



MAPLE LEAF FOODS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the Annual and Special Meeting of Shareholders of Maple Leaf Foods Inc. (“Maple Leaf Foods”) will be held at the MaRS Discovery District, 101 College Street, Toronto, Ontario, Canada on Thursday, May 1, 2014 at 11:00 a.m. (Eastern Daylight Time). Shareholders will be asked to:

1. receive the consolidated financial statements for the year ended December 31, 2013, together with the auditors’ report on the statements;
2. elect directors;
3. appoint auditors and authorize the directors to fix their remuneration;
4. consider and, if thought fit, pass a resolution approving Maple Leaf Foods’ approach to executive compensation, on an advisory and non-binding basis;
5. consider and, if thought advisable, reconfirm the Amended and Restated Shareholder Rights Plan Agreement of the Corporation dated December 5, 2011 between the Corporation and Computershare Investor Services Inc., as rights agent; and,
6. transact such other business as may properly come before the meeting or any adjournment thereof.

The accompanying Management Proxy Circular dated March 20, 2014 provides information concerning the matters to be dealt with at the meeting.

Dated at Toronto this 20th day of March, 2014.

By Order of the Board.

R. Cappuccitti
Senior Vice-President and Corporate Secretary

You are eligible to vote if you were a shareholder of record at the close of business on March 27, 2014.

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

INVITATION TO SHAREHOLDERS

March 20, 2014

Dear Fellow Shareholder:



1500 – 30 St. Clair
Avenue West

Toronto, Ontario
M4V 3A2 Canada

Telephone
416 926 2000

Facsimile
416 926 2018

www.mapleleaffoods.com

We are pleased to invite you to attend the Annual and Special Meeting of Shareholders of Maple Leaf Foods Inc. (“Maple Leaf Foods”) to be held at the MaRS Discovery District, 101 College Street, Toronto, Ontario, Canada at 11:00 a.m. on Thursday, May 1, 2014. The items of business you will be asked to act on are set forth in the accompanying Notice of Annual and Special Meeting and Management Proxy Circular.

We also invite you to read our 2013 annual report. It provides a discussion of our financial and operating performance during the past year, our progress on our strategic plan to transform Maple Leaf Foods into a premier consumer packaged goods company, our plans for 2014 and beyond, our financial statements and management’s discussion and analysis.

As you know, in February Maple Leaf Foods announced the sale of its 90% interest in Canada Bread Company, Limited. After the closing of the sale, which is expected in the second quarter of 2014 if regulatory approvals are received, the Corporation will be focused on prepared meats and meals. At the Annual and Special Meeting we expect to share with you our view of the Corporation’s future.

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

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

Yours very truly,

DAVID L. EMERSON
Chairman of the Board

MICHAEL H. MCCAIN
President & Chief Executive Officer

MAPLE LEAF FOODS INC.

MANAGEMENT PROXY CIRCULAR

VOTING INFORMATION

SOLICITATION OF PROXIES

This Management Proxy Circular (“Circular”) accompanies the Notice of the Annual and Special Meeting of Shareholders (“Notice of Meeting”) of Maple Leaf Foods Inc. (“Maple Leaf Foods”, “MLF” or the “Corporation”) to be held on May 1, 2014. It is provided in connection with the solicitation of proxies by the Corporation’s management for use at the meeting. It is planned that the solicitation will be primarily by mail, but proxies may also be solicited by telephone, in writing, by email, by fax, by other electronic means or in person by employees of the Corporation or by agents of the Corporation at a nominal and customary cost. The costs of these solicitations will be borne by the Corporation.

VOTING OF PROXIES – REGISTERED SHAREHOLDERS

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

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

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

- (i) FOR the election of the persons listed as nominees under the heading “Election of Directors” as directors of the Corporation;
- (ii) FOR the appointment of KPMG LLP, Chartered Accountants, as auditors of the Corporation, and authorizing the directors to fix their remuneration;
- (iii) FOR the resolution approving Maple Leaf Foods’ approach to executive compensation on an advisory and non-binding basis;
- (iv) FOR the resolution reconfirming the Amended and Restated Shareholder Rights Plan Agreement of the Corporation dated December 5, 2011 between the Corporation and Computershare Investor Services Inc., as rights agent; and,
- (v) FOR or AGAINST such actions as the nominee thinks fit with respect to any other matter that may properly come before the meeting, including any amendments or variations in the matters identified in the Notice of Meeting.

REVOCATION

A proxy in the form enclosed with the Notice of Meeting may be revoked by an instrument in writing, including another proxy, duly executed by or on behalf of the shareholder and deposited at the registered office of the Corporation at Suite 1500, 30 St. Clair Avenue West, Toronto, Ontario, Canada M4V 3A2 at any time up to and including the second-last business day preceding the day of the meeting, or any adjournment or postponement thereof, or with the Chairman of the meeting on the day of the meeting or any adjournment or postponement thereof.

VOTING SHARES AND THE PRINCIPAL HOLDERS THEREOF

There were 140,339,189 common shares outstanding as of March 20, 2014. The Corporation has been informed that McCain Capital Inc. (“MCI”) exercises control or direction over 45,998,783 common shares (32.78% of the outstanding common shares) of the Corporation. The Corporation has also been informed that Mr. Michael H. McCain beneficially owns and controls 100% of MCI. West Face Capital Inc. (“WFC” or “West Face Capital”) exercises control or direction over 15,894,413 common shares or 11.33% of the outstanding common shares outstanding.

Each common share entitles the holder to one vote at the meeting. Persons who were shareholders of record at the close of business on March 27, 2014 will be entitled to vote at the meeting.

NON-REGISTERED SHAREHOLDERS/BENEFICIAL OWNERS

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

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

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

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

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

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

BUSINESS OF MEETING

ELECTION OF DIRECTORS

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

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

- place of residence;
- age;
- present principal occupation and principal occupations held in the last five years, if different;
- a brief description of his or her other principal directorships and committee memberships, positions and other relevant information;
- the date he or she became a director of the Corporation;
- the number of common shares beneficially owned or controlled⁽¹⁾, deferred share units (“DSUs”) held⁽²⁾ and the market value of the shares and/or DSUs as of a specified date⁽⁶⁾;
- current membership on committees of the Board of Directors of the Corporation (the “Board”);
- whether he or she is the Chair of a committee of the Board;
- attendance statistics for Board and committee meetings;
- other public board memberships in the past five years; and,
- whether he or she is independent within the meaning of applicable securities legislation.

Information on each nominee’s attendance at meetings of the Board and its committees in 2013 is also set out in Appendix A. For information on director assessment, selection, orientation and education, and other corporate governance topics, please see the discussion under the heading “Report on Corporate Governance” below.

The Corporation has adopted a policy for individual director voting that is described in the Report on Corporate Governance found on page 25 of this Circular. Under the policy, if a majority of the votes represented by proxies validly deposited prior to a meeting of shareholders are “withheld” from voting for a director’s election in an uncontested election, the nominee shall submit his or her resignation to the Board for consideration promptly following the meeting. The other directors or the entire Board, if there are fewer than three such other directors, shall consider whether or not to accept the resignation. A press release disclosing their determination (and the reasons for rejecting the resignation, if applicable) shall be issued within 90 days after the meeting.

Name**William E. Aziz**

Age: 57

Residence: Oakville,
Ontario, Canada

Nominee

Independent⁽⁸⁾**Principal Occupation and Biography**

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

BIOGRAPHY: Through BlueTree, Mr. Aziz is currently providing his services as Chief Restructuring Officer of both Data & Audio-Visual Holdings Inc. and Hollinger Inc. during their restructurings. He is a member of the Leadership Council at the Ilnatowycz Institute for Leadership at the Ivey Business School at Western University, from which he is a graduate in Honours Business Administration. Mr. Aziz is Chair of Investments and a member of the Human Resources Committee of the \$60 billion Ontario Municipal Employees' Retirement System ("OMERS"). Mr. Aziz is also a Court-appointed inspector in the winding-up of Coventree Inc. Mr. Aziz is a Chartered Accountant. He has also completed the Institute of Corporate Directors Governance College at the Rotman School of Business, University of Toronto and is a member of the Insolvency Institute of Canada. Mr. Aziz is a nominee of Mr. M.H. McCain pursuant to the terms of the Governance Agreement which is described on page 22.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

None

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

OMERS

Sun-Times Media Group, Inc.

Tecumseh Products Company

Canada Bread Company, Limited
(to March 7, 2014)*No interlocking outside public company directorships⁽³⁾*

BOARD AND COMMITTEE MEMBERSHIPS AND 2013 MEETING ATTENDANCE:

*Not Applicable – Mr. Aziz is a nominee.*SECURITIES HELD:⁽⁵⁾

Year	Common	DSUs	Total	Market	Meets
			Common		Shareholding
			Shares/DSUs	Value	Requirements

February 15, 2014 *N/A – Mr. Aziz is standing for election at the May 1, 2014 meeting.*

February 15, 2013

Change

Name**W. Geoffrey Beattie**

Age: 54

Residence: Toronto,
Ontario, CanadaDirector Since December 17, 2008
Independent**AREAS OF EXPERTISE:**International business, finance, law,
board and corporate governance,
mergers and acquisitions.**Principal Occupation and Biography****OCCUPATION:** Chief Executive Officer, Generation Capital (*investment management firm*)

BIOGRAPHY: Mr. Beattie is Chief Executive Officer of Generation Capital and Chairman of Relay Ventures (a venture capital firm). He served as Deputy Chairman of Thomson Reuters Corporation from 2000 through May 2013 and was President and Chief Executive Officer of The Woodbridge Company Limited (an investment holding company) from 1998 to December 2012. In addition to the public company board memberships listed below, Mr. Beattie is a trustee of the University Health Network and a director of the Dean's Advisory Board of the Joseph L. Rotman School of Management. Mr. Beattie holds a law degree from the University of Western Ontario.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

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

General Electric Company – Chair, Risk Committee and Member, Audit Committee

*Interlocking outside public company directorship with M.H. McCain on the board of directors of Royal Bank of Canada⁽³⁾***DIRECTORSHIPS WITHIN THE PAST 5 YEARS:**

Thomson Reuters Corporation (1998-2013)

BOARD AND COMMITTEE MEMBERSHIPS AND 2013 MEETING ATTENDANCE:

All Regularly Scheduled Board and Committee Meetings	13/16 – 81%
Board of Directors	9/12 – 75%
Corporate Governance Committee	3/3 – 100%
Human Resources & Compensation Committee	9/11 – 82%
Special Committee	1/3 – 33%

SECURITIES HELD:

Year	SECURITIES HELD:		Total	Market Value	Meets Shareholding Requirements
	Common	DSUs	Common Shares/DSUs		
February 15, 2014	21,088 ⁽¹⁾	57,402 ⁽²⁾	78,490	\$1,207,961 ⁽⁶⁾	Yes
February 15, 2013	21,088	47,465	68,553	\$868,564 ⁽⁶⁾	Yes
Change	Nil	9,937	9,937	\$339,397	

Name**Gregory A. Boland**

Age: 49

Residence: Toronto,
Ontario, CanadaDirector Since February 23, 2011
Independent**AREAS OF EXPERTISE:**International business, finance, law,
board and corporate governance,
mergers and acquisitions, and
information technology.**Principal Occupation and Biography**OCCUPATION: President and Chief Executive Officer, West Face Capital Inc.
(investment manager)

BIOGRAPHY: Mr. Boland is the President and CEO of West Face Capital, a Toronto-based investment manager. Prior to founding West Face Capital in 2006, Mr. Boland managed portfolios for Enterprise Capital Management in Toronto beginning in 1998. Mr. Boland focuses on value and distressed investing and has been actively involved in the restructurings of a number of portfolio companies. Prior to joining Enterprise Capital, Mr. Boland was a Vice President and Partner in proprietary investments at RBC Dominion Securities. Mr. Boland holds a Bachelor of Commerce from the University of British Columbia. Mr. Boland was nominated to the Board by West Face Capital pursuant to the terms of the West Face Agreement which is described on page 22.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

Connacher Oil and Gas Limited – Member, Audit Committee

LongReach Oil & Gas Limited

SilverWillow Energy Corporation

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

Ace Aviation Holdings Inc. (to June 28, 2012)

SilverBirch Energy Corporation (to April 4, 2012)

*No interlocking outside public company directorships⁽³⁾***BOARD AND COMMITTEE MEMBERSHIPS AND 2013 MEETING ATTENDANCE:**

All Regularly Scheduled Board and Committee Meetings	14/16 – 88%
Board of Directors	11/12 – 92%
Corporate Governance Committee	3/3 – 100%
Human Resources and Compensation Committee	9/11 – 82%
Special Committee	3/3 – 100%

SECURITIES HELD:^{(4) (7)}

Year	SECURITIES HELD: ^{(4) (7)}		Total	Market Value	Meets Shareholding Requirements
	Common	DSUs	Common Shares/DSUs		
February 15, 2014	–	20,285 ⁽²⁾	20,285	\$312,186 ⁽⁶⁾	N/A
February 15, 2013	–	10,775	10,775	\$136,519 ⁽⁶⁾	N/A
Change	Nil	9,510	9,510	\$175,667	N/A

Name**John L. Bragg, O.C., LL.D, F.ICD**

Age: 73

Residence: Collingwood,

Nova Scotia, Canada

Director Since December 17, 2008

Independent

**AREAS OF EXPERTISE:**

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

Principal Occupation and Biography

OCCUPATION: Chairman, President and Co-CEO, Oxford Frozen Foods Limited
(*food manufacturing*)

BIOGRAPHY: Mr. Bragg founded Oxford Frozen Foods in 1968, now an international supplier of frozen wild blueberries, carrots, cranberries, battered vegetable and cheese products, and other edible goods. Mr. Bragg founded Bragg Communications in 1970, now Canada's fifth-largest cable TV provider. Under the EastLink brand, Bragg Communications provides cable television services and competitive internet, wireless and wireline telephone services, serving nearly all major centres of Nova Scotia and Prince Edward Island as well as several areas in most other provinces of Canada. Mr. Bragg graduated from Mount Allison University, New Brunswick, with dual undergraduate degrees in Commerce and Education. Mr. Bragg is an Officer of the Order of Canada. He has received honorary doctorates of law from Mount Allison University, Dalhousie University, Acadia University and St. Francis Xavier University. Mr. Bragg was appointed a Canadian Business Hall of Fame Laureate in 2003 and was one of the original four members inducted into the Nova Scotia Business Hall of Fame in 1993. Mr. Bragg was appointed a Fellow of the Institute of Corporate Directors in 2008.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

The Toronto-Dominion Bank – Member, Audit Committee

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

Empire Company Limited (to September 10, 2010)

No interlocking outside public company directorships⁽³⁾

BOARD AND COMMITTEE MEMBERSHIPS AND 2013 MEETING ATTENDANCE:

All Regularly Scheduled Board and Committee Meetings	15/17 – 88%
Board of Directors	11/12 – 92%
Audit Committee	6/7 – 86%
Environment, Health & Safety Committee	3/3 – 100%
Special Committee	2/3 – 67%

SECURITIES HELD:⁽⁵⁾

Year	Common	DSUs	Total Common Shares/DSUs	Market Value	Meets Shareholding Requirements
February 15, 2014	190,000 ⁽¹⁾	61,596 ⁽²⁾	251,596	\$ 3,872,062 ⁽⁶⁾	Yes
February 15, 2013	190,000	51,027	241,027	\$ 3,053,810 ⁽⁶⁾	Yes
Change	Nil	10,569	10,569	\$ 818,253	

Name**Principal Occupation and Biography****The Honourable****David L. Emerson**

Age: 68

Residence: Vancouver,
British Columbia, Canada
Director Since May 2, 2012
Independent**AREAS OF EXPERTISE:**Government relations, international
business, finance, board and corporate
governanceOCCUPATION: Chairman, Emerson Services Ltd.
(privately-held professional services company)

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

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

Finning International Inc. – Chair, Corporate Governance Committee, Member, Audit Committee, Member, Pension Committee

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

Stantec Inc. – Member, Audit Committee

*No interlocking outside public company directorships⁽³⁾***DIRECTORSHIPS WITHIN THE PAST 5 YEARS:**

Chorus Aviation Inc.

Postmedia Network Inc.

TimberWest Forest Corporation (*no longer a public company*)**BOARD AND COMMITTEE MEMBERSHIPS AND 2013 MEETING ATTENDANCE:**

All Regularly Scheduled Board and Committee Meetings 14/14 – 100%

Board of Directors 12/12 – 100%

Governance Committee 3/3 – 100%

Environment, Health & Safety Committee 3/3 – 100%

Special Committee 3/3 – 100%

SECURITIES HELD:

Year	Common		Total Common Shares/DSUs	Market Value	Meets Shareholding Requirements
	Common	DSUs			
February 15, 2014	10,000 ⁽¹⁾	33,960 ⁽²⁾	43,960	\$676,544 ⁽⁶⁾	Yes
February 15, 2013	10,000	14,394	24,394	\$309,069 ⁽⁶⁾	Yes
Change	Nil	19,566	19,566	\$367,476	

Name**Dr. Jeffrey Gandz**

Age: 69

Residence: London,
Ontario, Canada

Director Since May 3, 1999

Independent

**AREAS OF EXPERTISE:**Consumer packaged goods,
international business, finance, food
and agriculture, human resources,
mergers and acquisitions, information
technology.**Principal Occupation and Biography****OCCUPATION:** Professor Emeritus, Director and Consultant

BIOGRAPHY: Dr. Gandz received his M.B.A. in 1975 and Ph.D. in 1978 from York University, Toronto. He recently retired from his role as a professor at the Ivey Business School at Western University where he had been since 1977 as Director of the MBA program, Associate Dean of Programs, MBA Program Director and held the Canada Trust J. Allyn Taylor and Arthur Mingay Chair in the Global Environment of Business. Dr. Gandz currently focuses his research on leadership character and corporate governance. Prior to joining Ivey Business School, Dr. Gandz worked for Abbott Laboratories, Warner-Lambert, Chesebrough-Pond's and Grey Advertising. Dr. Gandz is member of the advisory board of the Ian Ihnatowycz Institute for Leadership at the Ivey Business School at Western University. Dr. Gandz is a nominee of Mr. M.H. McCain pursuant to the terms of the Governance Agreement which is described on page 22.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

None

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

None

*No interlocking outside public company directorships⁽³⁾***BOARD AND COMMITTEE MEMBERSHIPS AND 2013 MEETING ATTENDANCE:**

All Regularly Scheduled Board and Committee Meetings	12/14 – 86%
Board of Directors	11/12 – 92%
Chair, Environment, Health & Safety Committee	2/3 – 67%
Corporate Governance Committee	3/3 – 100%
Special Committee	1/3 – 33%

SECURITIES HELD:

Year	SECURITIES HELD:		Total	Market Value	Meets Shareholding Requirements
	Common	DSUs	Common Shares/DSUs		
February 15, 2014	100 ⁽¹⁾	98,113 ⁽²⁾	98,213	\$1,511,498 ⁽⁶⁾	Yes
February 15, 2013	100	87,123	87,223	\$1,105,117 ⁽⁶⁾	Yes
Change	Nil	10,990	10,990	\$ 406,381	

Name

**Claude R. Lamoureux, O.C.,
F.ICD, ICD.D**
Age: 71
Residence: Toronto,
Ontario, Canada
Director Since April 24, 2008
Independent



AREAS OF EXPERTISE:
International business, government relations, senior leadership, finance, board and corporate governance, human relations, mergers and acquisitions, information technology.

Principal Occupation and Biography

OCCUPATION: Corporate Director

BIOGRAPHY: Mr. Lamoureux was Chief Executive Officer of the Ontario Teachers' Pension Plan (a public-sector pension fund) until his retirement in 2007. He was appointed to the position in 1990, when the Ontario government established the independent corporation to replace the Ontario Teachers' Superannuation Fund. Mr. Lamoureux is an Officer of the Order of Canada. An actuary by profession, Mr. Lamoureux joined Teachers from Metropolitan Life, where he had a successful career in their New York and Ottawa offices. Mr. Lamoureux was appointed a Fellow of the Institute of Corporate Directors in 2002 and serves on the Institute's Advisory Council.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

Industrial Alliance Insurance and Financial Services Inc. – Member, Investment Committee
Orbite Aluminae Inc.

