

SUN-RYPE
PRODUCTS LTD.

Annual Information Form

For the year ended December 31, 2004

Dated: March 24, 2005

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Document incorporated by reference:

The following document is referred to in this Annual Information Form:

a) Sun-Rype Products Ltd. ("Sun-Rype" or the "Company") Management's Discussion and Analysis for the year ended December 31, 2004 (the "MD&A").

The MD&A in its entirety is incorporated by reference in, and forms part of, this Annual Information Form. The MD&A may be found on the Sun-Rype website at www.sunrype.com and also filed on the Canadian Securities Administrators website at www.sedar.com.

Unless otherwise specified, this annual information form presents information as of December 31, 2004

ITEM 1: CORPORATE STRUCTURE

Sun-Rype was incorporated on May 13, 1946, pursuant to the *Company Act* (British Columbia) under the name BC Fruit Processors Ltd. On April 2, 1959, the name of the Company was changed to Sun-Rype Products Ltd. Sun-Rype's registered, executive and principal offices are located at 1165 Ethel Street, Kelowna, British Columbia, V1Y 2W4.

The Company was operated for over 40 years under a co-operative structure with an authorized capital of 10,000 voting shares with a par value of $1 per share. Under this structure, the British Columbia Fruit Growers' Association ("BCFGA") held ownership of Sun-Rype on behalf of the fruit growers of the Okanagan Valley. Nine shares, representing this ownership, were issued to the BCFGA, and Sun-Rype's board of directors consisted solely of grower representatives.

In 1993, Sun-Rype completed a capital restructuring in order to facilitate the distribution of equity shares to individual growers. The existing capital was restructured to provide Class "A" Multiple Voting Non-Participating Shares (the "Class A Shares"), Class "B" Subordinate Voting Shares (the "Class B Shares") and Class "C" Preference Shares (the "Class C Shares"). The original nine shares, held by the BCFGA, were designated as Class A Shares having 50 million votes each. The Class B Shares were created as fully participating shares with one vote each. In November 1996, the Class B Shares were listed and posted for trading on the Toronto Stock Exchange.

Sun-Rype's articles were amended several times in the 1990's to provide for the restructuring described above. In May 2000, the memorandum and articles were further amended to cancel the authorized Class A Shares, which had been redeemed by the Company in December 1999, and to remove the rights and restrictions and all references in the articles to the Class A Shares. This amendment to the articles also re-designated the Class B Shares as common shares and the Class C Shares as preference shares. In 2003, the articles were again amended to remove the staggered two-year term for directors and replace with an annual election of directors by shareholders, further improving the corporate governance of the Company by bringing the election of directors into conformity with current corporate governance best practices.

At its 2005 annual meeting, Sun-Rype will ask its shareholders to pass a special resolution to cancel its existing articles and adopt new articles to comply with the new *Business Corporations Act* (British Columbia), which replaced the *Company Act* (British Columbia) in March 2004.

ITEM 2: GENERAL DEVELOPMENT OF THE BUSINESS

Sun-Rype is western Canada's largest fruit-based beverage and food manufacturer and marketer with net sales of $115.2 million in 2004. The Company operates some of the most sophisticated processing and packaging technology in North America and employs approximately 395 people on a full-time equivalent basis. The Company's only manufacturing facility and headquarters are located in Kelowna, British Columbia in the Okanagan Valley, the heart of the premier fruit-growing district in western Canada. The Kelowna plant also houses research and development facilities, sales and marketing, and administrative support functions.

Sun-Rype was originally formed to process below fresh grade (process grade) fruit into products such as juice and apple sauce to sell to the retail market. Since its inception, the primary business of Sun-Rype has been the manufacturing, marketing and sale of fruit juice and fruit-based food products. In more recent years, Sun-Rype has capitalized upon its brand strength and competitive advantages in manufacturing and marketing to successfully diversify its branded product portfolio into numerous juice and juice-based beverages, juice blends and 100% fruit snack foods.

Sun-Rype's beverage and food products are distributed extensively in western Canada. Sun-Rype's food products are widely distributed in grocery stores and warehouse clubs in central and eastern Canada.

Sun-Rype's products are marketed primarily under the Sun-Rype brand, consistently ranking Sun-Rype as one of the top 20 beverage brands in Canada. There are also sub-brands that are used selectively in specific product categories and markets.

According to an independent source[1], within the western Canadian grocery marketplace, Sun-Rype's products are the brand leaders with 22.3% market share (by volume) in the Juice, Drinks and Nectars ("JDN") segment of the ready-to-serve beverage market. Nationally, Sun-Rype's overall market share of the Fruit Snacks and Leathers segment is 30.4% (by dollar volume)[2].

Earnings in 2004 were $5.9 million (2003 - $5.1 million; 2002 - $4.9 million) on sales of $115.2 million (2003 - $108.0 million; 2002 - $100.0 million). Capital expenditures were $4.5 million in 2004, $2.6 million in 2003 and $11.0 million in 2002.

Capital expenditures for 2004 included new beverage packaging equipment, equipment and software for supply chain improvement, as well as normal sustaining capital expenditures. In 2003, capital expenditures were primarily of a sustaining nature while capital expenditures in 2002 included $8.5 million for new fruit snack manufacturing and packaging equipment. With the capital expenditures over this three-year period, Sun-Rype's plant and equipment is up-to-date and able to meet the demand for the Company's own branded food and beverage products, as well as contract manufacturing opportunities from others.

In 2002, Sun-Rype also earned Hazardous Analysis Critical Control Point ("HACCP") recognition. HACCP, an internationally recognized set of principles for controlling food safety, has been adopted by the Canadian Food Inspection Agency ("CFIA") and will eventually become the standard for all food and beverage manufacturers in Canada. This raises the Company to the highest standards recognized worldwide.

