Notice of 2020 Annual General Meeting of Shareholders

and

Management Information Circular

Annual General Meeting: May 12, 2020, 11:30 a.m. (Atlantic Time)
High Liner Foods Incorporated
100 Battery Point
Lunenburg, Nova Scotia
Virtually: https://web.lumiagm.com/214797378 Password: highliner2020 (case sensitive)

These shareholder materials are being sent to both registered and non-registered owners of the shares of High Liner Foods Incorporated. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name, address and information about your holdings of shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your voting instructions. Please return your voting instructions on your completed Proxy or Voting Instruction Form.

March 23, 2020

HIGH LINER FOODS

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The 2020 Annual General Meeting (the "Meeting") of the Shareholders of High Liner Foods Incorporated (the "Company" or "High Liner") will be held at High Liner's headquarters in Lunenburg, Nova Scotia, on May 12, 2020 at 11:30 a.m. (Atlantic Time) for the following purposes:

1. **To receive the annual financial statements of the Company for the fiscal year ended December 28, 2019, and the report of the auditors;**
2. **To elect directors to the Board of the Company for 2020;**
3. **To appoint auditors for 2020 and permit the directors to fix their remuneration;**
4. **To approve the advisory resolution to accept the Company's approach to executive compensation disclosed in the Management Information Circular; and**
5. **To transact such other business as may be properly brought before the Meeting.**

This year, High Liner is using a virtual meeting tool that will allow participation in the Meeting online or by phone. In response to the unprecedented and evolving public health impact of coronavirus disease 2019, also known as COVID-19, and to mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders, **High Liner asks that all participation in the Meeting be through the virtual meeting tool that can be found https://web.lumiagm.com/214797378 password: highliner2020 (case sensitive)**.

All registered holders of common shares of the Company (a "**Share**") as at the commencement of the Meeting are entitled to participate and vote at the Meeting. To ensure your votes are counted in the Meeting, all Shareholders are strongly encouraged to please complete, date, sign and **return the enclosed proxy not later than 24 hours before the Meeting** using the postage prepaid envelope enclosed for that purpose or send by fax to 1.866.781.3111 or send by email to proxyvote@astfinancial.com or vote directly online at www.astvotemyproxy.com or by telephone at 1.888.489.5760.

Any shareholder or proxyholder intending to participate at the Meeting other than using the virtual meeting tool identified in this Notice and described in High Liner's Management Information Circular, or to vote other than in advance by proxy, must contact High Liner in advance either by phone by calling 902.634.6211 or by email at investor@highlinerfoods.com.

The annual financial statements for the fiscal year ending December 28, 2019, together with Management's Discussion and Analysis (the "**MD&A**"), the Management Information Circular and a form of proxy accompany this Notice of Meeting.

Dated at Lunenburg, Nova Scotia as of the 23rd day of March 2020.

By order of the Board
(signed)

Timothy Rorabeck
Corporate Secretary
Executive Vice President, Corporate Affairs
and General Counsel

2020 MANAGEMENT INFORMATION CIRCULAR

TABLE OF CONTENTS

All references to the "**Circular**" mean this Management Information Circular dated March 23, 2020 in connection with the 2020 Annual General Meeting of the Shareholders of High Liner Foods Incorporated to be held on May 12, 2020. In this document "**Shareholders**", "**you**" and "**your**" refer to the holders of Shares of the Company, and "**High Liner Foods**", the "**Company**", "**we**", "**us**" and "**our**" refer to High Liner Foods Incorporated.

The Company's presentation currency is U.S. dollars ("**USD**"). Although the functional currency of the Canadian parent company is Canadian dollars ("**CAD**"), management believes the USD presentation better reflects the total Company's business activities and improves investors' ability to compare the total Company's financial results with other publicly traded businesses in the packaged foods industry (most of which are based in the United States (the "**U.S.**") and report in USD).

Accordingly, the conversion of applicable amounts to USD has been reflected throughout the Circular. For purposes of this conversion, an exchange rate of 1.3273 has been used, representing the average foreign exchange rate for the fiscal year 2019; however different conversion rates are used (where noted) in particular circumstances as required. Unless otherwise noted all reported figures within the Circular are reported in USD.

QUESTIONS & ANSWERS VOTING AND PROXIES

1. HOW DO I PARTICIPATE IN THE MEETING?

This year, High Liner is using a virtual meeting tool that will allow participation in the Meeting online or by phone. In response to the unprecedented and evolving public health impact of coronavirus disease 2019, also known as COVID-19, and to mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders, **High Liner asks that all participation in the Meeting be through the virtual meeting tool that can be found online at https://web.lumiagm.com/214797378 password:highliner2020 (case sensitive)**.

This virtual meeting tool, which is intended to enhance Shareholder engagement, will allow registered Shareholders and proxy holders to participate, ask questions and vote at the Meeting through an online portal. Others who are not registered Shareholders or proxy holders may view a live webcast of the Meeting through https://web.lumiagm.com/214797378, but will not have the ability ask questions or vote through the live webcast.

The situation with COVID-19 continues to evolve as we prepare this document. It is possible that there may be new restrictions or other regulatory actions prior to the Meeting that may impact the procedures or arrangements for the Meeting. If any such developments cause a change in the Meeting arrangements described in this document, High Liner will advise Shareholders by issuing a press release and posting the details on its website.

2. WHO IS ENTITLED TO VOTE?

Shareholders of the Company who are registered as at the commencement of the Meeting are entitled to vote at the Meeting. Each Share of the Company is entitled to one vote.

3. WHAT AM I VOTING ON?

Shareholders of the Company are voting on: a) the election of the directors to the Board of the Company for 2020; b) the appointment of auditors for the Company for 2020 and permitting the directors to fix the auditors' remuneration; and c) the advisory resolution to accept the Company's approach to executive compensation disclosed in the Circular. Management of the Company will also present the Company's annual financial statements for the year ending December 28, 2019, but no vote will be taken on the annual financial statements. Following the Meeting, the Board plans to ratify the directors elected at the Meeting.

4. HOW DO I VOTE MY SHARES?

Please follow the voting instructions based on whether you are a registered or non-registered Shareholder:

- You are a **registered shareholder** if you have a Share certificate issued in your name or appear as the registered Shareholder on the books of the Company.
- You are a **non-registered shareholder** if your Shares are registered in the name of an intermediary (for example, a bank, trust company, investment dealer, clearing agency, or other institution). Please see Question 18 for these voting instructions.

If you are not sure whether you are a registered or non-registered Shareholder, please contact AST by email at inquiries@astfinancial.com. Alternatively, please call AST toll-free at 1-800-387-0825 from Canada and the United States or collect at 416-682-3860 from other locations.

If you are a registered Shareholder, you may sign the enclosed form of proxy appointing the person named. You may also vote your Shares electronically by either telephone or online. Because of the situation relating to COVID-19, if you intend to vote by any other manner, you must contact the Company in advance by calling 902.634.6211 or by email at investor@highlinerfoods.com.

If voting by telephone, please call 1.888.489.5760 (toll-free in Canada and the U.S.) from a touch-tone phone. Using the telephone keypad, enter the 13-digit control number found on your proxy form. Follow the instructions as provided to you over the phone. Note, if voting by phone you will not be able to appoint anyone other than the persons named on your proxy form as your proxy.

If voting online, please go to www.astvotemyproxy.com. Enter the 13-digit control number found on the proxy form and follow the instructions provided online.

Registered Shareholders have the ability to participate, ask questions, and vote at the Meeting using the virtual meeting tool. Eligible registered Shareholders may log in at https://web.lumiagm.com/214797378, click "I have a Control Number", enter the 13-digit control number found on the proxy form accompanying the Circular, enter the **password highliner2020 (case sensitive)**, then click the "Login" button. During the Meeting, you must ensure you are connected to the Internet at all times in order to vote when polling is commenced on the resolutions put before the Meeting. It is your responsibility to ensure Internet connectivity. **Non-registered Shareholders will not have the ability to vote or ask questions through the virtual meeting tool unless they have appointed themselves as described in Question 18.** However, non-registered shareholders unable to attend the Meeting in person may view a live webcast of the Meeting by going to the same URL as above and clicking "I am a guest" or on our website at www.highlinerfoods.com and can be located in our *Investor Center: Webcast* section of the website.

5. WHO IS SOLICITING MY PROXY?

The enclosed form of proxy is being solicited by management of the Company and the associated costs will be borne by the Company. The solicitation will be distributed mainly by mail and may also be preformed by email, telephone or fax by an authorized representative of the Company.

6. WHO CAN I CALL WITH QUESTIONS?

If you have questions about information contained in this Circular or require assistance in completing your form of proxy, please call the Transfer Agent using the contact information noted in Question 17 of the Circular.

7. WHAT HAPPENS IF I SIGN AND RETURN THE ENCLOSED FORM OF PROXY?

Signing the enclosed form of proxy gives authority to Mr. Robert L. Pace, a director and Chairman of the Company and failing him, Ms. M. Jolene Mahody, a director and Chair of the Audit Committee of the Company, or to another person appointed, to vote your Shares at the Meeting in accordance with your instructions.

8. CAN I APPOINT SOMEONE OTHER THAN THIS DIRECTOR TO VOTE MY SHARES?

Yes. Write the name of this person in the blank space provided in the form of proxy. If you are an individual Shareholder, you must appoint someone who is also a registered Shareholder of the Company. If the Shareholder is a corporation, your proxy need not be a Shareholder. However, because of the situation relating to COVID-19, if you intend to proceed on this basis, you must contact the Company in advance by calling 902.634.6211 or by email at investor@highlinerfoods.com.

9. WHAT DO I DO WITH MY COMPLETED PROXY?

Return it to the Company's Transfer Agent in the postage prepaid envelope provided or fax it to 416.368.2502 (or toll-free in Canada and the U.S. at 1.866.781.3111) or email it to proxyvote@astfinancial.com so that it arrives not later than 11:30 a.m. Atlantic Time (10:30 a.m. Eastern Time) on May 11, 2020. This will ensure your vote is recorded.

10. IF I CHANGE MY MIND CAN I TAKE BACK MY PROXY ONCE I HAVE SUBMITTED IT?

Yes. If you wish to change your proxy, prepare a written statement stating this. You, or your attorney as authorized in writing, must sign the statement, or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered to the head office of the Company, the office of the Transfer Agent, or with the Chairman of the Board at any time before the adjournment of the Meeting.

11. HOW WILL MY SHARES BE VOTED IF I SUBMIT MY PROXY?

The persons named on the form of proxy must vote for or against or withhold from voting your Shares in accordance with your directions. However, if you do not provide directions, your Shares will be voted in favour of: a) the election of directors; b) the appointment of auditors and the ability for directors to fix their remuneration; and c) the advisory resolution to accept the Company's approach to executive compensation as outlined in this Circular.

12. WHAT IF AMENDMENTS ARE MADE TO THESE MATTERS OR IF OTHER MATTERS ARE BROUGHT BEFORE THE MEETING?

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

13. HOW MANY SHARES ARE ENTITLED TO VOTE?

As of March 23, 2020, there were 33,323,481 Shares of the Company outstanding. Each registered Shareholder has one vote for each Share held at the time of commencement of the Meeting.

14. WHAT HAPPENS IF I WANT TO TRANSFER MY SHARES PRIOR TO THE MEETING?

You are free to transfer your Shares at any time, and any registered Shareholder, as of the time of the Meeting, may vote at the Meeting. However, the person to whom you have transferred your Shares must be able to establish before the Meeting that he or she owns the Shares, and therefore we recommend that you complete the contemplated transfers at least 48 hours prior to the Meeting. Also, for the purpose of communicating effectively with the Company's Shareholders, March 23, 2020 has been fixed as the Record Date for the purposes of determining those Shareholders entitled to receive Notice of the Meeting. The Transfer Agent will be forwarding this Circular and other Meeting materials only to those registered Shareholders, and to other persons who, prior to that date, have asked to be included for the purposes of distributing Company information.

15. HOW WILL VOTES BE COUNTED?

Each question brought before a Meeting is determined by a majority of votes cast on the question. In the case of equal votes cast, the Chairman of the Meeting is entitled to a casting vote.

16. WHO COUNTS THE VOTES?

The Company's Transfer Agent counts and tabulates the proxies.

17. IF I NEED TO CONTACT THE TRANSFER AGENT, HOW DO I REACH THEM?

You can reach the Transfer Agent at:

AST Trust Company (Canada)
P.O. Box 2082
Station C
Halifax, NS B3J 3B7
Canada

or by telephone at: 1.800.387.0825 (toll-free in North America) 416.682.3860 (all other countries)
or by fax at: 1.888.249.6189
or by email at: inquiries@astfinancial.com

18. IF MY SHARES ARE NOT REGISTERED IN MY NAME BUT ARE HELD IN THE NAME OF A NOMINEE (A BANK, TRUST COMPANY, SECURITIES BROKER, TRUSTEE OR OTHER), HOW DO I VOTE MY SHARES?

You will receive a voting instruction form that allows you to vote on the Internet, by telephone, by fax, or by mail. To vote, you should follow the instructions provided on your voting instruction form. Your intermediary is required to ask for your voting instructions before the Meeting. Please contact your intermediary if you did not receive a voting instruction form.

Alternatively, you may receive from your intermediary a pre-authorized proxy form indicating the number of Shares to be voted, which you should complete, sign, date, and return as directed on the form.

We do not have access to the names or holdings of our non-registered Shareholders. That means you can only vote your Shares at the Meeting if you have previously appointed yourself as the proxy holder for your Shares, by printing your name in the space provided on your voting instruction form and submitting it as directed on the form.

You may also appoint someone else as the proxy holder for your Shares by printing their name in the space provided on your voting instruction form and submitting it as directed on the form. Your vote, or the vote of your proxy holder, will be taken and counted at the Meeting. You or your proxy holder must see a representative of AST before entering the Meeting to register your attendance. If you intend to proceed on this basis, you must contact the Company in advance by calling 902.634.6211 or by email at investor@highlinerfoods.com. Because of the situation relating to COVID-19, we strongly encourage all Shareholders to vote in advance of the Meeting and utilize the ability to listen to the meeting virtually.

You must complete the additional step of registering the proxy holder by calling AST at 1-866-751-6315 (within North America) or 1 (212) 235-5754 (outside of North America) by no later than 11:30 a.m. Atlantic Time (10:30 a.m. Eastern Time) on May 11, 2020. Failing to register your proxy holder online will result in the proxy holder not receiving a control number, which is required to vote at the Meeting.

Non-registered Shareholders who have not duly appointed themselves as proxy holder will not be able to vote at the Meeting but will be able to participate as a guest. To find out how to vote your Shares at the Meeting with a control number see Question 4.

19. WHAT IF THIS DOCUMENT HAS LEFT QUESTIONS UNANSWERED?

Please feel free to contact the Company's Corporate Secretary, Executive Vice President, Corporate Affairs and General Counsel, Tim Rorabeck, by writing at:

High Liner Foods Incorporated
P.O. Box 910
100 Battery Point
Lunenburg, NS B0J 2C0

or by telephone at: 902.634.8811
or by fax at: 902.634.6228
or by email at: investor@highlinerfoods.com

20. WHY DID I RECEIVE A NOTICE IN THE MAIL REGARDING THE ELECTRONIC AVAILABILITY OF THE COMPANY'S CIRCULAR INSTEAD OF RECEIVING A PAPER COPY?

Under notice-and-access rules adopted by the Canadian Securities Administrators, we are able to provide you with electronic access to our Circular and related proxy form instead of sending you a paper copy. This means delivery is more environmentally friendly, and paper use and the cost of printing and mailing materials to shareholders are significantly reduced. The notice you received provides instructions on how to access and review an electronic copy of our Circular. The notice also provides instructions on voting by proxy at the Meeting. Shareholders can request a paper copy of the Circular prior to May 4, 2020 at fulfilment@astfinancial.com or by calling our Transfer Agent toll-free at 1.888.433.6443 from Canada and the U.S. or at 416.682.3801 for all other countries.

PROXY INFORMATION

PRINCIPAL HOLDERS OF SHARES

The only securities of the Company entitled to vote on all matters are common shares ("**Shares**" or a "**Share**"). As at March 23, 2020, there are 33,323,481 Shares issued and outstanding. Each Share is entitled to one vote and all registered holders of Shares ("Shareholders") as of the commencement of the Meeting are entitled to be present and to vote at the Meeting.

The directors and senior officers of the Company do not know of any person or entity which beneficially owns or controls or directs, directly or indirectly, more than 10% of the Shares (as of March 23, 2020) except as noted below:

Shareholder	Number of Shares	% of Shares Issued
Thornridge Holdings Limited	11,531,440	34.6%
Letko, Brosseau & Associates Inc.	4,505,000	13.5%

DESIGNATION AND REVOCABILITY OF PROXIES

Mr. Robert L. Pace, as director and Chairman of the Company, and failing him, Ms. M. Jolene Mahody as director and Chair of the Audit Committee of the Company, have been named on the attached form of proxy. They have indicated to the Company their willingness to represent, as proxy, the Shareholders desiring to so appoint them.

Each Shareholder who is an individual may appoint as proxy a Shareholder other than the individuals named in the form of proxy, provided that the proxy is also a registered Shareholder. A Shareholder that is a corporation may appoint as its proxy a person who is not a Shareholder of the Company.

If any Shareholder wishes to designate as proxy a person other than Mr. Pace or Ms. Mahody, their names should be deleted on the form of proxy and the name of the desired nominee inserted. Failing an alternative designation, Mr. Pace will, for the purposes set out in the Notice of Meeting, act as the nominee of each Shareholder properly executing and returning the proxy form, and failing him, Ms. Mahody.

All proxy forms must be deposited at the office of the Company's Transfer Agent, AST Trust Company (Canada), Attention Proxy Department, PO Box 721, Agincourt, Ontario M1S 0A1 or may be sent by fax to 416.368.2502 (or toll-free in Canada and the U.S. at 1.866.781.3111) or by email to proxyvote@astfinancial.com by 11:30 a.m. Atlantic Time (10:30 a.m. Eastern Time) on May 11, 2020.

A Shareholder may revoke a proxy. The revocation must be in writing signed by the Shareholder or his or her authorized attorney or, if the Shareholder is a corporation, under its corporate seal or by an officer or authorized attorney and, sent to either the head office of the Company or to the office of the Company's Transfer Agent, as noted above, or given to the Chairman of the Board at any time before adjournment of the Meeting.

VOTING OF MANAGEMENT PROXIES

The person named in the attached proxy will vote or withhold from voting in accordance with the instruction of the Shareholder appointing him. In the absence of such direction, proxies will be voted in favour of:

(a) The election as directors of the persons proposed to be nominated in this Circular;

(b) The appointment of Ernst & Young LLP as auditors for 2020 and the authorization for the directors to fix the auditors' remuneration; and

(c) The advisory resolution to accept the Company's approach to executive compensation disclosed in the Circular.

The enclosed proxy confers discretionary authority upon the named person with respect to amendments or variations of matters specifically mentioned in the Notice of Meeting and with respect to other matters not specifically mentioned in the Notice of Meeting. Management has no knowledge that any business other than that referred to in the accompanying Notice of Meeting will be presented at the Meeting. However, if any other matter properly comes before the Meeting, the person named in the proxy will vote in accordance with what they consider to be in the best interest of the Company.

BOARD OF DIRECTORS

CHANGES TO BOARD COMMITTEE MANDATES

Prior to February 26, 2020, the standing committees of the board of directors (the "**Board**") included the Audit Committee, the Human Resource & Corporate Governance Committee and the Nominating Committee. On February 26, 2020, the Board moved responsibility for certain governance functions with the result that the standing committees are now the Governance Committee, the Human Resources Committee and the Audit Committee (no changes were made to the Audit Committee mandate). The composition of each of these committees did not change. In this document, references to the "**HR Committee**" include both the Human Resource & Corporate Governance Committee before the mandate change and the Human Resources Committee after the mandate change. Similarly, references to the "**Governance Committee**" include both the Nominating Committee before the mandate change and the Governance Committee after the mandate change. For more information on these committee mandates, see the section of this document titled "*Corporate Governance Practices - Board Committees and 2019 Activities*".