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

Atrium Innovations Inc.
Northumbrian Water Group PLC
Xstrata plc – (to 2013)
No interlocking outside public company directorships⁽³⁾

BOARD AND COMMITTEE MEMBERSHIPS AND 2013 MEETING ATTENDANCE:

All Regularly Scheduled Board and Committee Meetings	19/19 – 100%
Board of Directors	12/12 – 100%
Audit Committee	7/7 – 100%
Human Resources & Compensation Committee	10/11 – 91%

SECURITIES HELD:

Year	SECURITIES HELD:		Total	Market Value	Meets Shareholding Requirements
	Common	DSUs	Common Shares/DSUs		
February 15, 2014	38,955 ⁽¹⁾	7,200 ⁽²⁾	46,155	\$710,325 ⁽⁶⁾	Yes
February 15, 2013	32,565	7,117	39,682	\$502,775 ⁽⁶⁾	Yes
Change	6,390	83	6,473	\$207,550	

Name**Michael H. McCain**

Age: 55
 Residence: Toronto,
 Ontario, Canada
 Director Since April 24, 1995
 Not independent

**AREAS OF EXPERTISE:**

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

Principal Occupation and Biography

OCCUPATION: President and Chief Executive Officer, Maple Leaf Foods Inc.

BIOGRAPHY: Mr. McCain joined Maple Leaf Foods in April 1995 as President and Chief Operating Officer. Prior to joining Maple Leaf Foods, Mr. McCain spent 16 years with McCain Foods Limited in Canada and the United States, where he was President and Chief Executive Officer of McCain Foods USA Inc. prior to leaving in March 1995. In January 1999, Mr. McCain was appointed Chief Executive Officer of Maple Leaf Foods. He is the Chairman and a director of Canada Bread Company, Limited, a director of McCain Capital Inc., the American Meat Institute, the Centre for Addiction and Mental Health Foundation, MaRS Discovery District, the Royal Bank of Canada and the Canadian Council of Chief Executives, and a member of the Ontario Economic Advisory Panel of the Government of Ontario. Mr. M.H. McCain is a nominee of Mr. M.H. McCain pursuant to the terms of the Governance Agreement which is described on page 22.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

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

Canada Bread Company, Limited

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

None.

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

BOARD AND COMMITTEE MEMBERSHIPS AND 2013 MEETING ATTENDANCE:

All Regularly Scheduled Board and Committee Meetings	8/8 – 100%
Board of Directors	12/12 – 100%

SECURITIES HELD:⁽⁴⁾

Year	Common	DSUs	Total		Meets Shareholding Requirements
			Common Shares/DSUs	Market Value	
February 15, 2014	45,998,783 ⁽¹⁾	0 ⁽²⁾	45,998,783	\$707,921,270 ⁽⁶⁾	Yes
February 15, 2013	45,998,783	0	45,998,783	\$582,804,581 ⁽⁶⁾	Yes
Change	Nil	Nil	Nil	\$125,116,690	

Name**Diane E. McGarry**

Age: 64

Residence: Fripp Island,
South Carolina, USADirector Since December 14, 2005
Independent**AREAS OF EXPERTISE:**

International business, senior leadership, finance, board and corporate governance, human resources, engineering and project management.

Principal Occupation and Biography

OCCUPATION: Corporate Director

BIOGRAPHY: Ms. Diane E. McGarry joined Xerox Corporation in 1973 holding successively senior positions in international general management, strategy, operations and marketing, including Chairman, President and Chief Executive Officer of Xerox Canada Inc. from 1993 to 1998. From 2001 to her retirement in 2005, Ms. McGarry held the position of Chief Marketing Officer, where she was responsible for worldwide integrated marketing and communications. Ms. McGarry holds five honorary doctorate degrees from five North American universities, including the University of Redlands, in Redlands, California; Ryerson School of Business Management in Toronto, Ontario; St. Mary's University in Halifax, Nova Scotia; the University of Waterloo in Waterloo, Ontario; and Saint Mary's College in Notre Dame, Indiana.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

None

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:

Omnova Solutions Inc.

No interlocking outside public company directorships⁽³⁾

BOARD AND COMMITTEE MEMBERSHIPS AND 2013 MEETING ATTENDANCE:

All Regularly Scheduled Board and Committee Meetings	17/17 – 100%
Board of Directors	12/12 – 100%
Chair, Audit Committee	7/7 – 100%
Environment, Health & Safety Committee	3/3 – 100%
Special Committee	3/3 – 100%

SECURITIES HELD:

Year	SECURITIES HELD:		Total	Market Value	Meets Shareholding Requirements
	Common	DSUs	Common Shares/DSUs		
February 15, 2014	0 ⁽¹⁾	56,608 ⁽²⁾	56,608	\$871,197 ⁽⁶⁾	Yes
February 15, 2013	0	45,752	45,752	\$579,678 ⁽⁶⁾	Yes
Change	Nil	10,856	10,856	\$291,519	

Name**Principal Occupation and Biography****James P. Olson**

Age: 64

Residence: Winston-Salem,
North Carolina, USA
Director Since April 28, 2011
Independent**AREAS OF EXPERTISE:**Consumer packaged goods,
international business, board and
corporate governance, food industry,
change management, mergers and
acquisitions, restructuring,
engineering and project management.**OCCUPATION: Corporate Director**

BIOGRAPHY: Mr. Olson has 35 years of experience in the food and beverage industry, including 17 years in senior executive roles at major global food and beverage manufacturers. From 2002 to 2006, he was Senior Vice President, Operations for the Europe, Middle East and Africa division of PepsiCo International where he was responsible for all manufacturing, distribution, purchasing and engineering. From 1999 to 2002, he served as Vice President, Operations of Ernest & Julio Gallo Winery, one of the largest global wine production companies, where he was responsible for all vineyards, procurement, production, bottling and distribution operations. From 1990 to 1992, Mr. Olson was Vice President of Operations for Frito-Lay Canada.

Mr. Olson is a former director of Snack Food Ventures Europe, a PepsiCo/General Mills joint venture in Western Europe, and the European Snack Food Association. He is a director and member of the executive committee of the United Way of Forsyth County, NC and a former director of the United Way of Central Carolinas. In 2011, Mr. Olson was awarded the National Association of Corporate Directors Board Leadership Fellow Certificate for completion of a rigorous suite of courses covering board and committee best practices.

CURRENT PUBLIC COMPANY DIRECTORSHIPS AND COMMITTEES:

None

DIRECTORSHIPS WITHIN THE PAST 5 YEARS:Winn-Dixie Stores, Inc. (to 2012)¹*No interlocking outside public company directorships⁽³⁾***BOARD AND COMMITTEE MEMBERSHIPS AND 2013 MEETING ATTENDANCE:**

All Regularly Scheduled Board and Committee Meetings	19/19 – 100%
Board of Directors	12/12 – 100%
Audit Committee	7/7 – 100%
Human Resources & Compensation Committee	11/11 – 100%
Special Committee	3/3 – 100%

SECURITIES HELD:

Year	SECURITIES HELD:		Total	Market Value	Meets Shareholding Requirements
	Common	DSUs	Common Shares/DSUs		
February 15, 2014	0 ⁽¹⁾	30,378 ⁽²⁾	30,378	\$467,517 ⁽⁶⁾	Yes
February 15, 2013	0	20,168	20,168	\$255,525 ⁽⁶⁾	Yes
Change	Nil	10,210	10,210	\$211,992	

Notes:

- (1) Number of common shares of Maple Leaf Foods Inc. beneficially owned, directly or indirectly, or over which control or direction is exercised, as reported by respective nominees as at February 15, 2014.
- (2) Number of DSUs held by each director under the current Share Purchase and Deferred Share Unit Plan (the “2013 DSU Plan”) for directors as at February 15, 2014. The 2013 DSU Plan is described on pages 61 to 64 under the heading Compensation of Directors. Messrs. J.S. McCain and M.H. McCain do not participate in the 2013 DSU Plan and receive no fees for their services as the directors of the Corporation.
- (3) Directors who served together on the board of directors of unrelated publicly traded companies as at March 20, 2014. Messrs. J.S. McCain and M.H. McCain are directors of the Corporation’s 90% subsidiary, Canada Bread Company, Limited.
- (4) The Corporation understands that as of March 20, 2014 MCI exercises control or direction over 45,998,783 common shares (32.78% of the common shares) of the Corporation. The Corporation understands that Mr. Michael H. McCain beneficially owns and controls 100% of MCI and therefore has beneficial ownership or control of 45,998,783 common shares or 32.8% of the common shares. Mr. Boland is President and Chief Executive Officer of WFC, which the Corporation understands holds 15,894,413 common shares (11.33%) of the Corporation.
- (5) Mr. Bragg also holds 48,530 common shares and Mr. Aziz holds 1,430 common shares of Canada Bread Company, Limited, a subsidiary of Maple Leaf Foods.
- (6) The closing prices of the Corporation’s stock on the Toronto Stock Exchange on February 15, 2013 and February 15, 2014 were \$12.67 and \$15.39 respectively.
- (7) Mr. Boland joined the Board on February 23, 2011. Mr. Boland is President and Chief Executive Officer of WFC, the holder of 11.33% of the outstanding common shares of the Corporation. Under the terms of his employment with WFC, Mr. Boland is prevented from holding any additional investments in the Corporation’s shares. Accordingly, Mr. Boland has been exempted from the ownership requirements.
- (8) The Corporate Governance Committee of the Company has reviewed Mr. Aziz’s relationship to the Company and has determined that he is independent of the Company.

The following table contains information concerning membership on the various standing committees of the Board by the directors of the Corporation nominated for election at the meeting.

MAPLE LEAF FOODS INC. COMMITTEE MEMBERS AND CHAIRS ⁽¹⁾

	Audit	Corporate Governance	Environment, Health & Safety	Human Resources & Compensation
Current Directors Standing For Re-election				
W.G. Beattie		✓		✓
G.A. Boland		✓		✓
J.L. Bragg	✓		Chair	
D.L. Emerson		✓	✓	
J. Gandz		Chair	✓	
C.R. Lamoureux	✓			✓
D.E. McGarry	Chair		✓	
J.P. Olson	✓			Chair

Note:

- (1) Assuming the incumbent directors nominated for election at the meeting are elected, new committee chairs will be appointed from among these nominees. Messrs. J.S. McCain and M.H. McCain do not sit on any committees of the Board as they are not independent directors.

APPOINTMENT OF AUDITORS

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

The fees paid by the Corporation for the services performed by KPMG LLP for the years ended December 31, 2013 and 2012 are in the table below. Annually, the Audit Committee reviews a summary of the services provided by the auditors to the Corporation and its subsidiaries. In 2004, the Audit Committee established a policy requiring approval in advance by the Audit Committee for all non-audit services to be rendered by the external auditors; between meetings of the Audit Committee, authority for approval is delegated to the Audit Committee Chairman. Approvals under the delegated authority are presented to the full Audit Committee at its next meeting. The policy also prohibits the engagement of KPMG LLP in a number of services that the Audit Committee believes may have the potential to impact KPMG LLP's independence.

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

Description	2013 \$	2012 \$
Audit fees ⁽¹⁾	\$1,708,660	\$1,742,280
Audit-related fees ⁽²⁾	494,070	409,386
Tax fees ⁽³⁾	142,888	234,217
All other fees ⁽⁴⁾	1,011,387	256,051
Total fees	\$3,357,005	\$2,641,934

Notes:

- (1) The audit of annual and review of the quarterly financial statements of Maple Leaf Foods (including the audits of subsidiaries and review of the quarterlies).
- (2) Audit-related services consisting primarily of audit procedures for compliance and business purposes including audits of financial statements of employee pension benefit plans that are not reported under "Audit Fees", specified procedures for regulatory, governmental and contractual programs, accounting consultations, debt compliance review, translation service and other matters.
- (3) For transfer pricing, domestic and international tax planning and compliance and indirect tax services.
- (4) For products and services other than the fees reported in (1) to (3), being advisory services relating to potential divestitures and accounting assistance on proposed lease.

SAY-ON-PAY NON-BINDING ADVISORY VOTE

The Board believes that shareholders should have the opportunity to understand the objectives, philosophy and principles the Board has used in its approach to executive compensation decisions. Detailed disclosure of our executive compensation program is provided in the executive compensation section of this Circular, including the letter from the chairman of the Human Resources and Compensation Committee starting on page 36 of this Circular, and the compensation discussion and analysis that follows the letter.

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

At the 2013 annual meeting of shareholders held in May 2013, shareholders holding 89.9% of the shares voted at the meeting voted in favour of the Corporation's approach to executive compensation by casting their votes in favour of the non-binding resolution concerning executive compensation.

The Board encourages you to carefully review the disclosure of the Corporation's executive compensation program starting on page 39 of this Circular before voting on this matter. The Board recommends that shareholders vote FOR the following resolution and, unless otherwise instructed, the persons designated in the form of proxy intend to vote FOR the following resolution:

Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board, that the shareholders accept the approach to executive compensation disclosed in the Corporation's management proxy circular delivered in advance of the 2014 annual meeting of shareholders.

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

SPECIAL BUSINESS

APPROVAL OF SHAREHOLDER RIGHTS PLAN

The Corporation adopted and entered into a shareholder rights plan agreement (the "Original Shareholder Rights Plan") with Computershare Investor Services Inc. on July 28, 2011. The Original Shareholder Rights Plan was subsequently amended by the Board of Directors of the Corporation on December 5, 2011 in order to reflect certain recommendations made by Institutional Shareholder Services Inc. (a provider of corporate governance research and solutions to the global financial community) in respect of the Original Shareholder Rights Plan. The Original Shareholder Rights Plan as so amended (the "Shareholder Rights Plan") was filed on SEDAR (www.sedar.com) on December 5, 2011.

At a special meeting of shareholders held on December 14, 2011, the Shareholder Rights Plan was approved both by a majority of votes cast by shareholders at such meeting and by a majority of votes cast by shareholders at such meeting, excluding the Common Shares held by Grandfathered Persons (as defined below).

The Shareholder Rights Plan requires that it be reconfirmed at every third annual meeting following the shareholders meeting at which the Shareholder Rights Plan was originally confirmed. If the Shareholder Rights Plan is not so reconfirmed or is not presented for confirmation at such shareholders meeting, the Shareholder Rights Plan and all outstanding rights shall terminate and be void and of no further force and effect on and from the date of termination of such annual meeting.

This Meeting is the third annual meeting following the shareholders meeting at which the Shareholder Rights Plan was originally confirmed. Accordingly, in order for it to remain effective, at the Meeting, shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution, the full text of which is attached hereto as Appendix “B” (the “Shareholder Rights Plan Resolution”). If the Shareholder Rights Plan Resolution is confirmed at the meeting by a majority of the votes cast by shareholders at the Meeting (as more fully described below under “Form of Resolution and Vote Required”), the Shareholder Rights Plan will continue in effect. If the Shareholder Rights Plan Resolution is not confirmed at the Meeting, the Shareholder Rights Plan will terminate as of the date of termination of the Meeting.

Background

At the time of its adoption by the Corporation in 2011, including its subsequent amendment, the Shareholder Rights Plan was reviewed by a special committee of the board of directors of the Corporation (the “Special Committee”) comprised of all directors independent of McCain Capital Corporation (“MCC”) and Michael H. McCain (“MHM”). The Special Committee was constituted to consider, report on and make recommendations to the Board of Directors on action to be taken by the Corporation in connection with a reorganization transaction of MCC that resulted in all of the Common Shares held by MCC being transferred to MHM (the “Reorganization Transaction”). In connection with its review and consideration of the Reorganization Transaction, the Special Committee recommended adoption of the Shareholder Rights Plan and also negotiated the terms of a governance agreement (the “Governance Agreement”) between the Corporation, MHM and MCC pursuant to which, among other things, the Corporation agreed not to take steps to hinder or delay the Reorganization Transaction, granted certain director nomination rights to MCC (and MHM, upon completion of the Reorganization Transaction) while providing that all other directors will, except in certain circumstances, be directors independent of management, MHM, MCC and West Face Capital Inc. Furthermore, the Corporation agreed that any shareholder rights plan adopted by the Corporation would not prevent, hinder or delay the Reorganization Transaction or the additional acquisition by MHM of up to 549,861 Common Shares from Elmar Holdco Limited (G. Wallace F. McCain’s former personal investment company) and MCC (and MHM, upon completion of the Reorganization Transaction) agreed to support the adoption and any renewal or extension of such Shareholder Rights Plan. On December 2, 2011, MHM announced the completion of the Reorganization Transaction and the additional acquisition of 549,861 Common Shares from Elmar Holdco Limited. Copies of the Governance Agreement are available under the Corporation’s profile at www.sedar.com. In recommending the adoption of the Shareholder Rights Plan and the entering into of the Governance Agreement, the Special Committee consulted with the Corporation’s legal advisors as well as independent legal counsel to the Special Committee and received financial advice where it deemed appropriate. The Corporation is not seeking reconfirmation of the Shareholder Rights Plan in response to a specific proposal to acquire equity or voting securities of the Corporation or a take-over bid that is anticipated or has been proposed, announced or commenced and other than in respect of the Reorganization Transaction and the other transactions involving MHM discussed above, the Corporation did not adopt the Shareholder Rights Plan in 2011 in response to a specific proposal to acquire equity or voting securities of the Corporation or a take-over bid that was anticipated or had been proposed, announced or commenced.

Shareholders should be aware however, that MHM submitted a proposal in connection with the sale of the Corporation’s interest in Canada Bread Company, Limited (“Canada Bread”) that would have entitled shareholders, including MHM, to retain capital in the Corporation on any future capital distribution by the Corporation, including by providing shareholders the ability to re-invest cash distributions in additional common shares of the Corporation. Certain such investments by MHM are significantly restricted under the Shareholder Rights Plan (but would not be so constrained in the absence of the Shareholder Rights Plan). Increases by MHM of his percentage interest in the Corporation may or may not necessarily be in the best interests of other shareholders of the Corporation for the reasons and in circumstances stated under the heading below, “Purpose of the Shareholder Rights Plan”. In addition, increases in MHM’s percentage ownership may entitle MHM to nominate additional directors to the Corporation’s Board of Directors pursuant to the terms of the Governance Agreement and, at certain levels, result in the termination of the Governance Agreement permitting MHM the ability to elect all directors.

PURPOSE OF THE SHAREHOLDER RIGHTS PLAN

The purpose of the Shareholder Rights Plan is to provide the Board of Directors and shareholders with sufficient time to properly consider any take-over bid made for the Corporation and to allow enough time for competing bids and alternative proposals to emerge. The Shareholder Rights Plan also seeks to ensure that all shareholders are treated fairly in any transaction involving a change of control of the Corporation and that all shareholders have an equal opportunity to participate in the benefits of a take-over bid. The Shareholder Rights Plan encourages potential acquirers to make a

Permitted Bid (as defined in the Shareholder Rights Plan) or, alternatively, to negotiate the terms of any offer for Common Shares with the Board of Directors. The Shareholder Rights Plan also addresses several deficiencies that are widely believed to be inherent in the provisions of current legislation governing take-over bids in Canada. The Board of Directors believes that it is in the shareholders' interests to address these deficiencies through the mechanisms in the Shareholder Rights Plan. These deficiencies are described in greater detail below.

Time to Consider Bid

Under current securities legislation, the minimum period that a take-over bid must remain open for acceptance is 35 days. The Board of Directors is of the view that 35 days constitutes an insufficient amount of time to permit the directors and shareholders to assess an offer, and to allow the directors to negotiate with the offeror, solicit competing offers, consider alternative transactions, and otherwise take the actions appropriate in the circumstances. The Shareholder Rights Plan gives the Board of Directors and shareholders more time to consider a take-over bid by requiring an offeror to make a "Permitted Bid" if it wishes to proceed without negotiating with the Board of Directors and without triggering the Shareholder Rights Plan. In order to qualify as a Permitted Bid, the bid must meet certain minimum conditions. A Permitted Bid must, among other things, be open for at least 60 days and must remain open for a further period of 10 business days after the offeror publicly announces that more than 50% of the outstanding Voting Shares (as defined in the Shareholder Rights Plan) held by Independent Shareholders (as defined below) have been deposited or tendered and not withdrawn. "Independent Shareholders" include all holders of Voting Shares other than (i) a person who is the beneficial owner of 20% or more of the Voting Shares subject to certain exceptions (an "Acquiring Person"), (ii) any offeror making a take-over bid, (iii) any affiliate or associate of an Acquiring Person or offeror, (iv) persons acting "jointly or in concert" with an Acquiring Person or offeror, and (v) employee benefit, stock purchase or certain other plans or trusts for employees of the Corporation unless the beneficiaries of such plans or trusts direct the voting and tendering to a takeover bid of the Voting Shares.

