MAPLE LEAF FOODS

Maple Leaf Foods Inc.
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Toronto, Ontario
Canada M4V 3A2

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Invitation to Shareholders

March 17, 2008

Dear Fellow Shareholder:

We are pleased to invite you to attend the Annual and Special Meeting of Shareholders of Maple Leaf Foods Inc. to be held at the Glenn Gould Studio, Canadian Broadcasting Centre, 250 Front Street West, Toronto, Ontario at 11:00 a.m. on Thursday, April 24, 2008. The items of business you will be asked to act on are set forth in the accompanying Notice of Annual and Special Meeting and Management Proxy Circular.

We invite you to read our 2007 Annual Report. The report provides an account of our performance in 2007 and includes the financial statements for 2007 and management's discussion and analysis. In the report, we also review our progress over the year, the revised strategy that the Company embarked on in 2006 and outline our plans for 2008 and beyond.

Corporations are governed, ultimately, by their shareholders. We encourage you to ensure that your shares are represented at the meeting and your views on the matters to be voted upon be made known, whether or not you are able to attend. Your vote is important. If you do not plan to be present, we would appreciate you taking the time now to sign, date and return the enclosed proxy form in the enclosed envelope so that your shares can be voted at the meeting in accordance with your instructions.

We thank you for your continuing support of the Company as a shareholder.

Yours very truly,

G. Wallace F. McCain
Chairman of the Board

Michael H. McCain
President & Chief Executive Officer

Encl:

MAPLE LEAF FOODS INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the Annual and Special Meeting of Shareholders of Maple Leaf Foods Inc. will be held at the Glenn Gould Studio, Canadian Broadcasting Centre, 250 Front Street, Toronto, Ontario, on Thursday, April 24, 2008, at 11:00 a.m. Toronto time for the following purposes:

1. to receive the consolidated financial statements for the year ended December 31, 2007, together with the auditors' report thereon;

2. to elect directors;

3. to appoint auditors and authorize the directors to fix their remuneration;

4. to consider and if thought fit pass a resolution authorizing amendment of the Company's 1982 stock option plan;

5. to consider and if thought fit pass a resolution authorizing amendments to the Company's 2004 share incentive plan; and,

6. to transact such other business as may properly come before the meeting or any adjournment thereof.

The accompanying Management Proxy Circular dated March 17, 2008 provides additional information concerning the matters to be dealt with at the meeting.

Dated at Toronto this 17th day of March, 2008.

By Order of the Board.

R. Cappuccitti
Senior Vice-President, Transactions and
Administration and Corporate Secretary

Shareholders who are unable to attend the meeting in person
are requested to complete and return the enclosed form of proxy.

MAPLE LEAF FOODS INC.
MANAGEMENT PROXY CIRCULAR

VOTING INFORMATION

SOLICITATION OF PROXIES

This Management Proxy Circular ("Circular") accompanies the Notice of the Annual and Special Meeting of Shareholders ("Notice of Meeting") of Maple Leaf Foods Inc. ("Maple Leaf Foods", "MLF" or the "Corporation") to be held April 24th, 2008 and is furnished in connection with the solicitation by the management of the Corporation of proxies for use at the meeting. The costs of such solicitation will be borne by the Corporation. It is planned that the solicitation will be primarily by mail but proxies may also be solicited by telephone, in writing, by email, by fax or in person by employees of the Corporation or by agents of the Corporation at a nominal and customary cost.

VOTING OF PROXIES

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

Shares represented by proxies properly executed in favour of the persons whose names are printed therein will be voted for or against or withheld from voting in accordance with the choices specified in the executed proxy on any ballot that may be called for but, if no choice is specified, such shares will be voted:

(i) FOR the election as directors of the Corporation of each of the persons listed as nominees under the heading "Election of Directors" below;

(ii) FOR the appointment of KPMG LLP, Chartered Accountants, as auditors of the Corporation and authorizing the directors to fix their remuneration;

(iii) FOR the resolution authorizing amendments to the Corporation's 1982 share option plan;

(iv) FOR the resolution authorizing amendments to the Corporation's 2004 share incentive plan; and,

(v) FOR or AGAINST such actions as the nominee thinks fit with respect to any other matter that may properly come before the meeting, including any amendments or variations in the matters identified in the Notice of Meeting.

