



SUN-RYPE PRODUCTS LTD.

**Notice of Annual General Meeting
of Shareholders**

**And
Information Circular**

Annual General Meeting of Shareholders

May 11, 2012, 11:00 a.m. (local time)

Holiday Inn Express
Aberdeen/Pandosy Rooms
2429 Highway 97 North
Kelowna, British Columbia

March 7, 2012



Sun-Rype Products Ltd.
1165 Ethel Street, Kelowna, BC, Canada V1Y 2W4
T (250) 860-7973 F (250) 762-3611 • www.sunrype.com

March 7, 2012

Dear Shareholder:

We are pleased to invite you to attend the 2012 Annual General Meeting of the shareholders of Sun-Rype Products Ltd. to be held at the Holiday Inn Express, 2429 Highway 97 North, Kelowna, British Columbia, at 11:00 a.m. (local time) on Friday, May 11, 2012. The items of business that you will be asked to decide upon are explained in the accompanying Notice of Annual General Meeting and Information Circular and Form of Proxy. As well, a copy of management's discussion and analysis and the consolidated financial statements for 2011 are enclosed.

We encourage you to visit our website - www.sunrype.com - to read more about our "good for you" products.

We thank you for your continuing support of Sun-Rype as both a shareholder and a consumer and look forward to seeing you on May 11, 2012. Come and try some of our new products, meet your directors and management, and ask questions concerning Sun-Rype's operations. We encourage you to make sure that your shares are voted at the meeting, whether or not you are able to attend. **Your vote is important.** If you do not plan to be present, your voice can still be heard by completing and sending us your Form of Proxy. (Full details for completing the Form of Proxy are provided inside the Information Circular.)

Yours truly,

SUN-RYPE PRODUCTS LTD.

Merv Geen
Chairman of the Board

Dave McAnerney
President & Chief Executive Officer



SUN-RYPE PRODUCTS LTD.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The 2012 Annual General Meeting (the "Meeting") of the shareholders of Sun-Rype Products Ltd. ("Sun-Rype") will be held at the **Holiday Inn Express, 2429 Highway 97 North, Kelowna, British Columbia, on Friday, May 11, 2012, at 11:00 a.m. (local time)**, for the following purposes:

1. to receive the consolidated financial statements and the Auditors' Report for the year ended December 31, 2011;
2. to appoint auditors for the ensuing year;
3. to elect directors; and
4. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The board of directors has fixed the close of business on **March 30, 2012, as the Record Date** for determination of shareholders entitled to notice of the Meeting and any adjournment thereof and the right to vote thereat.

Shareholders of Sun-Rype who are unable to attend the Meeting in person are requested to complete, date, sign, and **return the enclosed Form of Proxy not later than 48 hours before the Meeting**, using the envelope enclosed for the purpose, or send by fax to 604-681-3067, or by Internet as described in the Form of Proxy.

DATED at Kelowna, British Columbia, this 7th day of March 2012.

BY ORDER OF THE BOARD

Dave McAnerney
President & CEO

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Q & A ON PROXY VOTING

Q1. What am I voting on?

- A. Shareholders are voting on the election of directors to the board, and the appointment of auditors for Sun-Rype for 2012. You will also receive Sun-Rype's consolidated financial statements for the year ended December 31, 2011, which are included in your package received with the Information Circular.

Q2. Who is entitled to vote?

- A. Shareholders who are registered as at the Record Date, March 30, 2012, are entitled to attend the Meeting and to vote. Each common share is entitled to one vote.

Q3. How do I vote?

- A. If you are a **Registered Shareholder** (i.e., you hold your common shares in your name) there are several ways that you can vote your common shares. You may vote in person at the Meeting, or by Internet, or you may sign the enclosed Form of Proxy appointing the persons named, or some other person you choose, to represent you and vote your common shares at the Meeting.

If your common shares are held in the name of a nominee (i.e., your broker or financial institution) you are a **Beneficial Shareholder**. **Please see the answers to questions 16 and 17 for voting.**

Q4. Do I have to complete the Proxy if I plan to be at the Meeting?

- A. If you are a Registered Shareholder and if you plan to attend the Meeting on May 11, 2012, and wish to vote your common shares in person, you do not need to complete or return the Form of Proxy. Your vote will be taken and counted at the Meeting. Please register with the transfer agent, Valiant Trust Company ("Valiant"), upon arrival at the Meeting. However, you may find it more convenient to complete a Form of Proxy in case you are unable to attend in person on the day of the Meeting. **If you are a Beneficial Shareholder, see answer to question 17.**

Q5. Who is soliciting my Proxy?

- A. The enclosed Form of Proxy is being solicited by the management of Sun-Rype and the associated costs will be borne by Sun-Rype. The solicitation will be by mail distributed by Valiant on Sun-Rype's behalf, but officers and employees of Sun-Rype may solicit your Proxy by telephone or in person.

Q6. What happens if I sign and return the enclosed Form of Proxy?

- A. Signing the enclosed Form of Proxy gives authority to Merv Geen who is a director of Sun-Rype, or to another person you have appointed, to vote your common shares at the Meeting in accordance with your instructions.

Q7. Can I appoint someone other than this director to vote my common shares?

- A. Yes. Write the name of this person, who does not have to be a Registered Shareholder of Sun-Rype, in the blank space provided in the Form of Proxy and cross off the name of the Management Proxyholder.

Q8. What do I do with my completed Proxy?

- A. Return it to Valiant in the envelope provided, or fax it to 604-681-3067, or vote by Internet, so that it arrives not later than 11:00 a.m. Pacific Time on Wednesday, May 9, 2012. This will ensure your vote is recorded.

Q9. If I change my mind, can I take back my Proxy once I have given it?

- A. Yes. If you wish to change your mind, prepare a written statement stating this. The statement must be signed by you (or your attorney as authorized in writing) or, if the shareholder is a company, by a duly authorized officer or attorney of the company. This statement must be delivered either to the head office of Sun-Rype, to the office of Valiant, or to the Chairman of the Meeting at any time before the Meeting commences or any adjournment of the Meeting. If you decide to attend the Meeting in person, you may also revoke your Proxy when you register at the Meeting and then vote in person.

Q10. How will my common shares be voted if I give my Proxy?

- A. The persons named on the Form of Proxy must vote for or withhold from voting your common shares in accordance with your directions. However, if you do not provide directions, your common shares will be voted **in favour** of each matter proposed in the Information Circular.

Q11. What if amendments are made to these matters or if other matters are brought before the Meeting?

- A. The person named in the Form of Proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Meeting and to other matters that may properly come before the Meeting. If any other matters properly come before the Meeting, the persons named in the Form of Proxy will vote on them in accordance with their best judgement.

Q12. How many common shares are entitled to vote?

- A. As of March 7, 2012, there were issued and outstanding 10,807,900 common shares of Sun-Rype. Each Registered Shareholder has one vote for each common share held as at the Record Date, March 30, 2012.

Q13. How will the votes be counted?

- A. Each ordinary resolution brought before the Meeting is determined by a majority of votes cast on the question.

Q14. Who counts the votes?

- A. Valiant counts and tabulates the proxies.

Q15. If I need to contact the transfer agent, how do I reach them?

- A. General Shareholder Inquiries:
By Phone: 1-866-313-1872
By Fax: 1-604-681-3067
By Email: inquiries@valianttrust.com
By Regular Mail:
Valiant Trust Company
600-750 Cambie St
Vancouver, BC V6B 0A2

Q16. If I am a Beneficial Shareholder (i.e., my common shares are held in the name of a nominee such as a bank, trust company, securities broker, trustee or other), how do I vote my common shares?

- A. If your common shares are not registered in your own name, they will be held in the name of a "nominee", usually a bank, trust company, securities broker or other financial institution. Your nominee must seek your instructions as to how to vote your common shares.

Therefore, unless you have previously informed your nominee that you do not wish to receive material relating to shareholders' meetings, you will have received the Information Circular in a mailing from your nominee together with a Form of Proxy or Voting Instruction Form ("VIF"). It is important that Beneficial Shareholders follow exactly the voting instructions provided to them. If you are a Beneficial Shareholder who has voted and you wish to change your voting instructions, contact your nominee to discuss whether this is possible and what procedure to follow.

Q17. How can a Beneficial Shareholder vote in person at the Meeting?