Pressure to Tender

A shareholder may feel compelled to tender to a take-over bid that the shareholder considers to be inadequate because, in failing to tender, the shareholder may be left with illiquid or minority discounted Common Shares. This is particularly so in the case of a partial bid where the Acquiring Person or an offeror wishes to obtain a control position but does not wish to acquire all of the Common Shares. The Shareholder Rights Plan contains a shareholder approval mechanism in the Permitted Bid definition, which is that no Voting Shares may be taken up and paid for under the bid unless more than 50% of the outstanding Voting Shares held by Independent Shareholders have been deposited or tendered and not withdrawn. In addition, a Permitted Bid must remain open for acceptance for a further period of 10 business days following public announcement that more than 50% of the outstanding Voting Shares have been deposited. The Shareholder Rights Plan therefore effectively separates a shareholder's decision to accept a bid from the decision to tender, thereby lessening concern about undue pressure to tender to the bid.

Unequal Treatment of Shareholders

Under current securities legislation, an offeror may obtain control or effective control of a corporation without paying full value, without obtaining shareholder approval and without treating all shareholders equally. For example, an acquirer could acquire blocks of Common Shares by private agreement from one or a small group of shareholders at a premium to market price, which premium is not shared by the other shareholders. In addition, a person could slowly accumulate Common Shares through stock exchange acquisitions that may result, over time, in an acquisition of control or effective control without paying a control premium or fair sharing of any control premium among shareholders. Under the Shareholder Rights Plan, if it is to qualify as a Permitted Bid, any offer to acquire 20% or more of the Corporation's Voting Shares must be made to all holders of Voting Shares.

MECHANICS OF THE SHAREHOLDER RIGHTS PLAN

Issuance of Rights

One right (a "Right") has been issued to the shareholders of record as of the close of business on July 27, 2011 in respect of each of the outstanding Common Shares. One Right also will be issued in respect of each Common Share issued after July 27, 2011 and prior to the earlier of the Separation Time (as defined below) and the Expiration Time (as defined under the Shareholder Rights Plan).

Rights Not Exercisable until the “Separation Time”

Notwithstanding the effectiveness of the Shareholder Rights Plan, the Rights are not exercisable until the Separation Time. Unless deferred by the Board of Directors in the circumstances permitted by the Shareholder Rights Plan, the Separation Time would generally be the close of business on the tenth trading day after the earlier of:

- (a) a public announcement that a person or a group of affiliated or associated persons has acquired beneficial ownership of 20% or more of the outstanding Common Shares (i.e. become an Acquiring Person) other than as a result of, among other things, (i) a reduction in the number of Common Shares outstanding, (ii) a “Permitted Bid” or a “Competing Permitted Bid” (each as defined under the Shareholder Rights Plan), (iii) certain specified “Exempt Acquisitions” (as defined below), (iv) an acquisition by a person of Voting Shares pursuant to a stock dividend, stock split or other “Pro Rata Acquisition” (as defined in the Shareholder Rights Plan), and (v) an acquisition by a person of Voting Shares upon the exercise, conversion or exchange of a security convertible, exercisable or exchangeable into a Voting Share received by a person pursuant to (ii), (iii) or (iv), above;
- (b) the date of commencement of, or the first public announcement of an intention of any person (other than the Corporation or any of its subsidiaries) to commence a take-over bid (other than a Permitted Bid or a Competing Permitted Bid) where the Voting Shares that are subject to the bid together with the Voting Shares beneficially owned by that person (including affiliates, associates and others acting jointly or in concert therewith) would constitute 20% or more of the outstanding Voting Shares; and
- (c) the date upon which a Permitted Bid or a Competing Permitted Bid ceases to be such.

An “Exempt Acquisition” would include the acquisition of Voting Shares or securities convertible into Voting Shares (i) in respect of which the Board of Directors has waived the application of the Shareholder Rights Plan, (ii) pursuant to a distribution made under a prospectus or private placement provided that the person does not increase his, her or its ownership percentage in such transaction, (iii) pursuant to an amalgamation, arrangement or other statutory procedure requiring shareholder approval, (iv) pursuant to equity compensation plans of the Corporation, provided, however, no Grandfathered Person acquires beneficial ownership of more than 2.5% of the outstanding Voting Shares (calculated as of December 5, 2011) after December 5, 2011 under any such equity compensation plans, (v) pursuant to the Governance Agreement providing for the acquisition by MHM of 43,890,784 Common Shares owned by MCC and up to 549,861 Common Shares owned by Elmar Holdco Limited (G. Wallace F. McCain’s former personal investment company), (vi) pursuant to other contractual arrangements in respect of a Voting Share acquisition from treasury entered into by the Corporation after the date of the Shareholder Rights Plan provided that the person does not increase his, her or its ownership percentage in such transaction, and (vii) pursuant to the exercise of Rights.

Under the Shareholder Rights Plan, if the “Grandfathered Persons” (i.e. shareholders who already beneficially own 20% or more of the outstanding Voting Shares on the effective date) acquire additional Voting Shares (unless such acquisition is completed pursuant to one of the exemptions set out in the Shareholder Rights Plan or is in an amount that does not exceed 1% of the outstanding Voting Shares), they will become an Acquiring Person (the transaction in or pursuant to which they become an Acquiring Person, a “Flip-in Event”). To the knowledge of the Corporation, the only Grandfathered Person under the Shareholder Rights Plan is MHM.

Exercise Price of Rights

After the Separation Time, each Right entitles the holder thereof to purchase one Common Share at the Exercise Price (as defined under the Shareholder Rights Plan). The initial Exercise Price under each Right is five times the Market Price at the Separation Time. “Market Price” is generally defined as the average of the daily closing prices per Common Share on each of the 20 consecutive trading days through and including the trading day immediately preceding the Separation Time.

Following a Flip-in Event, each Right entitles the holder thereof to receive, upon exercise, such number of Common Shares as have an aggregate Market Price (as of the date of the Flip-in Event) equal to twice the then Exercise Price for an amount in cash equal to the Exercise Price. In such event, however, any Rights beneficially owned by an Acquiring Person (including affiliates, associates and others acting jointly or in concert therewith), or certain transferees of any such

person, will be void. A Flip-in Event does not include acquisitions approved by the Board of Directors (to the extent permitted by the Shareholder Rights Plan) or acquisitions pursuant to a Permitted Bid or Competing Permitted Bid.

By way of example, assume that the Common Shares have a Market Price of \$20.00 at the date relevant for determination. Following the Separation Time but prior to a Flip-in Event, a shareholder who owns one Common Share would be entitled to exercise a Right and acquire one additional Common Share in exchange for a cash payment of \$100.00. Following a Flip-in Event, the same shareholder (unless it has become an Acquiring Person) would be entitled to exercise the Right and acquire 10 additional Common Shares having a total value of \$200.00 for the Exercise Price of \$100.00, i.e. one-half of the Market Price per Common Share. By permitting holders of Rights other than an Acquiring Person to acquire Common Shares at a discount to the Market Price, the Rights have the potential to cause substantial dilution to an Acquiring Person. Accordingly, the Shareholder Rights Plan acts as a deterrent to potential Acquiring Persons and forces them to either make a Permitted Bid or negotiate with the Board of Directors to avoid application of the Shareholder Rights Plan.

Effect of Shareholder Rights Plan

The Board of Directors believes that the ultimate effect of the Shareholder Rights Plan will be to ensure equal treatment of shareholders in the context of an acquisition of control, and lessen the pressure on shareholders to tender to a bid.

It is not the intention of the Board of Directors to entrench itself or avoid a bid for control that is fair and in the best interest of the Corporation. For example, shareholders may tender to a bid that meets the Permitted Bid criteria without triggering the Shareholder Rights Plan, regardless of the acceptability of the bid to the Board of Directors.

The Shareholder Rights Plan does not diminish or detract from the duty of the Board of Directors to act honestly, in good faith and in the best interests of the Corporation, or to consider on that basis any take-over bid that is made, nor does the Shareholder Rights Plan alter the proxy mechanism to change the Board of Directors, create dilution on the initial issue of the Rights, or change the way in which the Common Shares trade.

A summary of the principal terms and conditions of the Shareholder Rights Plan is contained in Appendix "C" attached to this Circular. The summary of the Shareholder Rights Plan attached to this Circular is qualified in its entirety to the complete text of the Shareholder Rights Plan. Copies of the Shareholder Rights Plan are available under the Corporation's profile at www.sedar.com or upon request from the Corporation. Shareholders wishing to receive a copy of the Shareholder Rights Plan should submit their request to the Corporation.

Form of Resolution and Vote Required

The full text of the Shareholder Rights Plan Resolution is attached to this Circular as Appendix "B". In order to be effective, the Shareholder Rights Plan Resolution must be approved by not less than a majority of the votes cast by Independent Shareholders at the Meeting. The Company currently believes that all shareholders would qualify as Independent Shareholders and thus the Shareholder Rights Plan Resolution must be approved by not less than a majority of the votes cast by shareholders at the Meeting on the Shareholder Rights Resolution. Pursuant to the Governance Agreement, MHM has agreed to vote all of his Common Shares in favour of the adoption, renewal and extension of the Shareholder Rights Plan.

TSX Approval

The Toronto Stock Exchange approved the Shareholder Rights Plan on December 21, 2011. As the reconfirmation of the Shareholder Rights Plan does not involve any amendments to the Shareholder Rights Plan, no additional approval of the Toronto Stock Exchange is required in connection with this reconfirmation.

Directors' Recommendation

After careful consideration, and upon the recommendation of the Corporate Governance Committee, which is comprised solely of independent directors and directors independent of MHM, the Board of Directors has determined that the Shareholder Rights Plan is in the best interests of the Corporation and recommends that all Shareholders vote FOR the Shareholder Rights Plan Resolution attached as Appendix "B" to this Circular.

REPORT ON CORPORATE GOVERNANCE

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

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

BOARD RESPONSIBILITIES

1. Board Mandate

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

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

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

2. Corporate Strategy

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

In September 2010, the Board approved a multi-year strategy to transform the Corporation to premier consumer packaged goods company with an efficient network of large scale distribution and production facilities and an enterprise-wide resource planning system. In October 2011, the Board approved the final phase of the value creation plan; a \$560 million investment in infrastructure and technologies over three years to establish a world-class prepared meats manufacturing and distribution network. The Board monitors the implementation of the plan, including the construction and commissioning of the new plants as well as plant upgrades and closures. The Board devotes a portion of each regular meeting to monitoring progress of the value creation plan through detailed reports at each regular meeting.

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

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

3. Succession Planning

Management succession planning is an ongoing activity. The succession plans for each of the executive officers are reviewed by the Human Resources and Compensation Committee ("HRCC") each year and the conclusions are reported to the Board. These plans include the CEO's recommendation of short—and long-term successors for the CEO and each of the Corporation's senior executive officers. The HRCC also conducts an overall review of senior talent in the organization. Due to its importance to the long-term health and success of the Corporation, the full Board participates in this review.

4. Board Communication with Stakeholders

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

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

5. Corporate Governance

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

6. CEO

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

BOARD ORGANIZATION AND MEMBERSHIP

1. Chairman of the Board

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

- Chairing shareholder meetings and board meeting including *in camera* meetings of independent directors;
- Ensuring the effectiveness of the Board and board meetings by overseeing the development of agendas and distribution of materials and information to directors;

- Ensuring the effectiveness of the Board and individual directors by conducting assessments and evaluations;
- Fostering the an effective relationship between management and the Board; and
- Assisting in the review and monitoring of strategies and plans and policies of the Corporation.

2. Board Size and Selection of New Director Candidates

The maximum number of directors permitted by the Corporation's articles is 18; the minimum is eight. The Board is authorized to establish the number of directors within that range. The Corporate Governance Committee manages the process of new director nominations. The Board currently has 10 members, a number that the Board considers to be appropriate at the present time.

West Face Agreement

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

- Mr. Gregory A. Boland, the CEO of WFC, be appointed to the Board;
- Mr. Boland serve on the Human Resources and Compensation Committee and the Corporate Governance Committee so long as he remains on the Board;
- WFC agreed to withdraw its requisition for a shareholders' meeting and cease solicitation activities;
- The Corporation agreed to nominate the then-current members of the Board plus Mr. Boland and one new independent director for election at the 2011 annual meeting of shareholders;
- If Mr. Boland (or, in certain circumstances, an alternate person nominated by WFC) was not nominated to the Board in 2012, provided WFC continued to own at least 7.5% of the outstanding shares of the Corporation, WFC will no longer be subject to restrictions on its solicitation activities; and
- The Board would reduce the number of directors to be nominated for election at the 2012 annual meeting of the shareholders from 14 to either 10 or 12. In the latter case, four of the incumbent directors would not be re-nominated and the Board would nominate two new independent directors.

Governance Agreement

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

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

The Governance Agreement also provides that:

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

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

3. Independence of Directors

The Board has adopted a policy requiring a majority of the directors to be independent. It defines “independent” to mean a director who is not a member of management and is free from any interest and any business, family or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act in the best interests of the Corporation. The Board has concluded that a director who is otherwise not related to the Corporation or its management will be considered to be independent notwithstanding the presence of a relationship with any of its shareholders. The Corporation no longer has a controlling shareholder.

A director is not considered to be independent if the director does not meet the definition of director independence under applicable securities laws for the purpose of Audit Committee membership. The Board receives annually the Corporate Governance Committee’s report on director independence.

The Board considers the presence of nominees of significant shareholders on the Board to be constructive and a contribution to effective governance. Accordingly, under the Governance Agreement it has agreed to nominate a number of directors nominated by Michael McCain proportionate to his ownership interest in the Corporation, which is three directors as the Board has ten (10) members. At the 2014 annual meeting those nominees are Mr. Michael H. McCain, Dr. Jeffrey Gandz and Mr. William E. Aziz. Correspondingly, as part of the West Face Agreement, it agreed to appoint Mr. Boland, the CEO of WFC, to the Board. While nominated by MCI, the Corporate Governance Committee has concluded that neither Dr. Gandz nor Mr. Aziz have any relationship with MCI other than as a director or nominee for director with the Corporation.

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

Name	Independent of Corporation	Relationship Affecting Independence
W.G. Beattie	✓	
G.A. Boland	✓	
J.L. Bragg	✓	
D.L. Emerson	✓	
J. Gandz	✓	
C.R. Lamoureux	✓	
D.E. McGarry	✓	
J.P. Olson	✓	
J.S. McCain		President & COO, Agribusiness
M.H. McCain		President & CEO

4. Term Limits for Directors

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

5. Composition of the Board

The Corporate Governance Committee reviews the competencies, skills and personal qualities of candidates to be considered for nomination to the Board. The objective of this review is to maintain a Board composition that provides the best mix of skills and experience to provide for the overall stewardship of the Corporation. The Corporate Governance Committee takes into account the desirability of maintaining a reasonable diversity of personal characteristics such as age, gender, geographic residence and origin. In response to the capital markets’ desire for more clarity and information, the Board of Directors has adopted a policy regarding diversity including gender diversity which is set out below. However, all directors must possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of the shareholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. Each director should also have outstanding ability in his or her individual fields of expertise and be able to devote necessary time to Board matters.

Diversity Policy

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

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

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

The Board is of the opinion that the directors being nominated possess the necessary mix of skills and experience to ensure that as a group, it can fulfill its mandate and contribute to the success of the Corporation. The process of Board renewal is expected to continue, however, and the Board may, if suitable candidates are identified, appoint additional directors before the 2015 annual meeting.

6. Individual Voting for Directors

The Board has adopted a policy requiring individual voting for each director. Under the policy, if a majority of the votes represented by proxies validly deposited prior to a meeting of shareholders at which directors are to be elected (the "Election Meeting") are "withheld" from any nominee for director, such director shall submit his or her resignation to the Board for consideration promptly following the Election Meeting.

The directors who receive a majority of "For" votes at the same Election Meeting (or the entire Board if there are fewer than three such directors) shall consider whether or not to accept the resignation. A press release disclosing their decision (and the reasons for rejecting the resignation, if applicable) shall be issued within 90 days after the Election Meeting.

The Board believes that basing this policy on votes represented by proxies deposited in advance is appropriate for the Corporation. In May 2013, over 99.98% of all shares represented at the annual shareholders' meeting were represented by proxies deposited in advance.

Each of the directors listed as nominees in the management proxy circular dated March 21, 2013 were elected directors of the Corporation until the next Annual Meeting.

The results of the vote for the election of directors voted by proxy are as follows:

Names of Directors	Number of Shares Voted For ⁽¹⁾	Percentage of Shares Voted For	Number of Shares Withheld from Voting*	Percentage of Shares Withheld from Voting
W.G. Beattie	115,037,431	97.64%	2,778,033	2.36%
G.A. Boland	114,922,453	97.54%	2,893,011	2.46%
J.L. Bragg	116,335,538	98.74%	1,478,926	1.26%
D.L. Emerson	117,625,925	99.84%	189,539	0.16%
J. Gandz	117,061,947	99.36%	753,517	0.64%
C. R. Lamoureux	115,969,136	98.43%	1,846,328	1.57%
J.S. McCain	105,313,036	89.39%	12,502,428	10.61%
M.H. McCain	115,856,115	98.34%	1,959,349	1.66%
D.E. McGarry	116,394,778	98.79%	1,420,686	1.21%
J.P. Olson	116,393,936	98.79%	1,421,528	1.21%

Note:

(1) As the vote for each motion was taken by a show of hands, the number of votes disclosed reflects only those proxies received by management in advance of the meeting.

7. Director Orientation and Education

The Corporate Governance Committee oversees an orientation and education program for new directors and ongoing educational opportunities for all directors.

The new director orientation includes information about the Corporation and its operations and the structure of the Board and its committees. Each new director meets one-on-one with senior management of the Corporation's operational and administrative areas to enable the director to learn about the various processes and operations of the Corporation. Through these meetings, new directors also gain an appreciation of the skills and competence of the management team. Prior to nomination, candidates for nomination are provided with an explanation of the workload and time commitment required. In 2011 and 2012, management gave new directors detailed presentations of the strategy studies and analysis considered by the Board to evaluate and eventually approve (i) the comprehensive value creation plan in October 2010 and, (ii) the capital investment approval in October 2011. This process provided the new directors with the background required to contribute to the Board's deliberations on the final phase of the value creation plan in 2011 and to the monitoring of the plan's implementation.

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

The Corporation maintains a program called “Board Connect” under which outside directors spend one day a year working with management of an operating unit or functional area. The plan provides directors with the opportunity to engage in specific areas of the business at a deeper level and to engage employees directly, enabling them to assess the depth and breadth of management resources. The program in 2013 was disrupted by the divestiture activities resulting in a number of cancelled Board Connect days.

2013 Board Connect activities		
Board Member	Function Area	Business Unit
J. Gandz	Human Resources	Maple Leaf Consumer Foods & Home Office
D.E. McGarry	Logistics	Canada Bread Fresh Bakery

BOARD COMMITTEES AND TERMS OF REFERENCE

1. Board Committees

The Board has determined that there should be four standing Board committees:

- (i) the Audit Committee;
- (ii) the Corporate Governance Committee;
- (iii) the Human Resources and Compensation Committee; and
- (iv) the Environment, Health and Safety Committee.