REVOCATION

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

VOTING SHARES AND THE PRINCIPAL HOLDERS THEREOF

As of March 10, 2008, 107,622,971 voting common shares and 22,000,000 non-voting common shares were outstanding. The Corporation has been informed that McCain Capital Corporation ("MCC") exercises control or direction over 41,518,153 voting common shares (38.6% of the voting shares and 32.0% of all shares) of the Corporation. The Corporation has also been informed that Ontario Teachers' Pension Plan Board ("OTPPB") exercises control or direction over 20,728,371 voting common shares (19.3% of the voting shares) and 22,000,000 non-voting common shares of the Corporation. Altogether, OTPPB holds 33.0% of all shares of the Corporation.

Each voting share entitles the holder to one vote at the meeting. The non-voting shares are convertible at any time at the option of the holder into voting common shares on a one-for-one basis and automatically convert to voting shares upon transfer by the holder to any other person.

Persons who were shareholders of record at the close of business on March 20, 2008 will be entitled to vote at the meeting.

NON-REGISTERED SHAREHOLDERS/BENEFICIAL OWNERS

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

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

By choosing to send these materials to you directly, Maple Leaf Foods (and not the intermediary holding shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

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

VOTING AT THE MEETING BY BENEFICIAL OWNERS

Only registered shareholders or their duly appointed proxyholders are permitted to vote at the meeting. If a non-registered holder wishes to attend and vote in person at the meeting, they must insert their own name in the space provided for the appointment of a proxyholder on the voting instruction form or proxy form provided by the intermediary and carefully follow the intermediary’s instructions for return of the executed form or other method of response.

Business of Meeting

ELECTION OF DIRECTORS

The table below sets out the names of the persons proposed for election as directors of the Corporation to serve until the next annual meeting of Shareholders of the Corporation or until their successors are duly elected or appointed, unless any such person is not available to act as a director, in which event a substitute may be nominated.

For each nominee for election as director, the table sets forth as applicable: place of residence; age; present principal occupation and principal occupations held in the last five years, if different; a brief description of his or her principal directorships, positions and other relevant information, the date he or she became a director of the Corporation; the number of common shares beneficially owned[(1)] and deferred share units ("DSUs") held[(2)]; current membership on Committees of the Board of Directors; whether he or she is the Chair of a Committee of the Board; other public board memberships in the past five years; and whether he or she is independent within the meaning of applicable securities legislation. Information on each nominee's attendance is set out in Appendix A. For information on director assessment, selection, orientation and education, and other corporate governance topics, please see the discussion under the heading "Report on Corporate Governance" below.

The Corporation has adopted a policy for individual director voting that is described in the Report on Corporate Governance found on page 11 of this circular. Under the policy, if any nominee for director with respect to whom a majority of the votes represented by proxies validly deposited prior to a meeting of shareholders of the Corporation are "withheld" from voting for his or her election, the nominee shall submit his or her resignation to the Board for consideration promptly following the meeting. The other directors (or if there are less than three such directors, the entire Board) shall consider whether or not to accept the resignation. A press release disclosing their determination (and the reasons for rejecting the resignation, if applicable) shall be issued within 90 days following the date of the meeting.

Name	Principal Occupation and Committee Membership	
Purdy Crawford O.C. Toronto, Ontario Director Since: 1995 Age: 76 Common Shares 143,090 DSUs 19,679 Independent Lead Director 	Counsel, Osler, Hoskin & Harcourt LLP *(law firm)*	
	Mr. Crawford sits on the boards of several companies in Canada and was formerly on the boards of Canadian National Railway Company, Foot Locker, Inc., Clearwater Seafoods Income Fund, Emera Inc., Manitoba Telecom Services Inc., Seamark Asset Management and Petro-Canada. He is Chancellor Emeritus of Mount Allison University and the Chairman Emeritus of The Atlantic Institute for Market Studies. In 2007, Mr. Crawford was promoted to Companion of the Order of Canada.	
	Corporate Governance Committee Human Resources and Compensation Committee	
	Other Public Company Board Service:	
	Current	*Past 5 Years*
	Second Cup Limited	Canadian National Railway
		Clearwater Seafoods Income Fund
		Emera Inc.
		Foot Locker, Inc.
		Manitoba Telecom Services Inc.
		Seamark Asset Management Limited
	No interlocking directorships [(3)]	Petro-Canada