- A. **If you are a Beneficial Shareholder and wish to vote in person at the Meeting, please insert your own name in the space provided on the Form of Proxy or VIF sent to you by your nominee.** By doing so, you are instructing your nominee to appoint you as proxyholder. Follow the signing and return instructions exactly as provided by your nominee. **DO NOT** complete the voting instructions on the Form of Proxy or VIF as you will be voting in person on those matters at the Meeting. To be able to vote in person at the Meeting, you **MUST** return the Form of Proxy or VIF so that your nominee can appoint you as the proxyholder.

SUN-RYPE PRODUCTS LTD.

INFORMATION CIRCULAR

Except as otherwise indicated, the information contained herein is stated as of **March 7, 2012**. This Information Circular and the accompanying Form of Proxy and Notice of Meeting are expected to be mailed on or about March 30, 2012.

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the **solicitation of proxies by the board of directors and the management of Sun-Rype Products Ltd. (the "Company" or "Sun-Rype")** for use at the 2012 Annual General Meeting (the "Meeting" or "AGM") of shareholders to be held at the Holiday Inn Express, 2429 Highway 97 North, Kelowna, British Columbia, on May 11, 2012, at 11:00 a.m. (local time) and any adjournments thereof.

It is expected that the solicitation of proxies will be made primarily by mail, but proxies may also be solicited personally or by telephone by officers and employees of Sun-Rype, and such persons will receive no compensation therefore other than their regular salary. The cost of this solicitation will be borne by Sun-Rype.

RECORD DATE

The "Record Date" for the Meeting is March 30, 2012.

If you held Sun-Rype common shares in your name (i.e., you are a "Registered Shareholder") at the close of business on March 30, 2012, you are entitled to vote at the Meeting. If you owned Sun-Rype common shares at March 30, 2012, but they are registered in the name of a broker, bank or other nominee (i.e., you are a "Beneficial Shareholder"), that broker, bank or other nominee votes on your behalf unless it appoints you or your designee as a proxyholder. For further information, see the section "Advice to Beneficial Shareholders" in this Information Circular.

APPOINTMENT AND REVOCATION OF PROXIES

The person named as appointee in the accompanying Form of Proxy is the Chairman of the Board of Sun-Rype (the "Management Proxyholder"). **A Registered Shareholder of the Company entitled to vote at the Meeting may appoint some other person (who need not be a shareholder of the Company or otherwise entitled to attend or vote at the Meeting) to represent such Registered Shareholder at the Meeting by striking out the name of the Management Proxyholder and inserting the name of such person in the blank space provided for that purpose in the Form of Proxy or by completing and submitting another valid Form of Proxy.**

The completed Proxy must be deposited with the Company c/o Valiant Trust Company, ("Valiant") 600 – 750 Cambie Street, Vancouver, BC, V6B 0A2, at least 48 hours prior to the time of the Meeting excluding Saturdays, Sundays and statutory holidays, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

The Form of Proxy must be executed by the shareholder or his or her attorney authorized in writing, or if the shareholder is a company, by a duly authorized officer or attorney of the company.

A Proxy may be revoked by the person giving it at any time prior to the exercise of the Proxy. If a person who has given a Proxy attends the Meeting in person, he or she may revoke the Proxy and vote in person. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing, or if the shareholder is a company, by a duly authorized officer or attorney of the company, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the Proxy is to be used, or with the Chairman of such Meeting on the day of the Meeting or any adjournment thereof, and upon any of such actions, the Proxy is revoked.

All references to shareholders in this Information Circular and the accompanying Form of Proxy and Notice of Meeting are to shareholders of record (i.e. Registered Shareholders) unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be made available upon request to Registered Shareholders who produce proof of their identity.

Only Registered Shareholders have the right to revoke a Proxy. Beneficial Shareholders who wish to change their vote must, at least seven (7) days before the Meeting, arrange for their respective brokers/nominees to revoke the Proxy on their behalf.

VOTING OF PROXIES AND EXERCISE OF DISCRETION BY PROXYHOLDERS

Common shares of the Company represented by properly executed proxies in the accompanying form will be voted or withheld from voting on each respective matter in accordance with the instructions of the Registered Shareholder on any ballot that may be called for.

If no choice is specified and the Management Proxyholder is appointed by a Registered Shareholder as proxyholder, such person will vote in favour of the matters proposed at the Meeting and for all other matters proposed by management at the Meeting.

The enclosed Form of Proxy also confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters that may properly come before the Meeting.

As of the date of this Information Circular, the management of Sun-Rype knows of no such amendments, variations or other matters that may come before the Meeting, other than the matters referred to in the accompanying Form of Proxy.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information outlined in this section is of significant importance to many public shareholders of the Company as a substantial number of the public shareholders of the Company do not hold common shares in their own name. Shareholders who do not hold their common shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in the shareholder's name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common shares held by brokers or their nominees can only be voted (for or against resolutions) or withheld from voting upon the

instruction of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting common shares for their clients.

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (the “Instrument”), the Company has distributed copies of the Notice of Meeting, this Information Circular and the Form of Proxy to the clearing agencies and intermediaries for onward distribution to Beneficial Shareholders. Applicable regulatory policy requires brokers/nominees to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings unless the Beneficial Shareholder has waived the right to receive meeting materials. Every broker/nominee has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often, the Form of Proxy supplied to a Beneficial Shareholder by its broker is identical to the Form of Proxy provided to a Registered Shareholder, however, its purpose is limited to instructing the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. **Should a Beneficial Shareholder receiving such a form wish to vote at the Meeting, the Beneficial Shareholder should strike out the names of the Management Proxyholder named in the form and insert the Beneficial Shareholder’s name in the blank provided and return the materials to the broker/nominee as directed.**

The majority of brokers/nominees now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions, Canada (“Broadridge”). Broadridge typically mails a Voting Instruction Form (“VIF”) to the Beneficial Shareholders and asks Beneficial Shareholders to return the VIF to Broadridge (in some cases the completion of the VIF may be by telephone or the Internet). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder receiving a VIF cannot use that VIF to vote common shares directly at the Meeting – the VIF must be returned to Broadridge well in advance of the Meeting in order to have the common shares voted or to have the Beneficial Shareholder appointed as proxyholder by the broker/nominee.**

DESCRIPTION OF SHARE CAPITAL

Voting Securities

Sun-Rype is authorized to issue 100,000,000 common shares without par value (“Common Shares”), of which 10,807,900 Common Shares have been issued and are outstanding as at the date of this Information Circular. Each such Common Share entitles the holder to one vote at any meeting of Sun-Rype, other than meetings of holders of shares of any other class or series.

Principal Holders of Voting Securities

The following table sets forth the names of each person who, to the knowledge of the directors and officers of the Company, beneficially owned or controlled or directed, directly or indirectly, as at the date of this Information Circular, Common Shares carrying 10% or more of the votes attached to the Common Shares of the Company; the number of Common Shares so owned, controlled or directed by each such person; and the percentage of issued and outstanding Common Shares of the Company represented by the number of Common Shares so owned, controlled or directed:

Name of Holder	Number of Common Shares Owned, Controlled or Directed	Percentage of Issued & Outstanding Common Shares
James A. Pattison ⁽¹⁾	5,257,500	48.6%

Notes:

(1) The Common Shares controlled by Mr. Pattison are registered in the name of Great Pacific Capital Corp. and 4123239 Canada Inc.

BUSINESS OF THE MEETING

This Information Circular contains information relating to the receipt of Sun-Rype's consolidated financial statements, the appointment of auditors, and the election of directors.

Presentation of Consolidated Financial Statements

Sun-Rype's consolidated financial statements for the fiscal year ended December 31, 2011, and the report of the auditors thereon will be placed before the shareholders at the Meeting. These consolidated financial statements and management's discussion and analysis (the "Annual Report") were mailed to shareholders with the Notice of Meeting and Information Circular. Additional copies of the Annual Report may be obtained from Sun-Rype upon request and will also be available at the Meeting.

Appointment of Auditors

Shareholders will be asked to vote for the appointment of KPMG as the auditors of Sun-Rype for the ensuing year at remuneration to be determined by the directors. For 2011, fees for audit and audit-related services provided by the auditors for the Company were \$256,500 (2010: \$206,700). Non-audit fees billed by the auditors relating to taxation and advisory services were \$30,200 (2010: \$600). Further information on the auditors' fees may be found in the Company's Annual Information Form for the year ended December 31, 2011, filed on the SEDAR website at www.sedar.com and on the Company's website at www.sunrype.com.