ITEM 3: DESCRIPTION OF THE BUSINESS

Industry Overview

Sun-Rype is a fully integrated manufacturer and marketer of 100% juice, juice-based drinks and 100% fruit snack products and competes with other manufacturers, co-packers and brand marketers for shelf space predominantly in the grocery, club, mass merchandising and drug distribution channels. The grocery business in Canada continues to develop across all four channels with large retailers, both national and regional, dominating the market. A large number of independent grocery chains, with smaller regional market penetration, continue to play an important value added role in their respective markets.

These four main distribution channels have undergone dynamic change over the past decade with national consolidation and blurring of these channels being the key factors. Traditional grocery retailers are consolidating on a national basis and are offering more general merchandise with full service pharmacies, and national mass, drug and club retailers are expanding their grocery offerings resulting in increased competition. The top branded manufacturers benefit from this expanding market place, but also face increased pressure to keep costs down, as these retailers demand aggressive pricing to enhance their ability to compete.

Today's consumer is becoming time starved; more sophisticated, and demands higher quality, improved service and selection at lower costs. With the growth of private label and increased multinational branded competition, it's imperative that manufacturers continue to innovate and develop brand strategies to differentiate their offerings to maintain significant market share of their respective categories.

[1] ACNielsen MarketTrack, Total West Grocery All Channels, 52 weeks ended December 25, 2004

[2] ACNielsen MarketTrack, National Grocery Banner, 52 weeks ended December 25, 2004

Business Overview

Sun-Rype's sales and production volume is comprised of branded food products, branded beverage products and contract manufacturing operations. The Company's sales include the JDN category, which comprises 73% (2003 - 74%) of Sun-Rype revenues and the Fruit Snacks and Leathers category, which comprises 27% (2003 – 26%) of revenues.

Sun-Rype produces pure juices, which are either pressed or made from 100% juice concentrates, and other concentrate-based beverages that are not 100% juice. Beverages are sold primarily to the western Canadian retail trade by Sun-Rype's own dedicated sales force. The majority of beverages are produced at the Kelowna plant, with certain product and package formats outsourced for manufacturing by third parties.

Sun-Rype's 100% fruit snacks, which are manufactured at Sun-Rype's Kelowna plant, are sold on a national basis through all channels of distribution serviced by a combination of Sun-Rype's own sales force in the western Canada and Ontario markets, and through third party retail broker arrangements in Quebec and the Maritime provinces. Both Sun-Rype's 100% juice business and 100% fruit snack business continues to be a key area of growth as the Company focuses on the continued geographic expansion into central and eastern Canada, as well as with the development of innovative new food and beverage products.

In addition to the production and sale of Sun-Rype branded products, the Company also manufactures food and beverage products for other brand marketers, including private label juice beverage products for some grocery customers.

Principal Markets and Distribution

Historically, Sun-Rype's principal market has been in western Canada. In recent years, branded food sales have been growing in central and eastern Canada and contract manufacturing in the United States.

Sun-Rype's customer mix includes large grocery chains, club stores and mass merchandisers as well as smaller wholesalers. Sun-Rype's seven largest customers constitute the majority of total sales while the remainder is to other wholesale grocery channel customers, alternative channel and contract manufacturing sales.

Sun-Rype has dedicated sales representatives in western Canada for all customers and uses a combination of dedicated key account personnel to service the corporate offices of major retailers in Ontario, and third party retail food brokers for retail coverage in Ontario, and full sales coverage in Quebec and the Maritimes provinces.

Sun-Rype prepares customer plans for its products and works with each retailer to maintain overall shelf management within a given product category. Sun-Rype also works with each retailer to develop co-operative advertising and product support plans. Under these plans, Sun-Rype provides financial support for retailers for promotional activities such as end-aisle displays and flyer advertisements.

In addition to traditional grocery, club stores and mass merchandising channels, Sun-Rype also allocates resources to other distribution channels. These channels complement Sun-Rype's branded sales by generating sales volumes as well as increasing the penetration of the Sun-Rype brand. Sun-Rype has signed distribution agreements with companies that have established sales channels through which Sun-Rype's products can be sold.

While continuing to build on its strengths in western Canada, Sun-Rype expanded into central and eastern Canadian markets with its unique 100% fruit snack product offerings in 1997 and, very recently, to central and eastern Canada with its unique 100% juice offerings.

Recognizing that the market potential for some of Sun-Rype's products extends beyond the Company's ability to distribute, Sun-Rype seeks to build strong partnerships to maximize its sales and distribution

opportunities. For the Company this takes many forms, from the outsourcing of manufacturing to joint marketing and distribution partnerships. These partnerships are designed to fully leverage Sun-Rype's brand strengths and maximize each product line's full potential.

Products

Sun-Rype markets the vast majority of its products under the Sun-Rype brand and uses certain sub-brands in select product categories and markets. The following table sets forth the key product lines marketed under the Sun-Rype brand.

Product Line	Description
Beverage	Includes: Pure Apple Juice - Sun-Rype's flagship product; 100% pure apple juice (not from concentrate) in a variety of sizes and formats. 100% Juices from concentrate in Orange, Grapefruit and other juice blends in a variety of sizes and formats. Juice Blends, Nectars & Drinks available in a narrow assortment of juice flavours, sizes and formats.
Food	100% Fruit snacks in various flavours, sizes and formats.

Competitive Conditions

There are regional, national and international competitors in the distribution channels of the highly competitive food and beverage market. There is a greater focus on health and wellness by consumers in the food and beverages they purchase. Consumers demand convenience, variety, and food safety.

In the JDN market, Sun-Rype's major brand name competitors consist of Pepsi (under the Tropicana brand); McCain (under the brands Niagara, McCain, Tree House and Junior Juice); Coca-Cola (under the brands Minute Maid, 5 Alive and Hi-C); and Ocean Spray (under the Ocean Spray brand).

Sun-Rype sells its beverage products primarily in western Canada and is the brand leader with a 22.3% market share (by volume) of the western Canadian JDN market, which is estimated at $484.0 million in retail sales and which grew by 6% in 2004. The next closest branded competitors in this category are Minute Maid with a 16.1% share; Tropicana with a 14.3% share; Ocean Spray with a 7.3% share; and private label store brands with a combined 15.6% share[1].