See footnotes on page 7

Name	Principal Occupation and Committee Membership
Jeffrey Gandz Ph.D. London, Ontario Director Since: 1999 Age: 63 Common Shares 100 DSUs 25,300 Independent 	Professor, Managing Director – Program Design, Richard Ivey School of Business, University of Western Ontario Dr. Gandz is a former Associate Dean of Programs and MBA Program Director at the Richard Ivey School of Business and held the Canada Trust J. Allyn Taylor and Arthur Mingay Chair in the Global Environment of Business. He has been a consultant for many Canadian and multinational corporations and government ministries and is the author of several books, many articles and government reports on a variety of subjects including leadership and organizational effectiveness. Environment, Health and Safety Committee – Chairman Human Resources and Compensation Committee Other Public Company Board Service: *Current* — None *Past 5 Years* — None *No interlocking directorships* (3)
James F. Hankinson Toronto, Ontario Director Since: 1995 Age: 64 Common Shares 3,000 DSUs 22,734 Independent 	President and Chief Executive Officer, Ontario Power Generation *(electricity generation company)* Prior to assuming his current position with Ontario Power Generation on May 15, 2005, he was President and Chief Operating Officer of Canadian Pacific Limited until 1995, President and Chief Executive Officer, New Brunswick Power Corporation (1996-2002) and Corporate Director (2003-2005). Mr. Hankinson is a director of CAE Inc. Corporate Governance Committee – Chairman Audit Committee Other Public Company Board Service: *Current* — Ontario Power Generation; CAE Inc. *Past 5 Years* — Entertainment One Income Fund *No interlocking directorships* (3)
Robert W. Hiller Waterloo, Ontario Director Since: 1995 Age: 71 Common Shares 7,215 DSUs 14,830 Independent 	Corporate Director Mr. Hiller has served as a director and a senior officer of a number of large multinational food companies in the United States and in Canada. Until 1991, he was Senior Vice-President and Chief Financial Officer of the Campbell Soup Company Limited. Audit Committee Environment, Health and Safety Committee Other Public Company Board Service: *Current* — None *Past 5 Years* — None *No interlocking directorships* (3)

See footnotes on page 7

Name	Principal Occupation and Committee Membership
Chaviva M. Hosek Ph.D., O.C. Toronto, Ontario Director Since: 2002 Age: 61 Common Shares 805 DSUs 12,980 Independent 	President and Chief Executive Officer, The Canadian Institute for Advanced Research *(not-for-profit research institute)* Dr. Hosek received her Ph.D. from Harvard University in 1973. She was Director of Policy and Research in the Prime Minister's Office for Prime Minister Jean Chrétien from 1993 to 2000. She served a term as Minister of Housing for the Province of Ontario and a 13-year period as Professor of English Literature at the University of Toronto. Dr. Hosek is a director of Central European University, The Pierre Elliott Trudeau Foundation, the Leading Edge Endowment Fund and AllerGen NCE Inc. and is a Governor of the Council of Canadian Academies. Dr. Hosek has been awarded two honorary degrees and was recently appointed an Officer of the Order of Canada. Environment, Health and Safety Committee Corporate Governance Committee Other Public Company Board Service: *Current*: None *Past 5 Years*: Inco Limited *No interlocking directorships* (3)
Claude R. Lamoureux Toronto, Ontario Director Since: Nominee Age: 65 Common Shares None DSUs None Independent 	Corporate Director Mr. Lamoureux was Chief Executive Officer of the Ontario Teachers' Pension Plan Board (a public sector pension fund with $106 billion in assets) until his retirement in 2007. He was appointed to the position in 1990, when the Ontario government established the new independent corporation to replace the Ontario Teachers' Superannuation Fund. An actuary by profession, Mr. Lamoureux joined Teachers' from Metropolitan Life, where he had a successful career in their New York and Ottawa offices. Other Public Company Board Service: *Current*: Atrium Innovations Inc. *Past 5 Years*: Domtar Inc. *No interlocking directorships* (3)
Donald E. Loadman Vista, California Director Since: 1995 Age: 75 Common Shares 16,000 DSUs 1,508 Independent 	Corporate Director and Business Consultant Mr. Loadman's career includes service in Canada and the United States with three multinational food and packaged goods companies. Until 1991, Mr. Loadman was Chairman of Pillsbury International. As a business consultant, Mr. Loadman provides counsel to companies operating or seeking to operate in North American and international markets. Audit Committee Environment, Health and Safety Committee Other Public Company Board Service: *Current*: None *Past 5 Years*: None *No interlocking directorships* (3)