On the representations of KPMG, neither it nor any of its partners has any direct financial interest or any material indirect financial interest in Sun-Rype in the capacity of promoter, underwriter, voting trustee, director, officer, employee or shareholder.

Election of Directors

The board of directors consists of seven directors. Glen Clark, James Eccott, Merv Geen, Michael J. Korenberg, James A. Pattison, Donald Selman and Douglas Souter will be introduced at the Meeting as management's nominees for election to the board of directors. The person named in the accompanying Form of Proxy intends to vote for the election of those nominees. All of the proposed nominees were elected as members of the board of directors at the last annual general meeting of shareholders held on May 06, 2011.

Each director elected at the Meeting will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is vacated earlier in accordance with the articles of the Company, or with the provisions of the *Business Corporation Act* (British Columbia).

Nominees for Election as Directors

The following pages set out the names of the seven persons proposed to be nominated for election as directors, each to hold office until the next annual general meeting or until a successor is elected or appointed, along with all major positions and offices currently held in Sun-Rype by each person, the principal occupation or employment of each person, the year in which each person was first elected a director of the Company and the approximated number of each class of securities of the Company that each person has advised the Company are beneficially owned or controlled or directed, directly or indirectly, as at March 18, 2011, and March 7, 2012.



Glen Clark

Glen Clark, 54, is a resident of Vancouver, BC, Canada and has served as a director of Sun-Rype since 2008. Mr. Clark is President of The Jim Pattison Group, a diversified group of operating companies based in Vancouver, BC. Mr. Clark joined The Jim Pattison Group in 2001 as an officer (and later President) of Pattison Sign Group, a manufacturer of illuminated signage, and joined The News Group as President of its Canadian operations in 2004. Prior to 2001, Mr. Clark served as Premier of British Columbia (1996-1999), as Minister of Employment and Investment (1993-1996) and as Minister of Finance and Corporate Relations (1991-1993), having first been elected to BC's Legislative Assembly in 1986. Mr. Clark holds a Bachelor of Arts degree from Simon Fraser University and a Master's degree in Community and Regional Planning from the University of British Columbia. Mr. Clark also serves on the boards of Westshore Terminals Ltd., Canfor Corporation and The Jim Pattison Group Inc.

Current Director

Member of the Compensation & Corporate Governance Committee

	<u>2011</u>	<u>2012</u>
Common Shares:	Nil	Nil



James Eccott

James Eccott, 79, is a resident of Kelowna, BC, Canada and served as a director and Vice Chairman of Sun-Rype from 1999-2001. Mr. Eccott was re-elected in May 2003. Mr. Eccott is a retired businessman having previously been President and Chief Executive Officer and a director of Dia Met Minerals Ltd. from 1992 to 2001. Mr. Eccott also serves as Chairman and a director of both Northern Air Support Ltd. and Canterra Minerals Corporation. Mr. Eccott holds a Bachelor of Commerce degree from the University of British Columbia.

Current Director

Chairman of the Compensation & Corporate Governance Committee

	<u>2011</u>	<u>2012</u>
Common Shares:	108,100	108,100



Merv Geen

Merv Geen, 67, is a resident of Rock Creek, BC, Canada and served as a director of Sun-Rype from 1987-1990. Mr. Geen was re-elected as a director in 1992 and has served as Chairman of the Board since then. An orchardist, Mr. Geen was formerly a director of Kettle Mountain Ginseng Co. Ltd., the Association of Ginseng Growers of British Columbia, BC Tree Fruits Ltd. and BC Fruit Packers.

Current Director

Chairman of the Board

	<u>2011</u>	<u>2012</u>
Common Shares:	133,710	133,710



Michael J. Korenberg

Michael J. Korenberg, 51, is a resident of West Vancouver, BC, Canada and has served as a director of Sun-Rype since 2008, having previously served on the board from 2001-2003. Mr. Korenberg is Deputy Chairman & Managing Director of The Jim Pattison Group. Prior to joining The Jim Pattison Group in 1996, Mr. Korenberg was Deputy Chairman & Chief Operating Officer of Orca Bay Sports & Entertainment (1993-1995) and a partner of Blake, Cassels & Graydon, Canadian lawyers (1982-1993). Mr. Korenberg holds a Bachelor of Arts and a Juris Doctor degree, is a member of the Law Societies of Ontario and British Columbia, an Adjunct Professor of Law at the University of British Columbia and serves on the boards of The Jim Pattison Group Inc., Canfor Corporation, Canfor Pulp Products Inc. and Westshore Terminals Investment Corporation.

Current Director
Member of the Audit Committee

Common Shares: 2011 2012
5,000 5,000



James A. Pattison

James A. Pattison, OC, OBC, 83, is a resident of West Vancouver, BC, Canada and has served as a director of Sun-Rype since 2008. Mr. Pattison is Managing Director, CEO and Chairman of The Jim Pattison Group, a Vancouver, BC-based diversified group of operating companies including food retail and distribution, fishing, automotive retailing and leasing, illuminated signage, outdoor advertising, packaging, broadcasting, entertainment, real estate, financial and export services. Mr. Pattison also serves on the boards of The Jim Pattison Group Inc., Brookfield Asset Management Inc., Canfor Corporation, and is a trustee of the Board of the Ronald Reagan Presidential Foundation.

Current Director
Member of the Compensation & Corporate Governance Committee

Common Shares: 2011 2012
5,257,500 5,257,500⁽¹⁾



Donald Selman

Donald Selman, FCA, 77, is a resident of Richmond, BC, Canada and has served as a director of Sun-Rype since 2001. Mr. Selman was a senior partner of Wolrige Mahon, a chartered accounting firm located in Vancouver, BC, prior to his retirement in 2006 and now provides consulting services for the firm. Mr. Selman obtained his chartered accountant designation in 1958 and a Law Degree from the University of British Columbia in 1960.

Current Director
Chairman of the Audit Committee

Common Shares: 2011 2012
6,500 6,000



Douglas Souter

Douglas Souter, 66, is a resident of West Vancouver, BC, Canada and has served as a director of Sun-Rype since 2006. Mr. Souter retired in 2005 as President and Chief Executive Officer of the Canadian Fishing Company (a division of The Jim Pattison Group). Mr. Souter's business experience in the food processing industry includes executive positions with Fraser Valley Foods, Kanaway Seafoods Inc., Allied Pacific Processors, Alaska General Seafoods and Icicle Seafoods BC Ltd. Mr. Souter also serves on the board of Westshore Terminals Ltd. Mr. Souter holds a Bachelor of Arts degree in Economics from the University of British Columbia.

Current Director
Member of the Audit Committee

Common Shares: 2011 2012
200 200

Notes:

1. The Common Shares beneficially owned by Mr. Pattison are held by companies wholly owned by Mr. Pattison. See "Principal Holders of Voting Securities" on page 3 and 4 of this Information Circular.

For additional information regarding current directors of the Company see the section of the Company's Annual Information Form dated March 7, 2012, entitled "Directors and Officers", which is incorporated by reference herein.

Directorships in other Public Companies

Certain of the nominees for election as a director serve as directors on boards of other public companies. Mr. Eccott serves on the boards of Canterra Minerals Corporation. Mr. Clark, Mr. Korenberg and Mr. Pattison serve on the board of Canfor Corporation. Mr. Korenberg also serves on the boards of Canfor Pulp Products Inc. and Westshore Terminals Investment Corporation. Mr. Pattison serves on the board of Brookfield Asset Management Inc.

To the knowledge of the Company, no nominee for election as a director of the Company was within the last 10 years prior to the date of this Information Circular, a director or executive officer of a company that, while acting in that capacity, (i) was subject to a cease trade or similar order or an order that denied access to any exemption under securities legislation for a period of 30 consecutive days; (ii) was subject to an event that resulted, after the director or executive officer ceased in such capacity, in a cease trade or similar order or an order that denied access to any exemption under securities legislation for a period of 30 consecutive days, or (iii) within a year of ceasing to act in such capacity, became bankrupt, made a proposal under legislation relating to bankruptcy or insolvency or was subject to any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of the Company, no nominee for election as a director of the Company has, within the last 10 years prior to the date of this Information Circular become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver or receiver manager or trustee appointed to hold his assets.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes the objectives and implementation of executive compensation programs at Sun-Rype, including the factors underlying compensation decisions.