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

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

2. Membership of Committees

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

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

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

Audit Committee		Environment, Health and Safety Committee	
D.E. McGarry (Chairman since 2007)	2006	J.L. Bragg (Chairman since 2012)	2006
J.L. Bragg	2009	D.L. Emerson	2012
C.R. Lamoureux	2009	J. Gandz	2006
J.P. Olson	2011	D.E. McGarry	2009
Corporate Governance Committee		Human Resources and Compensation Committee	
J. Gandz (Chairman since 2012)	2012	J.P. Olson (Chairman since 2012)	2012
W.G. Beattie	2009	W.G. Beattie	2009
G.A. Boland	2011	G.A. Boland	2011
D.L. Emerson	2012	C.R. Lamoureux	2009

3. Committee Mandates

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

Audit Committee

- a) To assist the Board by reviewing the adequacy and effectiveness of financial and reporting processes including:
 - (i) systems of internal and financial controls;
 - (ii) selection of accounting policies and principles;
 - (iii) preparation and audit of financial reports;
 - (iv) review of financial risk management functions;
 - (v) oversight of the stewardship of the Corporation's pension plan funds and report to the Board; and
 - (vi) monitoring of certain other financial matters.
- b) To oversee and monitor the appointment, independence and performance of the internal and external auditors.
- c) To establish and monitor procedures for handling concerns and complaints related to financial matters.
- d) To approve, on behalf of the Board, certain financial and other matters as delegated by the Board.
- e) To review and make recommendations for approval of annual financial statements, management's discussion and analysis of the financial condition of the Corporation and the results of its operations for release to shareholders.
- f) To review and approve the interim financial statements, management's discussion and analysis of the financial condition of the Corporation and the results of its operations for release to shareholders.
- g) To conduct independent investigations into matters that may come under its scope of responsibilities.

Corporate Governance Committee

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

Environment, Health and Safety Committee

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

Human Resources and Compensation Committee

- a) To review, develop and propose to the Board the necessary policies and procedures to ensure that all employees of the Corporation will be fairly and competitively compensated. Special attention is devoted to the executive group. These issues are described in detail commencing on page 39.
- b) To evaluate annually the performance of the CEO against predetermined goals and criteria and to recommend to the Board the amount of compensation to be paid to the CEO.

- c) To review annually the CEO's evaluation of the performance of the other executive officers of the Corporation and its major subsidiaries and the CEO's recommendations with respect to the amount of compensation to be paid to the other executive officers.
- d) To assist the Board in ensuring that appropriate human resource development, succession planning and performance evaluation programs are in place and operating effectively.
- e) To review and report to the Board on the pension and retirement benefits to employees.

4. Special Purpose Committees

The Board establishes special purpose committees as required. In the past three years it has formed four special committees of independent directors, each of which received independent legal advice from counsel retained by the committee that has not otherwise provided advice or legal services to the Corporation.

• *2011 Special Committee*

In June 2011, the Board was advised of various estate planning steps taken in connection with the wishes and directions of the late Mr. G. Wallace F. McCain. Under this plan, MCC and the shareholders of MCC agreed to transfer beneficial ownership of all 43,890,784 common shares of Maple Leaf Foods held by MCC (representing approximately 31.3% of the issued and outstanding common shares in the capital of the Corporation) to Mr. Michael H. McCain, the Corporation's President and CEO. The Board formed a special committee of independent directors (listed below) to advise the Board on the proposed share transfers by MCC to a company under the control of Mr. Michael H. McCain and other estate planning steps to be taken following the passing of the late Mr. G. Wallace F. McCain. The committee recommended the execution of the Governance Agreement and the adoption of the Shareholder Rights Plan (which is described on page 16). The committee's work was completed when the Shareholder Rights Plan was approved at the special meeting of shareholders held on December 14, 2011.

2011 Special Committee members were:

J.F. Hankinson (Chairman)	C.M. Hošek
W.G. Beattie	C.R. Lamoureux
G.A. Boland	D.E. McGarry
J.L. Bragg	J.P. Olson
J. Gandz	G.R. Ritchie

• *2012 Selection Committee*

In January 2012, on the recommendation of the Corporate Governance Committee, the Board formed a Selection Committee of independent directors (listed below) to conduct a search for new directors. The search was primarily intended to identify a new director who would be non-executive Chairman of the Corporation to replace the previously announced retirement of Mr. Crawford. The Corporate Governance Committee engaged international executive search consultants to assist the Selection Committee. The committee's work was completed upon the election of the Hon. David Emerson as a director at the 2012 Annual General Meeting of Shareholders and his subsequent appointment as non-executive Chairman.

2012 Selection Committee members were:

J. Gandz (Chairman)
C.R. Lamoureux
J.P. Olson

• *2012 Special Committee*

In February 2012, the Board formed a Special Committee of independent directors (listed below) to consider a proposal for a reorganization of the Corporation to enhance shareholder value. After investigation and analysis with the assistance of independent advisors engaged by and reporting directly to the Committee, the Committee concluded the proposal was not viable and abandoned the investigation in September 2012.

2012 Special Committee members were:

J.L. Bragg (Chairman)
W.G. Beattie
D.E. McGarry

- *2013 Special Committee*

In August 2013, the Board formed a Special Committee of independent directors to consider alternatives related to the Corporation's interest in Canada Bread and to oversee any sale of such interest.

2013 Special Committee members were:

D.L. Emerson (Chairman)	W.G. Beattie
G.A. Boland	J.L. Bragg
J. Gandz	C.R. Lamoureux
D.E. McGarry	J.P. Olson

As well as overseeing the sale, the 2013 Special Committee was established to recommend the optimal use of proceeds from the sale to benefit both the Corporation and its shareholders. The Board expects the Committee's mandate will be completed following the completion of sale of Canada Bread.

BOARD MEETINGS AND MATERIALS

1. Functioning of the Board

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

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

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

3. *In camera* Meetings

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

DIRECTOR COMPENSATION AND SHARE OWNERSHIP

1. Director Compensation

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

The Corporate Governance Committee reviews the compensation of the directors every two years. The review includes consideration of all forms of compensation that a director receives, directly or indirectly. The fee schedule for director fees was last amended effective January 1, 2010 (see page 32). In 2011 and 2012, the Corporate Governance Committee reviewed the fee schedule and recommended that it should not be amended for the following year. The Corporate Governance Committee will be reviewing the director's fee schedule in 2014. In 2011, the Board set a fee for the position of non-executive Chairman on the recommendation of the Corporate Governance Committee.

2. Share Ownership by Directors

The Board has determined that it is appropriate to align the interests of the directors receiving fees (excluding those who are full-time employees of the Corporation) with those of shareholders by requiring them to own a minimum number of shares of the Corporation or equivalent units. Effective February 25, 2013, each director was required to hold a minimum number of shares of the Corporation or equivalent units having a value equal to three (3) times their annual retainer. The amount was increased from two and a half (2.5) times the annual retainer. Such holdings are to be acquired within five years of the director's appointment, the adoption of the policy or any increase in the amount of the retainer. For this purpose, ownership could take the form of actual shares or equivalent units acquired under the DSU Plan (described on page 33). This is described in detail under Directors' Compensation commencing on page 34.

BOARD'S RELATIONSHIP WITH MANAGEMENT

1. **Board's Relationship with Management**
Management is encouraged to make appropriate use of the Board's skills before making decisions on key issues. The Corporate Governance Committee regularly reviews and assesses the Board's relationship with management.
2. **Limits to Management Authority**
As required by the Corporation's by-laws, the Board has established limits on management's approval authority depending on the nature and size of a proposed transaction. These limits provide for some flexibility for approvals within approved budgets. However, the guidelines require that transactions outside defined limits be approved by the Board or an appropriate committee. The limit is generally \$5.0 million.
3. **Evaluation of the CEO**
The Human Resources and Compensation Committee conducts an annual assessment of the performance of the CEO against a written position description and the goals and objectives that have been established by the committee. The Chairman of the Human Resources and Compensation Committee reviews the assessment with the full Board.
4. **Director Access to Management**
All directors have open access to the Corporation's senior management for relevant information. Individual directors are encouraged to make themselves available for consultations with management outside Board meetings to provide specific advice and counsel on subjects where the directors have special knowledge and experience.

Since 2005, the Corporation has used a program called "Board Connect" under which directors spend one day working with management of an operating unit or administrative area. The plan provides opportunities for directors to engage in specific areas of the business at a deeper level. The plan also allows directors to engage employees directly, enabling an assessment of the depth and breadth of management resources. Information about the 2013 Board Connect activities of the directors is on page 26.

DIRECTOR RESPONSIBILITIES AND PERFORMANCE

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

Directors are expected to attend all Board and committee meetings in person or by telephone. In circumstances where a director is unable to do so, he or she has the opportunity to communicate his or her views, which are then shared with the full Board. A summary of the attendance record of each director at Board and committee meetings held in 2013 is detailed in Appendix A. The Corporate Governance Committee reviews director attendance annually, taking note of any exceptional circumstances accounting for director absences. For 2013, attendance of each director nominated for election at the 2013 Annual Meeting was 94% for all regularly called meetings and the Committee was satisfied with the attendance record of each director.
2. **Outside Advisors for Individual Directors**
The Board has determined that any director who wishes to engage at the expense of the Corporation a non-management advisor to assist on matters involving his or her responsibilities as a director should obtain authorization from the Corporate Governance Committee. This approval requirement does not limit the authority of the Audit Committee to engage consultants or advisors on matters of financial reporting or the authority of the Human Resources and Compensation Committee to engage compensation consultants. Detailed information concerning compensation consultants engaged and their responsibilities is contained in the Executive Compensation portion of this Circular commencing on page 40.
3. **Assessment of Board and Individual Director Performance**
The Corporate Governance Committee is responsible for periodic assessments of the overall performance and effectiveness of the Board and each committee, the Chairman, each committee chair and each director. The Committee is also responsible for reporting these assessments to the Board and recommending changes to the

charter. The objective of the assessments is to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement.

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

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

ETHICS AND CONFLICTS OF INTEREST

1. Ethical Behaviour

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

2. Code of Business Conduct

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

An Ethics Committee composed of management personnel reviews and addresses issues of interpretation of the Code raised by employees and proposes changes to the Code. The Ethics Committee reports on its activities to the Corporate Governance Committee. Release from the application of a specific part of the Code for an officer or a director may only be given by the Corporate Governance Committee.

3. Whistle-Blower Procedures

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

4. Conflicts of Interest

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

DIRECTORS' AND EXECUTIVE COMPENSATION

COMPENSATION OF DIRECTORS

The Corporation does not pay compensation to directors who are full-time employees of Maple Leaf Foods, any of its subsidiaries, or shareholders holding more than 20% of the issued shares of the Corporation. The compensation paid for service of non-employee directors in 2013 totaled \$1,268,000. Directors' compensation for 2013 is set out in the table below.

Biennially the Corporate Governance Committee reviews director compensation and makes recommendations for adjustments to the Board. The last adjustment was effective January 1, 2010 and subject to bi-annual adjustment. In 2011, on the advice of the Corporate Governance Committee, the Board established compensation for service on the *ad hoc* special committees and working groups of directors and also established a retainer for non-executive chairman on the advice of the committee. The Committee also reviewed benchmark data for director compensation but made no other adjustments to the retainers for board or committee service for 2013. Members of the Selection Committee were not paid additional fees as the Corporation does not pay additional fees to directors involved in director candidate selections. In late 2012, the Committee again reviewed again benchmark data and although the fee schedule was below the median it remains unchanged for 2014.

All fees are denominated in cash and are payable in cash. Under the Corporation's current Share Purchase and Deferred Share Unit Plan ("2013 DSU Plan"), each director may elect to receive DSUs or actual shares for the net amount after tax withholding instead of cash. The election available to directors under the 2013 DSU Plan is described starting on page 61.

Directors' Compensation – effective January 1, 2010

Compensation – retainers for service on the Board and standing committees

Annual Retainer	\$120,000
Annual Committee Retainer	\$ 1,500
Annual Audit Committee Chair Retainer	\$ 15,000
Annual Committee Chair Retainer (other than Audit Committee)	\$ 10,000
Annual Retainer for service as non-executive Chairman of the Board (two times the Annual Retainer) ⁽¹⁾	\$240,000

Compensation – retainers for service on the ad hoc special committees and working groups⁽²⁾

Monthly Retainer for each member ⁽³⁾	\$ 2,500
Monthly Retainer for the Chairman of the particular special committee or working group ⁽³⁾	\$ 7,500

Notes:

- (1) Inclusive of the retainer for service on the Board but exclusive of service on any committees and approved by the Board on December 15, 2011.
- (2) The Corporation formed one special committee in 2013, the Special Committee.
- (3) Payable for each month or part thereof that the committee or working group was active.

DIRECTOR COMPENSATION TABLE – 2013

Name ⁽¹⁾	Fees Earned (\$)	Share Based Awards (\$)	Option- Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
W.G. Beattie	135,500						135,500
G.A. Boland	135,500						135,500
J.L. Bragg	144,000						144,000
D.L. Emerson	280,500						280,500
J. Gandz	144,000						144,000
C.R. Lamoureux	135,500						135,500
D.E. McGarry	149,000						149,000
J.P. Olson	144,000						144,000
Total	1,268,000						1,268,000

Note:

- (1) Directors serving as employees of the Corporation or any of its subsidiaries and shareholders holding more than 20% of the Corporation's shares are not entitled to directors' fees. Messrs. M.H. McCain and J.S. McCain as employees of the Corporation did not receive fees for acting as directors.

Directors' Fees – Supplementary Information

The table below presents a breakdown of the compensation paid to each director in 2013 and the form of payment selected by the director.

Name	Annual Retainers ⁽¹⁾⁽²⁾							Form of Payment			
	Standing Committees				Special Committee ⁽¹⁾⁽²⁾			Total Fees In 2013	Deferred Under DSU Plan	Used For Share Purchases	Paid in Cash or Retained After Share Purchases
	Board Member	Board Chair	Committee Chair	Audit Committee Chair	Committee Member	Special Committee Chair	Special Committee Member				
W.G. Beattie	120,000				3,000		12,500	135,500	135,500		
G.A. Boland	120,000				3,000		12,500	135,500	135,500		
J.L. Bragg	120,000		10,000		1,500		12,500	144,000	144,000		
D.L. Emerson		240,000			3,000	37,500		280,500	280,500		
J. Gandz	120,000		10,000		1,500		12,500	144,000	144,000		
C.R. Lamoureux	120,000				3,000		12,500	135,500		135,500	
D.E. McGarry	120,000			15,000	1,500		12,500	149,000	149,000		
J.P. Olson	120,000		10,000		1,500		12,500	144,000	144,000		

Notes:

(1) The schedule of fees is found on page 32. Fees are paid quarterly in the month following the end of quarter. The fees shown in the table are those payable in respect of service in 2013.

(2) The amounts in the table are the pre-tax amounts.

DSU Plan

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

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

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

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

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

The table contains the details of the number of units held by directors at December 31, 2013

Name	Share-Based Awards		
	Number of Shares or Units of Shares That Have Not Vested ⁽¹⁾ #	Market or Payout Value of Share-Based Awards That Have Not Vested ⁽¹⁾ \$	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ⁽²⁾ \$
W.G. Beattie	0	0	924,653
G.A. Boland	0	0	301,453
J.L. Bragg	0	0	992,900
D.L. Emerson	0	0	485,014
J. Gandz	0	0	1,606,016
C.R. Lamoureux	0	0	120,892
D.E. McGarry	0	0	907,864
J.P. Olson	0	0	468,740

Notes:

- (1) Units credited under the 2013 DSU Plan vest at the time of being credited to the plan.
- (2) The “market or payout value” is based on the closing share price of the Corporation’s shares on the TSX on December 31, 2013 (\$16.79) and the number of units under the 2013 DSU Plan credited to the participant for director’s fees earned and dividends up to December 31, 2013.

Name	Share-Based Awards That Vested During the Year ⁽¹⁾ (\$)
W. G. Beattie	171,964
G. A. Boland	164,788
J. L. Bragg	183,461
D. L. Emerson	330,753
J. Gandz	190,521
C. R. Lamoureux	1,392
D. E. McGarry	188,783
J. P. Olson	177,425

Note:

- (1) The “Number of Shares or Units of Shares That Have Vested” represent all DSUs credited to the Directors’ accounts (including dividend reinvestment) in respect of fees earned in 2013.

DIRECTOR EQUITY OWNERSHIP

Name	Equity Ownership at February 15, 2014		Equity Ownership at February 15, 2013		Net Change in Equity		Market Value of Equity Holdings at February 15, 2014 (\$) ⁽¹⁾
	Common Shares (#)	DSUs (#)	Common Shares (#)	DSUs (#)	Common Shares (#)	DSUs (#)	
W.G. Beattie	21,088	57,402	21,088	47,465	–	9,937	1,207,961
G.A. Boland ⁽³⁾	–	20,285	–	10,775	–	9,510	312,186
J.L. Bragg	190,000	61,596	190,000	51,027	–	10,569	3,872,062
D.L. Emerson	10,000	33,960	10,000	14,394	–	19,566	676,544
J. Gandz	100	98,113	100	87,123	–	10,990	1,511,498
C.R. Lamoureux	38,955	7,200	32,565	7,117	6,390	83	710,325
D.E. McGarry	–	56,608	–	45,752	–	10,856	871,197
J.P. Olson	–	30,378	–	20,168	–	10,210	467,517
Directors Not Subject to Ownership Guidelines⁽²⁾							
G.A. Boland ⁽³⁾	15,894,413	20,285	15,894,413	–	–	20,285	244,927,202
J.S. McCain ⁽²⁾	477,694	–	405,194	–	72,500	–	7,351,711
M.H. McCain ⁽²⁾	45,998,783	–	45,998,783	–	–	–	707,921,270

Notes:

- (1) The closing price of the Corporation’s stock on February 14, 2014 was \$15.39.

- (2) The ownership guidelines do not apply to directors who are employees of the Corporation and who do not receive directors' fees, as set out above on page 32.
- (3) Mr. Boland is President and Chief Executive Officer of West Face Capital, the holder of 15,894,413 of the common shares of the Corporation (11.33% of all shares outstanding), which had a market value of \$245 million on February 15, 2014. Under the terms of his employment with West Face Capital, Mr. Boland is prevented from holding any additional investment in the Corporation's shares. Accordingly, Mr. Boland has been exempted from director ownership requirements.

Compliance with Equity Ownership Guidelines The Board requires directors receiving fees to own and hold a minimum number of shares of the Corporation or equivalent units equal to three (3) times the annual retainer for directors i.e. \$360,000. The value of any holdings for this purpose is the market value or the cost of the shares, whichever is greater; and in the case of DSUs at their current share price the amount of fees contributed to the plan, whichever is greater. Such holdings are to be acquired within five years of the director's appointment, the adoption of the policy or any increase in the amount of the retainer, whichever is later. Ownership may take the form of actual shares or equivalent units acquired under the DSU Plan. The following table shows each director's compliance with the equity ownership guidelines. All directors are in compliance.

Name	Date Joined Board	Number of units held (#)	Value of Equity Holdings (\$)	Multiple of Current Retainer	Meets Ownership Requirements ⁽¹⁾⁽²⁾ Yes/No
Required holding		23,392	360,000	3.0	
W.G. Beattie	2008	78,490	1,207,961	10.1	Yes
J.L. Bragg	2008	251,596	3,872,062	32.3	Yes
D.L. Emerson	2012	43,960	676,544	5.6	Yes
J. Gandz	1999	98,213	1,511,498	12.6	Yes
C.R. Lamoureux	2008	46,155	710,325	5.9	Yes
D.E. McGarry	2005	56,608	871,197	7.3	Yes
J.P. Olson	2011	30,378	467,517	3.9	Yes

Notes:

- (1) All directors are in compliance.
- (2) Mr. Boland is President and Chief Executive Officer of WFC, which exercises control or direction over 11.33% of the outstanding common shares of the Corporation. Under the terms of his employment with WFC, Mr. Boland is prevented from holding any additional investments in the Corporation's shares. Accordingly, Mr. Boland has been exempted from the ownership requirements.

LETTER TO SHAREHOLDERS

From the Chair of the Human Resources and Compensation Committee

To Our Shareholders:

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

The Committee ensures that the Maple Leaf Foods compensation programs are designed to attract and retain the talent required, compensate executives for performance, and align incentives to the financial interests of the Corporation and its shareholders. We seek to set compensation at each level of the organization at an appropriate amount, but not to overcompensate relative to market. We believe that market benchmarking ensures that salary levels are set properly to balance the needs of employees, the business and shareholders. External benchmarking is conducted every year for all levels in the organization, to ensure pay levels for salaried positions are market competitive within an appropriate peer group. An annual salary planning process ensures each individual’s salary is reviewed in relation to the market range, and linked to employee performance.

The Committee focuses Senior Executive Short Term Incentive Plan (“STIP”) payouts entirely on performance targets for Earnings Before Tax (“EBT”), as a means to reinforce accountability in the execution of the business plan. We believe this aligns management to this critical goal as we seek to transform Maple Leaf Foods. This single metric approach, as with all other compensation decisions, will be re-evaluated in the future as the companies business strategies evolve.