See footnotes on page 7

Name	Principal Occupation and Committee Membership
G. Wallace F. McCain O.C. Toronto, Ontario Director Since: 1995 Age: 77 Common Shares [4] 300,361 Not independent 	Chairman of the Board, Maple Leaf Foods Inc. Mr. McCain co-founded McCain Foods Limited in 1956 which has grown to become one of the largest frozen food companies in the world. Mr. McCain was President and Co-Chief Executive Officer of McCain Foods Limited until 1995 and is currently its Vice-Chairman and a director and is a director of other associated companies within the McCain Foods Group. Mr. McCain is also a director of St. Michael's Hospital Board, Brookfield Asset Management Inc. and Canada Bread Company, Limited. He is Co-Chair of the National Ballet School Financial Campaign and a member of the National Advisory Council for Mount Allison University. Mr. McCain is an Officer of the Order of Canada. Other Public Company Board Service: *Current*: Brookfield Asset Management Inc.; Canada Bread Company, Limited *(Interlocking directorship with M.H. McCain and J.S. McCain)* [3] *Past 5 Years*: None
J. Scott McCain Toronto, Ontario Director Since: 1995 Age: 51 Common Shares [4] 156,089 Not independent 	President and Chief Operating Officer, Agribusiness Group, Maple Leaf Foods Inc. Prior to joining Maple Leaf Foods Inc. in 1995, Mr. McCain was Vice-President for Production, McCain Foods Limited in Canada. Mr. McCain joined McCain Foods Limited in 1978 where he held progressively senior positions in manufacturing and operations. He is a director of Canada Bread Company, Limited, as well as a director of McCain Foods Group Ltd. He is a member of the Board of Regents at Mount Allison University and a board member of Food Processors of Canada. Other Public Company Board Service: *Current*: Canada Bread Company, Limited *(Interlocking directorship with M.H. McCain and G.W.F. McCain)* [3] *Past 5 Years*: None
Michael H. McCain Toronto, Ontario Director Since: 1995 Age: 49 Common Shares [4] 176,773 Not independent 	President and Chief Executive Officer, Maple Leaf Foods Inc. Mr. McCain joined Maple Leaf Foods Inc. in April 1995 as President and Chief Operating Officer. Prior to joining Maple Leaf Foods, Mr. McCain spent 16 years with McCain Foods Limited in Canada and the United States and was, at the time of leaving in March 1995, President and Chief Executive Officer of McCain Foods USA Inc. In January 1999, Mr. McCain was appointed Chief Executive Officer of Maple Leaf Foods. He is the Chairman and a director of Canada Bread Company, Limited, a director of McCain Foods Group Ltd., the American Meat Institute, and Royal Bank of Canada. He is a past director of the American Frozen Food Institute and Bombardier Inc. Mr. McCain also serves on the Board of Trustees of The Hospital for Sick Children. Other Public Company Board Service: *Current*: Royal Bank of Canada; Canada Bread Company, Limited *(Interlocking directorship with J.S. McCain and G.W.F. McCain)* [3] *Past 5 Years*: Bombardier Inc.