Compensation of directors and executives and related matters are the responsibility of the Compensation & Corporate Governance Committee of the Board of Directors ("Board").

Under the terms of a management services agreement with Westar Management Ltd. ("Westar"), the President & CEO (the "CEO") is paid as an employee of Westar. CEO compensation, together with other corporate services, is invoiced back to the Company. Westar is controlled by James A. Pattison, a director of the Company. Hiring and compensation of other executives is the responsibility of the CEO, operating within guidelines established by the Board. The determination of the executive group is subject to Board approval. Following discussions with the CEO and after receiving his recommendations, the Compensation & Corporate Governance Committee is responsible for approving incentive compensation levels of the other executives.

Executive Compensation Philosophy

Sun-Rype's executive compensation program is based on a "pay for performance" philosophy and is designed to attract, retain and reward high calibre and experienced executives who will contribute to the success of the Company. Executives are motivated through various elements of this program to meet annual performance goals and enhance long-term shareholder value.

Executive Compensation Guidelines

Sun-Rype's executive compensation strategy is intended to:

- attract, retain and effectively reward executive talent;
- provide compensation which is competitive with that offered in the marketplace;
- align compensation with corporate business strategies; and
- align the CEO's interests with those of the Company.

Elements of Executive Compensation

The Company's executive compensation program includes base salary and variable pay that includes short- and longer-term components. This combination of base and variable pay for performance compensation aligns executive and Company interests both in the short-term and over the longer-term.

(a) Base Salary

Executive salary ranges are based on the median level of executive salaries for the compensation comparator group.

The base salary for the CEO is set by Westar and reviewed by the Compensation & Corporate Governance Committee who reviews the performance of the CEO. The review considers Sun-Rype's overall corporate performance for the year and the strategies employed by the CEO to secure future gains for shareholders as well as the CEO's overall leadership measures.

The base salaries for non-CEO executives are set and reviewed by the CEO. Salaries are benchmarked against available market data and from time to time using a third party provider to confirm market competitiveness. The CEO reviews the performance and salary of the executives annually. These reviews consider the executive's performance on business objectives as well as overall leadership measures. Based upon this review, the CEO recommends salary treatment for the executives, incorporating their overall performance rating, salary range placement (compa-ratio) and the annual corporate merit budget.

Individual variations in executive base salaries consider job scope, experience, retention risk, performance and other relevant factors.

(b) Variable Pay

Variable pay plans are designed to motivate executives to deliver return on invested capital ("ROIC") that meets or exceeds specific targets and, by doing so, increase the value of the Company for its shareholders while balancing the short- and long-term needs of the business. The CEO's incentive plan provides for incentive compensation that is commensurate with the Company's ROIC performance up to a maximum of 100% of annual salary, payable annually.

The Executive Incentive Plan ("EIP") provides for incentive payments, with a target of 60% of annual salary, based on the overall Company ROIC. Payments under the EIP are spread over a two-year period with 50% paid in the first year and 50% in the second year. Payments in year two are contingent upon the ongoing employment of the executive at that time.

ROIC is calculated as earnings before interest and tax ("EBIT"), divided by the average monthly total of non-cash working capital, the book value of property, plant and equipment, and an adjustment to reflect fair market value of the assets employed in the business. The target ROIC for 2011 was 10% and actual ROIC was -11.5%.

Executive Compensation as Linked to Company Performance

The following table sets out the corporate financial performance measures considered when determining compensation awards and provides results for the past three years.

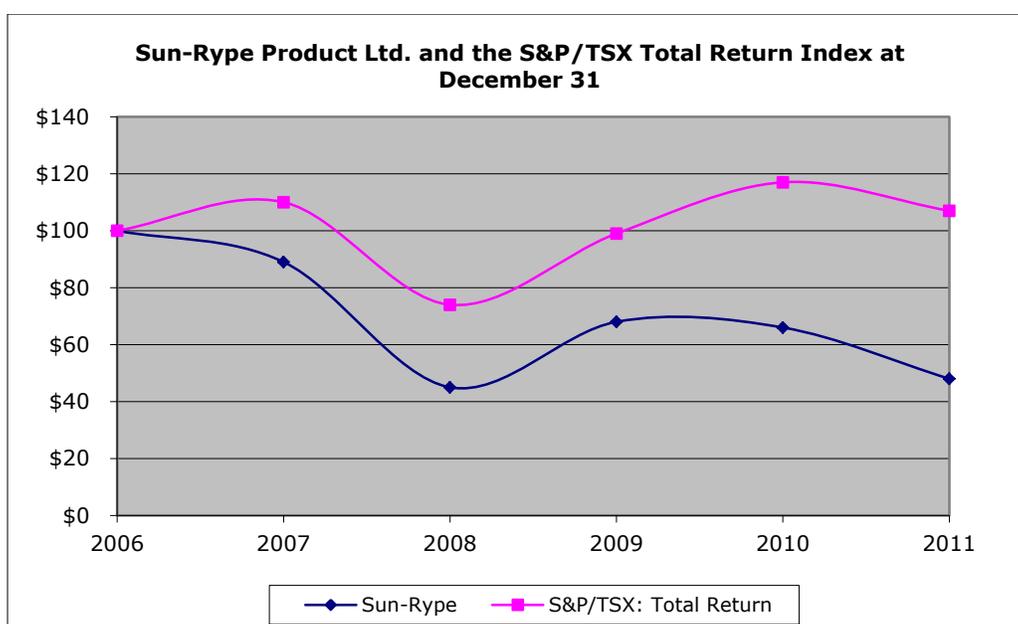
	2011	2010	2009 ¹
Net income (loss) (in thousands)	\$ (5,687)	\$ 4,503	\$ 6,767
ROIC	-12%	9%	13%
Total executive officer compensation (in thousands) ²	\$ 1,066	\$ 1,224	\$ 1,479

Notes:

1. As reported under previous Canadian generally accepted accounting principles
2. Excluding severance compensation

Share Performance Graph

The following graph compares the percentage change in Sun-Rype's cumulative total shareholder return on its Common Shares with the cumulative total return of the S&P/TSX Composite Index (the "S&P/TSX") over the period from December 31, 2006, to December 31, 2011⁽¹⁾.



Year ended December 31	2006	2007	2008	2009	2010	2011
Sun-Rype	\$100	\$ 89	\$ 45	\$ 68	\$ 66	\$ 48
S&P/TSX	100	110	74	99	117	107

Notes:

1. The graph illustrates the cumulative return on a \$100 investment in Common Shares made on December 31, 2006, as compared with the cumulative return on a \$100 investment in the S&P/TSX on December 31, 2006, calculated using closing prices on December 31 of each year. The calculations assume reinvestment of dividends at market price on the cash dividend payment date.

Summary Compensation Table

The following table sets forth the compensation of Sun-Rype's named executive officers ("NEO"s) for the years ended December 31, 2011, 2010 and 2009.

Name and Principal Position	Year	Salary	Non-equity incentive plan compensation		Pension value ⁶	All other compensation ⁷	Total Compensation
			Annual incentive plans ⁵	Long-term incentive plans ⁵			
DAVE McANERNEY ¹ PRESIDENT & CEO	2011	\$260,000	\$ 52,632	\$ -	\$ 15,600	\$ 17,700	\$345,932
	2010	233,965	27,632	-	13,825	18,178	293,600
	2009	183,212	55,260	-	9,605	17,464	265,541
DON VANDERZWAAG VICE PRESIDENT, FINANCE AND CFO	2011	162,413	7,500	7,500	8,299	12,975	198,686
	2010	160,385	16,000	16,000	7,914	10,882	211,181
	2009	129,960	-	27,000	6,419	1,365	191,744
LESLI BRADLEY ² VICE PRESIDENT, OPERATIONS	2011	155,654	7,500	7,500	7,897	15,123	193,674
	2010	148,417	19,500	19,500	7,159	14,116	208,692
	2009	117,500	20,985	20,985	5,662	2,879	147,026
CAMERON JOHNSTON ³ FORMER VICE PRESIDENT, SALES & MARKETING	2011	178,330	-	-	8,927	375,698 ⁸	562,955
	2010	193,555	-	-	9,874	18,218	221,647
	2009	177,704	35,960	35,960	9,275	17,329	276,228
DAVID LYNN ⁴ FORMER PRESIDENT & CEO	2010	34,375	-	-	2,063	330,112 ⁹	366,550
	2009	275,000	107,970	-	16,500	10,927	410,397