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

The ten persons named below will be nominated for election as directors to the Board at the Meeting. All but one of the nominees are current directors and have been since the date indicated. "Director since" indicates the earliest date that the person became a director. Each director holds office until the Meeting and each director elected at the Meeting will hold office until the next Annual General Meeting of the Company or until their successor is elected. The table shows the number of Shares, including deferred share units ("**DSUs**"), and options to acquire Shares of the Company reported by each nominee as beneficially owned or controlled or directed, directly or indirectly, by them on March 23, 2020.

JOAN K. CHOW

Joan Chow is the Chief Marketing Officer of the Greater Chicago Food Depository. She is a member of the Governance Committee and Chair of the Compensation Committee of Welbilt Inc. Ms. Chow is the former Executive Vice President and Chief Marketing Officer for ConAgra Foods.

Public Board Memberships During Last Five Years:

High Liner Foods Incorporated

Manitowoc Company

Welbilt Inc.

	Board / Committee Membership:	**Attendance**	**Total**
Oak Park, IL, USA	Board	11 of 11	100%
Director Since: 2017	HR Committee	5 of 5	100%

Independent(1)

Status Under Share Ownership Requirements(2)**:**

Meets the Share ownership requirement

Number of Shares and DSUs Beneficially Owned, Controlled or Directed:

Shares/Units		Value (CAD)(3)		Options Outstanding
2020	2019	2020	2019	2020
23,463	15,262	$ 132,097	$ 118,281	—

ROBERT P. DEXTER, Q.C.

Robert Dexter is the Chairman and CEO of Maritime Travel Inc., which operates in excess of 100 travel shops in Canada under the names "Maritime Travel" and "LeGrows Travel". Mr. Dexter is counsel of Stewart McKelvey and a director of the companies noted below. He is Chairman of Wajax Corporation and previously held the position of Chairman of Empire Company Limited and its wholly-owned subsidiary Sobeys Inc.

Public Board Memberships During Last Five Years:

High Liner Foods Incorporated

Wajax Corporation

Empire Company Limited and its wholly-owned subsidiary Sobeys Inc. (Ceased October 2016)

BCE Inc. and its wholly-owned subsidiary Bell Aliant Inc. (Ceased October 2014)

Halifax, NS, Canada

Director Since: 1992

Board / Committee Membership:	**Attendance**	**Total**
Board	11 of 11	100%
HR Committee	5 of 5	100%

Independent[1]

Status Under Share Ownership Requirements[2]**:**

Meets the Share ownership requirement

Number of Shares and DSUs Beneficially Owned, Controlled or Directed:

Shares/Units		Value (CAD)[3]		Options Outstanding
2020	2019	2020	2019	2020
617,563	605,473	$ 3,476,880	$ 4,692,416	—

DAVID J. HENNIGAR

David J. Hennigar has recently held the office of Vice Chairman & Lead Director of High Liner Foods from May 2015 to May 2019 and prior to this office was Chairman of the Board of High Liner Foods since 1995. Mr. Hennigar is the Chairman and director of Thornridge Holdings Limited, and director of other public and private companies.

Public Board Memberships During Last Five Years:

High Liner Foods Incorporated

MedX Health Corp.

SolutionInc Technologies Limited

Landmark Global Financial Corporation

Grand River Iron Sands Inc.

Metalo Manufacturing Inc. (formerly Muskrat Minerals Inc.)

Aquarius Surgical Technologies Inc. (formerly Aquarius Coatings Inc.)

Bedford, NS, Canada

Director Since: 1984

Board / Committee Membership:	**Attendance**	**Total**
Board	11 of 11	100%
Audit Committee	4 of 4	100%
Governance Committee[5]	1 of 2	50%

Independent[1]

Status Under Share Ownership Requirements[2]**:**

Meets the Share ownership requirement

Number of Shares and DSUs Beneficially Owned, Controlled or Directed:

Shares/Units		Value (CAD)[3]		Options Outstanding
2020	2019	2020	2019	2020
273,763	262,658	$ 1,541,286	$ 2,035,600	22,033

ANDREW J. HENNIGAR

Andrew Hennigar is a director of Thornridge Holdings Limited, and previously served as a director of Scotia Investments Limited. Andrew was a previous director of the Company from May 2015 to May 2018.

Public Board Memberships During Last Five Years:

High Liner Foods Incorporated

Wellington, NS, Canada

Proposed Director

Independent[1]

Board / Committee Membership:	**Attendance**	**Total**
Board	n/a	n/a

Status Under Share Ownership Requirements[2]**:**

n/a

Number of Shares and DSUs Beneficially Owned, Controlled or Directed:

Shares/Units		Value (CAD)[3]		Options Outstanding
2020	2019	2020	2019	2020
10,650	13,706	$ 59,960	$ 106,222	22,033

RODNEY (ROD) W. HEPPONSTALL

Rod Hepponstall joined High Liner Foods as President & CEO in May 2018. Prior to that Mr. Hepponstall held various leadership roles at Lamb-Weston including Senior Vice President and General Manager Retail & Foodservice Business Units.

Public Board Memberships During Last Five Years:

High Liner Foods Incorporated

Portsmouth, NH, USA

Director Since: 2018

Not Independent[1]

Board / Committee Membership:	**Attendance**	**Total**
Board	11 of 11	100%
Executive Committee	No Meetings	

Status Under Share Ownership Requirements[2]**:**

Meets 69% of the Share ownership requirement

Number of Shares and DSUs Beneficially Owned, Controlled or Directed:

Shares/Units		Value (CAD)[3]		Options Outstanding
2020	2019	2020	2019	2020
225,042	171,737	$ 1,266,986	$ 1,330,962	979,209

SHELLY L. JAMIESON

Norwood, ON, Canada

Director Since: 2012

Independent[1]

Shelly Jamieson is a board member of Ontario Health and past CEO of the Canadian Partnership Against Cancer. Ms. Jamieson was formerly Secretary of Cabinet and Head of the Ontario Public Service, and previously was Ontario's Deputy Minister of Transportation and President of Extendicare Canada. Ms. Jamieson serves on several not-for-profit boards.

Public Board Memberships During Last Five Years:

High Liner Foods Incorporated

Board / Committee Membership:	**Attendance**	**Total**
Board	11 of 11	100%
Executive Committee	No Meetings	
HR Committee (Chair)	5 of 5	100%
Governance Committee	2 of 2	100%

Status Under Share Ownership Requirements[2]:

Meets the Share ownership requirement

Number of Shares and DSUs Beneficially Owned, Controlled or Directed:

Shares/Units		Value (CAD)[3]		Options Outstanding
2020	2019	2020	2019	2020
25,050	18,945	$ 141,032	$ 146,824	22,033

M. JOLENE MAHODY

Halifax, NS, Canada

Director Since: 2014

Independent[1]

Jolene Mahody is currently Executive Vice President & Chief Strategy Officer of Chorus Aviation Inc. She has previously held the position of EVP & CFO of Chorus Aviation Inc. and prior to that, COO at Jazz Aviation LP, a subsidiary of Chorus. Ms. Mahody is a FCPA, FCA and also received her ICD.D designation through the Institute of Corporate Directors. Ms. Mahody is past Chair of the Board of Governors of Mount Saint Vincent University and serves on several other not-for-profit boards.

Public Board Memberships During Last Five Years:

High Liner Foods Incorporated

Board / Committee Membership:	**Attendance**	**Total**
Board	11 of 11	100%
Executive Committee[4]	No Meetings	
Audit Committee (Chair)	4 of 4	100%
Governance Committee[4]	1 of 2	50%

Status Under Share Ownership Requirements[2]:

Meets the Share ownership requirement

Number of Shares and DSUs Beneficially Owned, Controlled or Directed:

Shares/Units		Value (CAD)[3]		Options Outstanding
2020	2019	2020	2019	2020
23,881	17,776	$ 134,450	$ 137,764	22,033

R. ANDY MILLER

St. John's, NL, Canada

Director Since: 2012

Independent(1)

R. Andy Miller is President of Andy Miller Consulting in St. John's, Newfoundland, a sales and marketing management and leadership consulting company. Mr. Miller was the former CEO of Linco Foods Systems A/S. Mr. Miller is a board member of Baader Linco Inc., a board member of Baader North America Corp. (both food processing companies) and a board member for the Canadian Centre for Fisheries Innovation (non-profit).

Public Board Memberships During Last Five Years:

High Liner Foods Incorporated

Board / Committee Membership:	Attendance	Total
Board	11 of 11	100%
Audit Committee	4 of 4	100%

Status Under Share Ownership Requirements(2):

Meets the Share ownership requirement

Number of Shares and DSUs Beneficially Owned, Controlled or Directed:

Shares/Units		Value (CAD)(3)		Options Outstanding
2020	2019	2020	2019	2020
39,698	32,914	$ 223,500	$ 255,084	11,017

ROBERT L. PACE

Halifax, NS, Canada

Director Since: 1998

Independent(1)

Robert L. Pace is the President and CEO of The Pace Group Limited, a private holding company. He is Chairman of Maritime Broadcasting System, owning and operating 23 radio stations in the Maritime provinces. Mr. Pace is Chairman of the Board of Directors of Canadian National Railway Company and director of several private companies. In June 2016, Mr. Pace was appointed Member of the Order of Canada.

Public Board Memberships During Last Five Years:

High Liner Foods Incorporated

Canadian National Railway Company

Hydro One (Ceased 2014)

Board / Committee Membership:	Attendance	Total
Board (Chair)	11 of 11	100%
Executive Committee	No Meetings	
Governance Committee	2 of 2	100%
Audit Committee(5)	2 of 4	50%

Status Under Share Ownership Requirements(2):

Meets the Share ownership requirement

Number of Shares and DSUs Beneficially Owned, Controlled or Directed:

Shares/Units		Value (CAD)(3)		Options Outstanding
2020	2019	2020	2019	2020
108,047	72,890	$ 608,305	$ 564,898	22,033

FRANK B. H. VAN SCHAAYK

Marion Bridge, NS, Canada

Director Since: 2014

Independent[(1)]

Frank B.H. van Schaayk held various senior executive roles with McCain Foods Ltd. from 1992 until his retirement in October 2014. His most recent role was Regional President - Americas. Mr. van Schaayk is also a Director, a member of the Compensation Committee, a Chair of the Audit Committee, and a member of the Technology Committee of the Bay State Milling Company, Quincy, Massachusetts. He holds a Chartered Directors certification in Canada and has served on numerous not-for-profit boards in the U.S. and Canada. He is currently a member of the Board of Governors of Saint Francis Xavier University, the Advisory Board of the Verschuren Center for Sustainability, and is the Chair of the Nova Scotia Health Authority.

Public Board Memberships During Last Five Years:

High Liner Foods Incorporated

Board / Committee Membership:	**Attendance**	**Total**
Board	10 of 11	91%
Executive Committee[(4)]	No Meetings	
Governance Committee (Chair)[(4)]	1 of 2	50%
HR Committee	5 of 5	100%

Status Under Share Ownership Requirements[(2)]**:**

Meets the Share ownership requirement

Number of Shares and DSUs Beneficially Owned, Controlled or Directed:

Shares/Units		Value (CAD)[(3)]		Options Outstanding
2020	2019	2020	2019	2020
39,431	24,926	$ 221,997	$ 193,177	27,756

(1) For the analysis of independence, see the *Independence and Board Committees* section of this Circular.
(2) Effective January 1, 2017, Share ownership requirements were adjusted from one (1) times the annual cash retainer to three (3) times the annual cash retainer. Directors are required to meet this requirement within five (5) years from January 1, 2017 or the specific director's appointment date whichever is later, using the volume weighted average share price for the five trading days prior to January 1, 2017 or their appointment date, whichever is later. For further discussion on ownership requirements for non-executive directors, please see the *Compensation of Non-Executive Directors* section of this Circular. For further discussion on ownership requirements for Mr. Rod Hepponstall, please see the *Share Ownership Requirements* section under *Executive Compensation* of this Circular.
(3) For the 2020 Shares/DSUs: valued as of March 23, 2020 at the Toronto Stock Exchange (the **"TSX")** closing Share price of CAD$5.63. For the 2019 Shares/DSUs: valued as of March 25, 2019 (the date of last year's Circular), at TSX close of CAD$7.75 per Share.
(4) Mr. van Schaayk and Ms. Mahody joined the Governance and Executive Committees in May 2019 and attended all meetings after this date. Mr. Hennigar ceased being a member of the Governance Committee in May 2019 and attended all meetings prior to this date. Up until May 2019 Mr. Hennigar attended the Audit Committee meetings as an invited guest and subsequently as a committee member.
(5) Mr. Pace became Chairman of the Board in May 2019 and at such time, he ceased being the Chair of the Audit Committee. Mr. Pace attended all meetings prior to this date and as Chairman, has attended all meetings of the Audit and HR Committees in an ex officio capacity since this date.

EXPERIENCE MATRIX

Each director brings relevant experience to the Board. The skills matrix below shows the Board's mix of key skills and experience in areas that have been identified by the Board as necessary for the Board of a global food-processing company. The skills matrix is also used to identify those skills for which the Company will recruit when making changes to the Board.

Areas of Director Experience	Joan Chow	Robert Dexter	Andrew Hennigar	David Hennigar	Rod Hepponstall	Shelly Jamieson	M. Jolene Mahody	R. Andy Miller	Robert Pace	Frank van Schaayk
Legal & Regulatory	✓	✓							✓	
Finance/Accounting				✓			✓		✓	✓
Human Resources & Compensation	✓	✓	✓			✓	✓		✓	✓
M&A/Growth Strategy	✓			✓	✓		✓	✓	✓	✓
Governance/Other Directorships	✓	✓	✓	✓		✓	✓		✓	✓
CEO/Senior Executive	✓	✓		✓	✓	✓	✓	✓	✓	✓
Sales & Marketing	✓	✓			✓			✓	✓	✓
Food Industry	✓				✓			✓		✓
Manufacturing								✓		✓
Retail & Consumer Trends	✓	✓			✓			✓	✓	✓
International Operations								✓	✓	✓
Information Technology/Cyber Risk Management/Digital Media	✓						✓		✓	
Risk Management					✓	✓	✓	✓	✓	✓

DIRECTORS' LIABILITY INSURANCE

High Liner Foods maintains a directors' and officers' liability insurance policy. The policy provides coverage for costs incurred to defend and settle claims against directors and officers to an annual limit of CAD$80 million with a deductible of CAD$150,000 per occurrence for claims against the corporation only. The cost of coverage for 2019 was CAD $151,909. The 2020 premium is CAD$152,488.

INDEPENDENCE AND BOARD COMMITTEES

The Governance Committee affirmatively determined director independence in reference to the definition of "independence" in *National Instrument 52-110 Audit Committees* and *National Policy 58-201 Corporate Governance Guidelines*. A detailed analysis of independence is included in the disclosure of Corporate Governance Practices of this Circular.

The Board has determined that as of the date of this Circular, all members of the Audit Committee are independent; all members of the HR Committee are independent; and all members of the Governance Committee are independent. Mr. Hepponstall, President & Chief Executive Officer ("**CEO**"), is not independent.

BOARD AND COMMITTEE MEETINGS HELD AND ATTENDANCE

There were eleven Board meetings held in 2019 with one appointed Board member missing one meeting. The Audit Committee met four times, with all appointed members in attendance. The HR Committee met five times, with all appointed members in attendance. The Governance Committee met twice with all appointed members in attendance. The Executive Committee did not meet during 2019.

Directors	Board	Audit Committee	HR Committee	Governance Committee	Total
Joan K. Chow	11 of 11	-	5 of 5	-	16 of 16
Robert P. Dexter	11 of 11	-	5 of 5	-	16 of 16
David J. Hennigar(1)	11 of 11	4 of 4	-	1 of 2	16 of 17
Andrew J. Hennigar	n/a	-	-	-	0 of 15
Rod W. Hepponstall	11 of 11	-	-	-	11 of 11
Shelly L. Jamieson	11 of 11	-	5 of 5	2 of 2	18 of 18
M. Jolene Mahody(1)	11 of 11	4 of 4	-	1 of 2	16 of 17
R. Andy Miller	11 of 11	4 of 4	-	-	15 of 15
Robert L. Pace(2)	11 of 11	2 of 4	-	2 of 2	15 of 17
Frank B.H. van Schaayk(1)	10 of 11	-	5 of 5	1 of 2	16 of 18

(1) Mr. van Schaayk and Ms. Mahody joined the Governance and Executive Committees in May 2019 and attended all meetings after this date. Mr. Hennigar ceased being a member of the Governance Committee in May 2019 and attended all meetings prior to this date. Up until May 2019 Mr. Hennigar attended the Audit Committee meetings as an invited guest and subsequently as a committee member.
(2) Mr. Pace became Chairman of the Board in May 2019 and at such time, he ceased being the Chair of the Audit Committee. Mr. Pace attended all meetings prior to this date and continues to attend the Audit Committee and HR Committee meetings ex officio.

CEASE TRADE ORDERS AND BANKRUPTCIES

For information on cease trade orders and bankruptcies involving directors of the Company or other companies that they serve, please see section 8.3 "Cease Trade Orders, Bankruptcies, Penalties or Sanctions" in the Company's Annual Information Form ("**AIF**") for the year ending December 28, 2019, filed on www.sedar.com, which section is incorporated by reference herein.

COMPENSATION OF NON-EXECUTIVE DIRECTORS

To make recommendations on directors' compensation, the HR Committee (beginning in 2020, the Governance Committee) reviews the compensation paid to directors of comparable publicly traded companies. Using the same peer group as is used to benchmark executive compensation, Meridian Compensation Partners ("Meridian") reviewed director compensation in 2019 and concluded that compensation for directors of the Company was below the median of the peer group, reflecting that director compensation was reduced in 2019 to appropriately reflect the operating circumstances of the Company. The table below summarizes the director compensation structure for the 2019 fiscal year.

Type of Remuneration	2019 Amount ($)
Board Chairman Cash Retainer per year	115,000 CAD
Director Cash Retainer for Directors who reside in Canada per year	35,000 CAD
Director Cash Retainer for Directors who reside in the U.S. per year(1)	35,000 USD
Audit and HR Committee Chair Cash Retainer per year	15,000 CAD
Governance Committee Chair Cash Retainer per year	5,000 CAD
Director Equity Entitlement received as DSUs for Directors who reside in Canada per year	50,000 CAD
Director Equity Entitlement received as DSUs for Directors who reside in the U.S. per year(1)	50,000 USD
Travel and Out-of-Pocket Expenses	All expenses are reimbursed

(1) U.S. resident directors received the 1:1 equivalent in USD for their annual cash retainer and equity entitlement (DSUs).

Share ownership guidelines for all directors remained unchanged at three times the cash retainer, with a director being expected to achieve the requirements within five years from January 1, 2017, or the director's appointment, whichever is later, calculated using the volume weighted average share price for the five trading days prior to January 1, 2017, or the director's appointment, whichever is later. Mr. Hepponstall, being an executive member of management, did not receive additional compensation as a Board member in 2019, and remained subject to share ownership requirements as an executive. In 2019, directors were paid an aggregate of CAD$644,082 in retainers and were reimbursed CAD $44,010 in aggregate for travel and out-of-pocket expenses.

This table summarizes compensation earned by non-executive directors of the Company for the fiscal-year ending December 28, 2019.

Name	Total Fees Earned(1) ($)	All Other Compensation(2) ($)	Total ($)
Alan Bell(3)	11,798	—	11,798
Joan Chow	47,981	50,000	97,981
Henry Demone(3)	41,914	—	41,914
Robert Dexter(4)	36,149	37,670	73,819
David Hennigar(5)	41,737	37,670	79,407
Jillian Hennigar	36,149	37,670	73,819
Shelly Jamieson	47,450	37,670	85,120
M. Jolene Mahody	43,259	37,670	80,929
R. Andy Miller	36,149	37,670	73,819
Robert Pace	78,260	37,670	115,930
Frank van Schaayk	38,519	37,670	76,189

(1) All compensation paid in CAD is reported in USD using the average daily foreign exchange rate for the fiscal year ending December 28, 2019 of 1.3273. The total fees reflect the cash retainer (including Chair retainers).
(2) In 2019, the equity entitlement for directors was CAD$50,000 (or the equivalent in USD for U.S. resident directors) and all directors received the award in DSUs. The number of units issued for Canadian resident directors was 5,733 units, calculated using the volume weighted average share price ("VWAP") for the last five trading days from the date of issue (including the issue date). For U.S. resident directors, the number of units issued was 7,709 units, calculated using the VWAP and average exchange rate for the same period. The rate of exchange used to convert CAD to USD in the table above is the average daily foreign exchange rate for the fiscal year ending December 28, 2019 of 1.3273.
(3) The following ceased being directors of the Company: Mr. Bell on March 15, 2019 and Mr. Demone on May 14, 2019.
(4) For the 2019 fiscal year, Mr. Dexter elected to receive 100% of his compensation as DSUs. As a result, 5,594 DSUs were issued to Mr. Dexter for the director retainer fees earned in 2019. This number does not include reinvested dividends.
(5) Director's fees for Mr. David Hennigar were invoiced to High Liner Foods from, and paid to, Scotia Financial Corporation Limited. Mr. Hennigar received director fees prorated to May 2019 as the Vice Chairman & Lead Director role was vacated.