Sun-Rype also competes nationally within the Fruit Snacks and Leathers category, an area of the food business that is estimated at $111.1 million in retail sales annually, and is driven by consumer demand for healthy eating and snacking alternatives. Sun-Rype's overall market share of the Fruit Snacks and Leathers segment is 30.4% (by dollar volume)[2]. Sun-Rype's fruit snack competitors include Pepsico; General Mills Canada Inc.; Kellogg Canada; SunOpta (under their Kettle Valley brand), and various private label and co-manufactured brands.

Specialized Skill and Knowledge

Sun-Rype's marketing department strives towards the effective management of the core business by meeting the needs of the consumer, ensuring the strength and vitality of the Sun-Rype brand and by the identification of new product development and growth opportunities.

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[1] AC Nielsen MarketTrack, Total West Grocery All Channels, 52 weeks ended December 25, 2004

[2] AC Nielsen Market Track, National Grocery Banner, 52 weeks ended December 25, 2004

For over 58 years, the Sun-Rype brand has stood for the wholesome goodness of products and quality that starts with premium ingredients and continues through the manufacturing process to the end product. As a result, Sun-Rype is western Canada's largest branded juice manufacturer. According to the most recent study, Sun-Rype also enjoys a high top-of-mind awareness among all juice brands in this market, including the key brand attributes of taste, purity, quality and trust that consumers value most[1].

The Company also maintains its investment in the brand with ongoing consumer communication and advertising programs. This ensures that the Sun-Rype brand will remain strong and vital and will continue to grow over time allowing the Company to leverage the brand name into innovative new products, such as the 100% fruit snacks, and new categories.

New Product Development

Sun-Rype will continue to leverage its core competencies and brand strengths into innovative new product offerings that will take advantage of consumer trends such as an increased awareness about health and wellness and increased demand for convenience and portability. The Company has marketing staff dedicated to the new product process and new product market research. A dedicated research and development staff with laboratory facilities within the Kelowna plant works closely with the marketing group to develop new product offerings to meet consumers' demands.

Manufacturing Operations

Sun-Rype's only manufacturing facility is located in Kelowna, BC, close to the apple supply of the Okanagan Valley and relatively close to the much larger supply of apples in Washington state.

The Kelowna plant receives and processes apples to produce pure 100% apple juice as well as apple juice concentrate and apple puree. In addition to pure apple juice, Sun-Rype produces a broad range of juices and beverages from juice concentrates.

For packaging beverages, the plant has modern 1 litre and 200 ml Tetra Pak packaging equipment. Third party manufacturers (co-packers) also enable Sun-Rype to market products in a variety of other sizes and packaging formats.

Apple puree that is produced at this plant is used in the manufacture of fruit snack products. The fruit snacks are all packaged at the Kelowna plant as well.

Facilities

Facilities	Area in Square Feet	Ownership
Administrative Offices, 1165 Ethel Street, Kelowna, British Columbia	25,000	Freehold
Juice and Food Plant, 1165 Ethel Street, Kelowna, British Columbia	145,000	Freehold
Warehouse, 1030 Weddell Place, Kelowna, British Columbia	130,000	Freehold
Sales Office, Surrey, British Columbia	1,650	Leased
Sales Office, Calgary, Alberta	2,200	Leased
Sales Office, Toronto, Ontario	1,611	Leased

[1] R. Barnes Brand Tracking Study 2004

Raw Materials

The principal ingredients used in Sun-Rype products are process grade apples and fruit juice concentrates. Sun-Rype sources apples from Okanagan packinghouses and Washington state suppliers, with priority given to utilizing locally produced apples. The price of process grade apples in the Okanagan Valley is based on Washington state market prices, which in turn are related to world apple juice concentrate prices.

In January 2005, following negotiations that had commenced in 2004, the Company renewed its pricing agreement with local Okanagan Valley packinghouses to supply process grade apples to Sun-Rype. While apple prices and available supply volumes may vary significantly from year to year, the agreement provides for new "floor" and "ceiling" prices on process grade apples purchased from the packinghouses.

The most recent five-year average apple tonnage processed is approximately 45,000 tons and is dependant on the Okanagan Valley and Washington state crop size, market trends and consumer demand. Price is determined by the process grade apple market in Washington state as noted above.

Sun-Rype has developed strategies to respond to the volatility of the process grade apple supply and price. The Company has optimized manufacturing runs and juice concentrating capabilities and maintained alternative apple and apple juice supplies.

Environmental Protection

Sun-Rype maintains an active environmental program that reflects conscientious policies and a respect for the environment. Audits are conducted annually (every third year by an external consultant) to ensure that appropriate management policies and practices towards waste management, recycling and reuse of products are maintained. Sun-Rype is subject to environmental regulation by federal, provincial and local authorities. There are currently no environmental orders outstanding or pending against Sun-Rype. Management is of the opinion that expenditures relating to current environmental requirements will not have a material adverse effect on the financial position or earnings of the Company.

Human Resources

Sun-Rype has approximately 395 full-time equivalent employees. Because some of the jobs are part-time or for short durations, this translates into 428 employees as at December 31, 2004:

Positions	Number
Food and Beverage operations	268
Head office and sales office support	135
Temporary employees and contractors	25
	428

The plant employees, who work in the food and beverage operations, are members of the Teamsters Local Union No. 213. The current four-year collective agreement continues until August 31, 2006.

To further align employees' interests with the interests of shareholders, the Company adopted an employee share purchase plan ("ESPP"), effective July 1, 1999. Sun-Rype encourages its employees to become owners of their Company and to have a direct financial investment in it, thereby focusing them on the same mutually beneficial goals as Sun-Rype's other shareholders. Participation in the plan is available to both staff and bargaining unit employees. Eligible employees may contribute up to 7% of salaries or wages by payroll deductions and the Company contributes 35% of the amount contributed by the individual employee. Common shares of the Company are then purchased on the open market by the ESPP administrator and held for the individual employee's account. At December 31, 2004, approximately 57% of eligible Sun-Rype employees are participating in the ESPP and eligible employees continue to join the ESPP.