Notes:

1. Mr. McAnerney was appointed President & CEO on February 15, 2010.
2. Ms. Bradley was appointed an executive officer of the Company on March 15, 2010.
3. Mr. Johnston left the Company on November 21, 2011.
4. Mr. Lynn left the Company on February 11, 2010.
5. Under the EIP for non-CEO NEOs, one half of the amount awarded for the year is paid in the year following the award. The balance is paid in the subsequent year.
6. The Company provides a registered defined contribution pension plan (the "Plan") to all qualifying employees to which both the employee and the Company contribute. The CEO is not a member of the Plan. In lieu of Plan participation, the CEO is paid 6.0% of base salary. The other NEOs have the option of participating in the Plan or to opt out of the Plan and receive a payment, equivalent to the Company contribution under the Plan, in cash or directed to an RRSP. All other NEOs have opted out of the Plan.
7. Includes Company contributions to the employees' participation in the Employee Share Purchase Plan ("ESPP"). Eligible employees may participate in the Company's ESPP, which encourages employee share ownership in Sun-Rype, by contributing up to 7% of his or her wages towards the ESPP. The Company then contributes 35% of the amount contributed by the employee towards the ESPP. The plan administrator subsequently uses the combined ESPP contributions to purchase, on behalf of the participant, Common Shares of the Company on the open market through the facilities of the TSX. Other compensation also includes vehicle allowances and cash in lieu of participation of the ESPP for non-eligible NEOs.
8. Includes post-employment salary and benefits continuance totaling \$360,000.
9. Includes post-employment salary and benefits continuance totaling \$328,746.

Director Compensation

2011 Summary of Director Compensation

Director	Annual Fees ⁽¹⁾	Meeting Attendance Fees ⁽²⁾	Travel Fees ⁽³⁾	Total Compensation
Glen Clark ⁽⁴⁾	\$ -	\$ -	\$ -	\$ -
James Eccott ⁽⁵⁾	25,300	5,720	1,430	32,450
Merv Geen ⁽⁶⁾	39,600	8,360	2,860	50,820
Michael Korenberg ⁽⁴⁾	-	-	-	-
James A. Pattison ⁽⁴⁾	-	-	-	-
Donald Selman ⁽⁷⁾	34,100	7,755	1,430	43,285
Douglas Souter	22,000	7,755	1,430	31,185
Total	\$ 121,000	\$ 29,590	\$ 7,150	\$ 157,740

1. Effective May 6, 2011, Sun-Rype's directors each receive \$22,000 as an annual retainer to compensate them for their services. The chairman of the Board receives an additional \$17,600 annual retainer. The chairman of the Compensation & Corporate Governance Committee receives an additional \$3,300 annual retainer. The chairman of the Audit Committee receives an additional \$12,100 annual retainer.
2. Attendance by a director at board meetings and committee meetings is compensated at \$1,430 per full day and, for telephone meetings, \$605 per meeting.
3. For travel to board meetings, directors receive no fee if the meeting is held in the same city as the director's place of residence; \$715 if the meeting is in the same province as the director's place of residence; and \$1,430 if the meeting is outside the province of the director's residence.
4. Messrs. Clark, Korenberg, and Pattison declined payment for their services as directors.
5. Mr. Eccott is chairman of the Compensation & Corporate Governance Committee.
6. Mr. Geen is chairman of the Board of Directors.
7. Mr. Selman is chairman of the Audit Committee.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, other than described herein, no director or executive officer of the Company, no person who beneficially owns, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company (each of the foregoing being an "Informed Person"), no director or executive officer of an entity that is itself an Informed Person, no nominee for election as a director of the Company, and no associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed financial year or in any proposed transaction which, in either case, has materially affected or would materially affect the Company.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

To the knowledge of management of the Company, other than as described herein, no director or executive officer of the Company at any time since the beginning of the last completed financial year of the Company, no nominee for election as a director of the Company and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance is the process and structure used to supervise the business and affairs of the Company with the objective of enhancing shareholder value and ensuring the financial viability of the business. The process and structure define the division of authority and responsibilities and establish mechanisms for achieving accountability by the Board and management. The direction and management of the business also takes into account the impact of decisions on other stakeholders such as employees, customers, suppliers and the communities in which Sun-Rype operates.

The Board and management of Sun-Rype believe that sound corporate governance is an essential ingredient in the effective management of the Company, as well as in the ability to create maximum value for all stakeholders. Accordingly, the Board and management work hard to ensure that Sun-Rype's policies are in full compliance with current rules, guidelines and standards of the Canadian Securities Administrators, and that Sun-Rype's approach to corporate governance reflects best practices as well as anticipated requirements.

A summary of the Company's approach to certain aspects of corporate governance is given below.

Board of Directors Charter

The full text of the Charter of Sun-Rype's Board of Directors is attached as Appendix "A" to this Information Circular.

Committees of the Board of Directors

The Board has established an Audit Committee and a Compensation & Corporate Governance Committee. No committees of the Board have autonomous authority. All such committees must seek Board approval prior to the implementation of any proposed action or recommendation.

The *Audit Committee* is composed of all independent directors who meet the independence and financial literacy requirements for audit committees as set out in Multilateral Instrument 52-110 *Audit Committees*, and is chaired by a chartered accountant. The current members of the Audit Committee: Donald Selman, FCA (chairman), Michael Korenberg and Douglas Souter, review the annual and interim financial statements of the Company and certain other public disclosure documents required by regulatory authorities and make recommendations to the Board with respect to such statements and documents. The Audit Committee meets with the auditors independently of management at least once per year, makes recommendations to the Board regarding the appointment of independent auditors, and reviews the nature and scope of the annual audit as proposed by the auditors and management. The Audit Committee and the Board, together with management, periodically review the risks inherent in the Company's business, as well as review with management the adequacy of the internal accounting control procedures and systems within the Company. The Audit Committee and the Board review with management and the auditors any proposed changes in accounting practices or policies and the resulting financial statement impact. In December 2003, the Audit Committee adopted a "best practices" Audit Committee Charter (the "Charter"), which was subsequently approved and adopted by the Board of Directors. As part of the Charter, the Audit Committee also adopted a Whistleblower Policy, which provides for a confidential and anonymous process whereby persons with bona fide interests in matters relating to the financial records of the Company can express directly to an Audit Committee member any concerns or complaints about the accuracy, fairness or appropriateness of any financial report, accounting policy or public disclosure made by the Company.

The Whistleblower Policy is available for employees on the Company's internal intranet and on Sun-Rype's website at www.sunrype.com.

The Charter is reviewed annually and the full text of the Charter can be found on the Company's website at www.sunrype.com and in the Company's 2010 Annual Information Form, also available on the Company's website at www.sunrype.com and on the SEDAR website at www.sedar.com.

The *Compensation & Corporate Governance Committee*, whose current members are James Eccott (chairman), Glen Clark and James A. Pattison, is responsible for finding and nominating qualified candidates to serve as directors of the Company. This committee also has responsibility for the Company's overall approach to corporate governance and is responsible for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director. This committee also has responsibility for compensation and its function is more fully explained in this Information Circular under the heading "Report on Executive Compensation". The Compensation & Corporate Governance Committee has adopted a written charter that gives guidance to the committee on the responsibilities as a nominating, governance and compensation committee. The Compensation & Corporate Governance Committee Charter is reviewed annually.

Meeting Attendance

The following tables present information concerning meetings of the Board and committees of the Board and director attendance at such meetings for the year ended December 31, 2011. The overall 2011 attendance record by directors at board meetings and committee meetings was 100%.

The directors met independently of management at two of the five regularly scheduled board meetings in 2011.

Summary of Board and Committee Meetings Held For the year ended December 31, 2011	
Board of Directors	5
Audit Committee	7
Compensation & Corporate Governance Committee	3

Summary of Attendance of Directors For the year ended December 31, 2011			
	Board Meetings Attended/Eligible to Attend	Audit Committee Meetings Attended/Eligible to Attend	Compensation & Corporate Governance Committee Meetings Attended/Eligible to Attend
Glen Clark	5/5		3/3
James Eccott	5/5		3/3
Merv Geen ⁽¹⁾	5/5	7/7	3/3
Michael Korenberg	5/5	7/7	
James A. Pattison	5/5		3/3
Donald Selman	5/5	7/7	
Douglas Souter	5/5	7/7	

Notes: _____

(1) Mr. Geen attends meetings of the Audit Committee and Compensation & Corporate Governance Committee as an ex-officio member.