Directors' Options and Deferred Share Unit Plan

A DSU Plan was implemented a number of years ago as an alternative form of compensation, with DSUs payable in cash on the redemption date that will not be earlier than the date the director ceases to hold all positions with the Company (the "**cessation date**") and not later than December 15 of the year following the cessation date. Each director will generally have the right to elect once a calendar year for the immediately succeeding year to receive their annual retainer fees in the form of DSUs and effective January 1, 2017, the director equity entitlement is issued as DSUs. In 2019, one director elected to take all of their annual cash retainer as DSUs. Outstanding DSUs at December 28, 2019 equaled 202,485, including reinvested dividends with a value of CAD$1,666,452 using the closing Share price on the TSX on December 28, 2019, being CAD$8.23.

In 2019, and in accordance with the DSU plan, each appointed director was issued CAD$50,000 (for Canadian resident directors) and USD$50,000 (for U.S. resident directors) of their equity entitlement as DSUs using the fair-market value, being the volume weighted average share price of the last five trading days including the issue date, to calculate the total number of DSUs issued, being 5,733 DSUs for Canadian resident directors and 7,709 DSUs for U.S. resident directors.

To ensure that interests of non-executive directors are aligned with Shareholder interests, the Board requires that directors hold Shares valued at not less than three times their annual cash retainer within five years of the revised shareholding requirement, being January 1, 2017, or their Board appointment, whichever is later. DSUs are counted towards this requirement. As at December 28, 2019, non-executive directors held options to purchase an aggregate of 126,905 Shares at prices ranging from CAD$15.30 to CAD$23.13 per Share.

Outstanding Option-Based & Share-Based Awards as at December 28, 2019 for Non-Executive Directors

	Option-Based Awards				Share-Based Awards		
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price (CAD) ($)**	**Option Expiration Date**	**Value of Unexercised In-the-Money Options(1) ($)**	**Number of Shares or Units of Shares that Have Not Vested (#)**	**Market or Payout Value of Share-Based Awards that Have Not Yet Vested ($)**	**Market or Payout of Vested Share-Based Awards Not Paid Out or Distributed(1) ($)**
Joan Chow	—	—	—	—	—	—	117,092
Robert Dexter	—	—	—	—	—	—	377,350
Jillian Hennigar	—	—	—	—	—	—	67,954
David Hennigar	8,272	23.13	May 31, 2020	—	—	—	88,035
	13,761	15.30	March 31, 2021	—	—	—	—
Shelly Jamieson	8,272	23.13	May 31, 2020	—	—	—	88,035
	13,761	15.30	March 31, 2021	—	—	—	—
M. Jolene Mahody	8,272	23.13	May 31, 2020	—	—	—	88,035
	13,761	15.30	March 31, 2021	—	—	—	—
R. Andy Miller	4,136	23.13	May 31, 2020	—	—	—	211,831
	6,881	15.30	March 31, 2021	—	—	—	—
Robert Pace	8,272	23.13	May 31, 2020	—	—	—	97,546
	13,761	15.30	March 31, 2021	—	—	—	—
Frank van Schaayk	8,272	23.13	May 31, 2020	—	—	—	88,035
	19,484	15.30	March 31, 2021	—	—	—	—

(1) Values for unexercised in-the-money options, market or payout value of share-based awards that have not yet vested (including applicable dividend equivalent rights) and market or payout value of vested share-based awards not paid out or distributed (including dividend equivalent rights) were converted to USD using the foreign exchange rate as of December 28, 2019, being 1.3074 and were calculated using the December 28, 2019 closing Share price on the TSX being CAD $8.23.

Value Vested for Non-Executive Directors

Name	Option-Based Awards - Value Vested During the Year(1) ($)	Share-Based Awards - Value Vested During the Year(2) ($)
Joan Chow	—	50,000
Robert Dexter	—	73,819
Jillian Hennigar	—	37,670
David Hennigar	—	37,670
Shelly Jamieson	—	37,670
M. Jolene Mahody	—	37,670
R. Andy Miller	—	37,670
Robert Pace	—	37,670
Frank van Schaayk	—	37,670

(1) Calculated using the volume weighted average Share price on the vesting date, less the exercise price, multiplied by the number of in-the-money options. The value shown in this column does not represent the actual value the individual director could receive. The actual gain on exercise, if any, will depend on the value of the Share on the date of exercise. No options were in-the-money at vesting.
(2) Share-based awards (DSUs) for non-executive directors vest immediately upon issuance and are exercisable at the time of retirement or death in accordance with the terms of the DSU plan and can only be paid in cash. Values vested were calculated using the five-day volume weighted average Share price as of the date of vesting multiplied by the number of DSUs issued at vesting and converted from CAD to USD using the daily average foreign exchange rate for the fiscal year ending December 28, 2019 being 1.3273. This does not include reinvested dividends.

Shareholdings of Board Members

Shares held, controlled or directed by non-executive directors nominated for election at the Meeting as at March 23, 2020 equaled 987,111. This number does not include the shareholdings of Thornridge Holdings Limited of which Mr. Hennigar is Chairman and director. The total value of Shares held by non-executive directors as at March 23, 2020, was CAD$5.6 million using the closing Share price on the TSX on March 23, 2020, being CAD$5.63.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

The Compensation Discussion and Analysis ("**CD&A**") explains the compensation programs at High Liner Foods and the process for setting executive compensation; and includes information on the President & CEO, Chief Financial Officer and the three most highly compensated executive officers (the Named Executive Officers or "**NEOs**"). The Company's NEOs for 2019 were:

Executive	Title
Rod Hepponstall	President and Chief Executive Officer
Paul Jewer	Executive Vice President & Chief Financial Officer
Paul Snow(1)	Executive Vice President & Chief Supply Chain Officer
Tim Rorabeck	Executive Vice President, Corporate Affairs & General Counsel
Craig Murray	Senior Vice President, Marketing & Innovation

(1) Beginning January 1, 2020, Mr. Snow's title was changed to Executive Vice President.

Management of High Liner Foods knows it is vital to the Company's success to retain, attract and motivate talented employees, and that competitive compensation must be a key element of its human resources philosophy. High Liner Foods provides compensation that balances the market value of the position, scope of and experience in the role, internal pay equity, and performance against individual and company objectives.

The compensation program is comprised of four main elements: (i) base salary; (ii) Short-Term Incentive ("**STI**") (annual bonus); (iii) Long-Term Incentive ("**LTI**") including the Share Option Plan (the "**Option Plan**") and a Performance Share Unit Plan (the "**PSU Plan**") which includes Restricted Share Units ("**RSUs**"); and (iv) retirement and benefit plans.

The HR Committee (the "**Committee**") of the Board of Directors of the Company closely monitors executive compensation matters having regard to the financial performance of the Company and its succession planning initiatives, while ensuring compensation is competitive with the companies identified in its Compensation Peer Group (as defined in the *Compensation Benchmarking* section below).

2019 Highlights - Transformation Plan

The Committee believes that compensation policies and practices that are appropriately linked to performance will help drive the future growth and success of High Liner Foods.

In late 2018, the Company developed and began executing a transformation plan that shaped the design of compensation programs in 2019, including the following:

- The Company implemented a new functional-based organizational structure to manage the business more effectively.

- Financial performance in 2018 reflected challenges in both the external operating environment and internal operations. As a result, the following five critical initiatives were created to realign the business and drive cost efficiencies in 2019 and beyond. These initiatives are described in further detail later in the CD&A.
  1. Organizational Realignment
  2. Business Simplification
  3. Supply Chain Excellence
  4. Rubicon Alignment & Shrimp Growth
  5. Profitable Organic Growth

- In 2019, the Company also completed a long-term strategic framework that is focused on commercial, supply chain and accelerated growth initiatives over the next three years.

Based on this transformation plan, and in particular, the five critical initiatives, the Company made several changes to executive compensation programs in 2019, including:

1. The critical initiatives were the focus for the organization in 2019 and formed the basis for the individual objectives component of the Short-Term Incentive Plan for the NEOs.

2. In November 2018, the Company granted supplemental Performance Share Unit awards to certain senior leaders within the Company, including the NEOs, with performance metrics directly tied to the five critical initiatives.

Executing on these initiatives will ensure an efficient supply chain, a simplified business with lower costs, the right talent in the right roles, a tighter integration with Rubicon, and a stronger strategic marketing platform to grow consumer demand for seafood and value-added offerings. With this continued focus, the Company is operating more efficiently and starting to maximize opportunities on both sides of the border as one integrated North American organization.

COMPENSATION GOVERNANCE

The Committee is responsible for reviewing executive performance and compensation. The following four independent directors served on the Committee since the last annual general meeting: Ms. Jamieson (Chair), Ms. Chow, Mr. Dexter, and Mr. van Schaayk.

Biographical information about each Committee member nominated for appointment can be found in the *Nominees for Election to the Board of Directors* section of this Circular.

The Committee met five times in 2019 and plans to meet at least four times during 2020. The mandate of the Committee is fully described in the *Corporate Governance Practices* section of this Circular.

Independent Advisor

The Committee retained Meridian to consult on various discussion topics including executive compensation. The independent consultant presents all findings and proposals directly to the Committee and provides outside market information, expertise and guidance with regards to executive compensation and related governance topics. A representative from Meridian participates in Committee meetings, as required, to provide the appropriate level of advice, including during in-camera sessions without management present. The Committee has determined that Meridian is independent of management and is not permitted to provide advice to management; management retains other consultants as needed to advise on executive compensation matters. The following fees (CAD) were paid to Meridian:

2017	2018	2019
$49,548	$51,685	$92,287

COMPENSATION PHILOSOPHY AND OBJECTIVES

Executive Compensation Philosophy at High Liner Foods

The High Liner Foods executive compensation philosophy reflects the Company's culture and the most significant goals for its compensation programs, while effectively managing risks associated with these programs.

The key objectives of the philosophy are:

Objective	Purpose
1. Alignment to Shareholders	Align the interests of the NEOs with Shareholders by implementing programs that tie a significant portion of compensation to business performance and to long-term sustainable shareholder value.
2. Be Competitive	Attract and retain high-performing talent necessary to develop and execute on the long-term strategy.
3. Pay for Performance	Actual compensation delivered will have a direct connection to achieving individual and company objectives.
4. Strong Governance and Risk Management	Create a strong governance process to ensure executive compensation is aligned with the objectives of the philosophy and with market best practice. Design compensation programs with the appropriate balance of risk and reward to limit excessive risk-taking.

Compensation Governance and Oversight

With these guiding objectives, the Committee is responsible for reviewing and approving the total compensation for the CEO and for reviewing compensation paid to the other NEOs, taking into account performance against financial and individual goals that are directly linked to the Company's strategic objectives. The Committee also considers market data from Meridian along with internal equity, incumbent experience, skills required and the scope of roles when setting compensation.

Management works closely with the Committee to ensure that base salary, short- and long-term incentive compensation:

- is competitive relative to practices of the external market;
- is equitable throughout the organization; and
- provides appropriate rewards for the achievement of these goals.

The following diagram provides an overview of the corporate governance process:

This approach towards setting executive compensation allows the Company to recruit and retain talented, results-oriented employees who can meet the Company's expectations for performance and are aligned with Company values.

Compensation Principles - What We Reward

The following principles, based on our philosophy, guide the setting of executive compensation and the development of compensation programs at High Liner Foods:

- A significant proportion of compensation paid to executives is at-risk in the form of variable pay (short- and long-term incentives) to ensure alignment with the interests of Shareholders. The proportion of pay-at-risk is higher for senior executives who can greater influence business results.
- Base salaries are targeted to be within a competitive range of market median of the Compensation Peer Group (defined in the *Compensation Benchmarking* section). Actual salaries may vary depending on individual performance, experience, competencies, scope of role and other factors.
- Total compensation for the NEOs is compared to the market to ensure they reflect the Company's pay-for-performance philosophy.
- Benchmarks incorporated into the elements of compensation are periodically re-examined to maintain the appropriate relationship between pay and performance for each NEO.
- Total compensation is modeled and stress-tested under various scenarios to ensure that compensation is always reasonable and performance-based, and that various performance outcomes and their impact on compensation are well understood.
- Share ownership aligns the goals and interests of executives with those of Shareholders and further enhances an ownership culture. All executives have a share ownership requirement that is aligned to market levels.

When designed with these principles, the Company believes compensation programs will be sustainable and effectively strengthen the link between pay and performance.

As discussed in the *Risk Analysis* section, the pay-at-risk components of executive compensation at High Liner Foods are earned in direct correlation to several measures important to Shareholders, including earnings growth, return on assets managed, and other strategic objectives. Individual performance is also rewarded if predetermined strategic and operational objectives are achieved.

RISK ANALYSIS

The Committee is actively involved in the risk management of compensation policies and practices of the Company. The Company's compensation programs are designed to encourage an appropriate level of risk taking, align executive interests with those of Shareholders over the long-term and further strengthen the Company's alignment with good governance and compensation practices.

Enterprise Risk

The Board oversees overall enterprise risk management at High Liner Foods and has delegated to the Audit Committee the task of providing reasonable assurance that the Company appropriately identifies and manages enterprise risks. The Audit Committee reviews, at least annually, the Company's business risk management policies and reports identified risks to the Board. Identified risks include but are not limited to the following areas: food safety; product recall; procurement; availability of seafood and non-seafood goods; seafood production from Asia; non-seafood commodities; customer consolidation; competition risk; geopolitical risk; sustainability, corporate responsibility and public opinion; growth (other than by acquisition); acquisition and integration risk; employment matters; credit risk; foreign currency risk; liquidity risk; uncertainty of dividend payments; pension plan assets and liabilities; information technology and cybersecurity risk; and adverse weather conditions and natural disasters. The Chairman of the Board sits *ex-officio* on both the Audit Committee and the HR Committee. A more detailed description of the principal identified risks are included in the Company's annual MD&A under the section *Risk Factors*.

Compensation Related Risk Review

The Company has identified each NEO as well as other senior executives in the Company as its material risk-takers and uses the following practices to discourage or mitigate excessive risk-taking by these individuals:

- Incentive awards are based on a number of company-wide financial measures and typically on multi-year performance considerations.
- The Company has share ownership requirements for executives.
- The Company's stock options for the executive leadership team, including the NEOs, generally vest 33% per year, starting at the end of the first year following the grant; and PSUs and RSUs are awarded annually and generally vest at the end of a three-year period.
- The Company grants stock options and share units with overlapping vesting periods, and for stock options, a reasonable period to exercise awards.
- The overlapping vesting periods ensure that executives remain exposed to the risks of their decisions and longer-term risk realization periods.
- There is an appropriate mix of compensation components including fixed and variable performance-based compensation with short- and long-term performance conditions. While absolute performance targets are applied in incentive plans, relative performance is also considered in setting performance targets.
- Incentive awards are reasonable in relation to salary and are capped to ensure that there is no unlimited upside, except for an increase in Share price (where applicable).
- The Committee has discretion in assessing performance achieved in relation to incentive payouts and can mitigate against performance being achieved by excessive risk-taking.

Based on its review of the Company's compensation plans, the Committee concluded that there are no identified risks arising from its compensation programs which are reasonably likely to have a material adverse effect on the Company.

Claw Back

The Committee will require employees to reimburse, in all appropriate cases, any bonus, STI award, or LTI award paid to the employee and forfeit any outstanding equity-based awards previously granted to the employee if: (a) the amount of such compensation was calculated based upon the achievement of financial results that were subsequently the subject of a restatement or the correction of a material error; (b) the employee engaged in intentional misconduct that caused, or partially caused, the need for the restatement or caused, or partially caused, the material error; and (c) the amount of the compensation that would have been awarded to the employee had the financial results been properly reported would have been lower than the amount actually awarded.

Prohibition on Hedging

The Company prohibits its directors and all employees from hedging the value of any equity-based awards or Shares they own, to ensure that the desired alignment and mitigation of risk created by Share ownership and equity-based awards cannot be diluted by hedging arrangements.

ELEMENTS OF COMPENSATION

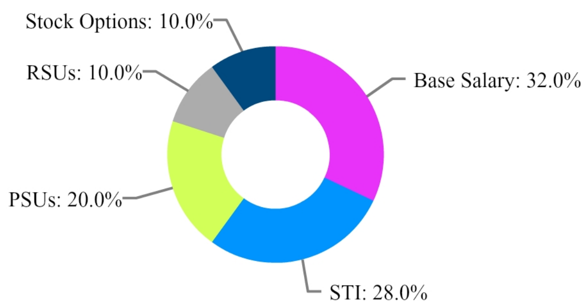
The key components of NEO compensation consist of base salary, short-term incentive and long-term incentives. Together with retirement and benefit plans, they form the most significant elements of pay and are designed to meet the main objectives of the High Liner Foods compensation philosophy.

The information below outlines the key components of executive compensation at High Liner Foods as well as the pay-at-risk profile for the NEOs.

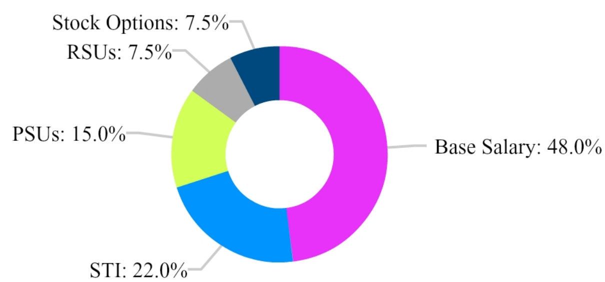
Component	Purpose	Key Features
Base Salary	▪ Provide a fixed source of annual income	▪ Generally set at the median of the Compensation Peer Group (defined in the *Compensation Benchmarking* section) ▪ Reviewed annually
Short-Term Incentive	▪ Incentive award for achieving annual performance objectives	▪ One-year performance period ▪ Company and individual objectives aligned with strategic and other company initiatives
Long-Term Incentives		
Performance Share Units (50%)	▪ Incentive award tied to long-term company performance and increasing shareholder value ▪ Attract, motivate and retain key employees	▪ Three-year performance period ▪ Based on company performance metrics (Return on Assets Managed, Adjusted EBITDA Growth) ▪ Payout Opportunity: 0%; 50-150%
Restricted Share Units (25%)	▪ Aligns interests of executives with Shareholders ▪ Attract and retain key employees	▪ 100% of share units will vest at the end of three years ▪ Count towards NEO share ownership goals
Stock Options (25%)	▪ Reward for long-term increases in share price ▪ Attract, motivate and retain key employees	▪ Five-year term ▪ Vest 33% each year over a three-year period

The following graphs show the proportion of key compensation elements for the CEO and the other NEOs (average). In each case, a significant proportion is in the form of pay-at-risk variable compensation, thereby promoting a pay-for-performance culture and alignment with Shareholder interests.

CEO Target Pay Mix
68% Pay-At-Risk



Other NEO Target Pay Mix (Average)
52% Pay-At-Risk



Base Salary Compensation

When assessing base salaries, the Committee considers information from the Compensation Peer Group (defined below), together with the Company's compensation philosophy, Company financial results, individual performance, skills and experience, internal equity, scope of role and outside competitive conditions.

The Committee will review base salary changes for the NEOs on an annual basis with any adjustments based on results of a market assessment which will be conducted by Meridian every two years, or if there are notable changes to a NEO's role or responsibilities during the year. There are no adjustments expected to be made for 2020.