Brands, Trademarks and Copyright

Sun-Rype's trademark rights are of significant value and the Company protects those rights. The trademark name "Sun-Rype" has been registered since 1952. The Company has also registered the "Sun-Rype" trademark in many other countries.

In addition to the Sun-Rype name, the Company has registered trademark rights in Canada for numerous brands, slogans and trade names. All of the registered trademarks used by Sun-Rype are owned in the name of Sun-Rype Products Ltd.

Sun-Rype also owns the copyright in all works created by its employees in the course of their employment and, where appropriate, obtains assignments of copyright in its favour from outside agencies and independent contractors who create original promotional, advertising and other communications work on Sun-Rype's behalf.

ITEM 4: RISK FACTORS

A discussion of risks affecting Sun-Rype and its business appears under the heading "Commitments, Risks and Uncertainties" on page 9 of Sun-Rype's MD&A for the year ended December 31, 2004, which discussion is incorporated by reference herein. Sun-Rype's MD&A for the year ended December 31, 2004, is available on the Sun-Rype website at www.sunrype.com and on the Canadian Securities Administrators' website at www.sedar.com.

ITEM 5: DIVIDENDS

On May 7, 2004, the Company declared its first quarterly dividend of $0.03 per common share, for a total of approximately $325,000, which was paid June 15, 2004 to shareholders of record at the close of business on May 31, 2004. A quarterly dividend of $0.03 per common share was also paid on September 15 and December 15, 2004, to shareholders of record at close of business on August 31 and November 30, 2004, respectively. Sun-Rype had not previously declared or paid dividends on its shares. The declaration and payment of future dividends and the amount thereof will be subject to the discretion of Sun-Rype's board of directors, and will be dependent upon a number of factors such as earnings, Sun-Rype's financial requirements and other factors that the board of directors considers relevant in the circumstances.

On February 15, 2005, the Company declared a quarterly dividend of $0.03 per common share, which was paid March 15, 2005, to shareholders of record at close of business on February 28, 2005.

ITEM 6: DESCRIPTION OF CAPITAL STRUCTURE

General Description

Sun-Rype's authorized share capital consists of 100,000,000 common shares without par value, of which 10,827,600 common shares are issued and outstanding as at March 24, 2005, and 200 preference shares with a par value of $6,750 each, none of which are issued and outstanding. The following summarizes certain provisions of Sun-Rype's common shares and preference shares. This summary is qualified in its entirety by the articles of the Company and the actual terms and conditions of such shares. Sun-Rype intends to cancel its existing articles and adopt new articles, by special resolution, at its annual meeting May 4, 2005, in order to comply with the new *Business Corporations Act* (British Columbia), which replaced the *Company Act* (British Columbia) in March 2004. A special resolution requires the majority approval of 75% of the issued shares of any class cast in respect of the resolution.

Common Shares

The holders of Sun-Rype's common shares are entitled to notice of, to attend and to one vote per share at all meetings of the Company's shareholders, except meetings at which only holders of a specified class, other than common shares, or series of shares are entitled to vote. The holders of Sun-Rype's common shares are entitled to receive dividends as and when declared by the board of directors. In the event of the liquidation, dissolution or winding-up of the Company, or other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of Sun-Rype's common shares, subject to the payment to the holders of the Company's preference shares of the amount or amounts they may be entitled, and after payment of all outstanding debts, are the only shareholders entitled to share in distributions of the property or assets of the Company.

Sun-Rype's shareholder rights plan, adopted in 1994 and amended in 2001, expired at the Company's Annual General Meeting in May 2004.

Preference Shares

The holders of Sun-Rype's preference shares are not entitled to notice of, or to attend, or to vote at any shareholders' meeting except as required or provided for under the *Business Corporations Act* (British Columbia). The holders of the preference shares are entitled to require Sun-Rype to redeem the preference shares by paying the holder of each such share $6,750. The holders of the preference shares are not entitled to participate in any further distribution of property or assets of the Company in the event of liquidation, dissolution or winding-up of the Company. The Sun-Rype preference shares were redeemed according to these requirements in 2000 and there are no preference shares issued and outstanding as at March 24, 2005.

As none of the preference shares are issued and outstanding, and management has no intention of issuing preference shares in the future, management believes that it would be in the best interests of the Company to cancel the preference shares. At Sun-Rype's annual meeting on May 4, 2005, the Company's shareholders will be asked to pass a special resolution canceling the preference shares.

ITEM 7: MARKET FOR SECURITIES

Sun-Rype's common shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the trading symbol "SRF". The price range, high and low as well as the close (in Canadian dollars), of Sun-Rype common shares and volume traded on the TSX during each of the months of the most recently completed financial year, 2004, are as follows:

SRF Common Shares	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
High Price $	8.98	9.25	9.20	9.40	10.30	11.75	12.70	13.00	12.00	11.75	11.75	11.00
Low Price $	7.90	8.65	8.75	8.85	8.80	9.80	11.15	11.00	10.75	10.78	10.60	10.30
Close Price $	8.91	8.80	9.05	8.85	10.00	11.50	12.50	11.20	11.50	11.30	10.85	10.95
Volume of Shares Traded	130,316	65,849	106,436	77,227	189,919	784,699	126,626	111,450	87,836	99,324	165,772	78,575

ITEM 8: DIRECTORS AND OFFICERS

Directors

The following table sets forth the directors of Sun-Rype as of March 24, 2005.