Code of Business Conduct and Ethics

In February 2005, the Board approved and adopted a written Code of Business Conduct and Ethics (the "Code"), which reflects Sun-Rype's commitment to a culture of honesty, integrity and accountability. The Code outlines the basic principles and policies with which all employees are expected to comply. The Code discusses:

- compliance with the laws, rules and regulations under which the Company operates;
- conflicts of interest;
- the prohibition against taking, personally, corporate opportunities that rightfully belong to the Company;
- the need to maintain confidentiality of all corporate information;
- the protection and proper use of Company assets;
- the prohibition against insider trading, discrimination and harassment;
- a commitment to high ethics and fair dealing with Sun-Rype's competitors, customers, suppliers and all stakeholders;
- a commitment to a safe and healthy workplace for employees; and
- a responsibility to ensure honest and accurate recording and reporting of all relevant information.

The Code further discusses the use of email and internet services by employees, sets rules on political activities and contributions, as well as both giving and receiving gifts and entertainment. Employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation and to report any violations of laws, rules, regulations or the Code. Through the Code, the Company sets out compliance procedures and how to approach a new question or problem, and ensures that the appropriate parties handle all questions and concerns fairly, discreetly and thoroughly.

The Code also provides for a certification by certain executive officers of the Company that, in their role, they adhere to and advocate certain principles and responsibilities governing their professional and ethical conduct. Only the Board of Directors or the Compensation & Corporate Governance Committee may make any waivers of the Code with respect to a director or officer of the Company, and any such waiver will be promptly disclosed to the extent required by applicable law or stock exchange regulation.

The Board reviews the Code annually. A copy of Sun-Rype's Code of Business Conduct and Ethics is available on the Company's website at www.sunrype.com and also on the SEDAR website at www.sedar.com.

Disclosure Policy

Sun-Rype's management and Board ensures that communications to the investing public about the Company are timely, factual, accurate, consistent and widely disseminated in accordance with all applicable legal and regulatory requirements. Seeking to formalize the Company's disclosure practices, the Board approved and adopted a Corporate Disclosure Policy (the "Policy") in March 2004. This Policy outlines a process to follow when making disclosure, details who is responsible for disclosure, and incorporates a series of checks and balances for disclosure of material information. The Policy is reviewed annually by the Board and is available to all employees on the Company's internal intranet. A Corporate Disclosure Committee, consisting of the CEO, the CFO, and the Company vice-presidents, has been established to oversee the Company's disclosure practices

Insider Trading Policy

An integral part of the Company's disclosure practices is Sun-Rype's Insider Trading Policy (the "Policy"), which was first adopted by the Board in December 1996 and is revised periodically. This Policy sets out strict guidelines and rules on trading in Sun-Rype securities by directors, officers, employees and other persons in a special relationship with Sun-Rype. All directors and senior officers, and any other employees of the Company who have access to confidential or publicly undisclosed material information on the Company, may only buy or sell Sun-Rype securities in specific "open trading windows", provided he or she knows of no publicly undisclosed material information at the time of the trade. There are four "open trading windows" during the year. No trading is permitted during times of unusual activity such as material acquisitions or divestitures or during any "black-out period" announced by the Company. Trading may commence after the end of two clear trading days following the date of issuance of a press release by the Company announcing a material change or specific public announcement, or on advice from the Company that the "black-out period" has ended. During the "open trading windows", the Board has mandated that all directors and officers must inform the CFO when they trade in Sun-Rype's securities. Insiders are cautioned to be prudent and always assess whether or not they are aware of material, undisclosed information prior to trading.

Investor Relations

The CEO supervises Sun-Rype's communications to ensure that communications with stakeholders are made in a timely, accurate and effective manner, and that all regulations of the TSX and the governing securities regulators are met. The Company communicates at least quarterly with its stakeholders and the public. Sun-Rype maintains a 1-800 toll-free number, and an e-mail address for inquiries made via the Internet and the Company's website, www.sunrype.com, to allow shareholders and other interested parties direct and affordable access to Sun-Rype. Sun-Rype's regular telephone number, 1-800 toll-free number and e-mail address are published in Sun-Rype's annual and interim reports and other Sun-Rype publications. As well, at Sun-Rype's annual meeting, a full opportunity is afforded shareholders to ask questions concerning Sun-Rype's operations.

Corporate Governance Disclosure – Form 58-101F1

Effective June 30, 2005, the Canadian Securities Administrators adopted National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201"), which effectively replaced the corporate governance guidelines and disclosure policies of the TSX. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. In addition, the Company is subject to Multilateral Instrument 52-110 *Audit Committees* ("MI 52-110"), which has been adopted in various Canadian provinces and territories and which prescribes certain requirements in relation to audit committees. A full description of each of the corporate governance practices of the Company with respect to NI 58-101 is set out in Appendix "B" to this Information Circular.

The Company has updated certain of its policies and procedures to comply with the Corporate Governance Disclosure Requirements to ensure that Sun-Rype's policies are in full compliance with current rules, guidelines and standards of the Canadian Securities Administrators.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer or employee nor any former director, executive officer or employee is, as of March 7, 2012, indebted to either the Company nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company.

No director or executive officer of the Company, proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has at any time since the beginning of the Company's last completed financial year been indebted to the Company nor have any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company.

MANAGEMENT CONTRACTS

The executive officers of Sun-Rype perform the management functions of the Company.

OTHER MATTERS

Management of Sun-Rype is not aware of any matter to come before the Meeting other than as set forth in the Form of Proxy. The directors have approved the content of the Information Circular and of the Form of Proxy and the delivery to the shareholders of Sun-Rype.

ADDITIONAL INFORMATION

Availability of Disclosure Documents

Financial information regarding Sun-Rype is included in the Company's consolidated financial statements and Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2011. Sun-Rype will provide to any shareholder copies of this Information Circular, its most recent consolidated financial statements and accompanying MD&A (Sun-Rype's Annual Report), its interim financial statements and the accompanying MD&A (Sun-Rype's Quarterly Report), and its most recent Annual Information Form, all of which are also available on the Company's website at www.sunrype.com and on the SEDAR website at www.sedar.com.

Directors' Approval of Information Circular

The directors of Sun-Rype have approved the contents and mailing of this Information Circular, Form of Proxy and Notice of Meeting.

DATED this 7th day of March 2012.

BY ORDER OF THE BOARD



Dave McAnerney
President & Chief Executive Officer

APPENDIX "A"

SUN-RYPE PRODUCTS LTD. BOARD OF DIRECTORS CHARTER

The purpose of this charter ("Charter") of the board of directors (the "Board") of Sun-Rype Products Ltd. is to provide guidance to Board members as to their duties and responsibilities. The power and authority of the Board is subject to the provisions of applicable law.

PURPOSE OF THE BOARD

The Board is responsible for the stewardship of Sun-Rype Products Ltd, including its subsidiaries (collectively the "Company"). This requires the Board to oversee the conduct of the business and affairs of the Company. The Board discharges some of its responsibilities directly and discharges others through committees of the Board. The Board is not responsible for the day-to-day management and operation of the Company's business, as this responsibility has been delegated to management. The Board is, however, responsible for supervising management in carrying out this responsibility.

MEMBERSHIP

The Board consists of directors elected by the shareholders as provided for in the Company's constating documents and in accordance with applicable law. From time to time, the Compensation & Corporate Governance Committee shall review the size of the Board to ensure that its size facilitates effective decision-making by the Board in the fulfillment of its responsibilities.

Each member of the Board must act honestly and in good faith with a view to the best interests of the Company, and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A director is responsible for the matters under "Role and Responsibilities of the Board" below as well as for other duties as they arise in the director's role.

All members of the Board shall have suitable experience and skills given the nature of the Company and its businesses and have a proven record of sound judgment. Directors are to possess characteristics and traits that reflect:

- (a) high ethical standards and integrity in their personal and professional dealings;
- (b) the ability to provide thoughtful and experienced counsel on a broad range of issues and to develop a depth of knowledge of the businesses of the Company in order to understand and assess the assumptions on which the Company's strategic and business plans are based and to form an independent judgment with respect to the appropriateness and probability of achieving such plans;
- (c) the ability to monitor and evaluate the financial performance of the Company;
- (d) an appreciation of the value of Board and team performance over individual performance and a respect for others; and

- (e) an openness for the opinions of others and the willingness to listen, as well as the ability to communicate effectively and to raise tough questions in a manner that encourages open and frank discussion.