Compensation Benchmarking

In late 2019, Meridian reviewed the compensation benchmarking peer group to consider whether the companies selected are still relevant and size appropriate. Based on the review, three companies were removed and ten companies were added to better position High Liner Foods to the median of the peer group in terms of revenue size, and to ensure stability of the group for comparison purposes going forward.

In December 2019, the Committee approved the following comparator companies used to benchmark executive compensation (the "**Compensation Peer Group**"):

- Alcanna Inc.
- Andrew Peller Limited
- B&G Foods Inc.
- Cal-Maine Foods Inc.
- Calavo Growers Inc.
- Clearwater Seafoods Inc.
- Farmer Bros. Co.
- Hain Celestial Group Inc.
- Hostess Brands Inc.
- J&J Snack Foods Corp.
- John B. Sanfilippo & Son Inc.
- Lancaster Colony Corp.
- Landec Corp.
- Lassonde Industries Inc.
- Recipe Unlimited Corp.
- Rogers Sugar Inc.
- Seneca Foods Corp.
- SunOpta Inc.
- The Simply Good Foods Company
- Tootsie Roll Industries Inc.

These companies are a mix of U.S. and Canadian companies, primarily from the packaged food and meat industry. Revenues for the companies range from about one-third to three times the Company's revenue size, with High Liner Foods positioned at approximately the median of the group. The Committee will evaluate the peer group and the underlying selection criteria every two years.

SHORT-TERM INCENTIVE COMPENSATION

Design of Short-Term Incentive Program

The Short-Term Incentive ("**Bonus**") Plan for each NEO has a target level ("**Target Bonus %**") equal to a percentage of the base salary earnings paid to an individual in the particular year. When determining the Target Bonus for each NEO, the Committee considers the Company's pay structure and philosophy, and market competitive positioning.

In 2019, High Liner changed the short-term incentive plan to reflect the Company's new organizational structure (functional versus geographically based) and to support the successful execution of the Company's five critical initiatives. The five critical initiatives - Organizational Realignment, Business Simplification, Supply Chain Excellence, Rubicon Alignment & Shrimp Growth and Profitable Organic Growth - represented the plan to stabilize the business and position the Company to return to growth in 2020 and beyond. For the 2019 plan year, the critical initiatives replaced the individual performance component of the short-term incentive for the NEOs. It was a shared component for the NEOs with the intention to focus the entire organization on realigning and strengthening the business.

For the 2019 plan year, actual Bonus payouts were determined based on performance against two key components:

(1) Goals relating to financial performance of the Company ("**Financial Performance**"); and

(2) Objectives tied to the Critical Initiatives identified to support the Company's return to growth ("**Critical Initiatives Performance**").

Together, these two components make up the "**Performance Factor**", which when applied to the Target Bonus amount, results in the actual Bonus payout. The Performance Factor in 2019 can vary from 50%, if threshold performance is met, up to 190% if maximum performance levels are achieved on the two key components. If threshold performance is not met, the Performance Factor will equal 0%.

The following table outlines the Financial and Individual Performance (for 2019, reflected as Critical Initiatives Performance) weightings that make up the 2019 Performance Factor for the NEOs:

	Financial Performance	Critical Initiatives Performance	Performance Factor
Weighting	80%	20%	100%
Payout Opportunity	0; 50% - 200%	0; 50% - 150%	0; 50% - 190%

Bonus Payout Calculation

The Bonus payout formula or calculation for each NEO is as follows:

Bonus Payout	=	Eligible Earnings	X	Target Bonus %	X	Performance Factor %

The Performance Factor % is comprised of the sum of actual Financial Performance and actual Critical Initiatives Performance as a percentage of target performance.

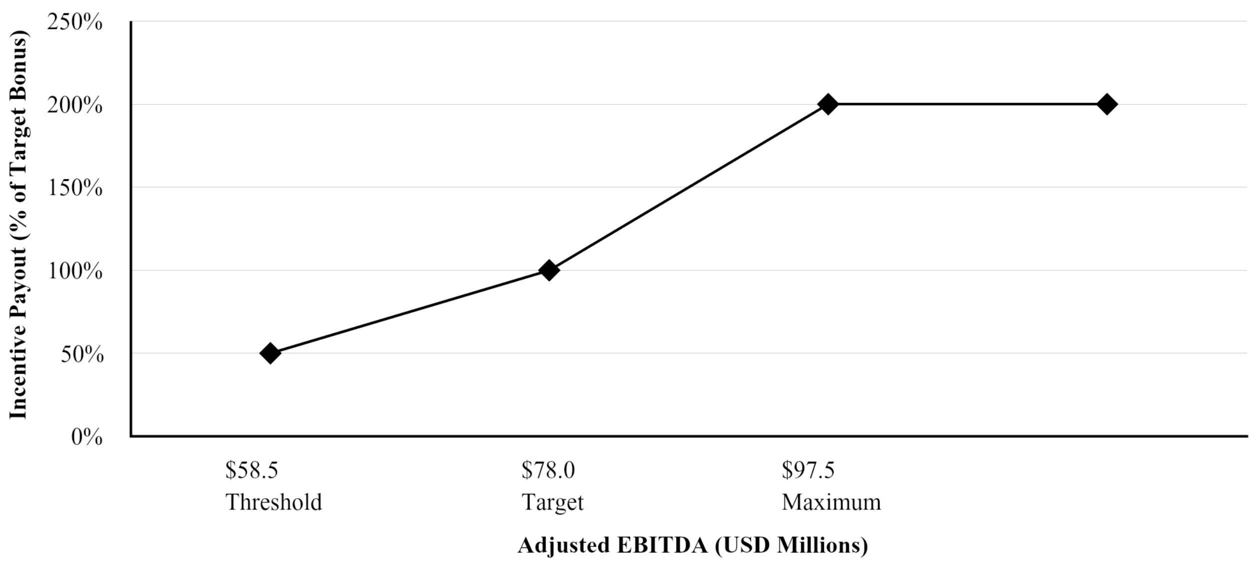
Setting Company Financial Performance

The Committee approves the Bonus metrics and performance targets for Financial Performance. In 2019, the Committee approved a slight modification to the metric used to measure Financial Performance, replacing adjusted earnings before interest and taxes with adjusted earnings before interest, taxes, depreciation and amortization ("**Adjusted EBITDA**") to further simplify and align to external financial disclosure. The Committee approves a target that represents an acceptable level of Adjusted EBITDA that considers the Company's strategic goals, business plan and budgeted financial goals for the year and the previous year's financial performance. A threshold level of performance is set below which no incentive is paid, along with a maximum performance level where a cap on compensation is applied (i.e. no additional Bonus payment for performance above this level). Once the Adjusted EBITDA target is set, the threshold and maximum performance levels are determined at 75% of target and 125% of target, respectively.

Adjusted EBITDA is defined as EBITDA that is adjusted by amounts recorded for incentives (other than the non-executive sales incentive plans), share-based compensation expense, all non-operating gains and losses and other extraordinary items that may arise due to certain strategic decisions made during the year that cause variances in EBITDA as compared to the target.

The following graph shows the 2019 Financial Performance levels for consolidated High Liner Foods operations (threshold, target and maximum) for each NEO, and the respective incentive or Bonus payouts at each level of Company performance.

2019 Incentive Payout by Financial Performance Level



Setting Individual Performance

Typically, the second component of the short-term incentive plan rewards Individual Performance. Each year, the Committee reviews and approves the expected individual goals for the executive leadership team, including the NEOs, ensuring they are aligned to the Company's overall strategic goals. However, in 2019, the individual performance component was replaced with a component focused on key objectives tied to the five Critical Initiatives. The Committee believed that replacing individual goals with a shared component for the executive leadership team in 2019 was necessary to realign the business, focus on productivity and optimization initiatives, continue to focus on product innovation and reposition the High Liner Foods portfolio to generate long-term sustainable sales growth.

The following is a summary of the objectives and key results for each Critical Initiative (each weighted 20%):

Critical Initiative	Objective / Key Result
Organizational Realignment	Complete the organizational realignment to a function-centric, North American structure resulting in annual cost savings and other efficiencies
Business Simplification	Simplify the product portfolio to improve efficiency, lower costs, and narrow focus to the most critical and profitable sales opportunities by successfully eliminating and transitioning out under-performing species and SKUs from the product portfolio
Supply Chain Excellence	Deliver cost savings and operation excellence within the supply chain function, including continuous improvement, health and safety, planning and quality
Rubicon Alignment & Shrimp Growth	Drive profitable organic growth in shrimp and fully integrate Rubicon into High Liner Foods operations
Profitable Organic Growth	Return High Liner Foods to sustainable, profitable organic growth and improve product mix

The following table outlines the components of the bonus payout formula for each NEO. If the approved targets set for the Company Financial Performance and Critical Initiatives Performance are met, the NEOs would each receive 100% for those components or 100% of their respective Target Bonus.

NEO	Eligible Earnings ($)	Target Bonus (%)	Target Bonus ($)	Maximum Bonus ($)
Rod Hepponstall	695,000	85%	590,750	1,122,425
Paul Jewer(1)	340,676	50%	170,338	323,642
Paul Snow(1)	307,159	45%	138,222	262,622
Tim Rorabeck(1)	242,685	45%	109,208	207,495
Craig Murray(1)	227,067	45%	102,180	194,142

(1) Messrs. Jewer, Snow, Rorabeck and Murray's eligible earnings were converted to USD using the average daily foreign exchange rate for the fiscal year end December 28, 2019, being 1.3273.

2019 Results from Short-Term Incentive Program

Early in 2020, the Committee reviewed actual 2019 Financial Performance against targets and reviewed achievement of the five Critical Initiatives. The Company exceeded the Financial Performance target and achieved the following performance against the Critical Initiatives:

Critical Initiative	Performance
Organizational Realignment	Achieved Maximum
Business Simplification	Achieved Maximum
Supply Chain Excellence	Achieved Maximum
Rubicon Alignment & Shrimp Growth	Did Not Meet Threshold
Profitable Organic Growth	Met Threshold but did not Meet Target

The combination of these two components resulted in an overall Performance Factor % of 173%.

The final determination and resulting 2019 bonus payouts are outlined in the *Summary Compensation Table*. The Committee approved all incentive payments to NEOs.

LONG-TERM INCENTIVE COMPENSATION

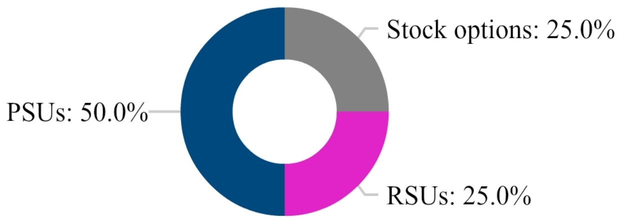
The NEOs receive a combination of stock options and share unit awards under the Option Plan and PSU Plan, with an annual grant value equal to 125% of base salary for the CEO, 75% for the CFO and 60% for the remaining NEOs. A small group of certain other senior leaders reporting directly to the executive leadership team currently hold stock options, PSUs and RSUs, although no new stock option grants have been issued to this group since 2016. The Option Plan and PSU Plan are aimed at further aligning executive compensation with the value realized by Shareholders.

The Committee accepts that the Company stock price is a logical benchmark for the evaluation of management performance over the long-term and therefore includes stock options as part of its long-term compensation. The Committee reviews and determines stock option awards annually. In accordance with the terms of the Option Plan, the Committee determines the grant or exercise price by calculating the fair market value. This is defined as the volume-weighted average trading price of the Shares for the last five days on which the Shares traded on the TSX within the previous 20 days on which the TSX was open for trading, calculated by dividing the total value by the total volume of Shares for the relevant period.

The Committee reviews the terms and performance conditions of the PSU awards annually and is satisfied that the PSU Plan increases the performance orientation and reduces inherent dilution, while maintaining a competitive compensation approach. The Committee believes improvement in measures such as sales growth, earnings and return on assets managed ("**ROAM**") are aligned with long-term shareholder value creation and has considered these performance metrics for annual PSU awards. Over the longer-term, the directors are confident that if management performs well on these measures, then the stock market should value the Shares accordingly.

Aligned with market practice, RSUs are also a part of the LTI compensation awarded to the NEOs. RSUs align interests of executives with Shareholders, provide a retention element to the LTI mix, and assist executives in meeting their share ownership guidelines.

The chart below outlines the annual LTI mix granted to the NEOs:



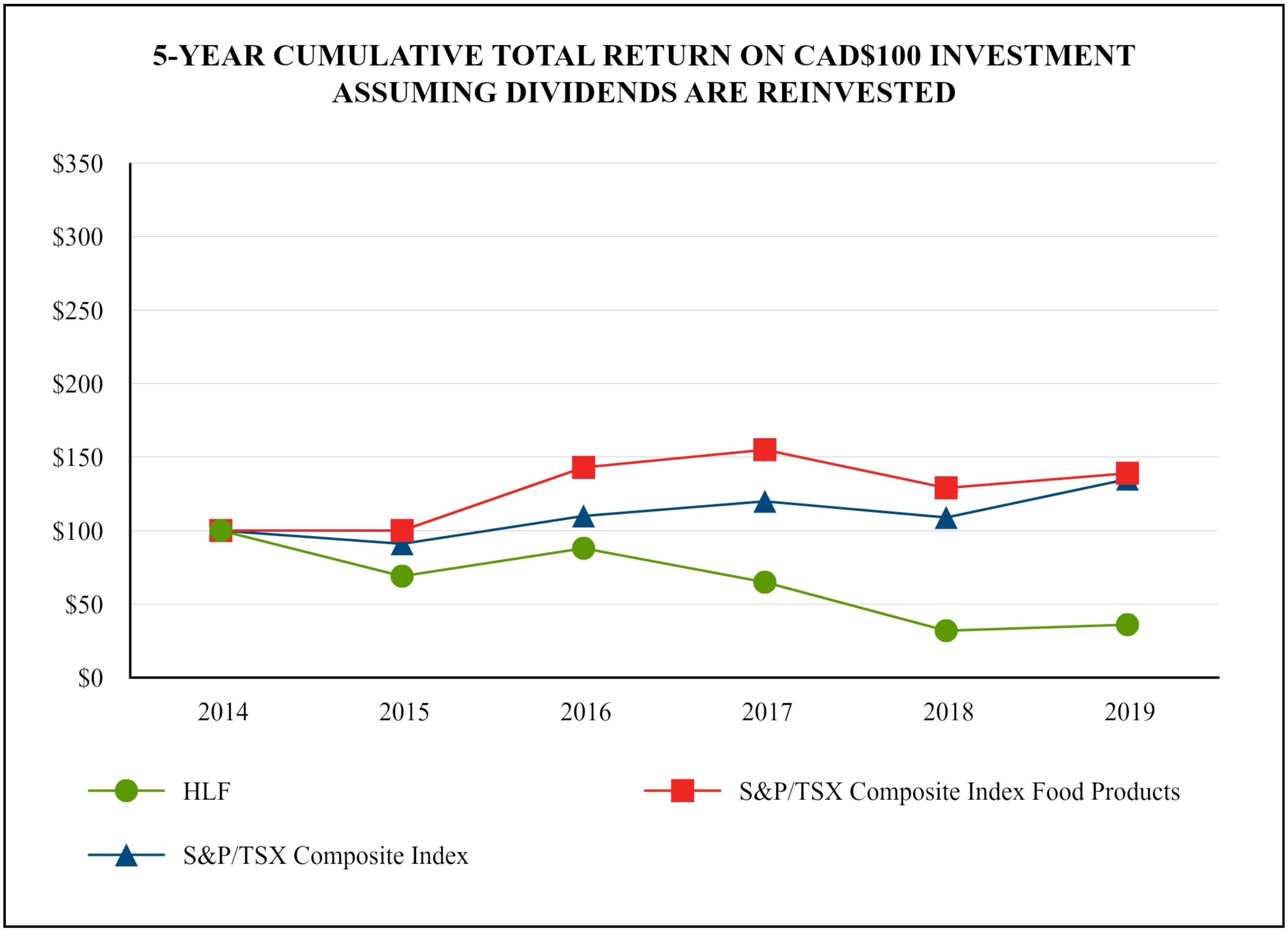
Supplemental Performance Share Unit Award

In November 2018, the Board approved a supplemental, one-time PSU award, equal to each NEO's annual grant value as described above. The awards were designed to focus management on the achievement of the five critical strategic initiatives being: Organizational Realignment, Business Simplification, Supply Chain Excellence, Rubicon Alignment & Shrimp Growth and Profitable Organic Growth.

Each of the five PSU metrics is weighted equally (20%) and can vary from 50% if threshold performance is achieved and up to 200% if the maximum performance is achieved. If threshold performance is not met, the payout will be 0% for that metric. The PSUs vested at the end of February 2020 to the extent the initiatives were achieved. Further details of the award payouts are provided in the *2018 Supplemental PSU Performance and Payout* section.

PERFORMANCE GRAPH

The following graph compares the yearly change in the Company's cumulative total return of its Shares with the cumulative total return of the S&P/TSX Composite Index Food Products and the S&P/TSX Composite Index over the last five years, assuming a one hundred Canadian dollar ("**CAD$100**") investment and the reinvestment of dividends.



The table below depicts what CAD$100 invested in Shares on January 1, 2015 would represent in each consecutive year, showing compound annual growth over the five-year time frame. Long-term incentives, which represent a significant portion of executive compensation, create a direct link between Share price performance and executive compensation. As outlined further in the CD&A, all stock options awards granted during this period, with the exception of the 2019 award, are out-of-the-money (as of December 31, 2019) and the last three years of PSU grants have not met performance thresholds, resulting in no payouts for the NEOs. This ensures that the compensation value ultimately realized by executives is aligned with Company performance and with Shareholder experience.

	01/01/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	Compound Annual Growth Over Five Years
High Liner Foods Incorporated	$100	$69	$88	$65	$32	$36	(17.9)%
S&P/TSX Composite Index Food Products	$100	$100	$143	$155	$129	$139	6.9 %
S&P/TSX Composite Index	$100	$91	$110	$120	$109	$135	6.2 %

EQUITY COMPENSATION PLAN INFORMATION

Plan category	Shares to be Issued Upon Exercise of Outstanding Options or Awards at Fiscal 2019 Year End (a) Number	Percentage of outstanding shares	Weighted Average Exercise Price of Outstanding Options at Fiscal 2019 Year End (b)	Shares Remaining Available for Future Issuance Under Equity Compensation Plans at Fiscal 2019 Year End (Excluding Securities in Column (a)) (c) Number	Percentage of outstanding shares	Total Shares Issuable under Equity Compensation Plans at Fiscal 2019 Year End (Column (a) + Column (c)) Number	Percentage of outstanding shares
Option Plan approved by Shareholders	1,717,416	5.1%	CAD$12.53	928,622(1)	2.8%	2,646,038	7.9%
PSU Plan approved by Shareholders	—	—	n/a	400,000 (2)	1.2%	400,000	1.2%

(1) Of this number, 271,276 options were granted subsequent to fiscal 2019 year-end.

(2) There were 953,483 PSUs and 383,777 RSUs outstanding at December 28, 2019 that are payable in cash, of which 99,327 PSUs, 564,328 Special PSUs and 38,061 RSUs vested and were exercised or forfeited in accordance with their terms. Also granted subsequent to fiscal 2019 year-end were 265,819 PSUs and 184,181 RSUs awards payable in cash.

OPTION-BASED AWARDS

The Option Plan provides eligible participants, including the NEOs, with the opportunity to purchase Common Shares or Non-Voting Shares (which were redeemed in December 2012) of the Company (collectively, in this section only, "**Shares**") or if offered at the time of issuance, to accept upon exercise a cash payment equal to the appreciation in value of the underlying Shares from the date of grant to the date of exercise, less applicable source deductions ("**Tandem SARs**"), subject to the terms of the grant as outlined in the option agreement. As of May 17, 2011, the amount of the appreciation is equal to the difference between the volume weighted-average trading price of such Shares for the last five days on which such Shares traded on the TSX (the "**Fair Market Value**") on the date of exercise and the option price for the Shares. The number of Shares which may be issued under the Option Plan shall be reduced by the number of underlying Shares of each Tandem SAR exercised. The Option Plan also contains a 'cashless' exercise feature whereby, the participant may elect to receive the value of the option gain in the form of issued Shares instead of exercising the option for cash. In such a case, the number of Shares received is equal to the in-the-money value of the option (being the difference between the exercise price and the Fair Market Value of the Shares at the date of exercise) divided by the Fair Market Value of the Shares at the date of exercise. The number of Shares available for issuance under the Option Plan will be reduced by the number of Shares actually issued upon a cashless exercise, rather than the total number of Shares underlying the option. The Company requires payment of an amount equal to the withholding and remittance obligation imposed on the Company under tax laws.