Name, Position and Residence	Expiration of Term	Prior Service as Director	Principal Business or Occupation During the Last Five Years
Jess Alfonso [1] Director, Vancouver, British Columbia	2005 AGM	2001 – present	Vice President and Director, Pacific Opportunity Capital Ltd. (2000-present) Owner and President of Seamark Development Corp. (1980-present)
Robert Dawson [1][2] Director, Cawston, British Columbia	2005 AGM	1981 – present	Orchardist/Businessman
James Eccott [2][3] Director, Kelowna, British Columbia	2005 AGM	1999 – 2001 & 2003 – present	Businessman President and CEO, Dia Met Minerals Ltd. (1992 – 2001)
Merv Geen [2][3] Director, Chairman of the Board, Rock Creek, British Columbia	2005 AGM	1987 – 1990 & 1992 – present	Chairman of the Board, Sun-Rype Businessman
Thomas Knowlton [3] Director, Toronto, Ontario	2005 AGM	1999 – 2001 & 2003 – present	Dean, Faculty of Business, Ryerson University (2000 – present) Executive Vice President, Kellogg Company and President, Kellogg North America (1994 – 1998)
Tim McElvaine [2] Director, Victoria, British Columbia	2005 AGM	2001 – present	President, McElvaine Investment Management Ltd.
Donald Selman [1][3] Director, Richmond, British Columbia	2005 AGM	2001 – present	Senior partner of Wolrige Mahon, Chartered Accountants
Eric Sorensen Director, President and Chief Executive Officer, Kelowna, British Columbia	2005 AGM	2004 – present	President and Chief Executive Officer, Sun-Rype (2004 – present) President, Sorensen Consulting Ltd. (2002 – 2004) President, Adams Canada and Vice President, Pfizer Canada Inc. (2000 – 2001) President, Warner-Lambert Canada Inc. and General Manager, Adams Canada (1997 – 2000)

Notes:

(1) Member of the Audit Committee.
(2) Member of the Compensation & Corporate Governance Committee.
(3) Member of the Executive Committee.

Directors are elected annually and hold office until the next annual meeting of shareholders.

Principal Occupations

Jess Alfonso: Mr. Alfonso was first elected to the board in 2001 and serves on Sun-Rype's Audit Committee. He is the owner and President of Seamark Development Co. and also Vice President and a director of Pacific Opportunity Capital Ltd., a merchant banking and venture capital company. Mr. Alfonso holds a Masters of Science degree in Industrial Administration from Purdue University, Indiana.

Robert Dawson: A non-practicing lawyer, Mr. Dawson has been a director of Sun-Rype since 1981, and is a member of Sun-Rype's Audit Committee and Compensation & Corporate Governance Committee. He is the owner of Dawson Orchards Ltd. and was the Chairman of the Okanagan Valley Tree Fruit Authority, a British Columbia Crown Corporation, from 1990 to its wind up in March 2003. Mr. Dawson is also President of the Okanagan Similkameen Co-operative Growers Association and a director of the Okanagan Plant Improvement Co.

James Eccott: Mr. Eccott served as a director and Vice Chairman of the Sun-Rype board from 1999 to 2001 and was re-elected to the board in May 2003. He is chairman of Sun-Rype's Compensation & Corporate Governance Committee and also serves on the Executive Committee. He is a retired businessman having previously been President and Chief Executive Officer and a director of Dia Met Minerals Ltd. from 1992 to 2001. A resident of Kelowna since 1971, Mr. Eccott also serves as chairman and a director of both Northern Air Support Ltd. and Diamondex Resources Inc., as well as a director on the boards of Bearclaw Capital Corporation and Prism Resources Inc., and is on the UBC Board of Governors. Mr. Eccott holds a Bachelor of Commerce degree from the University of British Columbia.

Merv Geen: Mr. Geen served as a director of the Company from 1987 to 1990 and was re-elected in 1992. He has been Chairman of the board since 1992. He is also a director of Kettle Mountain Ginseng Co. Ltd., the Association of Ginseng Growers of British Columbia and a former orchardist and director of BC Tree Fruits Ltd. and BC Fruit Packers. Mr. Geen also serves as chairman of Sun-Rype's Executive Committee and is a member of the Compensation & Corporate Governance Committee.

Thomas Knowlton: A resident of Toronto, Mr. Knowlton served as a director of Sun-Rype from 1999 to 2001. He was reappointed to the board in August 2003 and is a member of Sun-Rype's Executive Committee. He is Dean of the Faculty of Business at Ryerson University and formerly President of Kellogg North America and Executive Vice President of the Kellogg Company. Mr. Knowlton holds an MBA degree from the University of Windsor. He also serves on the boards of William Wrigley Jr. Company and Hudson's Bay Company.

Tim McElvaine: First elected as a director of Sun-Rype in 2001, Mr. McElvaine is a member of the Company's Compensation & Corporate Governance Committee. He is President of McElvaine Investment Management Ltd., which provides investment counsel to The McElvaine Investment Trust and The McElvaine Limited Partnership, and was formerly Chief Investment Officer and a director of Cundill Investment Research Ltd. Mr. McElvaine is a Chartered Accountant and Chartered Financial Analyst.

Donald Selman: Mr. Selman was first elected to the Sun-Rype board in 2001 and is chairman of the Company's Audit Committee and a member of the Executive Committee. Mr. Selman is a senior partner of Wolrige Mahon, a chartered accounting firm located in Vancouver, British Columbia. He specializes in acquisitions, business valuations, litigation support and forensic accounting, and holds several professional designations. Mr. Selman also serves on the boards of Alpine Helicopters Ltd. and Canfor Corporation.

Eric Sorensen: Appointed President and Chief Executive Officer and a director of the Company on March 1, 2004, Mr. Sorensen's business experience in the consumer packaged goods industry includes executive roles at Pfizer Canada Inc., Warner-Lambert Canada Inc., Adams Canada Inc., Kraft Canada Inc. and the Nabob Coffee Company. He was formerly the President of Warner-Lambert Canada Inc. and Vice President of Pfizer Canada Inc. Most recently, he was President of Sorensen Consulting Ltd. Mr. Sorensen is a graduate of the British Columbia Institute of Technology, Business Administration (Marketing).

Officers

The following table sets forth the officers of Sun-Rype who are not members of the board of directors as of March 24, 2005.