Directors are expected to commit the time and resources necessary to properly carry out their duties. Among other matters, directors are expected to adequately prepare for and attend all regularly scheduled Board meetings. New directors are expected to understand fully the role of the Board, the role of the committees of the Board and the contribution individual directors are expected to make.

ETHICS

Members of the Board shall carry out their responsibilities objectively, honestly and in good faith with a view to the best interests of the Company. Directors of the Company are expected to conduct themselves according to the highest standards of personal and professional integrity. Directors are also expected to set the standard for Company-wide ethical conduct and ensure ethical behaviour and compliance with laws and regulations. If an actual or potential conflict of interest arises, a director shall promptly inform the Chair and shall refrain from voting or participating in discussion of the matter in respect of which he has an actual or potential conflict of interest. If it is determined that a significant conflict of interest exists and cannot be resolved, the director should resign.

Directors are expected to act in accordance with applicable law, the Company's Articles and the Company's Code of Business Conduct and Ethics. The Board is required to monitor compliance with the Code of Business Conduct and Ethics and is responsible for the granting of any waivers from compliance with the Code for directors and officers.

MEETINGS

The Board shall meet in accordance with a schedule established each year by the Board, and at such other times as the Board may determine. Meeting agendas shall be developed in consultation with the Chair. Board members may propose agenda items through communication with the Chair. The Chair is responsible for ensuring that a suitably comprehensive information package is sent to each director in advance of each meeting. At the discretion of the Board, members of management and others may attend Board meetings, except for separate meetings of the non-management directors of the Board.

Directors are expected to be fully prepared for each Board meeting, which requires them, at a minimum, to have read the material provided to them prior to the meeting. At Board meetings, each director is expected to take an active role in discussion and decision-making. To facilitate this, the Chair is responsible for fostering an atmosphere conducive to open discussion and debate.

Non-management members of the Board shall have the opportunity to meet at appropriate times without management present at regularly scheduled meetings. The Chair shall be responsible for presiding over meetings of the non-management directors. Non-management directors may propose agenda items for meetings of non-management directors through communication with the Chair.

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for approving the Company's goals, objectives and strategies. The Board shall adopt a strategic planning process and approve and review, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business. The Board is also responsible for identifying the principal risks of the Company's businesses and overseeing the implementation of appropriate risk assessment systems to manage these risks.

In addition to the other matters provided in this Charter, the Board is also responsible for the following specific matters:

- (a) review and approve management's strategic plans;
- (b) review and approve the Company's financial objectives, business plans and budgets, including capital allocations and expenditures;
- (c) monitor corporate performance against the strategic plans and business, operating and capital budgets;
- (d) management succession planning, including appointing, training and monitoring senior management and, in particular, the Chief Executive Officer (the "CEO") of the Company;
- (e) receive and consider recommendation of Compensation & Corporate Governance Committee with respect to ongoing performance evaluation of the CEO;
- (f) provide that an appropriate portion of senior executive management's compensation is tied to both short-term and longer-term performance of the Company;
- (g) monitor the integrity of the Company's accounting and financial reporting systems, disclosure controls and procedures, internal controls and management information systems;
- (h) approve acquisitions and divestitures of business operations, strategic investments and alliances and major business development initiatives;
- (i) the Company's communication policies, which:
- (j) address how the Company interacts with analysts, investors, key shareholders and the public; and
- (k) contain measures for the Company to comply with its continuous and timely disclosure obligations and to avoid selective disclosure and insider trading;
- (l) develop the Company's principles and approach to corporate governance;
- (m) assess its own effectiveness in fulfilling its responsibilities, including monitoring the effectiveness of individual directors; and
- (n) monitor compliance with the Company's Code of Business Conduct and Ethics.

A director has an important and positive role as a representative of the Company. A director is also expected to participate in outside activities that enhance the Company's image to investors, employees, customers and the public.

ROLE AND RESPONSIBILITIES OF THE CHAIR

It is the policy of the Board that there be a separation of the offices of the Chair and the CEO and that the Chair not be a member of management of the Company. The Chair and the CEO are to be in regular communications during the course of the year including with respect to the Company's business and the responsibilities of the Board.

The principal responsibilities of the Chair of the Board shall be to oversee, manage and assist the Board in fulfilling its duties and responsibilities as a Board in an effective manner independently of management. The Chair shall be responsible, among other things:

- (a) to chair Board meetings and annual and special meetings of shareholders of the Company;
- (b) to organize an appropriate annual work plan and regularly scheduled meetings for the Board;
- (c) to participate in the preparation of the agenda for each Board meeting;
- (d) to monitor the work of the committees of the Board and in that connection the Chair may attend, as a non-voting participant, all meetings of Board committees (other than those on which he otherwise sits);
- (e) to arrange for an appropriate information package to be provided on a timely basis to each director in advance of the meeting;
- (f) to assist in the Board's evaluation and self-assessment of its effectiveness and implementation of improvements;
- (g) to provide appropriate guidance to individual Board members in discharging their duties;
- (h) to ensure newly appointed directors receive an appropriate orientation and education program; and
- (i) to provide arrangements for members of the Board to communicate with the Chair formally and informally concerning matters of interest to Board members.

PROCEDURES TO ENSURE EFFECTIVE AND INDEPENDENT OPERATION

The Board recognizes the importance of having procedures in place to ensure the effective and independent operation of the Board. In addition to the policies and procedures provided elsewhere in this Charter including under "Role and Responsibilities of the Chair" set out above, the Board has adopted the following procedures:

- (a) the Board has complete access to the Company's management;

- (b) the Board requires timely and accurate reporting from management and shall regularly review the quality of management's reports;
- (c) subject to the approval of the Compensation & Corporate Governance Committee, individual directors may engage an external adviser at the expense of the Company in appropriate circumstances;
- (d) the Board shall ensure that an Investor Relations function is provided for by the Company;
- (e) the Chair of the Board shall monitor the nature and timeliness of the information requested by and provided by management to the Board to determine if the Board can be more effective in identifying problems and opportunities for the Company; and
- (f) the Board, through its Compensation & Corporate Governance Committee and together with the CEO, shall develop a detailed job description for the CEO. This description shall be recommended by the Compensation & Corporate Governance Committee. The Board shall assess the CEO against the objectives set out in this job description.

BOARD COMMITTEES

Subject to limits on delegation contained in corporate law applicable to the Company, the Board has the authority to establish and carry out its duties through committees and to appoint directors to be members of these committees. The Board assesses the matters to be delegated to committees of the Board and the constitution of such committees annually or more frequently, as circumstances require. From time to time the Board may create ad hoc committees to examine specific issues on behalf of the Board.

APPENDIX "B"

CORPORATE GOVERNANCE DISCLOSURE – FORM 58-101F1

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENTS	COMMENTS
1. Board of Directors (the "Board")	
(a) Disclose the identity of directors who are independent.	The following directors are independent as none of these individuals have a direct material relationship with Sun-Rype Products Ltd. ("Sun-Rype" or the "Company"): Glen Clark, James Eccott, Merv Geen, Michael Korenberg, Donald Selman and Douglas Souter.
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.	James A. Pattison is not independent as he is an affiliated entity of the Company.
(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Board does to facilitate its exercise of independent judgment in carrying out its responsibilities.	Six members of the Board are independent and one member is not independent; hence, a majority of the directors are independent and the Board functions independently from management.
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Four Sun-Rype directors are presently serving on boards of other reporting issuers. Mr. Clark is a director of Canfor Corporation. Mr. Eccott is a director of Diamondex Resources Ltd. Mr. Korenberg is a director of Canfor Corporation, Canfor Pulp Products Inc., and Westshore Terminals Investment Corporation. Mr. Pattison serves on the boards of Brookfield Asset Management Inc. and Canfor Corporation.
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.	The independent directors periodically hold sessions where the non-independent directors and/or management are not present. In the most recently completed financial year, the Board met in a session in two of the five regularly scheduled Board meetings where neither the non-independent directors nor any management were present.
(f) Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.	The chair of the Board is Merv Geen who is an independent director as noted in (a) above. The role and responsibilities of the chair of the Board are fully described in the Board Charter, attached to this Information Circular as Appendix "A".
(g) Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed financial year.	The attendance record for each director is detailed on page 13 of this Information Circular.