See footnotes on page 7

Name	Principal Occupation and Committee Membership
Diane E. McGarry Fripp Island, South Carolina Director Since: December 2005 Age: 58 DSUs 3,462 Independent 	Corporate Director Ms. McGarry has over 30 years experience with Xerox Corporation including five years in Canada as Chairman, President and Chief Executive Officer from 1993 to 1998. Prior to retiring in 2005, Ms. McGarry held the position of Chief Marketing Officer. Audit Committee – Chairman Corporate Governance Committee Other Public Company Board Service: *Current*: None *Past 5 Years*: Omnova Solutions Inc. *No interlocking directorships* (3)
J. Edward Newall O.C. Calgary, Alberta Director Since: 1997 Age: 72 Common Shares 40,000 DSUs 25,808 Independent 	Chairman, Newall & Associates *(consulting firm)* Mr. Newall is Chairman Emeritus of both NOVA Chemicals Corporation and Canadian Pacific Railway Limited. He served as Chief Executive Officer of NOVA Corporation (petrochemicals) from 1991 to 1998 and Chairman and director of NOVA Chemicals Corporation from 1999 to 2007, when he retired. Mr. Newall is an Officer of the Order of Canada. He has served as a director of BCE Inc., Alcan Inc., Royal Bank Financial Group and Novelis Inc. Human Resources and Compensation Committee Environment, Health and Safety Committee Other Public Company Board Service: *Current*: None *Past 5 Years*: Nova Chemical Corporation, Novelis Inc., Canadian Pacific Railway Limited, Alcan Inc., Royal Bank of Canada, BCE Inc. *No interlocking directorships* (3)
Gordon R. Ritchie Ottawa, Ontario Director Since: 1995 Age: 64 Common Shares 25,665 DSUs 16,373 Independent 	Chairman of Public Affairs, Hill & Knowlton Canada *(government and public relations company)* Mr. Ritchie is also Chief Executive Officer of Strategico Inc. and has been a director of a number of leading Canadian corporations including AIG United Guaranty Canada. Mr. Ritchie had 22 years of distinguished public service. As Ambassador for Trade Negotiations, Mr. Ritchie was one of the principal architects of the Canada/United States Free Trade Agreement. Human Resources and Compensation Committee – Chairman Corporate Governance Committee Other Public Company Board Service: *Current*: None *Past 5 Years*: Laurentian Bank of Canada *No interlocking directorships* (3)

Notes:

(1) Number of voting common shares beneficially owned, directly or indirectly, or over which control or direction is exercised as reported by respective nominees as at February 15, 2008.

(2) Number of deferred share units ("DSUs") held by each director under the Deferred Share Unit Plan for directors as at February 15, 2008. The plan is described on page 18 under the heading Compensation of Directors.

(3) Directors who served together on the board of directors of other publicly traded companies as at March 10, 2008.

(4) McCain Capital Corporation is the owner of 41,518,153 voting common shares of the Corporation, representing 38.6% of the issued and outstanding voting common shares of the Corporation and 32% of all issued and outstanding shares of the Corporation. A majority of the shares of McCain Capital Corporation are held by members of the G. Wallace F. McCain family including Messrs. G. Wallace F. McCain, J. Scott McCain and Michael H. McCain.

INFORMATION REGARDING CERTAIN DIRECTORS

Within ten years preceding the date of this Circular:

Mr. Ritchie was a director of Laidlaw Inc. at a time that the company was subject to proceedings under the *Companies Creditors' Arrangement Act (Canada)* and comparable legislation in the United States. Mr. Ritchie is no longer a director of Laidlaw Inc.

Mr. Crawford was Chairman of AT&T Canada when it voluntarily filed for protection under the Companies Creditors' Arrangement Act (Canada) in September 2002. Through a series of negotiations with bondholders and other creditors, it emerged from creditor protection under the Companies *Creditors' Arrangement Act (Canada)* and was restructured in April 2003 as Allstream Inc. Mr. Crawford is no longer a director of Allstream.

Mr. Newall served as a director of Novelis Inc. (''Novelis'') during 2005 and for a portion of 2006. During 2006, Mr. Newall resigned from the board of directors. In his capacity as a director of Novelis, Mr. Newall was subject to management cease trade orders issued by certain of the Canadian provincial securities administrators against the directors and officers of Novelis by reason of Novelis' default in filing its interim unaudited financial statements for the period ended September 30, 2005. The cease trade orders were issued in December 2005 and precluded Mr. Newall from trading in securities of Novelis until the conditions in the orders were met. The conditions in the orders were met after the first quarter of 2006 and therefore the cease trade orders are no longer in effect.

APPOINTMENT OF AUDITORS

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

The fees paid by the Corporation for the services performed by KPMG LLP for the years ended December 31, 2005, 2006 and 2007 are set out in the table below. Annually, the Audit Committee reviews a summary of the services provided by the auditors to the Corporation and its subsidiaries. In 2004, the Audit Committee established a policy requiring pre-approval of all non-audit services to be rendered by the external auditors. Any engagement of KPMG LLP by the Corporation for any non-audit services must be approved in advance by the Audit Committee. Between meetings of the Audit Committee, authority for approval is delegated to the Audit Committee Chairman. Approvals under the delegated authority are presented to the full Audit Committee at their next meeting. The policy also prohibits the engagement of KPMG LLP in a number of services that the Audit Committee believes may have the potential to impact KPMG LLP's independence.