In the past, Long term Incentive awards (“LTIP”) were granted in October of each year. As a result of changing the performance metrics to calendar year measures, the Committee decided to defer the grant date by three months, to January of each year. As a result of this timing change, there was no LTIP award in calendar 2012, as the October 2012 award was issued in January 2013. The corresponding reduction in 2012 LTIP was a timing effect only, reflected in the summary compensation table.

The Committee is very involved in overseeing and modifying the compensation programs to create stronger incentives to drive business performance. Annually, the HRCC reevaluates the metrics associated with the short and long term incentive programs and sets appropriate target levels of performance required to earn these awards. For example in 2013 the STIP was amended for Business Unit participants, to increase the portion of the payout linked to overall Maple Leaf consolidated performance. A Business Unit Executive whose previous STIP payout was based on 75% Business Unit results and 25% Maple Leaf overall results, was changed to a payout based on 50% Business Unit results and 50% Maple Leaf results.

This past year, 2013 was one of significant change at Maple Leaf Foods. Divestiture opportunities were explored and executed to increase our focus on the core businesses. We completed the sale of our Rothsay and Olivieri businesses for very attractive net combined proceeds of \$745 million. In 2013 we also announced that we were reviewing strategic alternatives for our bakery operations. This review culminated with an announcement in February 2014 of a sale of the Corporation’s interest in Canada Bread which is expected to close in the second quarter of 2014.

Despite solid performance in our Bakery business, weak financial results in the Protein business resulted in overall underperformance against our 2013 financial targets. In particular, we experienced:

- Peak costs as we enter the final execution phase of our network transformation strategy
- Margin erosion in our prepared meats business due to volatile commodity markets and higher raw material costs

Although the year did not unfold as expected, we have continued confidence in the management team, the strategies and our focus on the execution of our Value Creation Plan. In 2014 Maple Leaf will complete a seven year journey to establish one of the most technologically advanced, scale prepared meats network in North America. As we complete this journey, we will see Maple Leaf transition from a focus on ‘restructuring and fixing’ to accelerating profitable growth, leveraging our people, top brands, market shares, low-cost network and innovation leadership.

The Committee is also tasked with responsibility to evaluate and modify as required, executive compensation programs and systems following completion of the announced sale of our bakery operations. The changes in management structure will necessitate changes to the programs. However, the principles outlined above will guide the committee as it considers these changes.

In the following pages you can review the compensation arrangements of our Named Executive Officers (“NEO”s). I would highlight the following:

- There were only modest salary increases in 2013
- For a second year in a row, there was no 2013 STIP payment for those NEOs who have their entire STIP payment based on overall Maple Leaf results, demonstrating the direct link between our short term incentive program and business performance
- Overall NEO compensation is higher in 2013 than 2012 due to the change in the timing of the LTIP grant. There was no long term incentive awards granted in calendar 2012

Maple Leaf Foods HRCC introduced advisory votes on executive compensation to encourage shareholders to provide input on our approach to executive compensation. I encourage you to register your vote on the say-on-pay resolution and more importantly continue providing us with your considered feedback.

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

Sincerely,

James Olson, Chair
Human Resources and Compensation Committee

COMPENSATION GOVERNANCE

General

The Board of Directors (the “Board”) of Maple Leaf Foods’ has authority over Maple Leaf Foods’ compensation strategy and individual compensation packages for members of the Executive Council (“EC”), including the five Named Executive Officers (“NEOs”): the CEO, the CFO and the next three most highly paid executives. A portion of this responsibility has been delegated to the Human Resources and Compensation Committee (the “HRCC”). To fulfill its obligations, the HRCC considers recommendations from the CEO, guidance provided by independent advisors, and the practices and policies of peer companies. The HRCC prepares recommendations, which are presented to the Board for approval. All Board discussions related to compensation are held *in camera*; directors who are members of management are not present.

Human Resources and Compensation Committee

The HRCC consists of four independent directors: W. Geoffrey Beattie, Gregory A. Boland, Claude R. Lamoureux and the Committee Chair, James P. Olson. The members of the Committee were appointed based on their independence and experience in compensation matters.

Experience of the HRCC Members

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

HRCC member experience includes:

James P. Olson

Mr. Olson has been a member of the HRCC since 2012. He has 35 years of experience in the food and beverage industry working for PepsiCo International, Ernest & Julio Gallo Winery and Frito-Lay Canada. Mr. Olson has served on the Board of Directors, the Compensation Committee and the Nominating and Corporate Governance Committee of Winn-Dixie Stores, Inc. He was awarded the National Association of Corporate Directors Board Leadership Fellow Certificate in 2011 for completion of a rigorous suite of courses covering board and committee best practices.

W. Geoffrey Beattie

Mr. Beattie has been a member of the HRCC since 2009. He is the Deputy Chairman of Thomson Reuters Corporation. Mr. Beattie serves on the Corporate Governance Committee and Human Resources Committee of Thomson Reuters Corporation and is a director of General Electric Company and the Royal Bank of Canada. He is also the former Chairman of CTV Globemedia Inc.

Gregory A. Boland

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

Claude R. Lamoureux

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

HRCC Mandate

The HRCC’s mandate includes:

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

COMPENSATION DISCUSSION AND ANALYSIS

This discussion and analysis aims to help readers understand how Maple Leaf Foods uses compensation to motivate and reward the 20 most senior executives who comprise Maple Leaf Foods' Executive Council ("EC"). The EC includes five NEOs reported for 2013: the CEO, the CFO and the next three most highly paid executives at year end.

COMPENSATION PHILOSOPHY

Our compensation package is designed to achieve four objectives:

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

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

1. base salary;
2. an annual bonus or short-term incentive plan ("STI");
3. a long-term equity-based incentive plan ("LTIP"); and
4. benefits and retirement programs.

Determining base salaries and incentives begins with a review of executive compensation at peer companies in Canada and the United States. This allows us to build a compensation strategy that considers the competitive landscape as well as the nature of Maple Leaf Foods' operations and our strategic goals.

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

The compensation of every executive is based on a comprehensive evaluation of performance. This includes an assessment of performance against objectives as well as adherence to the Corporation's values. The Board establishes objectives each year based on key strategic priorities ("Board Goals"). Board Goals apply to business units, functions and the Corporation as a whole. Subsets of the Board Goals become individual goals for NEOs and other executives. While achieving Board Goals is not included in the formula for determining short-term incentive pay, it is a key factor in assessing individual performance and in aligning compensation.

Share Ownership Requirements

To ensure that executive motivation is aligned with shareholder interests, the Board adopted a policy in 2011 requiring NEOs and other EC executives to meet higher levels of share ownership. The policy also extended the requirement to own shares to more executives in the Corporation. This requirement must be met within seven (7) years from the date the policy was implemented; new executives must meet the requirement within seven (7) years of their appointment. Only common shares satisfy the ownership requirement. Restricted Share Units ("RSUs") and options are excluded. NEO share ownership levels as of February 28, 2014 are in the table below.

Name	Position	Executive Share Ownership			
		Actual Holdings		Holdings as a Multiple of Base Salary	
		Number #	Value ⁽¹⁾ \$ million	Actual	Policy Requirement
Michael H. McCain	Chief Executive Officer	45,998,783	747.5	725.6X	5X
Michael H. Vels	Chief Financial Officer	276,251	4.5	6.5X	3X
Richard A. Lan	Chief Operating Officer – Food Group	628,800	10.2	11.4X	3X
J. Scott McCain	Chief Operating Officer – Agribusiness	477,694	7.8	11.2X	3X
Gary Maksymetz	President, Maple Leaf Consumer Foods	176,135	2.9	4.2X	2X

Note:

(1) Actual holdings are based on the number of common shares held on February 28, 2014. On that date, the closing price was \$16.25 per share.

PROCESS FOR DETERMINING COMPENSATION

The process for determining compensation begins with a consultation between the CEO and Maple Leaf Foods' Chief Human Resources Officer ("CHRO"). The CEO makes recommendations to the HRCC on compensation for members of the EC, excluding the CEO. The HRCC then:

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

As part of the CEO compensation recommendation process, the HRCC conducts a detailed evaluation of the CEO's performance against strategic objectives and discusses the appropriate compensation *in camera*. The CHRO may be present for part of that *in camera* meeting.

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

Reasonableness Test

The HRCC and the CEO conduct a reasonableness test of each NEO's total direct compensation, including base salary and incentive pay. The HRCC can increase or decrease compensation as it deems appropriate. It then reports the results of the reasonableness test and makes recommendations to the Board.

Risks associated with Compensation Plans

The Board and the HRCC assess the compensation programs to ensure that they do not promote decisions or behavior not in the best interests of Maple Leaf Foods. To avoid excessive costs to the Corporation and excessive compensation to executives, all annual bonuses have maximum payout amounts. All non-recurring, unusual or other items that impact earnings are considered when assessing performance and determining short-term and long-term incentive payments. NEOs might be required to return short-term incentive payments if results are restated.

Independent Advisors

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

- Review and recommend changes to compensation philosophy for the CEO and other NEOs;
- Compare NEO compensation to a peer group of companies;
- Review and recommend changes to the design of the short-term and long-term incentives;
- Review the performance metrics used to determine incentive payments;
- Perform a stress test of NEO compensation under different performance assumptions; and
- Provide information and advice on emerging trends and best practices.

The table below sets out the fees earned by Steven Hall and GGA for services provided in 2013 and 2012, respectively. Neither Steven Hall nor GGA earned any additional fees from or provide any services to the Corporation outside of their engagements by the HRCC. There were no fees paid in 2013 or 2012 to any other independent compensation advisor.

<u>Executive Compensation Related Fees for Services Performed by:</u>	<u>Fees for 2013</u>	<u>Fees for 2012</u>
Steven Hall	\$79,249	\$ 0
GGA	\$ 0	\$156,366

Neither Steven Hall nor GGA performed any other services for nor received any fees from the Corporation.

Benchmarking Compensation and Peer Groups

Steven Hall has been hired to provide the HRCC with benchmark data collected from Canadian and American companies – this is the marketplace in which we compete to retain and recruit talented executives. Also influencing the choice of peer companies is the complexity of our operations and the much larger size of many of our peers.

Given this landscape, for 2013 compensation decisions we used three groups of companies to benchmark NEO compensation, as outlined below. This benchmarking exercise ensures the HRCC is familiar with the competitive landscape as it develops a compensation strategy and package that will achieve the unique objectives of this Corporation.

The HRCC reviews the comparator groups each year and makes changes as necessary to reflect changes at Maple Leaf Foods and in the industry, and to ensure that the peer companies provide the most relevant information to support pay decisions. In the fall of 2013, with the assistance of its new consultant the HRCC began a review to update the comparator groups, but decided to defer this review as a result of an announcement to explore the sale of the bakery business. A full review and update of the comparator groups will occur in 2014.

Comparator Group 1: Full Industry Specific Group

The first group comprises the companies in the S&P Food Index. This index includes companies in the food products industry from Standard and Poor's three major U.S. indices: the S&P 500, S&P Midcap 400 and S&P 600 Smallcap. This peer group also includes relevant Canadian companies in the food products industry who are within a reasonable size range, compete for the same customers with similar products, and compete with Maple Leaf Foods for talent.

Comparator Group 1: Full Industry Specific Group			
S&P Food Index	Archer Daniels Midland Company	The Hain Celestial Group, Inc	Mead Johnson Nutrition Company
(Food Products)	B&G Foods, Inc.	The Hershey Company	Post Holdings Inc.
	Calavo Growers, Inc.	The Hillshire Brands Company	Sanderson Farms, Inc.
	Cal-Maine Foods, Inc.	Hormel Foods Corporation	Seneca Foods Corporation
	Campbell Soup Co.	Ingredion Incorporated	Smithfield Foods, Inc.
	ConAgra Foods, Inc.	J&J Snack Foods Corp.	Snyder's-Lance, Inc.
	Darling International Inc.	The J.M. Smucker Company	Tootsie Roll Industries
	Dean Foods Company	Kellogg Company	Treehouse Foods, Inc.
	Diamond Foods, Inc.	Kraft Foods Group, Inc.	Tyson Foods Inc.
	Flowers Foods, Inc.	Lancaster Colony Corporation	
		McCormick & Co. Incorporated	
	General Mills, Inc.		
	Green Mountain Coffee Roasters, Inc.		
	Canadian Comparators	Cott Corporation	George Weston Limited

Comparator Group 2: Tailored Industry Specific Group

A second group excludes companies from the S&P Food Index with annual revenue greater than four (4) times or less than one-quarter (1/4) Maple Leaf Foods' annual revenue. In 2013, this created a group of 23 companies of more comparable size and scope.

Comparator Group 2: Tailored Industry Specific Group			
S&P Food Index	Campbell Soup Co.	The Hershey Company	Sanderson Farms, Inc.
(Food Products)	ConAgra Foods, Inc.	The Hillshire Brands Company	Seneca Foods Corporation
	Darling International Inc.	Hormel Foods Corporation	Smithfield Foods, Inc.
	Dean Foods Company	Ingredion Incorporated	Snyder's-Lance, Inc.
	Flowers Foods, Inc.	The J.M. Smucker Company	Treehouse Foods, Inc.
	General Mills, Inc.	Kellogg Company	
	Green Mountain Coffee Roasters, Inc.	McCormick & Co. Incorporated	
		Mead Johnson Nutrition Company	
Canadian Comparators	Cott Corporation	Saputo Inc.	

Comparator Group 3: Canadian General Industry

Information about compensation policies and packages at Canadian companies with annual revenue comparable to Maple Leaf Foods is incorporated into the benchmarking process to provide additional perspective.

ELEMENTS OF COMPENSATION

The four main components of our executive compensation program are referred to as “Total Direct Compensation”.

Base Salary

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

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

The weight given to each factor is not defined by a fixed formula; the HRCC uses its business judgment. The annual salary adjustment date is the start of the pay period in which July 1st occurs.

Short-term Incentive Plan (STI)

Maple Leaf Foods’ annual STI plan links executive pay to the achievement of annual business objectives. The award is at risk and paid only if the objectives are met.

The HRCC sets the STI targets and the maximum awards, which are based on a percentage of salary, after reviewing the benchmark data from the three comparator groups. The amount of STI awarded depends on performance. Performance exceeding established goals will lead to above-target payments. Performance below established goals will lead to below-target payments, which can be zero if goals are not substantially achieved. The award is paid in cash.

STI payments are based on earnings before tax adjusted for the impact of restructuring and other related costs (“Adjusted EBT”) compared to budget. Adjusted EBT also excludes the financial impact of marking to market interest swap instruments, one-time gains and certain other costs that the HRCC considers to be outside management’s operating control. The HRCC believes that Adjusted EBT provides a relevant measure of performance against the business plan. The target Adjusted EBT and minimum acceptable performance for triggering an STI payout are reviewed annually.

There are three potential components of an employee’s STI payment:

- Maple Leaf Foods team result: The performance of the Corporation is a component of the payment received by every employee participating in the STI plan;
- Business Unit team result: The payment to STI participants with specific business unit responsibilities might also reflect the performance of their business unit(s); and,
- Individual result: Payments to STI participants below the executive level will also reflect performance against personal goals. The personal goals are business related and reflect objectives over which the participant has direct control.

In 2013, 100% of the STI was tied to the achievement of business objectives for all members of the EC as well as other executives at Maple Leaf Foods. This created 100% alignment between STI compensation and shareholder interests. Specific individual goals are established for these executives. However, achievement against those goals does not influence the executive’s STI payments, but rather are used to assess performance and guide base pay and long term incentive compensation decisions.

The STI payments to employees below the executive level do include an individual performance component.

The table below summarizes the target range and weighting of team vs. individual objectives. These weights took effect in 2013 for business unit employees. The balance between the Maple Leaf Foods' team result and the business unit team result is intended to increase alignment of all employees covered by the STI plan with the success of the Corporation.

COMPONENTS OF THE 2013 STI PLAN							
	Target Payout Ranges – As a % of Base Salary for Various Performance Levels				Weightings of Components		
	Below Threshold Performance	At Threshold Performance	At Target Performance	At Maximum Performance	MLF Team %	BU Team %	Individual %
NEOs							
CEO	0%	75%	175%	275%	100%	–	–
CFO	0%	35%	80%	125%	100%	–	–
COOs	0%	35%	80%	125%	100%	–	–
Other Executives							
Corporate	0%	10% ~ 25%	35% ~ 60%	60% ~ 95%	100%	–	–
Business Units	0%	10% ~ 25%	35% ~ 60%	60% ~ 95%	50%	50%	–
Below Executive							
Corporate	0%	2% ~ 10%	6% ~ 25%	10% ~ 40%	75%	–	25%
Business Units	0%	2% ~ 10%	6% ~ 25%	10% ~ 40%	37.5%	37.5%	25%

Claw-Back

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

Long-term Incentive Plan (LTIP)

The goal of the LTIP is to retain effective executives and attract new talent. Similar to the STI, it is also based on performance and is, therefore, at risk.

LTIP payouts for grants from 2010 or earlier are based on Maple Leaf Foods' Total Shareholder Return ("TSR") relative to the total return for the S&P Food Index over three (3) years. The TSR is the total gain or loss to a shareholder arising from the change in the Maple Leaf Foods share price plus dividends paid.

The LTIP was changed in 2011 to strengthen the alignment between the long-term interests of executives and shareholders by linking awards to the achievement of the Maple Leaf Foods value creation plan. The LTIP for members of the EC now comprises 25% RSUs, 25% PSUs and 50% time-vested stock options ("Options").

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

- an assessment of individual performance and potential;
- the expected value of similar awards at the median and the 75th percentile in the benchmark groups;
- the expected value of the award; and
- the amount of previous grants.

The number and value of the RSUs, PSUs and Options awarded considers the performance of the executive and could be higher or lower than the benchmark median. Executives who tend to deliver superior performance will tend to receive above-median awards.

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

PSUs are performance-vested based on cumulative results as measured by two metrics over a three (3) calendar year period:

- 80% weighting on Return on Net Assets ("RONA");
- 20% weighting on Earnings before Interest Taxes Depreciation and Amortization ("EBITDA") Margin.

The performance period for the January 2013 award comprises the calendar years 2013, 2014 and 2015. Threshold, Target and Maximum performance levels are based on the Corporation's 2013 budget commitments, as well as the EBITDA margin targets for 2014 and beyond. The cumulative targets for PSUs granted in January 2013 are included in the following table.

Performance Level Average 2013-15	Threshold	Target	Maximum
RONA (80%)	10.2%	12.8%	14.0%
EBITDA Margin (20%)	9.2%	10.6%	11.4%

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

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

The options granted in 2013 are time vested. One third (1/3) of the Options awarded will vest each year. The exercise price is the weighted average trading price on the TSX for the five (5) days prior to the date of grant. The Options granted in 2013 have a term of seven (7) years.

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

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

All RSUs and PSUs granted in 2013 that have vested will be distributed as shares in May 2016, unless otherwise determined by the HRCC. Shares required for distributions are purchased on the TSX by a trust established for the purpose. This is done to avoid diluting shareholder interest.

A detailed description of the terms of the RSUs, PSUs and Options comprising the 2013 LTIP along with the Corporation's other share-based incentive plans is found under "Description of Share Option and Share Incentive Plans" starting on page 57 of this Circular.

Incentive Award Limits and Alignment

Fixed maximums ensure that payments will not be excessive when results are excellent or overly punitive if disappointing results are beyond the executive's control. The range of payout under each plan is designed to align compensation with the Corporation's risk management principles and to deliver incentive awards that are consistent with performance. The HRCC assesses changes in circumstances and corporate plans to ensure this balance is retained.

Policy on Hedging LTIPs

The Corporation's insider trading policy prohibits NEOs and other executives from entering into call and put options, including options intended to hedge or offset the effect of a decline in market value of LTIP awards. Executives are not otherwise prohibited from purchasing financial instruments as a hedge.

2013 Total Direct Compensation Mix

The table below shows the mix of compensation for NEOs and other executives in 2013 at the target levels for each direct compensation element.