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENTS	COMMENTS
<p>2. Board Mandate - Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.</p>	<p>The full text of the Board's written mandate – the <i>Board of Directors Charter</i> - is attached to this Information Circular as Appendix "A" and is also on the Company's website, www.sunrype.com, under the "Corporate Governance" heading accessed through the Investors tab. The Board reviews the Board Charter annually.</p>
<p>3. Position Descriptions</p>	
<p>(a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.</p>	<p>The role and responsibilities of the Board and the chair of the Board are specifically set out in the Board's written Charter (see (2) above) and procedures have been adopted to ensure effective and independent operation of the Board. In addition, the Board delineates the role and responsibilities of the committee chairs with reference to the Charter for the particular committee. The Board has adopted a written charter for each standing committee of the Board (more fully described earlier in this Information Circular under "Statement of Corporate Governance Practices") and the Board reviews the committee charters annually.</p>
<p>(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.</p>	<p>The Board has adopted a detailed position description for the CEO. The three-year strategic plan and the CEO's annual performance objectives, both of which are reviewed and approved by the Board, further define the role and responsibilities of the CEO.</p>
<p>4. Orientation and Continuing Education</p>	
<p>(a) Briefly describe what measures the Board takes to orient new directors regarding</p> <ul style="list-style-type: none"> (i) the role of the Board, its committees and its directors, and (ii) the nature and operation of the issuer's business. 	<p>New directors to Sun-Rype are generally seasoned business executives with extensive experience on the boards of directors of other companies or have served in an executive management position for other private and public companies with similar experience to Sun-Rype's business operations. Orientation for these individuals is provided through meetings with the CEO, the CFO, and the operational vice presidents and the other directors. All new directors are provided with both financial and narrative materials regarding Sun-Rype's business and given access to the secure Board website for Board and committee meeting minutes and governance materials. The Compensation & Corporate Governance Committee, as part of its written charter, is responsible for overseeing the development and implementation of a program of orientation for new directors.</p>
<p>(b) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>The Board has not taken formal measures to provide continuing education for its directors; however, if there were particular courses or seminars that directors wished to attend, these would be considered on an individual basis and, in all likelihood, approved. Also, as part of the Board meeting agendas, presentations are made to the directors by various Sun-Rype advisors and other experts on such topics as current legal, governance, accounting, insurance, food safety and other pertinent issues. Presentations on operations and issues of particular functional units are also made. The directors are afforded</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENTS	COMMENTS
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	a full opportunity at these presentations to ask questions of these advisors, experts and managers.
5. Ethical Business Conduct	
<p>(a) Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:</p> <ul style="list-style-type: none"> (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code. 	<ul style="list-style-type: none"> (i) The Board has adopted a Code of Business Conduct and Ethics (the "Code") for Sun-Rype's directors, officers and employees and reviews the Code annually (see discussion of the Code earlier in this Information Circular under "Corporate Governance Practices Statement"). A copy of the Code may be viewed on the Company's website at www.sunrype.com under the "Corporate Governance" heading accessed through the Investors tab, or in Sun-Rype's filings on the SEDAR website at www.sedar.com. It is also available to all Sun-Rype employees on the Company's internal intranet. (ii) The Board monitors compliance with the Code through the Compensation & Corporate Governance and Audit committees, and the Company's Whistleblower Policy. All individuals subject to the Code are encouraged to report any illegal or unethical behaviour or violations of the Code in a timely manner in confidence and without fear of retaliation. (iii) Not applicable.
<p>(b) Describe any steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>	<p>The Board insists that the provisions of its articles and of the <i>Business Corporations Act</i> (British Columbia) be followed with respect to actual or potential conflicts of interest that may exist in considering transactions and agreements. All such actual or potential conflicts of interest are to be immediately disclosed to the chairman of the Board, or the Compensation & Corporate Governance Committee, and the director will refrain from voting or participating in discussion of the matter in respect of which he has an actual or potential conflict of interest.</p>
<p>(c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The Board ensures that each director possesses high ethical standards and integrity in their personal and professional dealings. The Board also requires that each director have the ability to communicate effectively and to raise tough questions that encourage open and frank discussion. Each director must carry out his responsibilities objectively, honestly and in good faith with a view to the best interests of the Company. Directors and officers are also expected to set the standard for Company-wide ethical conduct and ensure ethical behaviour and compliance with laws and regulations, thereby fostering and encouraging a workplace at which the highest standards of ethics are adhered to.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENTS	COMMENTS
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6. Nomination of Directors	
(a) Describe the process by which the Board identifies new candidates for Board nomination.	The Board periodically reviews its size to ensure that an appropriate number of directors, representing a diversity of views and business experience, are elected to the Board. The Compensation & Corporate Governance Committee is responsible for developing a director profile against which to identify and interview potential candidates for Board nominations and to maintain a list of future candidates for Board membership.
(b) Disclose whether or not the Board has a nominating committee composed entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.	The Board's Compensation & Corporate Governance Committee performs the role of a nominating committee. The Compensation & Corporate Governance Committee is not composed entirely of independent directors. To the extent a member of the Compensation & Corporate Governance Committee has a conflict of interest in respect of a matter before the committee, such a member will declare his interest and will not vote in respect of such matter. To encourage an objective nomination process, the recommendations of the Compensation & Corporate Governance Committee are brought forward to the Board, which as described in 1(c) the majority of the directors are independent, for approval.
(c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	As part of its charter, the Compensation & Corporate Governance Committee has the duties and responsibilities of a nominating committee. As such, it recommends to the Board: the criteria for selecting director candidates; the number of directors to be elected; the director nominees to be elected by the Company shareholders; individuals to fill vacancies or for newly created positions on the Board; and, maintains a list of future candidates for Board membership.
7. Compensation	
(a) Describe the process by which the Board determines the compensation for the issuer's directors and officers.	As part of its charter, the Compensation & Corporate Governance Committee is responsible for determining compensation for Sun-Rype's directors and officers and has the authority to engage independent consultants and advisers at the expense of the Company. In fulfilling its role, this committee annually reviews the compensation philosophy and remuneration policy of the Company and recommends such philosophy and policy to the Board for approval each year.
(b) Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.	The Compensation & Corporate Governance Committee is not composed entirely of independent directors. To the extent a member of the Compensation & Corporate Governance Committee has a conflict of interest in respect of a matter before the committee, such a member will declare his interest and will not vote in respect of such matter. To ensure an objective process for determining compensation, the recommendations of the Compensation & Corporate Governance Committee are brought forward to the Board, which as described in 1(c) the majority of the directors are independent, for approval.

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENTS	COMMENTS
<p>(c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>The Compensation & Corporate Governance Committee is responsible for, among other things, reviewing and determining the annual salary, short- and long-term incentives, and other compensation levels for Sun-Rype's CEO, and reviewing the directors' compensation levels. Following discussions with the CEO and after receiving his recommendations, the committee is responsible for reviewing and determining the compensation levels of the other executives of the Company with respect to short- and long-term incentive awards. Additionally, the committee conducts an annual performance appraisal of the CEO and prepares a performance report for review by the Board annually.</p>
<p>(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.</p>	<p>Mercer (Canada) Limited provided 2008 market information for non-executive and executive compensation to help Sun-Rype position itself appropriately within its comparator group.</p>
<p>8. Other Board Committees - If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>In addition to the Audit Committee and the Compensation & Corporate Governance Committee, Sun-Rype has a Corporate Disclosure Committee consisting of the CEO, the CFO and the Company vice-presidents who are responsible for overseeing the Company's disclosure practices and administering Sun-Rype's Disclosure Policy. From time to time the Board may create ad hoc committees to examine specific issues on behalf of the Board.</p>
<p>9. Assessments - Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively.</p>	<p>The Compensation & Corporate Governance Committee reviews and assesses the development and adequacy of the Company's policies and practices on corporate governance, the effectiveness of the Board as a whole, its size and composition, and its committees. Directors are requested to complete annual surveys that assess the performance of individual directors and the Board as a whole. The Compensation & Corporate Governance Committee chairman then conducts annual interviews with each director to evaluate the effectiveness of Board operations, its committees and its interactions with management.</p>