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

Description	2007 ($)	2006 ($)	2005 ($)
Audit fees (1)	2,409,242	2,461,461	2,058,622
Audit-related fees (2)	2,081,123	1,015,725	150,012
Tax fees (3)	281,920	245,511	456,043
All other fees (4)	351,003	127,225	37,078
Total fees	5,123,288	3,849,922	2,701,755

Notes:

(1) For the audit of Maple Leaf Foods' annual financial statements (including the audits of subsidiaries).

(2) Audit-related services consisting primarily of audit procedures related to business acquisition transactions, and audits of financial statements of employee benefit plans that are not reported in (1), including accounting consultations, comfort letters and various agreed upon procedures.

(3) For tax compliance, advice, planning and return preparation services.

(4) For products and services other than the fees reported in (1) to (3). The 2007 fees were for assistance on a disposition and forensic accounting services.

Amendments to Share Option and Share Incentive Plans

The Corporation currently has three outstanding equity incentive plans; the Share Option Plan first adopted in 1982 (the "1982 Option Plan"), the Share Incentive Plan adopted in 2004 (the "2004 Share Incentive Plan"), and the RSU Plan adopted in 2006 (the "2006 RSU Plan"). Currently, grants are made only under the 2004 Share Incentive Plan and the 2006 RSU Plan. The 1982 Option Plan provides for the grant of options to purchase common shares of the Corporation from treasury. No new grants have been made under this plan since 2004 but options remain outstanding and available for issuance under such plan. The 2004 Share Incentive Plan provides for the grant of options and restricted share units ("RSUs") that are satisfied by the issuance of common shares by the Corporation from treasury. The 2006 RSU Plan provides for the grant of RSUs that are satisfied with shares acquired in the market by a trust established for that purpose. For a description of the 1982 Option Plan, the 2004 Share Incentive Plan and the 2006 RSU Plan, see "Description of Share Option and Share Incentive Plans" below under "Other Matters". The Corporation is proposing that certain amendments be made to the 1982 Option Plan and the 2004 Share Incentive Plan at the meeting.

AMENDMENTS TO THE 1982 OPTION PLAN

The 1982 Option Plan was introduced to permit the Corporation to provide compensation opportunities to key employees of the Corporation. The 1982 Option Plan became effective April 16, 1982 and was last amended effective March 18, 2002. As noted above, options are no longer granted under the 1982 Option Plan but there are options that remain outstanding and available for exercise under such plan. The Corporation is proposing to amend the 1982 Option Plan due to recent changes in the rules of the Toronto Stock Exchange (TSX).

Specifically, the TSX has introduced new rules respecting amending procedures in security based compensation arrangements and is recommending that share option plans have provisions that specifically outline the type of amendments that require shareholder approval. The TSX has stated that effective June 30, 2007, it will require shareholder approval for every amendment to a plan that does not have specific amendment procedures – even basic "housekeeping" amendments.

The Board wishes to keep the flexibility to make various changes to the 1982 Option Plan and options granted thereunder without shareholder approval, except where such changes are material. Accordingly, the Board has approved amendments to the 1982 Option Plan to permit the Board to make changes without shareholder approval other than as specified below. Changes which would not require shareholder approval could include minor or technical modifications, correction of errors or omissions, amendments to the expiry date or vesting provisions of an option (provided that such amendments do not extend the original expiry date of the option), adjustments in the event of certain corporate transactions and changes necessary to comply with applicable law.

The Corporation imposes trading restrictions from time to time on its officers, directors and employees (a ''Black-Out Period'') which could have the effect of preventing officers, directors and certain employees from exercising vested stock options. The Board has approved amendments to the 1982 Option Plan to provide that when an option expiry date falls during or within two business days following a Black-Out Period applicable to an optionee, the expiry date of the option will automatically be extended to be the 10th business day following the end of the Black-Out Period.