	Variable Direct Compensation			Total Variable Pay
	Base Salary	Short-Term Cash Incentive (STI) At Target ⁽¹⁾	Long-Term Equity Incentive Awards At Target ⁽²⁾	
CEO	15.0%	26.3%	58.7%	85.0%
CFO	27.0%	21.6%	51.4%	73.0%
COO – Food Group	21.5%	17.2%	61.3%	78.5%
COO – Agribusiness	27.0%	21.6%	51.4%	73.0%
President – Consumer Foods	32.7%	19.6%	47.7%	67.3%
Other Executive Council Members	24% ~ 56%	12% ~ 31%	17% ~ 64%	44% ~ 76%

Notes:

- (1) The STI amounts in the table are valued at the target amount. The ultimate payout may be higher or lower based on achievement of objectives.
- (2) Long-term equity compensation is valued at the grant date value. The ultimate value for the 2013 award will be based on the achievement of cumulative performance targets aligned to the Corporation's value creation plan.

Indirect Compensation

Benefits and Perquisites

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

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

The Corporation has a tax equalization policy to reimburse employees for any net additional taxes that result from work in a foreign jurisdiction. Under the policy, the tax cost associated with travel and accommodation to the distant location for the purpose of work is also reimbursed.

Retirement Income/Savings Arrangements

Maple Leaf Foods has a registered retirement plan that is available to all employees, including executives. Benefits are calculated using substantially the same provisions for all participants. The Corporation provides 100% of executive contributions to the plan. Employees with annual salaries that exceed the maximum amount against which they can contribute to registered plans under Canada Revenue Agency contribution limits can also participate in supplemental retirement arrangements. Annual cash STI payments are excluded from retirement programs.

The Corporation has long recognized the risk associated with defined benefit pension plans. As a result, these plans have been closed to new employees since April 2004. Employees who belonged to those plans prior to April 2004 and elected to remain in the plan continue to accrue benefits. The Corporation's pension plans do not prohibit granting extra years of service in addition to years of actual membership.

Employees hired since April 2004 participate in defined contribution pension arrangements. These arrangements provide benefits commensurate with the employee's position. Contributions are solely a function of base salary and exclude other forms of cash or deferred compensation.

McCain Capital Arrangements with Richard Lan

Mr. Richard Lan, an NEO, is an officer and director of McCain Capital Ind. ("MCI"), the Corporation's largest shareholder, and prior to December 2011, Mr. Lan was an officer, director and shareholder of McCain Capital Corporation ("MCC"), the predecessor to MCI. The HRCC understands that Mr. Lan has received, and continues to

receive, compensation from MCI for the services Mr. Lan provides to MCI and that Mr. Lan had previously received compensation from MCC for the services Mr. Lan provided to MCC. The compensation paid by MCC and MCI to Mr. Lan, respectively, was and is at their sole cost and discretion. Neither the Corporation, the Board, nor the HRCC had any involvement in either granting or approving such compensation.

The HRCC believes that the compensation that the Corporation has provided and continues to provide to Mr. Lan (excluding the compensation from MCC and MCI) fully and adequately compensates Mr. Lan for the position he holds with the Corporation.

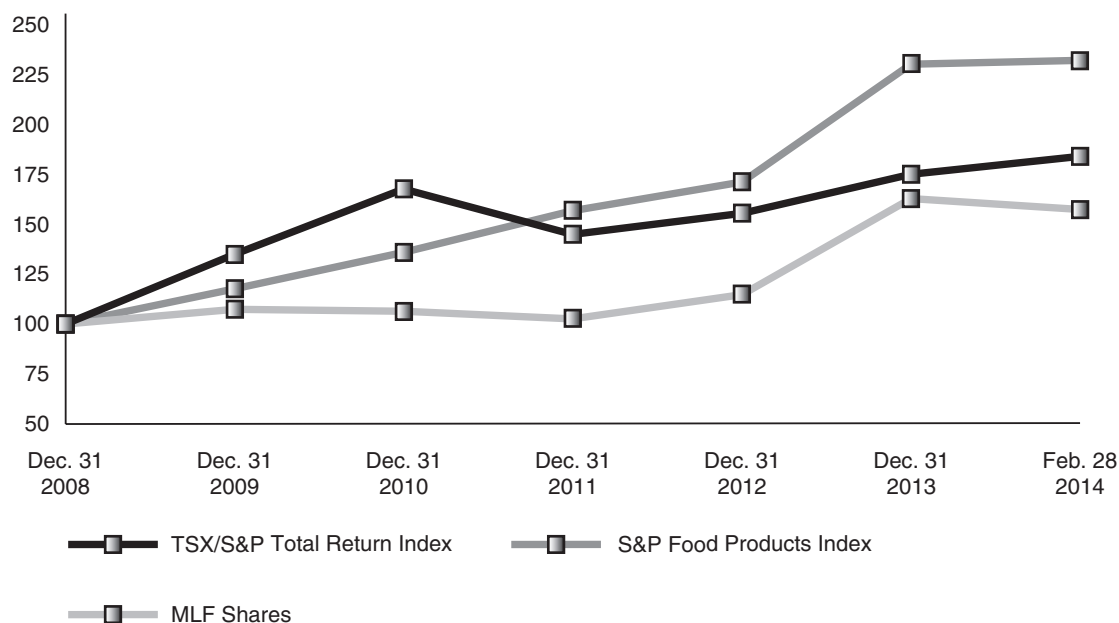
STOCK PERFORMANCE CHART

The following chart compares the cumulative total return from \$100 (Canadian) invested on January 1, 2009 in common shares of Maple Leaf Foods, the S&P 1500 Composite Food Products Index (“S&P Food Index”) and the S&P/TSX Composite Total Return Index. The U.S. dollar denominated S&P Food Index is not converted to Canadian dollars. It is assumed that all dividends are reinvested. On December 31, 2013 the Corporation’s shares closed on the TSX at \$16.79; on February 28, 2014 the Corporation’s shares closed on the TSX at \$16.25.

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

As at February 28, 2014, the following companies make up the S&P Food Index:

Company Name	Ticker	Major Index	Company Name	Ticker	Major Index
Archer-Daniels-Midland Co.	ADM	S&P 500	Lancaster Colony Corp.	LANC	S&P MidCap 400
Campbell Soup Co.	CPB	S&P 500	Post Holdings Inc.	POST	S&P MidCap 400
ConAgra Foods Inc.	CAG	S&P 500	Tootsie Roll Industries Inc.	TR	S&P MidCap 400
General Mills Inc.	GIS	S&P 500	WhiteWave Foods Co.	WWAV	S&P MidCap 400
Hershey Co.	HSY	S&P 500	Annie’s Inc.	BNNY	S&P SmallCap 600
Hormel Foods Corp.	HRL	S&P 500	B&G Foods	BGS	S&P SmallCap 600
J.M. Smucker Co. (The)	SJM	S&P 500	Cal Maine Foods Inc.	CALM	S&P SmallCap 600
Kellogg Co.	K	S&P 500	Calavo Growers Inc.	CVGW	S&P SmallCap 600
Kraft Foods Inc.	KFT	S&P 500	Darling International Inc.	DAR	S&P SmallCap 600
McCormick & Co Inc.	MKC	S&P 500	Dean Foods Co.	DF	S&P SmallCap 600
Mead Johnson Nutrition Co.	MJN	S&P 500	Diamond Foods Inc.	DMND	S&P SmallCap 600
Mondelez International Inc.	MDLZ	S&P 500	Hain Celestial Group Inc. (The)	HAIN	S&P SmallCap 600
Tyson Foods Inc.	TSN	S&P 500	J & J Snack Foods Corp.	JJSF	S&P SmallCap 600
Flowers Foods Inc.	FLO	S&P MidCap 400	Sanderson Farms Inc.	SAFM	S&P SmallCap 600
Green Mountain Coffee Roasters Inc.	GMCR	S&P MidCap 400	Seneca Foods Corp.	SENEA	S&P SmallCap 600
Hillshire Brands Co. (The)	HSH	S&P MidCap 400	Snyder’s-Lance Inc.	LNCE	S&P SmallCap 600
Ingredion Inc.	INGR	S&P MidCap 400	Treehouse Foods Inc.	THS	S&P SmallCap 600



	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2013	Feb. 28, 2014
S&P/TSX Composite Total Return Index (\$CAD)	100	135	168	145	155	175	184
S&P Food Index (\$USD) ⁽¹⁾	100	118	136	157	171	230	232
Maple Leaf Foods Shares (\$CAD)	100	107	106	102	115	163	158

Note:

(1) The U.S. dollar denominated S&P Food Index is not converted to Canadian dollars.

Comparison of Executive Compensation and Shareholder Returns

The table below shows the TSR for the Corporation's common shares, the S&P Food Index and the S&P/TSX Composite Total Return Index for the five fiscal years ended December 31, 2013. It also shows the total change in market value of the Corporation and change in total compensation for the CEO, CFO and the three most highly compensated executive officers at the end of the year. The amounts in the table do not include compensation paid to former employees who were not executive officers ensuring that the comparison is between five individuals throughout the period. For the five-year period, a majority of the change in reported compensation is due to changes in payouts under the annual STI plan. Reflecting below-budget corporate earnings, there were no STI payouts in 2012 and 2013. Compensation in 2012 was also affected by the deferral to early 2013 of the LTIP award that would normally have been granted late in 2012.

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

- the Corporation's salary and compensatory pension costs are relatively fixed and generally unaffected by the day-to-day changes in shareholder returns;
- short-term incentive compensation is tied to internal measures of company success related to the current year, primarily earnings for the year. Current-year earnings do not necessarily translate into shareholder returns in the short term; and
- equity compensation awarded to the NEOs under the 2006 RSU Plan is approximately half of the total calculated amount of the total compensation. Historically, equity compensation plans were designed so that the actual value transferred to the participant at maturity is higher or lower depending on the Corporation's absolute shareholder return and the return relative to the peer group during the holding period. However, the compensation amount is calculated at the time of grant and is based on the grant date share price and expected vesting, which does not reflect the actual value distributed on maturity. Therefore, there may not be a direct correlation between the reported total compensation for NEOs and shareholder returns in the year of grant. There is, however, a high correlation between actual compensation received under the 2006 RSU Plan and shareholder returns during the three-year term of the plan.

	Total					
	2009–13	2013	2012	2011	2010	2009
Total Shareholder Return:						
MLF (% change – \$CAD per share) ⁽¹⁾	63%	42%	12%	-4%	-1%	7%
S&P Food Index (% change – \$USD) ⁽¹⁾	130%	35%	9%	15%	15%	18%
S&P/TSX Composite Total Return Index	75%	13%	7%	-14%	24%	35%
Change in MLF market capitalization (\$ millions) ⁽²⁾	929	699	182	(56)	(13)	117
Total compensation for all NEOs ⁽³⁾ (\$ millions)	77	15	8	18	19	20

Notes:

- (1) TSR is the gain or loss in share price plus reinvestment of all dividends paid during the period. The amount in the “Total 2009–13” column is the aggregate compound return over the five-year period. The return for the S&P Food Index covers the same period except that the return is calculated in U.S. dollars and is not translated to Canadian dollars. Further details of the S&P Food Index are found above under the heading “Stock Performance Chart”.
- (2) Increase or decrease in market capitalization is based on year-end shares outstanding and closing share prices. The change in market capitalization for the period is reduced by the proceeds for shares issued and increased by dividends paid and shares repurchased in the market under the Corporation’s normal course issuer bid.
- (3) Compensation for 2012 does not include equity-based long-term compensation. In the years up to and including 2011, the Corporation granted RSUs, PSUs and options on October 1. The grant that would normally have been made on October 1, 2012 was deferred to January 7, 2013.

SUMMARY COMPENSATION TABLE

The following table provides a summary of compensation earned during each of the last three fiscal years by the NEOs: the CEO, the CFO (including any individual who held the position during the year) and the next three most highly compensated employees who were executive officers at the end of the year. This information is given as of December 31, 2013, the end of the Corporation's most recently completed financial year.

Name and Principal Position	Year	Salary (\$)	Equity Incentive Plan Compensation		Non-Equity Incentive Plan Compensation		All Other Compensation ⁽⁴⁾ (\$)	Total Compensation (\$)
			Share- Based Awards ⁽¹⁾ (\$)	Option- Based Awards ⁽²⁾ (\$)	Annual Incentive Plans ⁽⁷⁾ (\$)	Pension Value ⁽³⁾ (\$)		
M.H. McCAIN ⁽⁷⁾	2013	1,018,142	2,010,889	2,009,250	–	201,454		5,239,735
President and Chief Executive Officer	2012	1,008,865	–	–	–	84,858		1,093,723
	2011	1,005,000	2,011,569	2,008,512	1,524,253	83,613		6,632,947
M.H. VELS	2013	685,348	659,363	660,158	–	126,940		2,131,809
Executive Vice President, and Chief Financial Officer	2012	670,852	–	–	–	111,873		782,725
	2011	660,000	660,418	658,944	458,700	34,878		2,472,940
G. MAKSYMETZ	2013	677,732	501,026	499,350	–	139,448		1,817,556
President, Maple Leaf Consumer Foods	2012	659,456	–	–	–	153,964		813,420
	2011	634,000	439,557	440,352	294,585	123,667		1,932,161
R.A. LAN ⁽⁵⁾	2013	909,049	1,275,750	1,274,612	–	10,505	405,849 ⁽⁸⁾	3,875,765
President, Chief Operating Officer, Foods Group	2012	863,613	–	–	–	9,996	2,974,983 ⁽⁸⁾	3,848,592
	2011	840,709	1,277,530	1,273,536	584,293	9,693		3,985,761
J.S. McCAIN ⁽⁶⁾	2013	685,348	659,362	660,157	–	143,137		2,148,004
President and Chief Operating Officer, Agribusiness Group	2012	670,852	–	–	–	121,949		792,801
	2011	660,000	660,418	658,944	458,700	55,329		2,493,391

Notes:

- (1) The share-based awards represent RSUs and PSUs granted under the 2006 RSU Plan. Details of these plans are found starting on page 57 under the heading "Description of Share Option and Share Incentive Plans – 2006 RSU Plan". The vesting terms of the RSUs granted are described in footnote (3) to the table found on page 51.

The RSUs have been valued using assumptions and methodology consistent with those for valuing the expense for accounting purposes. However, no discount for potential forfeiture of RSUs due to termination of employment was factored into the valuation. Awards are made with the belief that the executive will remain employed during the vesting period. For accounting purposes, an estimate is made of forfeitures due to termination of employment based on past experience. The assumptions used for accounting purposes are found in Note 24 of the financial statements of the Corporation for the years ended December 31, 2013 and 2012. The financial statements may be found on the Corporation's website at www.mapleleaf.ca and on SEDAR at www.sedar.com.

Approximately one-half of the awards in 2011 and 2013 are subject to performance-vesting based on the achievement of earnings margins and returns on net assets over approximately three years. The valuation of the award is based on the Corporation's estimate at the date of grant of the number of units that are expected to vest and result in the distribution of shares at maturity.

In years up to and including 2011, the Corporation granted RSUs, PSUs and options on October 1. Starting in 2011, the performance measures for vesting purposes were changed to earnings margins and return on assets. The Board sets the targets on a calendar year basis. Therefore, it was determined that grants should be made at the start of each year. Accordingly, the grant that would have been made on October 1, 2012 was deferred to January 7, 2013. Accordingly, notwithstanding the Corporation's practice of making annual equity incentive grants, no grants were made in calendar 2012.

- (2) The options-based awards were granted under 2004 Share Incentive Plan. Details of this plan are found starting on page 57 under the heading "Description of Share Option and Share Incentive Plans – 2004 Share Incentive Plan". The options granted in 2011 and 2013 have been valued using the Black-Scholes model using assumptions and methodology consistent with those for valuing the expense for accounting purposes. No discount for potential forfeiture of options due to termination of employment was factored into the valuation. Also, the valuation is based on the maximum term of seven (7) years versus the expected holding period of 4.5 years used for accounting purposes. Awards are made with the belief that the executive will remain employed during the vesting period. For accounting purposes an estimate is made of forfeitures due to termination of employment based on past experience. The assumptions used for accounting purposes are found in Note 24 of the financial statements of the Corporation for the years ended December 31, 2013 and 2012. The financial statements may be found on the Corporation's website at www.mapleleaf.ca and on SEDAR at www.sedar.com.

(3) Messrs. M.H. McCain, Vels, Maksymetz and J.S. McCain are accruing benefits under the Corporation's defined benefit pension arrangements for salaried employees in Canada. The amount in the table above represents the compensatory pension expense related to the service for each of the NEOs, excluding the impact of differences between actual compensation paid in 2013 and the actuarial assumptions used for the year. The amount shown for Mr. Lan is the Corporation's contribution to a defined contribution 401(k) plan in the United States.

(4) The table does not include the value of perquisites, which, for each executive, is less than both \$50,000 and 10% of salary.

(5) All compensation shown for Mr. Lan, other than equity-based compensation amounts and a portion of the tax equalization amounts, is paid in U.S. dollars. The amounts in the table above were converted to Canadian dollars using the average exchange rate of the U.S. dollar expressed in Canadian dollars for the year: 1.0299 in 2013, 0.9996 in 2012, and 0.9891 in 2011. In the table below under the heading "Summary Compensation Table – Supplemental Information", Mr. Lan's compensation is shown in US dollars.

The HRCC understands that Mr. Lan has received, and continues to receive, compensation from MCI for the services Mr. Lan provides to MCI and that Mr. Lan had previously received compensation from MCC for the services Mr. Lan provided to MCC. The amounts in the table include only compensation paid by the Corporation to Mr. Lan which the HRCC believes fully compensates Mr. Lan for the services he provides to the Corporation.

(6) Messrs. J.S. McCain and M.H. McCain do not receive any separate or additional compensation for service on the Board as a director. Several of the NEOs are directors of the Corporation's subsidiaries. They do not receive any compensation for those positions in addition to the compensation disclosed in the table above.

(7) The amounts in this column are payments under the Corporation's short term incentive plan which is explained starting on page 42. The annual short term incentives are paid in the year following which they are earned.

(8) In 2012, the Corporation determined that for a number of years it had not made certain payroll tax deductions and remittances in all required jurisdictions for certain cross border employees who are required by the Corporation to perform some of their work away from their home base, including Mr. Lan. The Corporation made the necessary corrections, paid the required payroll tax remittances and implemented a tax equalization policy under which it reimburses employees for the net additional taxes that result from work in a foreign jurisdiction.

The tax equalization cost related to the 2013 tax year was \$405,849 and for 2012, \$543,400. In addition, the cost of the tax equalization for the 2005 through 2011 period incurred in 2012 was \$2,431,583. The amount of the income tax remittances made by the Corporation for these years exceeds the tax equalization cost, which under the tax reimbursement policy, Mr. Lan is obligated to pay to the Corporation at the time he receives the corresponding income tax refund from the US tax authorities. Amounts due to the Corporation under the tax reimbursement policy are set out on page 54.

During 2012, Mr. Lan's principal office was relocated from the US to the Greater Toronto Area ("GTA") in Canada although he still resides in the U.S.. The Corporation considers Mr. Lan's travelling costs from his home base in the US to Canada and work-related accommodation in the GTA to be primarily for the Corporation's benefit, and pays for those costs and has reimbursed Mr. Lan for related income taxes. The reimbursement is included in the amounts for Mr. Lan in the "all other compensation" column reported above.

Summary Compensation Table – Supplemental Information

Mr. Lan's compensation reported in the Summary Compensation Table in US dollars is as follows:

Name and Principal Position	Year	Equity Incentive Plan Compensation			Non-Equity Incentive Plan Compensation		All Other Compensation ⁽⁴⁾	Total Compensation
		Salary (\$)	Share-Based Awards ⁽¹⁾ (\$)	Option-Based Awards ⁽²⁾ (\$)	Annual Incentive Plans ⁽⁶⁾ (\$)	Pension Value ⁽³⁾ (\$)		
R.A. LAN	2013	882,645	1,238,694	1,237,590	–	10,200	394,061	3,763,190
President, Chief Operating Officer, Foods Group	2012	863,976	–	–	–	10,000	2,976,233	3,850,209
	2011	850,000	1,291,649	1,287,611	590,750	9,800	–	4,029,810

Share-Based Incentive Plans

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

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

The Corporation's 1982 Option Plan is still in effect, but has no awards outstanding.

See "Description of Share Option and Share Incentive Plans" starting on page 57 for more detailed descriptions of the 1982 Option Plan, the 2004 Share Incentive Plan and the 2006 RSU Plan.

