of our shareholders.

The insider ownership guidelines encompass the following parameters:

1. Insider ownership guidelines are mandatory for all non-employee members of the Board and members of the Senior Leadership Team. All persons covered by these guidelines will have the option to request an exemption from these requirements based on consideration of their personal circumstances by the Compensation Committee.
2. Stock ownership targets established as follows:
 - a. Chief Executive Officer five times base salary
 - b. Directors five times annual cash retainers
 - c. Other NEOs (includes Chief Financial Officer and three most highly compensated officers) two times base salary
 - d. All other Senior Leadership Team members one times base salary
3. Targets are based on direct shareholdings only and do not account for the value of in-the-money options. *If you have any questions or need assistance completing your proxy or voting instruction form, please call Kingsdale Advisors at 1-877-659-1822 or email contactus@kingsdalesadvisors.com.*

4. In determining whether the required investment levels have been met, holdings are valued using the higher of the cost basis of the stock when acquired, or the market closing price on the last trading day of each fiscal quarter.
5. All participants are provided a five-year transition period to be in compliance with the ownership target. At the end of that period, the CEO, other NEOs and the Senior Leadership Team not in compliance will receive 50% of all subsequent short-term incentive payments in the form of equity until such time as the minimum holding is established.

As of December 31, 2016, four of the seven directors were in compliance with the mandatory guidelines. As of March 27, 2017, five of the eight director nominees were in compliance. The director nominees that currently do not meet the insider ownership guidelines are still within their transition period.

Compensation of Directors

Annual compensation for non-employee directors is comprised of cash and equity-based compensation. Cash compensation consists of an annual retainer and supplemental retainers for the chairs and members of Board committees. Equity compensation is comprised of an annual grant of RSUs and, for 2016, a one-time stock option grant for service on the Operations Transformation Committee. Katrina Houde served as a non-employee director of the Company until November 11, 2016, when she was appointed Interim CEO and became an employee of the Company. Her compensation as a non-employee director of the Company is shown in the Non-Employee Director Compensation Table below, and her compensation as an employee of the Company is shown in the Summary Compensation Table.

Non-employee directors may elect to receive stock in lieu of cash compensation, including from 50% to 100% of the cash amount. Also, non-employee directors have the option to defer receipt of annual equity compensation that would otherwise be payable to them, subject to compliance with the Company's Non-Employee Director Stock Deferral Plan and Section 409A of the Internal Revenue Code.

In August 2016, the Board reviewed non-employee director compensation and approved the following schedule effective October 1, 2016:

- i. Annual cash retainer of:

- \$50,000 for serving as a director;
- \$50,000 for serving as the Chair of the Board;
- \$17,000 for serving as the Chair of the Audit Committee;
- \$12,500 for serving as the Chair of the Compensation Committee;
- \$8,500 for serving as the Chair of the Corporate Governance Committee;
- \$6,000 for serving on the Audit Committee; and
- \$3,000 for serving on other committees.

- ii. Travel:

- \$1,250 for travel in excess of four hours

- iii. Annual equity compensation:

- RSUs valued at \$90,000

During 2016, the Board also approved the following one-time cash retainers and equity awards noted below:

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\$15,000 for serving as the Chair of the Special Committee (which was created for the strategic review);

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\$10,000 for serving on as a member of the Special Committee (which was created for the strategic review);

Stock options valued at \$30,000 for serving as the Chair of the Board; and

Stock options valued at \$15,000 for serving on the Operations Transformation Committee.

Effective October 6, 2016, the Board approved the vesting of all unvested RSUs upon the departure of a director from the Board and any new RSU grants going forward to have a 12-month vesting period.

The following table summarizes total compensation paid to our non-employee directors for fiscal year 2016.

Non-Employee Director Compensation Table

Name	Fees Earned or Paid in Cash (\$)(1)	Stock Awards (\$)(2)	Option Awards (\$)(3)	Other Compensation (\$)(4)	Total (\$)
Jay Amato	56,512	58,860	-	7,500	122,872
Margaret Shân Atkins	85,721	58,860	15,114	7,500	167,195
Dr. Albert Bolles(5)	12,986	53,167	15,114	2,500	83,767
Michael Detlefsen	67,725	58,860	15,114	3,750	145,449
Doug Greene(5)	36,874	58,860	-	5,000	100,734
Dean Hollis(5)(6)	20,630	53,167	45,346	2,500	121,643
Katrina Houde(7)	67,751	58,860	15,114	2,500	144,225
Jeremy Kendall(8)	19,500	-	-	50,949	70,449
Alan Murray(6)	94,253	71,940	-	6,250	172,443
Brendan Springstubb(5)(9)	12,986	53,167	15,114	2,500	83,767