Under the terms of the Option Plan, the Committee designates "**Eligible Participants**" to whom options will be granted, and the number and type of Shares to be optioned to each. Eligible Participants are directors, executives including the NEOs and certain senior leaders reporting directly to the NEOs. Shares to be optioned shall not exceed the aggregate number of 3,800,000 as of May 7, 2013 (updated to include the effects of the May 30, 2014 stock split). There are 1,982,692 options issued representing approximately 6.0% of the issued and outstanding Shares as of March 23, 2020 with exercise prices ranging from CAD$7.46 to CAD$24.80 per Share. There remains 928,622 Shares available for issuance under the Option Plan as at December 28, 2019, representing approximately 2.8% of the issued and outstanding Shares as of March 23, 2020. The Company's annual burn rate under the Option Plan, calculated as described in Section 613(p) of the TSX Company Manual was 1.33% in 2019, 2.43% in 2018 and 0.42% in 2017.

High Liner Foods does not receive consideration when options are granted. The option price for the Shares is determined by the Committee at the time of granting of the option but cannot be less than the Fair Market Value of the Shares underlying the option at the time of grant. The term during which any option granted may be exercised is determined by the Committee at the time the option is granted but may not exceed ten years from the date of grant. Options typically have a term of five years. The Option Plan provides that an expiry date falling within a blackout period will be extended to the date that is ten business days after the blackout period expires. The purchase price is payable in full at the time the option is exercised. The number of Shares issuable to insiders, at any time, shall not exceed 10% of the issued and outstanding Shares, and the number of Shares issued to insiders, within a one-year period, shall not exceed 10% of the issued and outstanding Shares. The Committee also determines the vesting schedule, which typically ranges from one to three years.

Options are not transferable or assignable. If a participant ceases to be employed by the Company due to retirement after the age of 60, options expire two years after the retirement date. If a participant ceases to be employed by the Company for any other reason, options will expire 30 days after the termination date with the exception of those who have a change of control provision which is engaged. In the event of the death of a participant, options theretofore granted may be exercised by the executors or administrators of the estate of the participant. Participation in the Option Plan is voluntary and does not confer upon a participant any right with respect to employment or continuance of employment, nor interfere in any way with the Company's right to terminate employment. The obligations of the Company to sell and deliver Shares under options are subject to the approval of any government or regulatory authority which may be required in connection with the authorization, issuance or sale of such Shares. In the event the Company amalgamates, consolidates with, or merges into another company, participants will thereafter receive, upon the exercise of options, the securities or property to which a holder of the number of Shares then deliverable upon the exercise of such options would have been entitled to upon such amalgamation, consolidation or merger.

If options are awarded or paid out to an Eligible Participant under the following circumstances, such Eligible Participant will reimburse to the Company such amount of the award or payout requested by the Company where: (a) the amount of such award or payout was calculated, directly or indirectly (including inflated Share price), based upon the achievement of financial results that were subsequently the subject of a restatement or the correction of a material error; (b) such Eligible Participant engaged in intentional misconduct that caused or partially caused the need for the restatement or caused or partially caused the material error; and (c) the amount of the award or payout that would have been awarded to such Eligible Participant had the financial results been properly reported would have been lower than the amount actually awarded or paid out.

Pursuant to the terms of the Option Plan, without notice or Shareholder approval, the Board may amend, suspend or terminate the Option Plan provided that the amendment, suspension or termination does not impair any option previously granted. Without limiting the generality of the foregoing, the following types of amendments may be made without notice or Shareholder approval:

i. reduce the number of securities issuable under the Option Plan;
ii. increase or decrease the maximum number of Shares any single Eligible Participant is entitled to receive under the Option Plan;
iii. any amendment pertaining to the vesting provisions of each option set out in any option agreement;
iv. any amendment to the terms of the Option Plan or any option agreement relating to the effect of termination, cessation or death of an Eligible Participant on the right to exercise options;
v. any amendment pertaining to the assignability of grants required for estate planning purposes;
vi. increase the option period referred to in regard to blackout periods and an event of death as discussed in the Option Plan;
vii. increase the exercise price or purchase price of any option;
viii. amend the process by which an Eligible Participant can exercise his or her option, including the required form of payment for the Shares, the form of exercise notice and the place where such payments and notices must be delivered;
ix. add and/or amend any form of financial assistance provision to the Option Plan;
x. add and/or amend a cashless exercise feature, payable in cash or Shares;
xi. amend the eligibility requirements for participants in the Option Plan;
xii. any amendment as may be necessary or desirable to bring the Option Plan into compliance with securities, corporate or tax laws and the rules and policies of any Stock Exchange upon which the Shares are from time to time listed;

xiii. any amendment to add covenants of the Company for the protection of Eligible Participants, provided that the Committee shall be of the good faith opinion that such additions will not be prejudicial to the rights or interest of the Eligible Participants;

xiv. any amendments not inconsistent with the Option Plan as may be necessary or desirable with respect to matters or questions, which in the good faith opinion of the Committee, having in mind the best interests of the Eligible Participants, it may be expedient to make, provided that the Committee shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Eligible Participants;

xv. any such changes or corrections which, in the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Committee shall be for the opinion that such changes or corrections will not be prejudicial to the rights and interest of the Eligible Participants; and

xvi. any re-allocation of the number of Shares that may be issued from treasury as between the Option Plan and the PSU Plan.

The following types of amendments to the Option Plan cannot be made without Shareholder approval:

i. amendments which would increase the number of Shares issuable under the Option Plan, otherwise than in accordance with the Option Plan;

ii. amendments which would result in a reduction in the exercise price, or cancellation and reissue, of options, otherwise than in accordance with the Option Plan;

iii. any amendment to increase the maximum limit of the number of Shares that may be issued to insiders within any one-year period, or issuable to insiders, at any time;

iv. any amendment that extends the option period beyond the original expiry date, otherwise than as allowed by the Option Plan;

v. any amendment adding participants that may permit the introduction or re-introduction of non-employee directors on a discretionary basis;

vi. any amendment allowing awards granted under plans to be transferable or assignable other than for normal estate settlement purposes; and

vii. any amendment to the amending provisions of the Option Plan.

PERFORMANCE SHARE UNIT PLAN

The PSU Plan provides for the award of PSUs and RSUs (collectively "**Units**") to any eligible employee of the Company or its subsidiaries as determined by the Committee. Directors who are not full-time employees of the Company may not participate in the PSU Plan. The PSU Plan is intended to reward NEOs and certain other senior leaders for performance which is expected to drive long-term Shareholder value.

The PSU Plan was developed with the assistance of the independent compensation consultant. Levels of reward for the Option Plan and PSU Plan are based on market data reviewed in the normal course of assessing executive pay. The combination of options and Unit grants are intended to provide a competitive LTI program.

Grants of Units will be at the discretion of the Committee within the limitations of the PSU Plan and subject to the rules and policies of applicable regulatory authorities. The amount payable to each participant under the PSU Plan at the time of vesting, in respect of a particular grant of Units, shall be determined by multiplying the number of Units (which will be adjusted in connection with the payment of dividends by the Company as if such Units were Shares held under a dividend reinvestment plan) by a performance multiplier (for PSUs) to be determined by the Committee and by the Fair Market Value, as described in the PSU Plan, of a Share at the vesting date. The PSUs will vest upon expiry if agreed upon performance measures are met. The measures for the PSU Plan will be approved annually by the Committee.

The form of payment under the PSU Plan shall be one or more of the following forms: (i) cash; or (ii) Shares. Shares may be purchased on the market or issued from treasury of the Company in order to pay out Units in accordance with their terms. Approval was granted for 400,000 Shares in aggregate to be reserved for issuance from treasury of the Company under the PSU Plan, which, as of March 23, 2020, represents 1.2% of the aggregate of the issued and outstanding Shares of the Company. In addition, issuances of Units may not result in the following limitations being exceeded: (a) the aggregate number of Shares issuable to insiders pursuant to the PSU Plan, the Option Plan or any other security-based compensation arrangement of the Company exceeding 10% of the aggregate of the issued and outstanding Shares at any time; and (b) the issuance from treasury to insiders, within a 12-month period, of an aggregate number of Shares under the PSU Plan, the Option Plan and any other security-based compensation arrangement of the Company exceeding 10% of the aggregate of the issued and outstanding Shares. The Company's annual burn rate under the PSU Plan (including both PSUs and RSUs), calculated as described in Section 613(p) of the TSX Company Manual was 1.24% in 2019, 2.78% in 2018 and 0.50% in 2017. With respect to the PSU Units, the number of Shares to be settled will vary from 0% to 150% of the award, with the exception of the November 2018 supplemental PSU award which will vary from 0% to 200% and will settle as a cash payout.

The Committee will require all participants to reimburse, in all appropriate cases, any short- or long-term incentive award or amount awarded to the participant and any non-vested equity-based awards previously granted to the participant if: (a) the amount of such compensation was calculated based upon the achievement of financial results that were subsequently the subject of a restatement or the correction of a material error; (b) the participant engaged in intentional misconduct that caused or partially caused the need for the restatement or caused or partially caused the material error; and (c) the amount of the compensation that would have been awarded to the participant had the financial results been properly reported would have been lower than the amount actually awarded.

If a participant voluntarily terminates his or her employment with the Company or has employment terminated for cause, all unvested PSUs are cancelled as at the date of termination. If the Company terminates employment of a participant for any reason other than for cause, a number of unvested PSUs shall continue to vest prorated based upon the number of full calendar months of active employment during the term of the PSU, and all other unvested PSUs shall be cancelled. Upon the death of a participant, a prorated number of PSUs based upon the number of full calendar months of active employment during the term of the PSU shall vest as of the date of death and shall be paid within two and one-half months following the participant's death on the assumption that the Target Performance Level is met, and all other unvested PSUs shall be cancelled. If a participant has attained the age of 60 and retires pursuant to a retirement plan, a prorated number of PSUs based upon the number of full calendar months of active employment during the term of the PSU shall continue to vest following retirement, and all other unvested PSUs shall be cancelled as at the date of retirement. PSUs are not transferable other than on death of the participant according to the laws of descent and distribution. If a participant suffers a disability, a number of unvested PSUs held by such participant at the date of disability, prorated based on the number of full calendar months of active employment during the term to the total number of months in the term, shall continue to be subject to vesting in accordance with the PSU Plan during such participant's leave. If a Participant commences a parental or another leave approved by the Company for a period longer than three months, other than a leave for disability, a number of unvested PSUs held by such participant as at the commencement of such leave, prorated based on the number of full calendar months of active employment of the participant during the term to the total number of months in the term, shall continue to be subject to vesting in accordance with the Plan during such leave. All other unvested PSUs shall be cancelled on the date of the determination not to return to active employment. If a participant is seconded to an entity other than a subsidiary, the Committee shall determine the manner in which all PSUs held by the participant as at the date of the secondment shall be treated under the PSU Plan, provided, however, that in no event shall such treatment permit amounts to be payable under the PSU Plan more than two and one-half months after the vesting date.

Prior to the PSU Plan amendments (described below), in the event of a Change of Control, all unvested PSUs shall vest on the date that is 30 days prior to the date of the Change of Control based on applicable performance measures achieved from the start of the term to that date. In such case, each PSU shall be paid out upon the Change of Control occurring. "**Change of Control**" for this purpose shall mean the occurrence of either: (i) a person (other than Thornridge Holdings Limited or its affiliates) acquiring beneficial ownership of Shares and/or convertible securities such that, assuming only the conversion by such acquirer, that acquirer would cast more than 50% of the votes attaching to all Shares that may be cast to elect directors of the Company, and the exercise of the voting power of all or any such Shares so as to cause or result in the election of one-half or more directors of the Company who were not incumbent directors; or (ii) the disposition of convertible securities and/or Shares by Thornridge Holdings Limited to the extent that it would cast less than 30% of the votes attaching to all Shares that may be cast to elect directors of the Company, and the exercise of the voting power attaching to Shares so as to cause or result in the election of one-third or more directors of the Company who were not incumbent directors.

Amendments to the PSU Plan shall not alter or impair the rights of any participant in respect of existing PSUs without the consent of that participant. The Board may from time to time amend the PSU Plan without notice or Shareholder approval provided that such amendment shall not impair any PSUs previously granted. In particular, the Board may make the following types of amendments to the PSU Plan without Shareholder approval:

i. to reduce the number of Shares issuable under the PSU Plan;
ii. to increase or decrease the maximum number of Shares of a single participant;
iii. to amend the vesting provisions;
iv. to change the effect of termination, cessation or death of a participant;
v. to change the assignability for estate planning purposes;
vi. to increase the term;
vii. to forms of financial assistance;
viii. to change to eligibility;
ix. for compliance with securities, corporate or tax laws and the rules and policies of the TSX;
x. to add covenants for the protection of participants;
xi. to make changes in the best interest of the participants;
xii. to correct any ambiguity or defect or inconsistent provision or error; and
xiii. to re-allocate the number of Shares as between the Option Plan and the PSU Plan.

In 2016 the following amendments to the PSU Plan were approved by the TSX:

i. adjusted wording for units granted without meaningful performance criteria and to refer to them as "restricted" rather than "performance" share units with the effect that units designated as RSUs can be granted under the PSU Plan;
ii. wording was revised in section 8(b) of the PSU Plan to contemplate payment to PSU Plan members past the calendar year end;
iii. the "Change of Control" provision was updated to a double trigger meaning the occurrence of both a "Change of Control" and a termination of an individual's employment or engagement other than for cause would need to transpire for the provision to apply; and
iv. the number of shares issuable under the PSU Plan was updated to reflect the 2014 stock split.

Shareholder approval is specifically required for amendments to the PSU Plan that would:

i. increase the number of Shares issuable under the PSU Plan other than a re-allocation or adjustment in the case of a re-organization;
ii. increase the maximum limit of the number of Shares that may be issued to insiders;
iii. add non-employee directors as participants on a discretionary basis;
iv. allow transferability; or
v. to amend the amending provisions of the PSU Plan.

SHARE OWNERSHIP REQUIREMENTS

NEO share ownership aligns the interests of senior management with that of Shareholders. The Committee introduced Share ownership guidelines for NEOs and other executive leadership members in 2004 and later amended the requirements which became effective December 17, 2013. The participants will have seven years from their appointment to the position to achieve the recommended share ownership. The Share ownership guidelines are based on the participant's position as noted in the table below.

Position	Share Ownership Requirement
President & CEO	4 times base salary at the time of appointment
Executive Leadership Team (including the other NEOs)	2 times base salary at the time of appointment

The following table represents the Share ownership for the NEOs as of March 23, 2020.

Name	Share Ownership Requirement(1)	Interest in the Company(2)	Acquire By Date
Rod Hepponstall	327,394	225,042	May 1, 2025
Paul Jewer	34,587	38,655	Met
Paul Snow	26,730	65,501	Met
Tim Rorabeck	20,913	19,543	May 12, 2022
Craig Murray	38,692	15,635	January 16, 2025

(1) Calculated using the base salary and the closing price of the Shares of the Company on the date of appointment to their current position, with the exception of Mr. Snow, Executive Vice President, whose share ownership requirement was calculated using the closing price of the Shares of the Company on December 17, 2013 (Share ownership program effective date).
(2) Interest in the Company includes actual Shares owned, as well as outstanding RSUs for all executives.

SUMMARY COMPENSATION TABLE

The following Compensation Table includes the compensation of the NEOs for each of the Company's three most recently completed financial years. Any compensation which has been paid in CAD is reported in USD in this table.

Name and Position	Year	Salary(1) ($)	Share-Based Awards(1)(2) ($)	Option-Based Awards (1)(3) ($)	Non-Equity Incentive Plan Compensation(1) ($)	Pension Value(1) ($)	All Other Compensation (1) (4)($)	Total Compensation(1) ($)
Rod Hepponstall President & CEO	2019	695,000	651,563	217,188	1,022,221	22,721	—	2,608,693
	2018	454,423	2,228,721	1,069,990	398,149	—	712,351	4,863,634
	2017	—	—	—	—	—	—	—
Paul Jewer Executive Vice President & CFO	2019	340,676	188,015	62,672	294,749	17,036	—	903,148
	2018	340,619	445,658	62,946	44,553	17,031	—	910,807
	2017	331,964	188,446	62,815	22,606	16,598	—	622,429
Paul Snow Executive Vice President	2019	307,159	135,614	45,205	239,176	50,237	—	777,391
	2018	283,160	304,865	39,874	33,300	154,669	—	815,868
	2017	263,195	119,374	39,791	11,291	68,933	—	502,584
Tim Rorabeck Executive Vice President Corporate Affairs & General Counsel	2019	242,685	108,491	36,164	188,972	12,135	—	588,447
	2018	228,890	239,580	33,839	26,917	11,233	—	540,459
	2017	222,792	151,959	33,769	22,925	11,140	—	442,585
Craig Murray Senior Vice President, Marketing & Innovation	2019	227,067	105,584	35,195	176,811	10,739	—	555,396
	2018	211,516	207,897	26,653	22,237	8,444	—	476,747
	2017	182,432	35,076	—	30,539	7,297	—	255,344

(1) Mr. Hepponstall's compensation is paid and reported in USD. Compensation for the remaining NEOs ("the Canadian NEOs") is paid in CAD and is being reported in USD. The rate of exchange used to convert CAD to USD is the average daily foreign exchange rate for the fiscal year ends being: December 28, 2019: 1.3273; December 29, 2018: 1.2956; December 31, 2017: 1.2983.

(2) The amounts in this column reflect the grant date value of share-based awards issued as approved by the Committee. The 2019 share-based awards for all NEOs were issued on March 8, 2019 at a Share price of CAD$7.46.

Mr. Hepponstall's 2018 share-based awards include an annual PSU and RSU award (prorated to his start date) and a special one-time sign-on RSU award totaling $925,000 to replace compensation from his previous employer that he forfeited upon joining the Company. A supplemental share-based award contingent on the achievement of strategic critical initiatives was issued on November 19, 2018 at a Share price of CAD$6.51 to all NEOs. The following table provides a breakdown, by NEO, of the total 2018 share-based awards value between annual and special one-time awards:

	Annual Awards		One-Time Award	One-Time Award	Total
NEO	PSU	RSU	Supplemental PSU	New Hire RSU	Share Awards
Rod Hepponstall	$289,981	$144,990	$868,750	$925,000	$2,228,721
Paul Jewer	$125,892	$62,946	$256,820	—	$445,658
Paul Snow	$79,748	$39,874	$185,242	—	$304,864
Tim Rorabeck	$67,678	$33,839	$138,063	—	$239,580
Craig Murray	$53,307	$26,653	$127,937	—	$207,897

(3) The amounts in this column reflect the grant date Fair Market Value of options granted as approved by the Committee. The Fair Market Value was calculated using the Black-Scholes method, consistent with the accounting values used in the Company's financial statements, which uses the grant price, the volume weighted-average market price at the time of grant, the expected annual volatility, the risk-free rate, the expected annual dividend rate and time to expiry as the factors in the model. Under the terms of the Option Plan, the options granted to the NEOs on March 8, 2019 were granted at an exercise price of CAD$7.46, representing the Fair Market Value of the Shares at the time of grant.

Upon joining the Company on May 1, 2018, Mr. Hepponstall was granted options under the terms of the Option Plan at a strike price of CAD$10.92, representing the Fair Market Value of the Shares at the time of grant. Mr. Hepponstall's 2018 option award value includes an annual award amount (prorated to his start date) of $144,990 and a one-time sign-on award of $925,000 to replace compensation from his previous employer that Mr. Hepponstall forfeited upon joining the Company.

(4) Mr. Hepponstall was appointed to President & CEO on May 1, 2018 and was not a High Liner Foods employee in 2017. Mr. Hepponstall's 2018 *All Other Compensation* value includes a one-time cash bonus of $489,520 to replace compensation forfeited upon him joining the Company, relocation expenses totaling $211,062 and $11,769 in vehicle allowance.