From 2006 to 2010, the Corporation did not grant any share options; it used performance-vested RSUs exclusively for equity-based long-term compensation. In 2011, the Corporation resumed the use of options and issued time-vested RSUs and performance-vested PSUs. The options were granted under the 2004 Share Incentive Plan and the RSUs and PSUs were granted under the 2006 RSU Plan.

The share options and the RSUs granted in 2011 and 2013 are subject to time vesting only. The PSUs granted in 2011 and 2013 have a performance-vesting feature based on the achievement of three-year EBITDA margins and return on net asset (RONA) targets.

Outstanding RSUs and Share Options

Name	Option Based Awards				Share-Based Awards			
	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date ⁽¹⁾	Value of unexercised in-the-Money Options ⁽²⁾	Type of Award	Date of Grant	Number of Shares or Units of Shares That Have Not Vested ⁽³⁾⁽⁵⁾	Market or Payout Value of Share-Based Awards That Have Not Vested ⁽⁴⁾
	#	\$		\$			#	\$
McCain, M.H.	634,000	\$11.36	October 1, 2018	3,442,620	PSU	October 1, 2011	185,800	–
	593,500	\$11.85	January 7, 2020	2,931,890	RSU	October 1, 2011	92,900	1,559,791
					PSU	January 7, 2013	177,800	–
					RSU	January 7, 2013	88,900	1,492,631
Vels, M.H.	208,000	\$11.36	October 1, 2018	1,129,440	PSU	October 1, 2011	61,000	–
	195,000	\$11.85	January 7, 2020	963,300	RSU	October 1, 2011	30,500	512,095
					PSU	January 7, 2013	58,300	–
					RSU	January 7, 2013	29,150	489,429
Lan, R.A.	402,000	\$11.36	October 1, 2018	2,182,860	PSU	October 1, 2011	118,000	–
	376,500	\$11.85	January 7, 2020	1,859,910	RSU	October 1, 2011	59,000	990,610
					PSU	January 7, 2013	112,800	–
					RSU	January 7, 2013	56,400	946,956
Maksymetz, G.	79,000	\$11.36	October 1, 2018	428,970	PSU	October 1, 2011	40,600	–
	147,500	\$11.85	January 7, 2020	728,650	RSU	October 1, 2011	20,300	340,837
					PSU	January 7, 2013	44,300	–
					RSU	January 7, 2013	22,150	371,899
McCain, J.S.	208,000	\$11.36	October 1, 2018	1,129,440	PSU	October 1, 2011	61,000	–
	195,000	\$11.85	January 7, 2020	963,300	RSU	October 1, 2011	30,500	512,095
					PSU	January 7, 2013	58,300	–
					RSU	January 7, 2013	29,150	489,429

Notes:

- (1) All options were granted with a term of seven years but may expire earlier if the executive ceases to be an employee of the Corporation. The options vest in three equal annual installments. The options expiring in 2018 were two-thirds vested as at December 31, 2013. The option expiring in 2020 are all unvested.
- (2) The in-the-money value was calculated using a value of \$16.79 per share, the December 31, 2013 closing price of the Corporation's shares on the TSX.
- (3) RSUs have been granted under the 2006 RSU Plan. The RSUs are time-vested only over approximately 3 years. The PSU grants vest based on the achievement of cumulative EBITDA margin and RONA targets for a three year period — 2011 through 2013 for the 2011 grant and 2013 through 2015 for the 2013 grant. (The performance criteria are more fully described on under the heading Long Term Incentive Plan on pages 43 and 44 of this Circular.) Depending on the performance, between zero and two shares will vest for each PSU. The number of shares shown in the table above is the maximum number of shares that will be distributed, assuming the Corporation's performance exceeds the maximum performance level.
In March 2014, following approval of the financial statements for 2013, the HRCC determined that the minimum level of achievement was not reached for PSUs granted in 2011, and as a result no shares will vest.
- (4) In respect of the RSUs and PSUs granted, the "market or payout value" is based on:
 - (i) the share price at December 31, 2013, \$16.79; and,
 - (ii) the minimum number of shares that will be distributed. Under the performance vesting formula, the minimum number of shares that may be distributed on the maturity of the PSUs is zero. As disclosed in footnote (3), the actual vesting for the 2011 PSU grants is zero.
- (5) The share-based RSUs and PSUs are distributed immediately on vesting in the form of shares. There are no undistributed vested awards.

Incentive Plan Awards – Valued Vested or Earned in the Year

Name	Option-Based Award – Value Vested During the Year	Share-Based Award – Value Vested During the Year ⁽¹⁾ \$	Non-Equity Incentive Plan Compensation – Value Earned During the Year ⁽²⁾ \$
McCain, M.H.	393,018	2,621,363	
Vels, M.H.	128,898	845,050	
Lan, R.A.	249,240	1,864,080	
Maksymetz, G.	86,118	663,355	
McCain, J.S.	128,898	845,050	

Notes:

- (1) In 2013, RSUs granted on March 2010 and October 2010 vested. In both cases the minimum performance vesting was reached. The March 2010 grant was distributed in the form of shares on May 6, 2013 valued at \$12.68. The Board of Directors amended the 2006 RSU Plan in 2013 to allow either shares or the equivalent cash value to be distributed. For each share vested under the October 2010 grant, \$15.54 in cash was distributed on November 13, 2013 being the weighted average trading price on that day.
- (2) The amounts in this column represent the payments under the STI plan, the details of which are described under the subheading “Short-Term Incentive (STI)” on pages 42 to 43 of this Circular. Due to the below-budget performance of the Corporation, no STI amounts were paid for 2013.

Pension/Retirement Plans

Pension Plans

Messrs. M.H. McCain, Vels, Maksymetz and J.S. McCain participate in the Corporation’s registered defined benefit and non-registered supplemental defined benefit retirement plans in Canada. The Corporation’s defined benefit plans have been closed to new employees since April 2004 when they were replaced with defined contribution plans. Mr. Lan participates in the Corporation’s qualified 401(k) plan in the United States.

Pension Table – Defined Benefit Plans

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

- Years of credited service as at December 31, 2013 and at age 65;
- Estimated annual benefit accrued, or earned, for service to December 31, 2013 and to the normal retirement age of 65; and,
- A reconciliation of the accrued obligation from December 31, 2012 to December 31, 2013.

Name	Number of Years of Credited Service ⁽¹⁾		Annual Benefits Payable ⁽²⁾		Opening present value of defined benefit obligation at December 31, 2012 ⁽³⁾⁽⁷⁾ \$	2013 Compensatory Change ⁽⁴⁾⁽⁷⁾ \$	2013 Non-Compensatory Change ⁽⁵⁾⁽⁷⁾ \$	Closing present value of defined benefit obligation at December 31, 2013 ⁽⁶⁾⁽⁷⁾ \$
	At December 31, 2013	At Age 65 ⁽¹⁾	At December 31, 2013 \$	At Age 65 ⁽¹⁾ \$				
McCain, M.H.	18.7	28.6	366,570	561,276	4,042,533	201,454	(383,908)	3,860,079
Vels, M.H.	22.5	34.9	289,703	449,576	3,334,941	126,940	(339,639)	3,122,242
Maksymetz, G.	13.4	21.6	158,859	255,531	1,886,240	139,448	(98,539)	1,927,149
McCain, J.S.	18.7	26.5	240,389	341,248	2,772,284	143,137	(162,889)	2,752,532

Notes:

- (1) The Number of Years of Credited Service as at December 31, 2013 corresponds to the actual years of service with the Corporation and its subsidiaries. The Number of Years of Credited Service at age 65 is the sum of the number of years of credited service as at December 31, 2013 and the projected years of credited service from December 31, 2013 to the date the executive turns 65. Although the Corporation’s pension plans do not prohibit granting years of service in addition to years of membership, this option has been used infrequently in the last 10 years.
- (2) The Annual Benefits Payable is the amount of lifetime pension payable in the normal form. Messrs. M.H. McCain, Vels, Maksymetz and J.S. McCain were not eligible to retire at December 31, 2013. For them, the amount of Annual Benefits Payable at December 31, 2013 is the pension the NEO would be entitled to starting at age 65 based on termination of employment at December 31, 2013. The amount is

based on the years of credited service earned to December 31, 2013 and on average pensionable earnings at December 31, 2013. For all NEOs, the Annual Benefits Payable at age 65 is the Annual Benefits Payable at December 31, 2013 increased to reflect credited service at age 65. Pensionable earnings are composed of salary only, and exclude annual cash incentive payments and other compensation. The NEOs are fully vested in their pension entitlements earned to December 31, 2013.

- (3) The opening present value of defined benefit obligation is the value of the projected pension earned for service to December 31, 2012. The values have been determined as at December 31, 2013 based on actual pensionable earnings adjusted to reflect expected increases to retirement.
- (4) The 2013 Compensatory Change is the value of the projected pension earned for service during 2013 as well as experience gains and losses arising from the NEO's salary increase for the year being greater or lesser than the assumption used. The values have been determined as at December 31, 2013 based on actual pensionable earnings adjusted to reflect expected increases to retirement. The valuation method and assumptions are those used for purposes of the Corporation's financial statements. Information regarding the method and assumptions is in Note 10 to the financial statement for December 31, 2013.
- (5) The 2013 Non-Compensatory Change includes interest accruing on the beginning-of-year obligation, other experience gains and losses, and changes in interest rate assumptions resulting from changes in long-term bond yields.
- (6) The closing present value of defined benefit obligation is the value of the projected pension earned for service to December 31, 2013. The values have been determined as at December 31, 2013, based on actual pensionable earnings adjusted to reflect expected increases in pensionable earnings.
- (7) The calculations of reported amounts use the same actuarial assumptions and methods that are used for calculating accrued benefit obligations and annual expenses, as disclosed in the Corporation's 2013 and 2012 consolidated financial statements at Note 10, and as prescribed by the International Financial Reporting Standards. The methods and assumptions used to determine estimated amounts will not be identical to the methods and assumptions used by other issuers and, as a result, the figures may not be directly comparable across issuers. In accordance with Canadian generally accepted accounting principles, the amounts above make no allowance for the different tax treatment of the portion of pension not paid from the registered pension plans. All amounts shown above are based on assumptions and represent contractual entitlements that may change over time.

Pension Table – Defined Contribution Plans

The table below shows pension details for the NEO participating in the Corporation's qualified 401(k) plan in the United States. It also shows the account balances for December 31, 2012 and December 31, 2013 and the Corporation's contribution to the plan on his behalf (reflected as 2013 Compensatory Change).

Name	Accumulated Value at December 31, 2012 ⁽¹⁾ \$	2013 Compensatory Change ⁽²⁾ \$	Accumulated Value at December 31, 2013 ⁽¹⁾ \$
R.A. Lan	601,261	10,505	895,850
Supplemental Information: In US\$ ⁽¹⁾	603,192	10,200	842,281

Notes:

- (1) The accumulated value of the pension account is held in US dollars and is translated to Canadian dollars using the exchange rates of \$0.9968 per US\$1.00 as at December 31, 2012 and \$1.0636 per US\$1.00 as at December 31, 2013. Amounts other than the year-end balances have been converted using an average exchange rate for the year of \$1.0299 per US\$1.00.
- (2) The 2013 Compensatory Change amount is the contribution made by the Corporation to the plan in 2013 in respect of the NEO, and is based on eligible earnings in 2013.

Summary of Defined Benefit Plan Provisions (Canada)

Messrs. M.H. McCain, Vels, Maksymetz and J.S. McCain participate in defined benefit arrangements, as summarized below.

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

The annual pension benefit is determined as follows:

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

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

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

Designated executives (which include NEOs) are not required to contribute to the plan.

Summary of Defined Contribution Plan Provisions (U.S. 401(k))

Mr. Lan participates in the Maple Leaf Foods USA Retirement Plan, which is a qualified 401(k) plan available to employees on a voluntary basis. Employees may elect to contribute annually up to 60% of their eligible earnings to a maximum of \$17,500 in 2013. Eligible earnings include salary, annual cash incentive payments and other compensation to a yearly maximum amount. In 2013, the maximum was US\$255,000. The Corporation matches 100% of the participant's annual contribution for the first 3.0% of eligible earnings plus 50% for the next 2.0% of eligible earnings to a maximum match of 4.0%. Contributions are deposited into the participant's account and invested according to the investment elections made by the participant. The Corporation's portion of a participant's account vests immediately. Participants are permitted, while employed by the Corporation, to make withdrawals from their account after 59 ½ years of age. Otherwise, a participant's account is distributed when the participant leaves the Corporation or becomes permanently disabled. A non-qualified supplemental benefit plan is not offered by the Corporation.

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

Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding During 2013 ⁽¹⁾ (\$)	Amount Outstanding as at March 20, 2014 (\$)	Financially Assisted Securities Purchases During 2013 (#)	Security for Indebtedness	Amount Forgiven During 2013 (\$)
R.A. LAN President, Chief Operating Officer, Foods Group	Amounts owing to the Corporation	2,506,934	2,427,953	—	None	None
E.J. HUTCHINSON, formerly the Chief Information Officer	Amounts owing to the Corporation	\$ 198,459	\$ —	—	None	None

Note:

(1) The indebtedness for payments of tax withholding made by the Corporation directly to tax authorities. No amounts were paid or loaned to the employee. Nonetheless, the amount in the table will be reimbursed to the Corporation by the employee. In 2012, the Corporation determined that for a number of years it had not made certain payroll tax deductions and remittances in all required jurisdictions for certain cross-border employees who are required by the Corporation to perform some of their work away from their home base, including Mr. Lan. and Mr. Hutchinson. The Corporation made the necessary corrections, paid the required payroll tax remittances and implemented a tax equalization policy under which it reimburses employees for the net additional taxes that result from work in a foreign jurisdiction.

The amount of the income tax remittances made by the Corporation for these years exceeds the tax equalization cost by the amounts in the table. Under the tax reimbursement policy, Mr. Lan and Mr. Hutchinson are obligated to pay these amounts to the Corporation at the time they each receive the corresponding income tax refunds from the US tax authorities.

Termination and Change of Control Benefits

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

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

Reason for Termination of Employment	Termination of RSUs	Termination of Options
Termination by the Corporation for Cause	RSUs held expire on the date of termination.	Options held expire on the date of termination.
Termination by Voluntary Resignation	RSUs held expire on the date of termination.	Options held expire 30 days following the date of termination.
Termination by the Corporation Without Cause	RSUs granted less than six months before the date of termination expire on termination. RSUs granted more than six months before the date of termination – a proportionate ⁽¹⁾ number of units continue to be held to the maturity/distribution date.	Unvested options held expire on the date of termination. Vested options held expire 30 days following the date of termination.
Retirement from the Industry ⁽²⁾	RSUs granted less than six months before the date of termination expire on termination. RSUs granted more than six months before the date of termination continue to be held to the maturity/distribution date.	Options granted less than six months before the date of termination expire on termination. Options granted more than six months before the date of termination continue to be held until exercised or the normal expiry date.
Normal Retirement ⁽³⁾	RSUs granted less than six months before the date of termination expire on termination. RSUs granted more than six months before the date of termination continue to be held to the maturity/distribution date.	Unvested options that do not, in accordance with term of the award, vest within 11 months of the date of retirement expire on the date of retirement. Vested options as of the date of retirement and options that, in accordance with term of the award, vest within 11 months of the date of retirement expire 12 months following the date of retirement
Early Retirement ⁽⁴⁾	RSUs granted less than six months before the date of termination expire on termination. RSUs granted more than six months before the date of termination – a proportionate ⁽¹⁾ number of units continue to be held to the maturity/distribution date.	Unvested options that do not, in accordance with term of the award, vest within 11 months of the date of retirement expire on the date of retirement. Vested options as of the date of retirement and options that, in accordance with term of the award, vest within 11 months of the date of retirement expire 12 months following the date of retirement.

Notes:

- (1) On maturity, the employee will receive a proportion of the distribution he or she would have been entitled to had he or she remained employed with the Corporation. The proportion is equal to the number of months from the date of grant to the date of termination, to the number of months from the date of grant to the distribution date. For example, assume an employee was granted RSUs in an award with a three year vesting period. If the employee is terminated by the Corporation without cause or takes early retirement after one year, one-third of the full amount of the final distribution will be distributed.

- (2) Retirement from the industry is defined as termination of employment other than by the Corporation for cause, at the time when the employee is 55 or older with a minimum of five (5) years of service and the employee agrees not to provide any services directly or indirectly to any company or other organization that competes with the Corporation in the industry in which the executive was engaged by the Corporation.
- (3) Normal retirement is defined as termination of employment other than by the Corporation for cause, at the time when the employee is 60 years or older and has at least 10 years of service.
- (4) Early retirement is defined as termination of employment other than by the Corporation for cause, at the time when the employee is 55 years or older and has at least 10 years of service.

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

1982 OPTION PLAN

The 1982 Option Plan became effective April 16, 1982, and was last amended effective April 24, 2008. Options are no longer granted under the 1982 Option Plan and no options previously granted under that plan remain outstanding and available for exercise.

Eligibility

Key employees of the Corporation, its subsidiaries and partnerships (including directors if they were full-time employees of the Corporation) were eligible to receive options to purchase common shares of the Corporation under the 1982 Option Plan. Employees eligible to be granted options under the plan were determined by the Board.

Exercise Price

Under the 1982 Option Plan the exercise price of the options is to be not less than the weighted average trading price at which the common shares of the Corporation were traded on the TSX for the 10 days prior to the date of grant of the option, as determined by the applicable Board committee.

Number of Shares

The maximum number of common shares of the Corporation that could be issued after March 5, 1999 was set at 15,099,000. This maximum amount is subject to adjustment if the Corporation issues stock dividends or rights; the common shares are subdivided, consolidated or changed; the Corporation amalgamates, merges or consolidates with another corporation; or, another similar event occurs. The table below indicates the status of the shares reserved for option grants under the 1982 Option Plan as of February 28, 2014. As stated above, however, options are no longer granted under the 1982 Option Plan.

	Number of Shares or Options ⁽¹⁾	Percentage of Shares Outstanding ⁽¹⁾
Shares issued pursuant to the exercise of options since March 5, 1999	8,837,386	6.3%
Options granted and outstanding	–	0.0%
Options available for future grants	6,261,614	4.5%
Total number of shares reserved for issue after March 5, 1999	15,099,000	

Note:

(1) The number of options and shares and percentage of the number of shares outstanding are given as at February 28, 2014.

Exercise Periods/Term of Options/Assignability

The Board sets the period during which an option can be exercised, but such period will not exceed 10 years from the date on which the option is granted (in this section, the “Expiry Date”). Unless the Board determines otherwise, options granted under the 1982 Option Plan expire at the earlier of (a) the Expiry Date; (b) 12 months from the date of retirement of a participant; (c) 12 months after the death of a participant; or (d) 30 days after the date of termination of employment. Options granted under the 1982 Option Plan can not be assigned.

Limits on Individual and Insider Participation

The 1982 Option Plan limits insider participation by restricting the number of common shares reserved for issue or issued under this and all other Maple Leaf Foods stock option agreements to a maximum of 10% of issued and outstanding common shares. In addition, the Corporation will not issue or reserve for issue to a single participant together with his or her associates more than 5% of the issued and outstanding common shares within any one-year period.

Amendments

Originally, the 1982 Option Plan provided that the Board may amend or terminate the 1982 Option Plan at any time subject to the receipt of necessary regulatory approvals and certain other conditions. On April 24, 2008, shareholders

approved a resolution which revised the amendment provisions to specify more clearly which amendments require shareholder approval, and to automatically extend the expiry of an option outstanding under the plan to 10 days following a corporate black-out period (during which insiders of the Corporation cannot trade in its shares) where the option would otherwise expire within two days of the start or end of a corporate black-out period.

2004 SHARE INCENTIVE PLAN

The 2004 Share Incentive Plan was adopted on September 8, 2004, and was last amended effective April 24, 2008. It allows awards of both share options and RSUs.

Eligibility

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

Exercise Price of Options

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

RSUs

The 2004 Share Incentive Plan allows for RSUs. Upon completion of the time-vesting service requirements and achievement of the performance-vesting requirements that may be imposed by the Board, each RSU entitles the employee to receive one fully paid share of the Corporation's stock from treasury.

Number of Shares

The maximum number of shares that may be issued upon the exercise of options under the 2004 Share Incentive Plan is 14,077,799 less any shares that were issued after September 8, 2004 upon the exercise of options granted under the 1982 Option Plan. (The Corporation did not grant any share options between September 2006 and October 2011 when it resumed granting share options under the 2004 Share Incentive Plan.) In addition, 2,200,000 shares are reserved to cover the issue and eventual vesting of RSUs. The table below indicates the status of the shares reserved for option and RSU grants under the 2004 Share Incentive Plan as of February 28, 2014.