Specifically, the amendments to the 1982 Option Plan approved by the Board provide that shareholder approval will be required for the following amendments to the 1982 Option Plan:

(a) any increase in the maximum number of common shares that may be issued under the 1982 Option Plan, except pursuant to provisions in the 1982 Option Plan which permit the Board to make equitable adjustments (including adjustments contemplated by Section 7 of the Plan which include, but are not limited to, adjustments as a result of any consolidation, reorganization, stock dividend, amalgamation or similar transaction) in the event of transactions affecting the Corporation or its capital;

(b) a reduction in the purchase price of common shares purchasable under an option granted under the 1982 Option Plan (for this purpose, a cancellation or termination of an option granted to a participant under the 1982 Option Plan prior to its expiry for the purpose of reissuing options to the same participant with a lower purchase price shall be treated as an amendment to reduce the purchase price of common shares purchasable under an option granted under the 1982 Option Plan) except for the purpose of maintaining option value pursuant to provisions in the 1982 Option Plan which permit the Board to make equitable adjustments (including adjustments contemplated by Section 7 of the Plan which include, but are not limited to, adjustments as a result of any consolidation, reorganization, stock dividend, amalgamation or similar transaction) in the event of transactions affecting the Corporation or its capital;

(c) permitting the expiry of options beyond ten years from the date on which an option is granted;

(d) permitting the expiry of options beyond their original expiry date (other than an automatic extension to 10 business days after the end of a Black-Out Period if the option would otherwise have expired during or within two business days following a Black-Out Period);

(e) extending eligibility to participate in the 1982 Option Plan to non-employee directors;

(f) permitting options to be transferred other than for normal estate settlement purposes;

(g) permitting awards, other than options, to be made under the 1982 Option Plan; and,

(h) deleting or reducing the range of amendments that require shareholder approval under the 1982 Option Plan as set forth above.

Shareholders will be asked to consider the resolutions set out in Appendix B which require shareholder approval in order to give effect to the amendments to the 1982 Option Plan as described above. The proposed amendments have been approved by the TSX conditional upon shareholder approval.

In order to become effective, the resolutions must be approved by a majority of the votes cast by holders of common shares present in person or represented by proxy at the meeting or any adjournment thereof.

The Board recommends that shareholders vote IN FAVOUR of the resolutions. In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote FOR the resolutions amending the 1982 Option Plan as set out in Appendix B.

AMENDMENTS TO THE 2004 SHARE INCENTIVE PLAN

The 2004 Share Incentive Plan was introduced to permit the Corporation to provide compensation opportunities to employees of the Corporation and its affiliates. The 2004 Share Incentive Plan was adopted on September 8, 2004 and was amended effective March 17, 2005. The Corporation is proposing to amend the 2004 Share Incentive Plan due to recent changes in the rules of the TSX and to make certain housekeeping amendments to more closely conform the 2004 Share Incentive Plan to the requirements of the TSX.

As noted above, the TSX has introduced new rules respecting amending procedures in security based compensation arrangements and now recommends that security based compensation plans have provisions that specifically outline the type of amendments that require shareholder approval. The TSX has stated that effective June 30, 2007, it will require shareholder approval for every amendment to a plan that does not have specific amendment procedures – even basic "housekeeping" amendments.

The Board wishes to keep the flexibility to make various changes to the 2004 Share Incentive Plan and options and RSUs granted thereunder without shareholder approval, except where such changes are material. Accordingly, the Board has approved amendments to the 2004 Share Incentive Plan to permit the Board to make changes without shareholder approval other than as specified below. Changes which would not require shareholder approval could include minor or technical modifications, correction of errors or omissions, amendments to the expiry date or vesting provisions of an option or RSU (provided that such amendments do not extend the original expiry date of the option or RSU), adjustments in the event of certain corporate transactions and changes necessary to comply with applicable law.

The Corporation imposes trading restrictions from time to time on its officers, directors and employees (a ''Black-Out Period'') which could have the effect of preventing officers, directors and certain employees from exercising vested stock options. The Board has approved amendments to the 2004 Share Incentive Plan to provide that when an option expiry date falls during or within two business days following a Black-Out Period applicable to an optionee, the expiry date of the option will automatically be extended to be the 10th business day following the end of the Black-Out Period.