Incentive Plan Awards Table

The following table summarizes all outstanding awards as at December 28, 2019.

	Option-Based Awards				Share-Based Awards		
Name	**Number of Securities Underlying Unexercised Options**	**Option Exercise Price (CAD) ($)**	**Option Expiration Date**	**Value of Unexercised In-the-Money Options(1) ($)**	**Number of Shares or Units of Shares that Have Not Vested**	**Market or Payout Value of Share-Based Awards that Have Not Vested(1)(2) ($)**	**Market or Payout of Vested Share-Based Awards Not Paid Out or Distributed(1)(3) ($)**
Rod Hepponstall	633,909	10.92	May 31, 2023	—	362,723	2,283,318	—
	216,612	7.46	March 31, 2024	127,575	104,677	658,935	461,060
Paul Jewer	28,771	23.21	March 31, 2020	—	108,438	682,610	—
	47,248	15.30	March 31, 2021	—	18,732	117,917	28,566
	16,343	20.61	March 31, 2022	—			
	30,544	12.57	March 31, 2023	—			
	62,078	7.46	March 31, 2024	36,561			
Paul Snow	18,314	23.21	March 31, 2020	—	76,954	484,421	—
	30,075	15.30	March 31, 2021	—	12,882	81,091	18,098
	10,353	20.61	March 31, 2022	—			
	19,349	12.57	March 31, 2023	—			
	44,776	7.46	March 31, 2024	26,371			
Tim Rorabeck	15,392	23.21	March 31, 2020	—	59,206	372,698	—
	25,278	15.30	March 31, 2021	—	10,526	66,261	46,104
	8,786	20.61	March 31, 2022	—			
	16,420	12.57	March 31, 2023	—			
	35,821	7.46	March 31, 2024	21,097			
Craig Murray	9,800	15.30	March 31, 2021	—	54,410	342,507	—
	12,933	12.57	March 31, 2023	—	9,527	59,972	7,976
	34,861	7.46	March 31, 2024	20,532			

(1) Values for unexercised in-the-money options, market or payout value of share-based awards that have not yet vested (including applicable dividend equivalent rights) and market or payout value of vested share-based awards not paid out or distributed (including dividend equivalent rights) were converted to USD using the foreign exchange rate as of December 28, 2019, being 1.3074 and were calculated using the December 28, 2019 closing Share price on the TSX being CAD $8.23.

(2) For all performance share-based awards that have not yet vested, target performance levels have been assumed with the exception of the 2018 Supplemental PSUs which had a performance factor of 131.2%.

(3) PSUs and RSUs that vested December 31, 2019 have been included in the *Vested Share-based Award* column and PSUs reflect the actual performance level of 0%. Mr. Hepponstall's amount includes a portion of RSUs issued on May 1, 2018 that vested immediately and a portion that vested on May 1, 2019 and can be paid out anytime before December 31, 2020.

2017 PSU Performance and Payout

The performance targets for both measures within the 2017 PSU awards were not achieved and as a result, these PSUs did not pay out (0% of PSUs granted vested). The table below outlines the performance levels established for the 2017 PSU awards and respective actual performance/payout.

Three-Year Performance	ROAM (60% weight)	Sales Volume Growth (40% weight)	% Vesting of Initial Grant
Threshold	10.0%	0%	Below threshold no units will vest; at threshold 50% of units will vest
Target	12.0%	1%	100% of units granted will vest
Maximum	14.0%	2%	150% of units granted will vest
Actual Performance (2017 to 2019)	9.6%	(5.3)%	
Payout (Vesting)	0%	0%	0%

2018 Supplemental PSU Performance and Payout

The table below outlines the performance metrics established for the 2018 Supplemental PSU awards and respective actual performance/payout. Each of the PSU metrics is weighted equally (20%) and can vary from 50% if threshold performance is achieved and up to 200% if the maximum performance is achieved. If threshold performance is not met, the payout will be 0% for that metric.

Critical Initiative	Objective / Key Result	Achievement
Organizational Realignment	Completed the organizational realignment to a function-centric, North American structure resulting in annual cost savings and other efficiencies	Achieved Maximum
Business Simplification	Simplify the product portfolio to improve efficiency, lower costs, and narrow focus to the most critical and profitable sales opportunities by successfully eliminating and transitioning out under-performing species and SKUs from the product portfolio	Achieved Maximum
Supply Chain Excellence	Deliver cost savings and operation excellence within the supply chain function, including continuous improvement, health and safety, planning and quality	Achieved Maximum
Rubicon Alignment & Shrimp Growth	Drive profitable organic growth in shrimp and fully integrate Rubicon into High Liner Foods operations	Did Not Meet Threshold
Profitable Organic Growth	Return High Liner Foods to sustainable, profitable organic growth and improve product mix	Met Threshold but did not Meet Target

As a result of performance against each Critical Initiative metric, 131.2% of the 2018 Supplemental PSU awards vested on February 26, 2020.

2019 PSU Program

In 2019, the Committee approved Growth in Adjusted EBITDA and Return on Assets Managed (ROAM) as the performance metrics to be used for the 2019 PSU award.

Growth in Adjusted EBITDA will be measured over a three-year time period and is a critical metric that the organization is focused on in its effort to realign the business. This metric is also appropriate as it includes all costs such as distribution and SG&A, and it is a measure that is well understood by plan participants. ROAM is also an important metric directly aligned with long-term shareholder value and measures how productive and efficient management is in utilizing Company assets.

Achievement towards the ROAM and Adjusted EBITDA Growth targets will determine the percentage of PSUs that vest and are paid at the end of the PSU term. Up to 150% of the PSUs granted may vest if maximum performance level is achieved and none will vest if the threshold performance levels are not met.

The table below sets out the measures, weightings and vesting schedule for the 2019 PSU grants.

Performance Measure	Measure Weighting	Vesting Schedule
ROAM (Achieved in 2021)	60.0%	Below Threshold performance, no units will vest At Threshold performance, 50% of units granted will vest
Adjusted EBITDA Growth (Three Year Average)	40.0%	At Target performance, 100% of units granted will vest At Maximum performance, 150% of units granted will vest

Value Vested

The value of stock option, PSU and RSU awards that vested during fiscal 2019 are shown in the table below.

Name	Option-Based Awards - Value Vested During the Year(1) ($)	Share-Based Awards - Value Vested During the Year(2) ($)
Rod Hepponstall	—	278,902
Paul Jewer	—	28,566
Paul Snow	—	18,098
Tim Rorabeck	—	46,104
Craig Murray	—	7,976

(1) Calculated using the volume weighted average Share price on the vesting date, less the exercise price, multiplied by the number of options. The value shown in this column does not represent the actual value the individual NEO could receive. The actual gain on exercise, if any, will depend on the value of the Share on the date of exercise. All NEO options that vested during the year were not in-the-money.
(2) Values represent RSUs that vested on December 31, 2019 and were converted to USD using the foreign exchange rate as of December 28, 2019, being 1.3074 and were calculated using the December 28, 2019 closing Share price on the TSX being CAD$8.23. Vested PSUs reflect the actual performance level of 0%. The 2018 Supplemental PSUs were not included in the above table as they vested on February 26, 2020.

Perquisites

Mr. Snow is entitled to a paid-up life insurance benefit upon retirement as defined in the Company's Retirement Policy (*for those hired prior to May 1, 1993*). This benefit provides a life insurance policy to a named beneficiary equal to half the annual base salary at the time of retirement. The individual would be responsible to pay taxes on the premium paid for this life insurance policy. Alternatively, the individual could opt to select either a cash payment or a transfer to a Registered Retirement Savings Plan ("**RRSP**") equal to 30% of the life insurance policy value. This plan was discontinued several years ago. Mr. Snow continues to remain eligible under a "grandfather" clause, however, there will be no new entrants to this benefit.

Each of the NEOs are provided with the use of a Company-owned vehicle or a vehicle allowance, an executive medical assessment, and are eligible for reimbursement of approved club expenses. There are no other significant perquisites provided to the NEOs.

RETIREMENT PLAN BENEFITS

Retirement Savings Plans - Canada

In Canada, the Company maintains a defined contribution pension plan under the provisions of the Pension Benefits Act of Nova Scotia. In 2014, the Company introduced enhanced provisions to the defined contribution pension plan for members of the executive leadership team, including NEOs. NEOs are required to make contributions to the plan of 5% of their base salary. The Company contributes a matching 5% contribution for the first 10 years of service. After ten years of service, the Company contribution increases to 6%.

At the time the enhanced pension plan was introduced, the Committee approved the introduction of a Supplemental Executive Retirement Plan ("**SERP**") to be provided to NEOs who are members of the Defined Contribution Plan.

This SERP extends benefits beyond the income tax limits for defined contribution pension plans. Employee contributions must be remitted to the pension plan. If employer contributions, when added to the employee contributions, exceed the Canada Revenue Agency (CRA) maximum allowed for the calendar year, the excess employer contributions are remitted to this SERP. The plan has no guaranteed benefit on retirement.

Retirement Savings Plans - U.S.

In the U.S., the Company maintains a defined contribution savings plan under the provisions of the Employment Retirement Income Security Act of 1974 (a "**401(k) Savings Plan**"), which covers substantially all employees of the U.S. subsidiary company. Participants are permitted to contribute on a pre-tax basis, 100% of their base salary to a maximum of $19,000. Employees who will attain age 50 by December 31st of the Plan Year, are permitted to contribute an additional $6,000. After one year of eligible service, the Company makes a Safe Harbor matching contribution equal to 100% of an employee's salary deferrals that do not exceed 3% of their base salary, plus 50% of their salary deferrals between 3% and 5% of their base salary, for a maximum matching contribution of 4%. Mr. Hepponstall participates in the 401(k) Savings Plan and per the Safe Harbor eligibility rules, he was eligible for matching contributions commencing in May 2019.

Due to limitations on eligible earnings as defined by the Internal Revenue Service (IRS), the U.S. 401(k) Savings Plan cannot provide full benefits as intended by the plan for individuals earning over certain maximums on an annual basis. In recognition of these limits, the Company established a SERP in the U.S. effective September 18, 2014. The SERP is a non-qualified plan that provides supplemental benefits to allow for a combined employer matching contribution of 5% between the 401(k) Plan and the SERP.

The table below shows the retirement values for the NEOs. All values have been reported in USD using the annual average daily foreign exchange rate as of December 28, 2019, being 1.3273.

Name	Accumulated Value at Start of Year ($)	Compensatory ($)	Accumulated Value at Year-End ($)
Rod Hepponstall (1)	9,033	22,721	85,064
Paul Jewer (2)	170,341	17,036	232,594
Tim Rorabeck (3)	150,874	12,135	202,194
Craig Murray (4)	55,031	10,740	83,941

(1) Mr. Hepponstall's compensatory retirement value noted above includes Safe Harbor matching contributions ($1,263) and SERP contributions ($21,458). Mr. Hepponstall became eligible for Safe Harbor matching contributions in May 2019.
(2) Mr. Jewer's compensatory retirement value noted above includes employer contributions to the High Liner Executive Defined Contribution Pension Plan (USD $3,481) and SERP contributions (USD $13,555).
(3) Mr. Rorabeck's compensatory retirement value noted above includes employer contributions to the High Liner Executive Defined Contribution Pension Plan (USD $8,381) and SERP contributions (USD $3,754).
(4) Mr. Murray's compensatory retirement value noted above includes employer contributions to the High Liner Executive Defined Contribution Pension Plan (USD $10,474) and SERP contributions (USD $266).

Defined Benefit Pension Plan Membership

Effective January 1, 1989, the Company introduced a Management Pension Plan (the "**Pension Plan**"), a defined benefit plan for Canadian management employees. On December 28, 2019, eight (8) persons were enrolled as active members in the Pension Plan, including Mr. Snow. The objective of the Pension Plan for Canadian management is to provide an annual pension (including Canada Pension Plan) of 2% of the average of a member's highest five years' regular earnings while a member of the Pension Plan, multiplied by the number of years of credited service. Annual STI payments and amounts under the PSU Plan or Option Plan are not eligible earnings for pension purposes. Effective December 31, 1999, the Company introduced a new defined contribution pension plan for all salaried employees including executive officers, as described above. The Pension Plan for the NEOs in Canada was grandfathered for individuals who were then employees, and there will be no new entrants to the Pension Plan. Members contribute 3.25% of their earnings up to the Years Maximum Pensionable Earnings ("**YMPE**") and 5% in excess of the YMPE to the maximum that a member can contribute based on income tax rules. The credited service under the Pension Plan for Mr. Snow is 31 years.

Upon retirement, the employees in the Pension Plan are provided lifetime retirement income benefits based on their highest five years of salary less Canada Pension benefits. Full benefits are payable at age 65, or at age 60 if the executive has at least 25 years of service. The benefits are payable for life, and 60% is payable to their spouse upon their death with a guarantee of 60 months. Members can retire at age 55 with a reduction in benefits.

In Canada, the Company also provides, through a SERP, extended Pension Plan benefits to the NEOs who are participants in the Pension Plan. This SERP extends benefits beyond the income tax limits for registered plans but are otherwise similar in terms of accumulation rate. The annual pension amounts derived from the aggregate of Pension Plan and SERP benefits represent 1.3% of the five-year average YMPE plus 2% of the salary remuneration above the five-year average YMPE. The combination of these amounts is multiplied by the years of service to determine the full annual pension entitlement from the two plans. Mr. Snow is eligible to accrue benefits in this SERP.

The table below shows the retirement values for Mr. Snow and have been reported in USD using the annual average daily foreign exchange rate as of December 28, 2019, being 1.3273.

Name	Number of Years Credited Service[(1)]	Annual Benefits Payable		Accrued Obligation at Start of Year ($)	Compensatory Change ($)	Non-Compensatory Change ($)	Accrued Obligation at Year-End ($)
		At Year-End ($)	At Age 65 ($)				
Paul Snow	41.25	176,508	183,378	2,790,550	50,237	410,164	3,250,952

(1) The credited service above includes service in the prior executive & management plan of 10.25 years.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Change of Control Agreements

The Company currently has entered into change of control contracts with Mr. Hepponstall, Mr. Jewer, Mr. Snow and Mr. Rorabeck. The change of control agreements are automatically extended annually by one additional year unless the Company provides 90 days' notice of its unwillingness to extend the agreements.

The change of control agreement for the above mentioned NEOs provides that, in the event of a termination (other than for cause) by the Company or by the executive for good reason, within 12 months following a change of control, they would be entitled to:

Mr. Hepponstall: (a) cash compensation equal to his final annual compensation (including base salary and STI) multiplied by two; (b) the automatic vesting of any stock options or other entitlements for the purchase or acquisition of Shares in the capital of the Company which are not then exercisable, which shall be exercisable for two years following termination; and (c) continued participation in other benefit programs for two years as outlined in the table below.

Mr. Jewer: (a) cash compensation equal to his base salary plus one month of base salary for every completed year of service (up to a maximum of 12), paid on a salary continuance basis; (b) the automatic vesting of any stock options or other entitlements for the purchase or acquisition of Shares in the capital of the Company which are not then exercisable, which shall be exercisable until the end of the salary continuance period as determined in (a); (c) continued participation in other benefit programs until the end of the salary continuance period; and certain other benefits as outlined in the table below.

Mr. Snow: (a) cash compensation equal to one month of base salary for every completed year of service (up to a maximum of 24 months), paid on a salary continuance basis; (b) the automatic vesting of any stock options or other entitlements for the purchase or acquisition of Shares in the capital of the Company which are not then exercisable, which shall be exercisable until the end of the salary continuance period as determined in (a); (c) continued participation in other benefit programs until the end of the salary continuance period; and certain other benefits as outlined in the table below.

Mr. Rorabeck: (a) cash compensation equal to his base salary plus one month of base salary for every completed year of service (up to a maximum of 12), paid on a salary continuance basis; (b) the automatic vesting of any stock options or other entitlements for the purchase or acquisition of Shares in the capital of the Company which are not then exercisable, which shall be exercisable until the end of the salary continuance period as determined in (a); (c) continued participation in other benefit programs until the end of the salary continuance period; and certain other benefits as outlined in the table below.

The information below outlines estimated payments and other benefits for Mr. Hepponstall, Mr. Jewer, Mr. Snow and Mr. Rorabeck assuming termination following a change of control event was triggered as at December 28, 2019. All values have been reported in USD using the average foreign exchange rate as of December 28, 2019, being 1.3273.

Change of Control Benefit	Rod Hepponstall ($)	Paul Jewer ($)	Paul Snow ($)	Tim Rorabeck ($)
Salary Continuance(1)	1,390,000	473,519	602,727	381,727
Short-Term Incentive(2)	2,044,442	—	—	—
Benefits - Including Health, Dental, Life Insurance	49,888	13,331	17,333	11,050
Retirement Benefit	45,442	24,134	100,473	19,213
Vehicle(3)	36,000	21,588	29,309	19,206
Other(4)	—	96,986	90,409	78,355
Option-Based Awards(5)	127,575	36,561	26,371	21,097
Share-Based Awards(5)	2,942,253	800,527	565,512	438,959
Total Amount	6,635,600	1,466,646	1,432,134	969,607

(1) Salary Continuance represents 24 months for Mr. Hepponstall, 17 months for Mr. Jewer, 24 months for Mr. Snow and 19 months for Mr. Rorabeck.
(2) Short-Term Incentive represents two-times the actual amount paid to Mr. Hepponstall for the most recent plan year. Mr. Jewer, Mr. Snow and Mr. Rorabeck are not eligible for this benefit under their change of control agreements.
(3) Vehicle represents a monetary car allowance for Mr. Hepponstall and the annual taxable benefit value incurred in the current year for Messrs. Jewer, Snow and Rorabeck, applied to their respective salary continuance period.
(4) Other represents maximum outplacement (up to CAD$40,000) and maximum employment relocation services (up to 20% of base salary) offered by the Company.
(5) Option-Based Awards and Share-Based awards represent the December 28, 2019 value of unvested awards. All stock option awards are currently out-of-the-money, with exception of the 2019 grant.

Employment Agreements

The Company has entered into employment agreements with the following NEOs that provide them with certain rights in the event of involuntary termination of employment.

For Mr. Hepponstall, if his employment with the Company ends due to a termination by the Company without cause, a termination by the employee with good reason, or a termination due to his death or disability before May 1, 2021, he will be entitled to the following benefits: a) 18 months of salary continuance; b) one-twelfth of the greater of the amount of the last STI payment or the target amount of the STI, paid over an 18-month period; and c) reimbursement of the monthly employer contribution to group health insurance and vehicle allowance, for a maximum of 18 months. If Mr. Hepponstall's employment is terminated for the reasons described above after May 1, 2021, he will be entitled to the same benefits as described above, but reduced to a period of 12 months.

For Mr. Jewer, this arrangement provides for the following benefits should he be terminated without cause: a) 12 months of salary continuance plus one month for each completed year of service up to a maximum of 20 months; b) a prorated portion of STI at target up to the end of the salary continuance period; and c) continuation of group health benefits, pension and SERP, automobile and membership benefits during the salary continuation period.

For Mr. Murray, this arrangement provides for the following benefits should he be terminated without cause: a) 12 months of salary continuance, or pay in lieu of notice pursuant to applicable law, which ever is greater; b) a prorated portion of STI at target up to the end of the salary continuance period; and c) continuation of group health benefits, pension and SERP, and automobile benefits during the salary continuation period.

Any payments under these arrangements are subject to the employee signing a severance agreement and release of claims as presented by the Company.

The information below outlines estimated severance payments and other benefits as described above for Mr. Hepponstall, Mr. Jewer and Mr. Murray. All values have been reported in USD using the average foreign exchange rate as of December 28, 2019, being 1.3273.