	Options		RSUs	
	Number of Shares or Options ⁽¹⁾	Percentage of Shares Outstanding ⁽¹⁾	Number of Shares or RSUs ⁽¹⁾	Percentage of Shares Outstanding ⁽¹⁾
Shares issued pursuant to the exercise of options or distribution of RSUs under the 2004 Share Incentive Plan	286,400	0.2%	602,020	0.4%
Shares issued pursuant to the exercise of options under the 1982 Option Plan after September 8, 2004	6,516,185	4.6%		
Options and RSUs granted and outstanding under the 2004 Share Incentive Plan	4,679,800	3.3%		–
Options granted and outstanding under the 1982 Option Plan	–	0.0%		
Options and RSUs available for future grants	2,595,414	1.9%	1,597,980	1.1%
Total number of shares reserved for issue	14,077,799		2,200,000	

Note:

(1) The number of options, RSUs and shares and percentage of the number of shares outstanding are given as of February 28, 2014.

Exercise Periods/Term of Options and RSUs/Assignability

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

Unless otherwise determined by the Board and subject to the earlier expiration of the option or RSU, participants whose employment with the Corporation ceases due to retirement or death are entitled to exercise any options or receive shares due to vesting of RSUs for the one-year period following death or retirement. In the event of a voluntary

resignation by the employee and subject to the earlier expiration of the options, vested options on the last date of employment are exercisable for a 30-day period afterward but RSUs that have not vested are forfeited. While the same 30-day period applies if the participant's employment is terminated without cause by the Corporation, the Board has the discretion to amend the time limit. If employment is terminated with cause, all vested and unvested options and RSUs expire on the date of termination. The Board and the HRCC have adopted extended holding periods for holders of RSUs and options in the event of termination of employment under certain conditions, such as early retirement. The details are found on page 55.

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

Limits on Individual and Insider Participation

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

Share Capital Adjustments

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

Vesting

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

Amendment

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

Equity Compensation Plan Information as at December 31, 2013

The following table provides information as at December 31, 2013, with respect to the equity compensation plans of the Corporation.

The share options and RSUs that have been issued to employees are described in Note 24 to the Corporation's 2013 consolidated financial statements. The financial statements are available from the Corporation's website at www.mapleleaf.ca and on SEDAR at www.sedar.com.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by securityholders	4,679,800	\$11.60 ⁽¹⁾	4,193,394
Equity compensation plans not approved by securityholders	–	–	–
Total⁽²⁾	4,679,800	\$11.60⁽¹⁾	4,193,394

Notes:

- (1) Options granted under the 2004 Share Incentive Plan. No RSUs under the 2004 Share Incentive Plan were outstanding at December 31, 2013.
- (2) In 2006, the Corporation also implemented the 2006 RSU Plan, in which awards are satisfied with shares that will be purchased on the TSX. The awards under that plan are not included in the above figures as no shares will be issued from treasury to satisfy those awards.

2006 RSU Plan

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

Eligibility

Under the 2006 RSU Plan, the Board is authorized to grant RSUs to full-time employees of the Corporation, its affiliates and partners.

Vesting Under the 2006 RSU Plan

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

Number of Shares

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

Term of RSUs/Forfeiture/Assignability

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

Limits on Individual and Insider Participation

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

Share Capital Adjustments

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

Vesting

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

Amendment

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

2013 SHARE PURCHASE AND DEFERRED SHARE UNIT PLAN (“2013 DSU Plan”)

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

Eligibility

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

Election to Participate

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

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

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

Distribution on the DSUs

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

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

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

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

Number of Shares

The maximum number of common shares that may be issued by the Corporation from treasury pursuant to the 2013 DSU Plan is 700,000. There is no limit, however, on the number of common shares that may be purchased by the Corporation or its designee on the TSX to satisfy DSUs outstanding under or governed by the 2013 DSU Plan subject to any requirements of the TSX. The table below indicates the status of the shares reserved for DSU grants under the 2013 DSU Plan as of February 28, 2014.

	Number of Shares or DSUs⁽¹⁾	Percentage of Shares Outstanding⁽¹⁾
Shares issued from treasury pursuant to the distribution of DSUs	–	0.0%
DSUs granted and outstanding	331,585	0.2%
DSUs available for future grants ⁽²⁾	368,415	0.3%
Total number of shares reserved for issue	700,000	0.5%

Notes:

- (1) The number of DSUs and shares and percentage of the number of shares outstanding are given as of February 28, 2014.
- (2) Number of DSUs available for future grants to be satisfied by shares issued from treasury assuming that all granted and currently outstanding DSUs are satisfied by the shares issued from treasury. DSUs can be satisfied in cash or by shares purchased on the TSX.

Limits on Individual and Insider Participation

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

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

Share Capital Adjustments

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

Transfers of DSUs

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

Effect of Death of a Participant

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

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

Amendments

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

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

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

Examples of amendments that can be made to the 2013 DSU Plan without shareholder approval include (i) those of a technical or "housekeeping" nature or (ii) those that are necessary to conform the Plan to the requirements of

applicable law or applicable regulatory requirements (including, without limitation, the rules, regulations and policies of the TSX) unless those amendments are required to be approved by shareholders under applicable law or such regulatory requirements.

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

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

The total premium paid by the Corporation for directors' and officers' liability insurance in the last completed financial year was \$164,285, including taxes. No part of the premium is paid by any officer or director.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the informed persons of the Corporation, as that term is defined in National Instrument 51-102, nor any proposed director of the Corporation, nor any associate or affiliate of any such person had any direct or indirect material interest, since January 1, 2013, in respect of any transaction or proposed transaction that has materially affected or will materially affect the Corporation or any of its subsidiaries.

OTHER BUSINESS

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

RECEIPT OF SHAREHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

Any shareholder who intends to present a proposal at our 2015 annual meeting of Shareholders must send the proposal to the Corporation's Corporate Secretary at Suite 1500, 30 St. Clair Avenue West, Toronto, Ontario, Canada M4V 3A2. In order for the proposal to be included in the proxy materials sent to shareholders for that meeting, the proposal must be received by the Corporation no later than December 19, 2014 and must comply with the requirements of Section 137 of the *Canada Business Corporations Act*.

ADDITIONAL INFORMATION

Additional documents of the Corporation including the most recent Annual Information Form (including any documents incorporated by reference); the Annual Report, including the audited financial statements of the Corporation and management's discussion and analysis for its most recently completed financial year; interim financial statements; and the Management Proxy Circular in respect of its most recent annual meeting of shareholders, are available upon written request from the Senior Vice-President and Corporate Secretary, Maple Leaf Foods Inc., Suite 1500, 30 St. Clair Avenue West, Toronto, Ontario, Canada M4V 3A2. The above information and additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year.

DIRECTORS' APPROVAL

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

A handwritten signature in black ink, appearing to read 'R. Cappuccitti', written in a cursive style.

R. Cappuccitti
Senior Vice-President and Corporate Secretary

Toronto, Ontario, Canada
March 20, 2014

APPENDIX A

MEETING FREQUENCY AND ATTENDANCE

ATTENDANCE BY COMMITTEE

BOARD/COMMITTEE	NUMBER OF MEETINGS	ATTENDANCE AT ALL MEETINGS	ATTENDANCE AT REGULARLY SCHEDULED MEETINGS
Board of Directors	12 meetings	95%	94%
Audit Committee (“AC”)	7 meetings	96%	96%
Corporate Governance Committee (“CGC”)	3 meetings	100%	100%
Environment, Health and Safety Committee (“EHSC”)	3 meetings	92%	92%
Human Resources and Compensation Committee (“HRCC”)	11 meetings	89%	90%
Special Committee – (“SC”)	3 meetings	79%	N/A
Average for all meetings	39 meetings	93%	94%

ATTENDANCE BY DIRECTOR

DIRECTOR	ALL MEETINGS							REGULARLY SCHEDULED MEETINGS ⁽¹⁾		
	Board	AC	CGC	EHSC	HRCC	SC	Board and All Committees	Total		
W.G. Beattie	9/12		3/3		9/11	1/3	22/29	76%	13/16	81%
G.A. Boland	11/12		3/3		9/11	3/3	26/29	90%	14/16	88%
J.L. Bragg	11/12	6/7		3/3		2/3	22/25	88%	15/17	88%
D.L. Emerson	12/12		3/3	3/3		3/3	21/21	100%	14/14	100%
J. Gandz	11/12		3/3	2/3		1/3	17/21	81%	12/14	86%
C.R. Lamoureux	12/12	7/7			10/11	3/3	32/33	97%	19/19	100%
J.S. McCain	12/12						12/12	100%	8/8	100%
M.H. McCain	12/12						12/12	100%	8/8	100%
D.E. McGarry	12/12	7/7		3/3		3/3	25/25	100%	17/17	100%
J.P. Olson	12/12	7/7			11/11	3/3	33/33	100%	19/19	100%
	114/120	27/28	12/12	11/12	39/44	19/24	222/240	93%	139/148	94%
	95%	96%	100%	92%	89%	79%	93%		94%	

Note :

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

APPENDIX “B”

SHAREHOLDER RIGHTS PLAN RESOLUTION

BE IT RESOLVED THAT:

- (a) the amended and restated shareholder rights plan agreement effective as of December 5, 2011 between the Corporation and Computershare Investor Services Inc., as rights agent, is hereby reconfirmed; and
- (b) any one director or officer of the Corporation is hereby authorized and directed to execute, whether under the corporate seal of the Corporation or otherwise, and to deliver all such confirmations, instruments, agreements, certificates and other documents and to do all such other acts and things as in his or her opinion may be necessary or desirable in connection with the foregoing.

APPENDIX “C”

SUMMARY OF SHAREHOLDER RIGHTS PLAN

Maple Leaf Foods Inc. (the “Corporation”) adopted and entered into an amended and restated shareholder rights plan agreement (the “Shareholder Rights Plan”) with Computershare Investor Services Inc. on December 5, 2011. The purpose of the Shareholder Rights Plan is to provide the Board of Directors and holders (the “Shareholders”) of the common shares (the “Common Shares”) of the Corporation with sufficient time to properly consider any take-over bid made for the Corporation and to allow enough time for competing bids and alternative proposals to emerge. The Shareholder Rights Plan also seeks to ensure that all Shareholders are treated fairly in any transaction involving a change of control of the Corporation and that all Shareholders have an equal opportunity to participate in the benefits of a take-over bid. The Shareholder Rights Plan encourages potential acquirers to negotiate the terms of any offer for Common Shares with the Board of Directors or, alternatively, to make a Permitted Bid (as defined in the Shareholder Rights Plan) without the approval of the Board of Directors. The Shareholder Rights Plan also addresses several deficiencies that are widely believed to be inherent in the provisions of current legislation governing take-over bids in Canada.

The summary of the Shareholder Rights Plan set out herein only includes the material terms and conditions of the Shareholder Rights Plan. The summary is qualified by and is subject to the full terms and conditions of the Shareholder Rights Plan. The full text of the Shareholder Rights Plan is contained in the agreement (the “Agreement”) dated as of December 5, 2011, between the Corporation and Computershare Investor Services Inc., as rights agent. As required under the Agreement, the Agreement is subject to reconfirmation by Shareholders at every third annual meeting following the meeting at which the Agreement was confirmed.

Issuance of Rights

The Shareholder Rights Plan provides that one right (a “Right”) be issued to Shareholders of record as of the close of business on July 27, 2011 in respect of each of the outstanding Common Shares, as well as in respect of each Common Share issued after July 27, 2011 and prior to the earlier of the Separation Time (as defined below) or the Expiration Time (as defined in the Shareholder Rights Plan).

Trading of Rights

Notwithstanding the effectiveness of the Shareholder Rights Plan, the Rights are not exercisable until the Separation Time and certificates representing the Rights will not be sent to the Shareholders. Certificates for the Common Shares issued after July 27, 2011 will contain a notation incorporating the Shareholder Rights Plan by reference. Until the Separation Time, or earlier termination or expiry of the Rights, the Rights are evidenced by and transferred with the associated Common Shares and the surrender for transfer of any certificate representing Common Shares also will constitute the surrender for transfer of the Rights associated with those Common Shares. After the Separation Time, the Rights will become exercisable and begin to trade separately from the associated Common Shares. The initial “Exercise Price” under each Right in order to acquire a Common Share is five times the Market Price at the Separation Time. “Market Price” is generally defined as the average of the daily closing prices per Common Share on each of the 20 consecutive trading days through and including the trading day immediately preceding the Separation Time.

Separation of Rights

The Rights will become exercisable and begin to trade separately from the associated Common Shares at the Separation Time, which, unless deferred by the Board of Directors in the instances permitted by the Shareholder Rights Plan, is generally the close of business on the tenth trading day after the earliest to occur of:

- (a) a public announcement that a person or a group of affiliated or associated persons has acquired beneficial ownership of 20% or more of the outstanding Voting Shares (i.e. become an Acquiring Person) other than as a result of, among other things, (i) a reduction in the number of Common Shares outstanding, (ii) a “Permitted Bid” or a “Competing Permitted Bid” (each as defined below), (iii) certain specified “Exempt Acquisitions” (as defined

below), (iv) an acquisition by a person of Voting Shares pursuant to a stock dividend, stock split or other “Pro Rata Acquisition” (as defined in the Shareholder Rights Plan), and (v) an acquisition by a person of Voting Shares upon the exercise, conversion or exchange of a security convertible, exercisable or exchangeable into a Voting Share received by a person pursuant to (ii), (iii) or (iv), above;

- (b) the date of commencement of, or the first public announcement of an intention of any person (other than the Corporation or any of its subsidiaries) to commence, a take-over bid (other than a Permitted Bid or a Competing Permitted Bid) where the Voting Shares subject to the bid, together with the Voting Shares beneficially owned by that person (including affiliates, associates and others acting jointly or in concert therewith), would constitute 20% or more of the outstanding Voting Shares; and
- (c) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such.

An “Exempt Acquisition” would include the acquisition of Voting Shares or securities convertible into Voting Shares (i) in respect of which the Board of Directors has waived the application of the Shareholder Rights Plan, (ii) pursuant to a distribution made under a prospectus or private placement provided that the person does not increase his, her or its ownership percentage in such transaction, (iii) pursuant to an amalgamation, arrangement or other statutory procedure requiring Shareholder approval, (iv) pursuant to equity compensation plans of the Corporation, provided, however, no Grandfathered Person acquires beneficial ownership of more than 2.5% of the outstanding Voting Shares after December 5, 2011 under any such equity compensation plans, (v) pursuant to the governance agreement between the Corporation, Michael H. McCain and McCain Capital Corporation providing for the acquisition by Michael H. McCain of 43,890,784 Common Shares owned by McCain Capital Corporation and up to 549,861 Common Shares owned by Elmar Holdco Limited (G. Wallace F. McCain’s former personal investment company), (vi) pursuant to other contractual arrangements in respect of a Voting Share acquisition from treasury entered into by the Corporation after the date of the Shareholder Rights Plan provided that the person does not increase his, her or its ownership percentage in such transaction, and (vii) pursuant to the exercise of Rights.

An Acquiring Person does not include a holder of 20% or more of the outstanding Voting Shares on the date the Shareholder Rights Plan was implemented (a “Grandfathered Person”), provided that such Grandfathered Person acquires no more Voting Shares, other than through one of the exemptions set out in the Shareholder Rights Plan or is in an amount that does not exceed 1% of the outstanding Voting Shares. As of the date of this Management Proxy Circular, the only Grandfathered Person under the Shareholder Rights Plan is Michael H. McCain.

As soon as practicable following the Separation Time, separate certificates evidencing rights (“Rights Certificates”) will be mailed to the holders of record of the Common Shares as of the Separation Time and the Rights Certificates alone will evidence the Rights.

When Rights Become Exercisable

After the Separation Time, each Right entitles the holder thereof to purchase one Common Share at the Exercise Price. Following a transaction that results in a person becoming an Acquiring Person (a “Flip-in Event”), the Rights entitle the holder thereof to receive, upon exercise, such number of Common Shares that have an aggregate market value (as of the date of the Flip-in Event) equal to twice the then Exercise Price for an amount in cash equal to the Exercise Price. In such event, however, any Rights beneficially owned by an Acquiring Person (including affiliates, associates and others acting jointly or in concert therewith), or certain transferees of any such person, will be void. By permitting holders of Rights other than an Acquiring Person to acquire Common Shares at a discount to the Market Price, the Rights have the potential to cause substantial dilution to an Acquiring Person. Accordingly, the Shareholder Rights Plan acts as a deterrent to potential Acquiring Persons and forces them to either make a Permitted Bid or negotiate with the Board of Directors to avoid application of the Shareholder Rights Plan.

Permitted Bids

The Shareholder Rights Plan includes a “Permitted Bid” concept whereby a take-over bid will not trigger a separation of the Rights (and will not cause the Rights to become exercisable) if the bid meets certain conditions. A “Permitted

Bid” is defined as an offer to acquire Voting Shares made by means of a take-over bid circular where the Voting Shares (including Voting Shares that may be acquired upon conversion of securities convertible into Voting Shares) subject to the offer, together with Voting Shares beneficially owned by the offeror at the date of the offer (including its affiliates, associates and others acting jointly or in concert therewith), constitute 20% or more of the outstanding Voting Shares and that also complies with the following additional provisions:

- (a) the bid must be made to all the holders of Voting Shares as registered on the books of the Corporation, other than the offeror; and
- (b) the bid must also contain the following irrevocable and unqualified conditions: (i) no Voting Shares will be taken up or paid for prior to the close of business on the 60th day following the date of the bid and then only if more than 50% of the Voting Shares held by Independent Shareholders (as defined below) have been deposited or tendered to the bid and not withdrawn, (ii) Voting Shares may be deposited pursuant to the bid, unless it is withdrawn, at any time prior to the date Voting Shares are first taken up or paid for under the bid, (iii) Voting Shares deposited pursuant to the bid may be withdrawn until taken up or paid for, and (iv) if the deposit condition referred to in (b)(i) above is satisfied, the offeror will extend the bid for deposit of Voting Shares for at least 10 business days from the date such extension is publicly announced and, if such bid is a partial bid, not take up any Voting Shares under the bid until the expiry of such 10 business day period.

“Independent Shareholders” is defined generally as holders of Voting Shares other than (i) an Acquiring Person, (ii) any offeror making a take-over bid, (iii) any affiliate or associate of an Acquiring Person or offeror, (iv) persons acting jointly or in concert with an Acquiring Person or offeror, and (v) employee benefit, stock purchase or certain other plans or trusts for employees of the Corporation unless the beneficiaries of such plans or trusts direct the voting or tendering to a take-over bid of the Voting Shares.

Competing Permitted Bids

A “Competing Permitted Bid” is a take-over bid made after a Permitted Bid has been made and prior to expiry of such Permitted Bid that satisfies all of the provisions of a Permitted Bid, except that it must remain open for acceptance until at least the later of (i) 35 days after the date of the bid and (ii) 60 days after the earliest date on which another Permitted Bid then in existence was made, and only if at that date more than 50% of the Voting Shares owned by Independent Shareholders have been deposited to the Competing Permitted Bid and not withdrawn.

Redemption and Waiver

Under the Shareholder Rights Plan, the Board of Directors can (i) waive the application of the Shareholder Rights Plan to enable a particular take-over bid to proceed, in which case the Shareholder Rights Plan will be deemed to have been waived with respect to any other take-over bid made prior to the expiry of any bid subject to such waiver, or (ii) with the prior approval of the holders of Voting Shares or Rights, as the case may be, redeem the Rights at a redemption price of \$0.00001 per Right at any time prior to a Flip-in-Event. Rights are deemed to have been redeemed if a bidder successfully completes a Permitted Bid or a Competing Permitted Bid.

Protection Against Dilution

The Exercise Price, the number and nature of Common Shares that may be purchased upon the exercise of Rights and the number of Rights outstanding are subject to adjustment from time to time to prevent dilution in the event of stock dividends, subdivisions, consolidations, reclassifications or other changes in the outstanding Common Shares, pro rata distributions to holders of Common Shares and other circumstances where adjustments are required to appropriately protect the interests of the holders of Rights.