Name and Residence	Principal Business or Occupation
Brad Buchanan Kelowna, British Columbia	Vice President, Customer & Corporate Business Development 2004 - present
Robert Dick Kelowna, British Columbia	Vice President, Manufacturing 1999 - present
Cameron Johnston Kelowna, British Columbia	Vice President, Marketing 2004 - present
Andrea Krause Kelowna, British Columbia	Vice President, Human Resources 2005 - present
Robert McGowan Kelowna, British Columbia	Chief Financial Officer and Vice President, Finance & Administration 1994 - present
Gail Prichard Kelowna, British Columbia	Corporate Secretary 1997 - present
Cindy Wilker Armstrong, British Columbia	Vice President, Supply Chain 2004 - present

Principal Occupations

The following are the previous principal occupations, within the preceding five years, of the officers of Sun-Rype who have not served in his or her capacity as an officer of Sun-Rype for more than five years.

Brad Buchanan: Mr. Buchanan was appointed Vice President, Customer & Corporate Business Development in November 2004, having served in the capacity of Vice President, Sales & Marketing from January 1999. From 1990 to 1999 he held various sales and sales & marketing positions within Sun-Rype. Mr. Buchanan holds a Bachelor of Arts degree from the University of Manitoba and an MBA degree from California Coast University.

Cameron Johnston: Mr. Johnston was appointed Vice President, Marketing in November 2004, after having been Sun-Rype's Director of Marketing from 1999 to 2004 and Marketing Manager – Food Category from 1995 to 1999. Prior to that, he held positions in sales, marketing and operations management for Okanagan Dried Fruits, a company acquired by Sun-Rype in 1994. Mr. Johnston holds a Bachelor of Business Administration from Simon Fraser University.

Andrea Krause: Ms. Krause joined Sun-Rype as Vice President, Human Resources on March 7, 2005. She was most recently Commercial Human Resources Manager – West for Labatt Breweries of Canada, after joining Labatts in 1989 and holding progressively more senior positions in that organization. Ms. Krause holds a Bachelor of Commerce degree from the University of Saskatchewan as well as Certified Human Resource Professional (CHRP) and Certified Compensation Professional (CCP) designations.

Cindy Wilker: Ms. Wilker joined Sun-Rype as Vice President, Supply Chain in November 2004. She was most recently a business consultant and formerly Vice President, Operations for BC Hot House Foods Inc., a position she held from 1999 to 2003 after joining that company in 1996. Ms. Wilker holds a Bachelor of Commerce degree from the University of British Columbia.

Director and Officer Shareholdings

To the knowledge of Sun-Rype, the directors and officers, as a group, beneficially own, directly or indirectly, or exercise control or direction over, approximately 21% of the common shares.

ITEM 9: AUDIT COMMITTEE

Audit Committee Charter

The Charter of Sun-Rype's Audit Committee and the Audit Committee's Whistleblower Policy is attached as Appendix "A" to this Annual Information Form.

Composition of Audit Committee

The Audit Committee of the board of directors of Sun-Rype consists of Donald Selman (chair), Jess Alfonso and Robert Dawson. Each member of the Audit Committee is independent and none receives, directly or indirectly, any compensation from Sun-Rype other than for services as a member of the board of directors and its committees. All members of the Audit Committee are financially literate as defined under Multilateral Instrument 51-102 – Audit Committees. In considering the criteria for determining financial literacy, the board looks at the ability of a director to read and understand a balance sheet, an income statement and a cash flow statement.

Relevant Education and Experience of Audit Committee Members

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows: Mr. Selman is a senior partner of Wolrige Mahon, a chartered accounting firm. He specializes in acquisitions, business valuations, litigation support and forensic accounting and holds several professional designations, including Chartered Accountant. Mr. Selman has served as the chair of Sun-Rype's Audit Committee since 2001 and currently sits on the boards of Alpine Helicopters Ltd. and Canfor Corporation. Mr. Dawson, a non-practicing lawyer, has served on Sun-Rype's Audit Committee since 1999. The owner of Dawson Orchards Ltd., he is also President of the Okanagan Similkameen Co-operations Growers Association and a director of the Okanagan Plant Improvement Co. Mr. Alfonso is owner and president of Seamark Development Co. and is also President and director of Pacific Opportunity Capital Ltd., a merchant banking and venture capital company. Mr. Alfonso holds a Masters of Science degree in Industrial Administration from Purdue University, Indiana, and has served on Sun-Rype's Audit Committee since 2001.

Pre-approval Policies and Procedures

The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditors' independence. Audit and other non-audit services requires pre-approval by the Audit Committee.

Auditors' Fees

Deloitte & Touche LLP has served as Sun-Rype's auditing firm since July 1, 1992. Fees payable for the years ended December 31, 2004 and December 31, 2003 to Deloitte & Touche LLP and its affiliates are $285,553 and $172,825 respectively. Fees payable to Deloitte & Touche LLP and its affiliates in 2004 and 2003 are detailed below.

Auditors Fees: **For the year ended December 31**	**2004**	**2003**
Audit fees	$ 124,968	$ 117,450
Audit-related fees	$ 15,892	$ 37,225
Non-audit fees	$ 144,693	$ 18,150

The nature of each category of fees is described below.

Audit fees

Audit fees were paid for professional services rendered by the auditors for the audit of the annual financial statements of Sun-Rype, services provided in connections with statutory and regulatory filings or engagements, and reviews of Sun-Rype's interim unaudited financial statements.

Audit-related fees

Audit–related fees were paid for assurance and related services that are reasonably related to the performance of the audit or review of the annual financial statements and are not reported under the audit fees item above. These services consisted of audit of ecology reports and other audit-related advisory services.

Non-audit fees

Non-audit fees were paid for tax compliance and other advisory services including:

- the review of original and amended corporate income tax returns;
- the recovery of investment tax credits for Scientific Research and Experimental Development ("SRED") income tax claims; and
- advisory services relating to the internal controls documentation project.

ITEM 10: TRANSFER AGENT & REGISTRAR

Sun-Rype's Transfer Agent & Registrar is Computershare Investor Services Inc., with offices at 510 Burrard Street, 3rd Floor, Vancouver, BC, V6C 3B9 and 100 University Avenue, 9th Floor, Toronto, ON, M5J 2Y1.