Severance Benefit	Rod Hepponstall ($)	Paul Jewer ($)	Craig Murray ($)
Salary Continuance(1)	1,042,500	473,519	226,023
Short-Term Incentive	1,533,332	236,759	101,710
Benefits - Including Health, Dental, Life Insurance	37,416	13,331	6,909
Retirement Benefits	34,082	24,134	10,739
Vehicle(2)	27,000	21,588	14,991
Other Benefits(3)	—	1,067	—
Total Benefits	2,674,330	770,398	360,372

(1) Salary Continuance represents 18 months for Mr. Hepponstall, 17 months for Mr. Jewer and 12 months for Mr. Murray.
(2) Vehicle represents a monetary car allowance for Mr. Hepponstall and the annual taxable benefit value incurred in the current year for Mr. Jewer and Mr. Murray, applied to their respective salary continuance period.
(3) Other represents annual club membership dues.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

Throughout 2019 and as at March 23, 2020, there was no indebtedness to the Company and its subsidiaries from any executive officers, directors, employees or former executive officers, directors and employees of the Company or its subsidiaries.

AUDIT COMMITTEE COMPOSITION AND AUDIT FEES

The composition of the Audit Committee of the Company is detailed in the Company's Annual Information Form ("**AIF**") for the year ending December 28, 2019 in Section 9.2, and details of fees paid to the Company's Auditor, Ernst & Young LLP, can be found in Section 9.4. The AIF has been filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at www.sedar.com, a copy of which may be obtained, without charge, by contacting the Company's Corporate Secretary.

APPOINTMENT OF AUDITORS

The Board recommends that Shareholders vote in favour of the resolution reappointing Ernst & Young, LLP, as auditors of the Company for 2020 and permitting directors to fix their remuneration. If Shareholders do not specify how they want their Shares voted, the persons named as Proxyholders will cast the votes represented by Proxy at the Meeting FOR the resolution reappointing Ernst & Young, LLP as auditors of the Company.

ADVISORY RESOLUTION ON THE COMPANY'S APPROACH TO EXECUTIVE COMPENSATION

The Board believes that Shareholders should have the opportunity to understand fully the philosophy, objectives and principles that the Board has used to make compensation decisions for executives of the Company. The Board has adopted a practice to hold, at each annual meeting, a non-binding advisory vote on the approach to executive compensation as disclosed in the Circular. This Shareholder advisory vote forms an important part of the ongoing process of commitment between Shareholders and the Board on compensation.

After reviewing the Circular, if there are specific concerns you wish to discuss, contact the Board by writing to the Chair of the Board or the Chair of the Human Resources and Compensation Committee using the contact information as found on the Company's website at www.highlinerfoods.com. The compensation discussion and analysis describes High Liner Foods' compensation philosophy, the objectives of the different elements of the compensation programs and the way the Board evaluates performance and makes decisions. Further, it explains how compensation programs are based on a pay-for-performance culture and are aligned with strong risk management principles and the long-term interests of Shareholders.

The Board recommends that shareholders approve the following advisory resolution:

"Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors that the Shareholders accept the approach to executive compensation disclosed in the Circular delivered in advance of the 2020 Annual General Meeting of Shareholders."

As this is an advisory vote, the results will not be binding upon the Board. However, in considering its approach to compensation in the future, the Board takes into account the results of the vote, together with feedback received from Shareholders. **The persons named in the enclosed proxy form intend to vote FOR the foregoing advisory resolution.**

CORPORATE GOVERNANCE PRACTICES

The Board of Directors and management annually review the Company's corporate governance structures and practices. The review is conducted with reference to *National Policy 58-201 Corporate Governance Guidelines* and *National Instrument 58-101 Disclosure of Corporate Governance Practices* (the "**Guidelines**"). High Liner Foods has been committed to continuous evolution of its governance practices as illustrated in the recent committee changes noted in the "*Changes to Board Committee Mandates*" section of this document. The Board believes that this commitment has led to improved organizational effectiveness, and has enhanced the Board's connectivity to the strategic plan, the identification of risk and communications with stakeholders while maintaining long-term Shareholder value.

The Board's governance program in 2019 was principally the responsibility of the HR Committee, although the Governance Committee, comprised only of independent members of the Board, is responsible for the nomination of directors of the Company. In 2020, responsibility for governance primarily moved to the Governance Committee. See the section of this document titled "*Changes to Board Committee Mandates*" and the mandates described below. This report is prepared in accordance with Form 58-101F1 and provides a description of High Liner Foods' approach to each of the guidelines identified in National Policy 58-201 ("**NP 58-201**").

Board Diversity

The Board of High Liner Foods adopted a Diversity Policy to address diversity matters among its Board and executive officers. Under the Policy, the Board nominates and appoints Board members and executive officers based on merit, and the Company is strongly committed to finding the best people to serve in these roles. At the same time, the Company believes that diversity helps to ensure that Board members and executive officers provide the necessary range of perspectives, experiences and expertise required to achieve effective stewardship and management of the Company. Diversity also helps to ensure that a wide variety of perspectives are brought to bear on issues, while enhancing the likelihood that proposed solutions will be thoughtful and comprehensive. High Liner Foods believes that diversity is an important attribute of a well-functioning Board and an effective team of executive officers.

The Governance Committee is responsible for identifying and recommending to the Board qualified candidates who possess the competencies, skills, business and financial experience, personal qualities and level of commitment required for a director to fulfill Board responsibilities. In doing so, the Governance Committee strives for the inclusion of diverse groups, knowledge and viewpoints and includes considering the level of representation of women on the Board.

Pursuant to the Diversity Policy of the Company, the Governance Committee intends to maintain female Board representation (excluding executive directors) of at least 25% of Board members and has set a goal to pursue parity in gender representation on the Board (excluding executive directors). Of the ten proposed nominees for election to the Board at the upcoming Meeting, three are women. This reflects the Board's view that gender diversity is an important part of fostering diversity of perspective and experience leading to improved overall performance of the Board and its committees. The table below demonstrates the commitment of the Board to foster gender diversity over the past five years.

	Proposed Nominees	2019	2018	2017	2016
Total Board	10	10	13	13	13
Women Directors	3	4	4	3	2
Percentage Women	30%	40%	31%	23%	15%

High Liner Foods does not have targets regarding women in executive officer appointments; however, management is of the view that gender diversity among the senior executive team serves the best interest of the Company in helping to foster a better understanding of the needs of its employees, customers and consumers. As at January 15, 2020, the Company had one female executive leadership team member representing 14% of the executive leadership team.

In view of building diversity within High Liner Foods, management does not feel that the best way to achieve diversity is through the setting of targets. When recruiting, management is focused on hiring the most-qualified person to meet the needs of the Company and the position, as well as focus on qualities of an individual that will cultivate an environment which embraces diversity in all facets.

NP 58-201 Guideline	High Liner Foods' Approach
COMPOSITION OF THE BOARD	
3.1 The board should have a majority of independent directors. "Independence" is defined in section in section 1.4 of *National Instrument 52-110 Audit Committees.*	A clear majority of the Board is independent, as required by the Board Charter (the "Charter"), included in this Circular. The Governance Committee reviews the independence of each director annually, with reference to the independence definition found in National Instrument 52-110 ("NI52-110"). With respect to the Audit Committee, the additional requirements of section 1.5 of NI52-110 are applied. To aid its analysis, each director is required to complete an annual questionnaire, which requires disclosure of all board appointments, and all relationships, if any, with the Company. Mr. Hepponstall is not independent. In May 2018 Mr. Hepponstall was appointed to the Board and assumed the office of President & CEO of High Liner Foods. Of the remaining directors, none has a direct or indirect material relationship with High Liner Foods that could, in the view of the Board of directors, be reasonably expected to interfere with the exercise of his or her independent judgment. Mr. Hennigar is Chairman and director of Thornridge Holdings Limited, a shareholder of High Liner Foods as noted in the Principal Holder of Shares section of this Circular. Mr. Hennigar brings many years of business experience in various roles of publicly and privately held companies and provides valuable guidance to the Company on all aspects including strategy and governance. Mr. Dexter is counsel in the Company's external legal services firm, Stewart McKelvey but is no longer practicing law. Mr. Dexter provides no direct or indirect legal services to High Liner Foods and his compensation arrangements with the firm are not related to fee income generated from High Liner Foods. Mr. Dexter's full time occupation is Chairman of Maritime Travel Inc. Fees earned by Stewart McKelvey for legal services provided to High Liner Foods in 2019 were not material to High Liner Foods or to Stewart McKelvey. Mr. Dexter's experience serving in various capacities of publicly and privately held businesses, Chairman of Maritime Travel and his long tenure on the High Liner Foods Board provides a deep knowledge to the High Liner Foods Board in managerial and strategy guidance.
3.2 The chair of the board should be an independent director. Where this is not appropriate, an independent director should be appointed to act as "lead director". However, either an independent chair or an independent lead director should act as the effective leader of the board and ensure that the board's agenda will enable it to successfully carry out its duties.	The Chairman, Mr. Pace, is independent.
MEETING OF INDEPENDENT DIRECTORS	
3.3 The independent directors should hold regularly scheduled Meetings at which non-independent directors and members of management are not in attendance.	At every meeting of the Board a closed session without management and non-independent members present takes place as a standing item on regular meeting agendas. This requirement is expressed in the Charter: "However, every meeting of the Board shall be followed by an *in-camera* session at which no executive directors, non-independent members of the Board, or other members of Management are present, to ensure free and open discussion and communication among the non-executive/independent directors."

BOARD MANDATE

3.4 The board should adopt a written mandate in which it explicitly acknowledges responsibility for the stewardship of the issuer, including responsibility for:	The Board adopted a written Charter several years ago and the HR Committee has reviewed it annually. Beginning in 2020, this review will be performed by the Governance Committee. The Charter was recently reviewed in 2019. In the Charter, the Board explicitly acknowledges responsibility for the stewardship of High Liner Foods. The Charter states: "The Board of Directors is the steward of the Company, and must ensure the viability of the Company and see that it is managed in the interest of the shareholders as a whole."
(a) to the extent feasible, satisfying itself as to the integrity of the chief executive officer (the CEO) and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization;	The Board appointed the current President & CEO in May 2018. The Board, through the HR Committee, reviews the President & CEO's performance annually, and approves annual performance objectives and compensation. The Chairman approves the President & CEO's expenses. During the President & CEO's current tenure, there have been no comments or reservations noted by the External Auditors with respect to the annual audit of High Liner Foods' financial statements. The Board reviews annually a Code of Conduct to assist the President & CEO and other executive officers in maintaining High Liner Foods' culture of integrity.
(b) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business;	The Board oversees and participates in the Company's strategic thinking and goal deployment process and conducts a review of the strategic thinking in the third quarter of each year. The Board ensures that management is focused on aligning the efforts of all employees on achieving clear strategic goals. The Board discusses and reviews all materials related to the strategic plan with management, and approves the annual business plan. The President & CEO reports to the Board at every meeting on progress against strategic goals, and management relies on the Board to question, validate, and ultimately approve the Company's strategic direction.
(c) the identification of the principal risks of the issuer's business, and ensuring the implementation of appropriate systems to manage these risks;	The Board, principally through the Audit Committee, ensures that the risk management structure of the Company offers a comprehensive and diligent approach to risk-taking. Officers responsible for risk assessment and management in all areas of Company operations report to the Board and the Audit Committee regularly on the Company's risk management and internal controls. Assisted by comprehensive checklists and report cards, directors identify and examine all aspects of risk inherent in the Company's business. The Company's MD&A and AIF include a thorough discussion of the principal risks facing the Company, and the Audit Committee reviews this prior to disclosure to ensure it is comprehensive. The Audit Committee is required by the Charter to review risk management and report to the Board on a quarterly basis. The Audit Committee meets with both the External Auditors and Director Internal Audit at every meeting without management present.
(d) succession planning (including appointing, training and monitoring senior management);	The Board selects and evaluates the Company's President & CEO and reviews and approves all proposed appointments to the Executive Leadership Team. A position description exists for the President & CEO (available at www.highlinerfoods.com) and specifies that the President & CEO has primary responsibility for achieving the Company's business strategy. The HR Committee of the Board approves the President & CEO's compensation and evaluates his performance annually against pre-approved objectives (see the section titled "Compensation Discussion and Analysis"). The President & CEO reports annually to the HR Committee on the current status of succession planning with a focus on senior management. All employees are required to have a developmental plan in place. The CFO and the Executive Vice President Corporate Affairs & General Counsel of the Company attend every Board meeting to report on various aspects of operations and progress against goals. Other members of the executive management attend from time to time to address particular subjects. The Board views these presentations as serving a two-fold purpose: directors are kept informed and can oversee performance, and also have the opportunity to assess the depth and skill of the executive management team. Financial resources and time are made available to all executive management for continuing education.

(e) adopting a communications policy for the issuer;	The Board approves all the Company's important communications, including annual and quarterly reports, securities offering documents, news releases and documents required under continuous disclosure laws. The Company communicates with the public through a number of channels, including its website. The Company's Corporate Disclosure, Confidentiality and Employee Trading Policy (the "Policy") is reviewed annually by the HR and Audit Committees and has been approved by the Board. The Policy requires the accurate and timely disclosure of important information, governs external communications and establishes rules with respect to insider trading. The Policy includes blackout and quiet periods, and is substantially modeled on the Model Disclosure Policy published by the Canadian Investor Relations Institute. The Company holds a conference call following the release of quarterly financial results. The call is broadcast on the Internet and is advertised by news release. Any person can access the conference call.
(f) the issuer's internal control and management information systems; and	The Audit Committee of the Board is responsible for the integrity of internal control and management information systems. The mandate of the Audit Committee is described in the AIF and located on the Company's website at www.highlinerfoods.com. The Company's External Auditors and the Director Internal Audit attend every meeting of the Audit Committee. The Director Internal Audit provides a formal written report to the Audit Committee quarterly, and both the External Auditors and the Director Internal Audit meet with the Audit Committee without management present on a regular basis. The Audit Committee receives regular reports on internal controls on financial reporting at every meeting. The Audit Committee reviews the plan to mitigate any significant business interruption due to technology malfunction or physical loss.
(g) developing the issuer's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the issuer.	The HR Committee has been responsible for recommending to the Board the Company's approach to corporate governance. Beginning in 2020, this review will be performed by the Governance Committee. The Committee reviews and approves this disclosure circular, and is responsible for the oversight of the Company's key governance policies, including the Code of Conduct, and the other policies referred to throughout this Circular.
(h) The written mandate of the board should also set out:	
(i) measures for receiving feedback from stakeholders (e.g. the board may wish to establish a process to permit stakeholders to directly contact the independent directors), and	Stakeholders can contact the Board through the Corporate Secretary's office. A statement to this effect can be found on the Our Company Structure and Governance section of the High Liner Foods' website, with contact information.
(ii) expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at board meetings and advance review of meeting materials.	The expectations and responsibilities of the directors are outlined in the Charter summarized in this Circular, and can be found on High Liner Foods' website under the Our Company Structure and Governance section. The Charter includes a majority voting policy in respect of director votes registered as withhold on a proxy.

POSITION DESCRIPTIONS

3.5 The board should develop clear position descriptions for the chair of the board and the chair of each board committee. In addition, the board, together with the CEO, should develop a clear position description for the CEO, which includes delineating management's responsibilities. The board should also develop or approve the corporate goals and objectives that the CEO is responsible for meeting.

The Board has adopted a position description for directors, and it is available on the Company's website under the *Our Company Structure and Governance* section. The position description includes a description of basic duties and responsibilities and requires regular attendance at board and committee meetings, attendance at the annual meeting of Shareholders, and service on at least one board committee. Directors are also required, among other things to: "Stay informed and keep abreast of the business affairs and developments of the Company."

The Board developed a position description for the Board Chairman and for Chairs of Standing Committees. The position descriptions are posted on High Liner Foods' website in the Our Company Structure and Governance section. The HR Committee approved a position description for the President & CEO, and reviews it from time to time. It is also available on the website. The Board of Directors annually reviews and approves the corporate goals and objectives and through the HR Committee, specifically approves the President & CEO's performance targets and incentive plan. More details on executive performance measurement and compensation are included in the Executive Compensation section of this Circular.

ORIENTATION AND CONTINUING EDUCATION

3.6 The board should ensure that all new directors receive a comprehensive orientation. All new directors should fully understand the role of the board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the issuer expects from its directors). All new directors should also understand the nature and operation of the issuer's business.

The Company has developed a comprehensive Directors' Manual (the "Manual") and is available to every director. The Manual is regularly updated. It includes a detailed description of the Company and its operations, the Board and committee charters, the most recent annual disclosure documents, the Company's bylaws and corporate policies. Upon appointment to the Board, management reviews the Manual's content with the director, and provides education on the Company's internal reporting and transaction approval policies. The directors tour the Company's various facilities from time to time. Executive management also makes regular presentations to the Board on the main areas of the Company's business.

3.7 The board should provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the issuer's business remains current.

Various senior leadership team members provide regular updates to the directors on subjects of importance. For example, the Vice President Finance, a chartered professional accountant, provides an update on financial reporting developments as required and the Corporate Secretary provides regular updates on regulatory and legal developments which could affect the Company. The Company provides the Board with regular business and industry updates from the Vice President Retail Sales and Vice President Foodservice Sales as well as the Senior Vice President Supply Chain. From time to time, presentations from external consultants or experts are made available.

CODE OF BUSINESS CONDUCT AND ETHICS

3.8 The board should adopt a written code of business conduct and ethics ('code'). The code should be applicable to directors, officers and employees of the issuer. The code should constitute written standards that are reasonably designed to promote integrity and to deter wrongdoing. In particular, it should address the following issues:	The Board has adopted a Code of Conduct (the "**Code**") applicable to directors, officers and employees of the issuer. The Code is available at www.highlinerfoods.com.
conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest; protection and proper use of corporate assets and opportunities; confidentiality of corporate information; fair dealing with the issuer's security holders, customers, suppliers, competitors and employees; compliance with laws, rules and regulations; and reporting of any illegal or unethical behavior.	The Code addresses conflicts of interest, protection of corporate assets and opportunities, confidentiality, fair dealing with security holders, customers, suppliers, competitors and employees, compliance with laws, rules and regulations, and reporting of any illegal or unethical behaviour. The Corporate Secretary solicits information from directors annually through a comprehensive questionnaire in order to determine whether there are any transactions or agreements in respect of which a director may have a material interest. Directors are expected to declare any such interest as a matter of course. Directors have the right to retain independent advice, subject to the approval of the Audit Committee. The Code includes information to access a Compliance Reporting Line, an externally-managed, toll-free telephone service for the reporting of matters which may constitute a violation of the Code. Anonymity is an option for users of the reporting line.
3.9 The board should be responsible for monitoring compliance with the code. Any waivers from the code that are granted for the benefit of the issuer's directors or executive officers should be granted by the board (or a board committee) only.	The Board is responsible for monitoring compliance with the Code of Conduct. On an annual basis, management reports compliance to the Board. Each employee and director must annually acknowledge that they have read and agree to adhere to the Code as a condition of employment or appointment. The Code is communicated to management/salaried employees through an internal website and information portal. No director or employee has asked for a waiver from the Code.

NOMINATION OF DIRECTORS

3.10 The board should appoint a nominating committee composed entirely of independent directors.	The Governance Committee proposes nominees to the Board annually. All members of the Governance Committee are independent.
3.11 The nominating committee should have a written charter that clearly establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members and subcommittees), and manner of reporting to the board. In addition, the nominating committee should be given authority to engage and compensate any outside adviser that it determines to be necessary to permit it to carry out its duties. If an issuer is legally required by contract or otherwise to provide third parties with the right to nominate directors, the selection and nomination of those directors need not involve the approval of an independent nominating committee.	The Governance Committee Charter sets out the specific accountabilities of the Committee, which cover the matters addressed by this Guideline. The Governance Committee is permitted to retain outside advisors in order to carry out its duties.
3.12 Prior to nominating or appointing individuals as directors, the board should adopt a process involving the following steps: (a) Consider what competencies and skills the board, as a whole, should possess. In doing so, the board should recognize that the particular competencies and skills required for one issuer may not be the same as those required for another.	The Director Selection Criteria (the "**Criteria**") of the Company are applied by the Governance Committee, which require directors to possess core competencies in at least one area of strategic importance to the Company, a commitment to the Company and its Shareholders through willingness to devote the time and resources required to serve, ownership of Shares of the Company valued at not less than three times the annual retainer of the director, and key personal attributes, including integrity, leadership, and demonstrated accomplishments. The Criteria can be found at www.highlinerfoods.com.