- (1) Includes the fair market value of Common Shares issued in lieu of cash retainers, including elections of \$33,373 for Mr. Detlefsen and \$31,914 for Mr. Murray.
- (2) The fair value, as shown in this table, is determined in accordance with FASB ASC Topic 718 based on the number of RSUs granted and SunOpta's closing stock price on the date of grant. The number of RSUs granted is determined by dividing the scheduled Annual Equity Compensation by the average of SunOpta's closing stock prices during the 90 calendar days ending on the grant date. RSUs granted in May 2016 vest one-third per year over 3 years, and RSUs granted to Dr. Bolles, Mr. Hollis and Mr. Springstubb following their appointments to the Board in October 2016 vest on the first anniversary of the grant date.
- (3) Consists of the aggregate grant-date fair value of stock options granted to directors under the Company's 2013 Stock Incentive Plan (as amended in May 2013, the *Existing 2013 Plan*), calculated in accordance with FASB ASC Topic 718. The number of stock options granted is determined by dividing the scheduled Annual Equity Compensation by the Black-Scholes value based on the average of SunOpta's closing stock prices during the 90 calendar days ending on the grant date. The stock options vest on the first anniversary

of the grant date. At the end of fiscal 2016, non-employee directors held total RSUs and stock options as follows:

Name	RSUs	Options	Total
Jay Amato	26,562	55,000	81,562
Margaret Shân Atkins	30,514	5,322	35,836
Dr. Albert Bolles	7,995	5,322	13,317
Michael Detlefsen	32,146	20,322	52,468
Doug Greene	32,146	-	32,146
Dean Hollis	7,995	15,967	23,962
Katrina Houde	26,562	60,322	86,884
Jeremy Kendall	-	52,000	52,000
Alan Murray	-	-	-
Brendan Springstubb	7,995	5,322	13,317

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- (4) Other compensation includes travel fees for all directors except Mr. Kendall. For Mr. Kendall, other compensation reflects a retiring allowance in the amount of \$18,870 (Cdn \$25,000) paid under a contract with the Company and director fees of \$32,079 (Cdn \$42,500) for service on the Board of Directors of Opta Minerals Inc. (*Opta Minerals*), a subsidiary of SunOpta through April 6, 2016.
- (5) On October 7, 2016, Mr. Greene stepped down from the Board, and Dr. Bolles, Mr. Hollis, and Mr. Springstubb were appointed to the Board.
- (6) On November 9, 2016, Mr. Murray stepped down from the Board, and Mr. Hollis was appointed Chair of the Board.
- (7) On November 11, 2016, Katrina Houde was appointed Interim CEO of the Company and ceased being paid as a non-employee director.
- (8) Mr. Kendall did not stand for re-election at the Annual and Special Meeting on May 10, 2016.
- (9) Pursuant to the terms of his employment arrangements with Engaged Capital, all cash compensation and equity awards payable to Mr. Springstubb are paid or issued to Engaged Capital.

The Board believes that compensation for non-employee directors should be competitive and should fairly compensate directors for the time and skills devoted to serving our Company but, for independent directors, should not be so significant as to compromise independence.

All our directors are reimbursed for reasonable out-of-pocket expenses incurred for attending meetings of our Board or its committees and for other reasonable expenses related to the performance of their duties as directors. The Board believes that our non-employee director compensation package is competitive with the compensation offered by other companies and is fair and appropriate considering the responsibilities and obligations of our directors.

Penalties and Sanctions and Personal Bankruptcies

The information related to cease trade orders and bankruptcies, not being within the knowledge of the Company, has been furnished by the directors. Except as disclosed below, none of the proposed nominees for election to the Board of Directors:

- 1) is, as at the date of this Proxy Statement, or was within 10 years before the date of the Proxy Statement, a director or chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was the subject of an order (as defined in Form 51-102F5 made under National Instrument 51-102 of the CSA) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer, or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer, or chief financial officer; or
- 2) is at the date hereof, or has been within 10 years before the date of this Proxy Statement, a director or executive officer of any company (including the Company) that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings,

arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or