ITEM 11: ADDITIONAL INFORMATION

Further information, including additional copies of this Annual Information Form together with a copy of any document incorporated by reference herein, the 2004 Annual Report containing the comparative financial statements for the years ended December 31, 2004 and December 31, 2003 and accompanying report of the auditor, Sun-Rype's most recent interim financial statements, and the Information Circular for Sun-Rype's Annual General & Special Meeting to be held May 4, 2005, may be obtained upon request from Sun-Rype's Corporate Secretary at investor@sunrype.com, or on Sun-Rype's website at www.sunrype.com, or by phoning toll-free 1-800-668-7211 or by writing to the Corporate Secretary of Sun-Rype Products Ltd., 1165 Ethel Street, Kelowna, British Columbia V1Y 2W4.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Sun-Rype's shares and options to purchase shares, and Sun-Rype's statement of corporate governance practices and description of board committees, is contained in the Notice of Annual General & Special Meeting of Shareholders and Information Circular dated March 18, 2005 issued in connection with the Annual General & Special Meeting of Shareholders to be held on May 4, 2005. Additional financial information is also provided in Sun-Rype's financial statements as at and for the year ended December 31, 2004 contained on pages 16 to 26 of Sun-Rype's 2004 Annual Report.

All additional information referred to in this Annual Information Form may also be found on Sun-Rype's website at www.sunrype.com and on the Canadian Securities Administrators website at www.sedar.com.

If the securities of Sun-Rype are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a distribution of Sun-Rype's securities, Sun-Rype will provide to any person (without charge), upon request to the Corporate Secretary of Sun-Rype

at the above-noted address, any of the documents referred to above and a copy of any other document not referred to above that is incorporated by reference into the preliminary short form prospectus or the short form prospectus.

APPENDIX "A"

Sun-Rype Products Ltd.
Audit Committee Charter

General Functions, Authority, And Role

The Audit Committee (the "Committee") is a committee of the Board of Directors (the "Board") of Sun-Rype Products Ltd. (the "Company"). Its primary function is to assist the Board in fulfilling its oversight responsibilities through review and enquiry in respect of financial information to be provided to the shareholders or filed with securities commissions and similar regulatory authorities, to obtain assurance that an adequate system of internal controls has been established by management and to oversee the Company's audit process, including the independent Auditors' qualifications, performance and independence.

The Committee shall have delegated to it all powers of the Board to conduct or authorize investigations into any matter within the scope of this Charter. In connection with such investigations or otherwise in the course of fulfilling its responsibilities under this Charter, the Committee shall have the authority to retain legal, accounting, or other consultants to advise it, and may request any officer or employee of the Company, its legal counsel or Auditor to attend a meeting of the Committee or to meet with any of its members or consultants. The Company shall provide appropriate funding, as determined by the Committee, for compensation to the independent Auditor and to any advisors that the Committee chooses to engage.

The Company's Auditor shall report on the conduct and outcome of its audits and other activities related to financial reporting of the Company to the Committee. The Committee shall have delegated to it the authority and responsibility to evaluate, select and recommend to the Board the name of the Auditor to be proposed for shareholder approval, and, where appropriate, recommend the replacement of the Auditor. In the course of fulfilling its responsibilities, the Committee shall be responsible to communicate to the Board all material discussions with the Auditor.

Following its review of the Company's annual and quarterly financial statements and related communications, the Committee shall recommend to the Board that it approve their release for publication. The Committee will provide recommendations and reports, as it deems advisable, to the Board.

The responsibilities of a member of the Committee shall be in addition to such member's duties as a member of the Board.

Membership

The membership of the Committee shall consist of at least three members of the Board (other than those who are also members of management) who meet the independence, financial literacy and experience requirements for audit committees of the regulatory authorities to which the Company is responsible. The Committee shall appoint one of its members as the Chair of the Committee. The Chief Financial Officer shall serve as an ex-officio member of the Committee.

Specific Duties and Responsibilities

The specific duties and responsibilities of the Committee shall include the following:

A. General

Meetings of the Committee shall occur to review the interim and year-end financial statements and as the need arises, but shall be held not less than four times a year;

The Committee shall further report to the Board on all actions, proceedings and deliberations of the Committee at such times and in such manner as the Board may require;

Annually review and reassess the adequacy of this Charter and submit the Charter to the Board for approval; and

Perform such other functions as may be required by law, by the Company's memorandum, articles or similar documents, or by the Board.

B. External Auditor

Recommend to the Board the Auditor to be nominated, approve the compensation of the Auditor, review the performance of the Auditor and, if necessary, recommend to the Board the discharge of the Auditor;

When there is a change of Auditor, to review all issues related to the change, including the information to be included in the notice of change of Auditor and report on these to the Board;

At least once a year, obtain and review a report by the independent Auditor describing:

The firm's internal quality control procedures, and

Any material issues raised by the most recent internal quality control review, peer review or by any inquiry or investigation by governmental or professional authorities that apply to the Auditors' practice office responsible for the audit;

Approval in advance of the hiring by the Company of any employees or partners of the Auditor or persons that were employees or partners of the Auditor in the last three years to any senior financial position within the Company and ensure any such hiring is in compliance with applicable regulatory requirements; and

Take reasonable steps to confirm the independence of the Auditor, which shall include:

Ensuring receipt from the Auditor of a formal written statement setting out all relationships between the Auditor and the Company, consistent with generally accepted auditing practices;

Considering and discussing with the Auditor any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the Auditor;

Approving in advance of any non-audit related services to be provided by the Auditor to the Company with a view to ensuring independence of the Auditor, and ensuring compliance with any applicable regulatory requirements with respect to the engaging of non-audit related services to be performed by the Auditor; and

Taking any other appropriate action to ensure the independence of the Auditor.