(b) Assess what competencies and skills each existing director possesses. It is unlikely that any one director will have all the competencies and skills required by the board. Instead, the board should be considered as a group, with each individual making his or her own contribution. Attention should also be paid to the personality and other qualities of each director, as these may ultimately determine the boardroom dynamic.	In 2019, the HR Committee conducted a board effectiveness survey, and asked directors to participate in a self-assessment process. The Committee concluded that the composition of the Board is appropriate, as there is an adequate cross-section of backgrounds, experiences and talents to ensure effective oversight. Beginning in 2020, this review will be performed by the Governance Committee.
The board should also consider the appropriate size of the board, with a view to facilitating effective decision-making. In carrying out each of these functions, the board should consider the advice and input of the nominating committee.	The Governance Committee reviews the composition and size of the board. Including the President & CEO, the Board is currently composed of 10 members with 10 members being proposed for election. The Committee has ensured that the 10-proposed nominees have the right mix of experience, industry knowledge, and skills diversity to provide the Company with the expertise and strategic vision required at the Board level.
3.13 The nominating committee should be responsible for identifying individuals qualified to become new board members and recommending to the board the new director nominees for the next annual meeting of Shareholders.	The Board Charter states: "The Governance Committee shall review and recommend to the Board the candidates for nomination as directors, based on the Criteria adopted by the Governance Committee from time to time. The Board shall approve the final choice of candidates for nomination and election by the shareholders."
3.14 In making its recommendations, the nominating committee should consider: the competencies and skills that the board considers to be necessary for the board, as a whole, to possess; the competencies and skills that the board considers each existing director to possess; and the competencies and skills each new nominee will bring to the boardroom. The nominating committee should also consider whether or not each new nominee can devote sufficient time and resources to his or her duties as a board member.	Early in each year, the Governance Committee considers recommendations for Board appointment for the upcoming year, focusing on the competencies and skills necessary for the Board to operate effectively and the amount of time required by each member of the Board to be effective in his or her position.

COMPENSATION

3.15 The board should appoint a compensation committee composed entirely of independent directors.	The HR Committee serves as the compensation committee. All members of the Committee are independent.
3.16 The compensation committee should have a written charter that establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members or subcommittees), and the manner of reporting to the board. In addition, the compensation committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.	The Charter for the HR Committee provides for all of the matters addressed by this Guideline, and is available at www.highlinerfoods.com. It is also summarized later in this Circular.
3.17 The compensation committee should be responsible for: (a) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining (or making recommendations to the board with respect to) the CEO's compensation level based on this evaluation; (b) making recommendations to the board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and	The HR Committee Charter states: The Committee will: 1. Approve all compensation and benefit arrangements relating to senior management if outside normal Company policies; 2. Review market surveys relating to the CEO's compensation and approve any increases in the CEO's salary; and 3. Review and approve bonus or incentive programs in place for the executive management. The Committee reviews the performance of the President & CEO on an annual basis against previously approved objectives, disclosed, where applicable, in detail in the Executive Compensation section of this Circular.
(c) reviewing executive compensation disclosure before the issuer publicly discloses this information.	The HR Committee reviews executive compensation disclosure before High Liner Foods publicly discloses this information.

REGULAR BOARD ASSESSMENTS

3.18 The board, its committees and each individual director should be regularly assessed regarding his, her or its effectiveness and contribution. An assessment should consider in the case of the board or a board committee, its mandate or charter, and in the case of an individual director, the applicable position description(s), as well as the competencies and skills each director is expected to bring to the board.	The HR Committee evaluates the effectiveness of the Board and individual directors. The HR Committee also regularly reviews committee mandates to ensure that all areas of Board responsibility are fulfilled. Beginning in 2020, this evaluation will be conducted by the Governance Committee. Current standing committees of the Board and their purposes and activities are described below. The Committee uses a Board Effectiveness Survey (the "Survey") to obtain feedback from directors on the effectiveness of the Board. The Survey assesses the adequacy of information given to directors, communication with management, and Board structure and composition. The Survey is conducted regularly and was last repeated in 2019. Since its introduction several measures to ensure Board effectiveness have been introduced; including a meeting dedicated to strategic planning. As well, annual work plans for each Board committee were developed based on the mandates to ensure that all required tasks are completed during the annual cycle. The HR Committee also uses a director self-assessment survey to assess individual director performance. Beginning in 2020, this assessment will be conducted by the Governance Committee. The Governance Committee will approve any changes to the position description for directors, and will continue to use the description, the criteria and the self-assessment survey feedback to ensure the Board is properly constituted to fulfill its responsibilities.

CHARTER OF THE BOARD OF DIRECTORS

The Board Charter is attached as Schedule A to this Circular.

BOARD COMMITTEES AND 2019 ACTIVITIES

Committee	Mandate	2019 Activities
Executive Committee	The Executive Committee serves in an advisory capacity to management, and during intervals between board meetings, the Board may authorize the Executive Committee to conclude previously authorized transactions in appropriate circumstances. At the time of filing the Circular, the Executive Committee consists of five members, being Mr. Pace, Mr. Hepponstall, Ms. Jamieson, Ms. Mahody and Mr. van Schaayk.	The committee did not meet in 2019.
Governance Committee	The Governance Committee is comprised of independent directors. The primary purpose of the Governance Committee is to assist the Board of Directors in fulfilling its responsibilities as they relate to proposing director nominees for the Board. Beginning in 2020, the Governance Committee will oversee the governance of the Company. Please see "*The Changes to Board Committee Mandates*" section of this document for more details.	The committee: -Met twice; -Reviewed the *Skills Matrix*; -Reviewed the risk assessment; -Reviewed the Board size and composition; -Reviewed the *Governance Committee Charter* and *Diversity Policy*; -Completed the director recruitment process for 2019; -Reviewed and proposed nominees to the Board; and -Reviewed independence of proposed nominees to the Board.

Audit Committee	The Audit Committee must consist of at least three outside directors, all of whom are independent and financially literate. Its principal duties are to: -Review with management and external auditors, and recommend for approval, all published financial information that requires Board approval; -Ensure that appropriate internal financial controls are in place; -Review significant accounting and report issues and understand their impact on the financial statements; -Review and approve changes in accounting policies; -Meet with the External Auditors and with the Director Internal Audit to discuss the Company's system of internal control and annual and quarterly financial statements; -Review and recommend to the Board the appointment of auditors, after assessing their independence from management; -Consider and approve requests from individual directors to retain independent advisors; -Review the Company's risk management policies and insurance program; -Review annually and discuss with management the risk factors as disclosed in the MD&A and AIF; -Review the certification of the CEO and CFO; -Review all subsidiary company or special purpose audit reports, including those of pension funds, if any, as well as minutes of all Audit Committee meetings of subsidiaries and any significant issues and auditor recommendations; -Review any litigation, environmental incident, claim or other contingency that could have a material effect upon the financial position or operating results of the Company; and -Pre-approve all non-audit fees for projects undertaken by the auditors.	The committee: -Met four times; -Invited the External Auditors to every quarterly meeting and met with the External Auditors without management present at all meetings; -Invited the Director Internal Audit to every quarterly meeting and met quarterly with the Director Internal Audit without management present; -Reviewed the Audit Committee Charter; Considered updates to financial reporting developments as required; -Reviewed and approved changes where necessary to the Company's accounting policies and risk management policies; -Reviewed the risk factors of the Company; Reviewed the insurance program of the Company; -Reviewed and approved all non-audit services of the External Auditor; -Reviewed regulatory developments with respect to audit committees, auditor oversight and certification and disclosure; -Reviewed the Company's risk profile and received reports on the Company's risk management policies and strategies, -including its business recovery program; and -Transacted all other business that came before the Committee as set out in the Audit Committee Charter.

Human Resources Committee	The HR Committee must consist of at least four outside directors, a majority of whom are independent. -Reviews and approves all compensation plans related to the CEO; -Reviews the adequacy and recommends the form and amount of compensation of the Board; -Approve all compensation and benefit arrangements relating to senior management if outside normal Company policies; -Reviews and approves bonus or incentive programs in place for the executive management; -Reviews and approves any material changes to pension plans or changes that affect senior management pensions; -Oversees administration and investment strategy related to pension plans and plan assets; -Reviews corporate governance issues on a regular basis to ensure the Company complies with the Guidelines, and with all applicable laws(1); -Reviews mandates for all committees of the Board(1); -Reviews and approves this Circular; Develops and implements a process for assessing board effectiveness and individual director performance(1); -Reviews and monitors compliance with the Code of Conduct, and the Corporate Disclosure, Confidentiality and Employee Trading Policy(1); -Reviews with Management and advisors as appropriate, the succession planning for key personnel in the Company and recommend changes in connection therewith; -Reviews and reports to the Board on the Company's compliance with all occupational health and safety laws in areas where the Company carries on business; -Reviews at least annually the Company's Occupational Health and Safety Policy and approves any changes to such policies; -Reviews management's action plans to deal with occupational health and safety management; and -Monitors management's progress in rectifying any situations identified as potential risks. *(1) In 2020, responsibility for these governance items moved to the Governance Committee. See section of this document titled "Changes to Board Committee Mandates".*	The committee: -Met five times; -Approved 2019 short-term incentive plan targets and 2018 incentive payments; -With the assistance of a pension governance checklist, confirmed that the Company's pension plans are administered in accordance with applicable laws; -Reviewed corporate governance developments; -Oversaw succession planning and talent management initiatives; -Reviewed the performance of the Executive Leadership Team; -Reviewed the performance of pension investment managers on a quarterly basis; -Reviewed a report from the Company's Privacy Officer; -Reviewed regular reports from the chair of the corporate safety steering committee; -Administered the long-term incentive plans for the Executive Leadership Team and Senior Leadership Team; -Reviewed PSU disbursements for Executive Leadership Team; -Reviewed Executive Compensation; and -Reviewed Director Compensation.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on the SEDAR website at www.sedar.com.

If you would like to obtain a copy of any of the following documents:

a. the latest Annual Information Form of the Company together with any document, or the pertinent pages of any document, incorporated by reference therein;
b. the comparative financial statements of the Company for the financial year ending December 28, 2019, together with the accompanying report of the auditors thereon and any interim financial statements of the Company for periods subsequent to December 28, 2019; and/or
c. this Circular,

please send your request to:

High Liner Foods Incorporated
Corporate Secretary
P.O. Box 910
100 Battery Point
Lunenburg, NS B0J 2C0
Fax: 902-634-6228 Tel: 902-634-8811
E-mail: investor@highlinerfoods.com
or visit the website at: www.highlinerfoods.com

APPROVAL - BOARD OF DIRECTORS

Except as otherwise indicated; all the information contained in this Circular is given as of March 23, 2020. The directors of the Company have approved the contents and the sending of this Management Information Circular.

(signed)

Timothy Rorabeck
Corporate Secretary
Executive Vice President, Corporate Affairs
and General Counsel

SCHEDULE A - CHARTER OF THE BOARD OF DIRECTORS

High Liner Foods Incorporated

Board of Directors Charter

This Board Charter reflects consideration of the Memorandum and Articles of Association of High Liner Foods Incorporated, the *Companies Act* of Nova Scotia and other legislation and laws applicable to the operation and governance of the Company.

1. **Statement of Policy**

The Board of Directors of High Liner Foods Incorporated (the "Company") is elected by shareholders to oversee the management of the business and affairs of the Company. The Board of Directors is the steward of the Company, and must ensure the viability of the Company and see that it is managed in the interest of the shareholders as a whole. The Board of Directors advises the Chief Executive Officer and other senior managers of the Company's business and affairs.

2. **Composition and Organization of the Board**

(a) **Size of the Board**

Unless otherwise determined by the shareholders of the Company in general meeting, the number of Directors shall not be less than one or more than seventeen.[1]

(b) **Qualification of Directors**

A Director must hold at least one common share in the Company and must acquire such share within a reasonable time following appointment.[2] To align the interests of Directors with Shareholders, Directors are further required to hold common shares (or deferred share units) valued at not less than one times the annual retainer of the Director within one year of appointment of such Director.

(c) **Selection of Members**

The Governance Committee ("GC") of the Board acts as the nominating committee for appointments to the Board. The GC shall be comprised only of independent directors and shall maintain an overview of the ideal size of the Board, the need for recruitment and the expected experience of new candidates. It shall review and recommend to the Board the candidates for nomination as Directors, based on the Director Selection Criteria adopted by the GC from time to time. The Board shall approve the final choice of candidates for nomination and election by the shareholders.

[1] Article 93 of the Company's Articles of Association.
[2] Article 94 of the Company's Articles of Association.

(d) **Independence**

A majority of the Board shall be composed of Directors who are determined by the Board to be unrelated and independent under the laws, regulations and listing requirements to which the Company is subject from time to time.

(e) **Chairman and Lead Director Roles**

The Board shall appoint its Chairman from among the Company's Directors. The Chairman shall not be a member of Company management. Where the Chairman is not regarded by the Board as independent for purposes of applicable laws, regulations and/or listing requirements, the Board shall also appoint a Lead Director, who shall be independent pursuant to such rules.

(f) **Term of Appointment**

The Directors are elected by the shareholders at every Annual General Meeting. The term of each Director expires at the close of the Annual General Meeting following that at which he or she was elected.[3] Notwithstanding the foregoing:

(i) a director who has a change in their principal employment (other than merely a geographic change) is expected to offer a letter of resignation to the Chairman of the Board for consideration. The GC of the Board will consider whether to recommend that the Chairman accept or reject the resignation;

(ii) in an uncontested election of directors, any nominee who receives a greater number of votes "withheld" than votes "for" will tender a resignation to the Chairman of the Board promptly following the annual meeting. The GC will consider the offer of resignation and, except in special circumstances, will recommend that the board accept the resignation. The Board will make its decision and announce it in a press release within 90 days following the annual meeting, including the reasons for rejecting the resignation, if applicable; and,

(iii) a Director who displays a change in the exercise of his or her powers and in the discharge of duties that, in the opinion of at least 75 percent of the Directors, is incompatible with the duty of care and loyalty the Director owes the Company under applicable corporate law, shall be expected to offer forthwith a letter of resignation to the Chairman of the Board for consideration. The GC will consider whether to recommend that the Chairman accept or reject the resignation.

3. **Meetings of the Board**

(a) **Board Agenda**

The Chairman of the Board, in consultation with Lead Director (where applicable) and with the appropriate members of Management, develops the agenda for Board Meetings.

[3] Article 113 of the Company's Articles of Association

(b) **Board Material Distribution**

Information and materials that are important to the Board's understanding of the agenda items and enable the Board's stewardship responsibilities shall be distributed in advance of every meeting of the Board. Management of the Company will deliver information on the business, operations and finances of the Company to the Board on a monthly basis and on an as-required basis. Minutes of all committees of the Board shall be circulated to all directors once the minutes have been approved.

(c) **Board Meeting Frequency and Schedule**

A minimum of five regularly scheduled Board meetings shall be held each year. Additional meetings may be held when required. The Chairman of the Board, in consultation with the Directors and Management, will set the frequency and length of Board meetings. Board members may participate in meetings by means of telephone conference calls or similar communications equipment.

(d) **Management at Meetings and *In-Camera* Meetings**

Management participates in meetings and makes presentations to allow Directors to gain additional understanding and insight into the Company's businesses, and to assist the Directors in evaluating the competencies of Management. However, every meeting of the Board shall be followed by an *in-camera* session at which no executive Directors, non-independent members of the Board, or other members of Management are present, to ensure free and open discussion and communication among the non-executive/independent Directors.

4. Duties and Responsibilities of the Board

In addition to its statutory responsibilities, the Board of Directors has the following duties and responsibilities, which it may choose to delegate to a committee of its choosing:

(a) Adopting a strategic planning process, and thereafter reviewing and approving the overall business strategy for the Company developed at first by Management;
(b) Identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;
(c) Appointing the Company's President and Chief Executive Officer, developing his or her position description and ensuring succession preparedness;
(d) Reviewing and approving at least on an annual basis the corporate objectives which the Chief Executive Officer shall be responsible for meeting;
(e) Ensuring that appropriate structures and procedures are in place so that the Board and its committees can function independently of Management;
(f) Providing a source of advice and counsel to Management on critical and sensitive problems or issues;
(g) Reviewing and approving key policy statements developed by Management on various issues such as ethics, compliance, communications, environment and safety, and public disclosures;
(h) Ensuring that its expectations of Management are understood, that the appropriate matters come before the Board and that the Board is kept informed of shareholder perspectives;
(i) Reviewing the competency of members of senior Management to perform their roles, that their performance is continually evaluated, and that planning for their succession is ongoing;
(j) Conducting an annual review of Board practices and Board and Committee performance (including Directors' individual contributions);

(k) Reviewing the adequacy and form of the compensation of non-executive Directors and ensuring their compensation adequately reflects the responsibilities and risks involved in being an effective Director;
(l) Evaluating the performance and compensation of the President and Chief Executive Officer and ensuring that such compensation is competitive and measured according to benchmarks which reward contribution to shareholder value;
(m) Selecting nominees for election of Directors;
(n) Selecting the Chairman, and where necessary the Lead Director, of the Board;
(o) Ensuring that new Directors are provided with adequate education and orientation facilities;
(p) Developing and reviewing from time to time position descriptions for the Board;
(q) Overseeing the quality and integrity of the Company's accounting and financial reporting systems, disclosure controls, and procedures and internal controls;
(r) Approving projects and expenditures or dispositions of a certain threshold, in accordance with the Company's Transaction Approval Policy; and
(s) Discussing and developing the Company's approach to corporate governance in general.

5. Board Committees

(a) Number, Structure and Jurisdiction of Committees

The Board delegates certain functions to Committees, each of which (other than the Executive Committee) has a written charter. There are four Committees of the Board: the Human Resources Committee (“HR”), the Audit Committee, the GC and the Executive Committee. The Executive Committee is mandated to act on certain matters delegated by the Board from time to time, or in necessary circumstances where it is impracticable to convene the full Board. The roles and responsibilities of each of the HR, GC and Audit Committees are described in the respective Committee charters.

(b) Independent Committee Members

Members of the Audit Committee, the GC and a majority of the HR shall be unrelated and independent under the laws, regulations and listing requirements to which the Company is subject. The GC shall review and recommend the memberships and mandates of the various Committees to the Board.

(c) Committee Agendas

The Chairman of each Committee, in consultation with the appropriate members of Management, develops the agenda for Committee meetings.

(d) Committee Reports to the Board

At the next Board meeting following each meeting of a Committee, the Committee Chairs shall report to the Board on the Committee's activities. Minutes of Committee meetings are provided to all Directors.

(e) Assignment and Rotation of Committee Members

The GC has responsibility for recommending the assignment and rotation of Committee Members. Rotation is not required, but changes should be considered occasionally to accommodate the Board's requirements and individual interests and skills.

6. **Administrative Matters**

(a) **Board Performance Assessment**

The Board will ensure that regular formal assessment of the Board, its Committees and the individual Directors are carried out in order to enhance their performance.

(b) **Board Compensation**

The HR of the Board regularly reviews and makes recommendations on Director compensation, based on external market surveys and benchmark data. The Board must formally approve any proposed change to the compensation of Directors.

(c) **Board Confidentiality**

Directors will maintain the absolute confidentiality of the deliberations and decisions of the Board of Directors and information received at meetings, except as may be specified by the Chairman or if the Company publicly discloses the information. Directors shall execute the Company's Code of Conduct.

(d) **Board Visits**

Visits by the Directors should be made to the Company's plants and business locations in different parts of North America to meet local personnel and to gain insight into the Company's business and operations.

(e) **Orientation and Information**

The Company's Corporate Secretary shall prepare a *Directors' Manual* containing information on the Company, its policies, and Director responsibilities and liabilities, which is updated as necessary. Detailed current information on the Company, its businesses, operations and finances, are sent on a monthly basis to the Directors. Particularly important items and information requiring urgent attention is conveyed immediately. In addition, new Directors spend time with members of senior Management, including those involved in the Company's business operations, so that they can become rapidly familiar with the Company, its issues, businesses and operations. Care is taken to ensure that new Directors understand the roles and responsibilities of the Board and its Committees, as well as the commitment level that the Company expects of its Directors.

7. **Resources and Authority of the Board**

The Board shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel or other experts, as it deems appropriate, without seeking the approval of Management. Individual directors may retain independent counsel or advice on the approval of the Audit Committee.