C. Audit and Review Process and Results

Review, in consultation with the Auditor, the scope of the annual audit examination;

Review and discuss with management and the Auditor, following the completion of the annual examination:

The Auditor's report, and

The Company's audited financial statements and related notes;

Review and discuss with management, and as required the Auditor, the annual reports, quarterly reports, Management's Discussion and Analysis, Annual Information Form, and any earnings press releases, prospectus and other disclosures, and recommend the acceptance or otherwise of such documents to the Board for approval; and

Review other material written communication between the Auditor and management, including the management letter and schedule of unadjusted differences.

Review and discuss with management any guidance being provided to shareholders on expected future results and financial performance of the Company and provide recommendations on the giving of such guidance to the Board;

Review the results of any internal audits;

Review any proposed changes in accounting practices or policies and the resulting impact on the financial statements;

Review any accruals, provisions or estimates that have a significant effect upon the financial statements;

Review and manage the Company's Normal Course Issuer Bid during its duration and recommend to the Board its renewal or cancellation;

Review, with management and the Auditor, the integrity of the Company's financial reporting processes and the systems of internal controls that have been established and the effectiveness of those systems. In addition, review with management and the Auditor, any significant financial risks or exposures to the Company and the steps management is taking to minimize them;

Inquire of the Auditor as to the quality and acceptability of the Company's accounting practices, including the clarity of financial disclosure and the degree of conservatism and/or aggressiveness of the accounting policies and estimates;

Consider and review with the Auditor all other matters, which in the view of the Committee require review;

The independent Auditor shall report directly to the Committee and the Committee shall oversee the resolution of disagreements between management and the independent Auditor in the event that disagreements arise; and

Meet with the Auditor and management in separate executive sessions, as necessary or appropriate.

D. Risk Assessment/Corporate Treasury Policy

Review major risk areas and the policies in place including crisis action plans to manage such risks such as environmental, litigation, insurance coverage, regulatory compliance, internal control and process failures and other risks as deemed necessary by the Committee;

Review and discuss with management, and recommend to the Board for approval, any material changes to the Company's corporate treasury policy; and

Ensure that a confidential and anonymous process is established whereby persons with bona fide interests in matters relating to the Company can express any of their concerns about the accuracy, fairness or appropriateness of any financial reports, accounting policies or public disclosures made by the Company or any other matter that falls generally within the responsibility of the Committee directly to a Committee member on a confidential basis.

SUN-RYPE PRODUCTS LTD.
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

WHISTLEBLOWER POLICY

General
Sun-Rype Products Ltd. (the "Company") is committed to the highest standards of professionalism and ethical conduct in maintaining the financial records of the Company. Pursuant to its Charter, the Audit Committee of the Board of Directors of the Company is responsible for ensuring that a confidential and anonymous process exists whereby persons with bona fide interests in matters relating to the financial records of the Company can express, directly to an Audit Committee member on a confidential basis, any concerns or complaints about the accuracy, fairness or appropriateness of any financial reports, accounting policies, or public disclosures made by the Company. In order to carry out its responsibilities under its Charter, the Audit Committee has adopted this Whistleblower Policy.

For the purposes of this Whistleblower Policy, all accounting, auditing or other financial matters that are the subject of a complaint or submission are referred to as an "Alleged Accounting Irregularity".

No Retaliation
In line with Sun-Rype's commitment to open communication, this Whistleblower Policy aims to provide an avenue for employees, directors or officers to raise concerns and reassurance that they will be protected from reprisals or victimization for whistleblowing in good faith. No employee, director or officer who in good faith reports an Alleged Accounting Irregularity shall suffer harassment, retaliation or adverse employment consequence. An employee, director or officer who retaliates against someone who has reported an Alleged Accounting Irregularity in good faith is subject to discipline up to and including termination of office or employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Company rather than seeking resolution outside the Company.

Reporting Violations
It is the responsibility of all employees, directors or officers to report all Alleged Accounting Irregularities in accordance with this Whistleblower Policy. The Company maintains an open door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. An employee's supervisor may be more knowledgeable about the issue and will appreciate being brought into the process. It is the supervisor's responsibility to help you to solve the problem.

However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with a member of the Audit Committee or anyone in management whom you are comfortable in approaching. Supervisors and managers are required to report Alleged Accounting Irregularities to the Chair of the Audit Committee, who has specific and exclusive responsibility to investigate all reported Alleged Accounting Irregularities. For suspected fraud or securities law violations, or when you are not satisfied or uncomfortable with following the Company's open door policy, individuals should contact a member of the Company's Audit Committee directly.

Employment-related concerns should continue to be reported through your normal channels such as your supervisor or the Human Resources Manager.

Investigations of Complaints
The Company's Audit Committee is responsible for investigating and resolving all reported complaints and allegations concerning Alleged Accounting Irregularities. The Chair of the Audit Committee is Mr. Donald Selman. Mr. Selman may be contacted during normal working hours at Wolrige Mahon, (604) 684-6212. If Mr. Selman is unavailable, you may contact the other members of the Audit Committee: Mr. Robert Dawson

at (250) 499-5665 or Mr. Jess Alfonso at (604) 737-3947. The Audit Committee may retain independent legal counsel, accountants or others to assist in its investigations.

Accounting and Auditing Matters
Pursuant to its Charter, the Audit Committee is responsible for addressing all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Chief Financial Officer is required to immediately notify the Audit Committee of any complaint of which he or she is aware and to work with the Committee until the matter is resolved.

Acting in Good Faith
Anyone filing a complaint concerning an Alleged Accounting Irregularity must be acting in good faith and have reasonable grounds for believing the information disclosed indicates an Alleged Accounting Irregularity. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious offense and may be subject to disciplinary action.

Confidentiality
Complaints or submissions concerning an Alleged Accounting Irregularity may be submitted on a confidential basis by the complainant or may be submitted anonymously. All complaints or submissions will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Violations
The Chair of the Audit Committee will acknowledge receipt of the reported Alleged Accounting Irregularity with the sender within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

The Company shall retain records of complaints for a period of no less than seven years as a separate part of the records of the Audit Committee.