Specifically, the amendments to the 2004 Share Incentive Plan approved by the Board provide that shareholder approval will be required for the following amendments to the 2004 Share Incentive Plan:

(a) any increase in the number of common shares reserved for issuance under the 2004 Share Incentive Plan, except in connection with a change of control of the Corporation or pursuant to provisions in the 2004 Share Incentive Plan which permit the Board to make equitable adjustments (including adjustments contemplated by Article 8 of the Plan which include, but are not limited to, adjustments as a result of any consolidation, reorganization, stock dividend, amalgamation or similar transaction) in the event of transactions affecting the Corporation or its capital;

(b) a reduction in the exercise price of common shares subject to options granted under the 2004 Share Incentive Plan (for this purpose, a cancellation or termination of an option granted to a participant under the 2004 Share Incentive Plan prior to its expiry for the purpose of reissuing options to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an option) except for the purpose of maintaining option value in connection with a change of control of the Corporation or pursuant to provisions in the 2004 Share Incentive Plan which permit the Board to make equitable adjustments (including adjustments contemplated by Article 8 of the Plan which include, but are not limited to, adjustments as a result of any consolidation, reorganization, stock dividend, amalgamation or similar transaction) in the event of transactions affecting the Corporation or its capital;

(c) permitting the expiry of options beyond ten years from the date on which an option is granted;

(d) permitting the expiry of an option beyond the original expiry date (other than an automatic extension to 10 business days after the end of a Black-Out Period if the option would otherwise have expired during or within two business days following a Black-Out Period);

(e) extending eligibility to participate in the 2004 Share Incentive Plan to non-employee directors;

(f) permitting options or RSUs to be transferred other than for normal estate settlement purposes;

(g) permitting awards, other than options and RSUs, to be made under the 2004 Share Incentive Plan; and,

(h) deleting or reducing the range of amendments that require shareholder approval under the 2004 Share Incentive Plan as set forth above.

Shareholders will be asked to consider the resolutions set out in Appendix C which require shareholder approval in order to give effect to the amendments to the 2004 Share Incentive Plan as described above. The proposed amendments have been approved by the TSX conditional upon shareholder approval.

In order to become effective, the resolutions must be approved by a majority of the votes cast by holders of common shares present in person or represented by proxy at the meeting or any adjournment thereof.

The Board recommends that shareholders vote IN FAVOUR of the resolutions. In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote FOR the resolutions amending the 2004 Share Incentive Plan as set out in Appendix C.

Report on Corporate Governance

The Board of Directors and management of the Corporation are committed to maintaining a high standard of corporate governance. The Board has responsibility for the overall stewardship of the Corporation and discharges such responsibility by reviewing, discussing and approving, with or without changes, the Corporation's strategic planning and organizational structure and supervising management with a view to preserving and enhancing the underlying value of the Corporation. Management of the business within this structure is the responsibility of the Chief Executive Officer ("CEO") and senior management.

The Board has adopted the guidelines and employs practices and procedures related to corporate governance matters, which are summarized below:

BOARD RESPONSIBILITIES

1. Board Mandate

   The Board has responsibility for the stewardship of the Corporation and has adopted a formal mandate setting out the Board's stewardship responsibilities, including the Board's responsibilities for the appointment and development of management, strategic planning, monitoring of financial performance, financial reporting, risk management and oversight of the Corporation's policies and procedures, communications and reporting and compliance. A full copy of the Board's mandate is available on SEDAR (www.sedar.com) and is incorporated by reference into this Management Proxy Circular.

2. Corporate Strategy

   Management is led by the CEO who is responsible for the development of long-term corporate strategy, while the role of the Board is to review, question, validate, and ultimately, after having its suggestions incorporated, to approve the strategies of each operating segment of the Corporation, and the Corporation as a whole. While the process of strategy development is continuous and evolving, the Board holds an annual two-day meeting devoted exclusively to the review of the Corporation's long-term strategy. Furthermore, approximately every two years, on a rotating basis, the Board conducts an in-depth review of each segment's operations, competitive positioning and strategy.

   The Board also reviews periodic updates of the Corporation's progress on its strategic goals and makes major decisions in the context of the strategic plan.

   The recently completed year, 2007, was exceptionally active from the point of view of corporate strategy. In 2006, in response to a number of industry and business factors, the Corporation completed a comprehensive strategic review of its protein related businesses and operations which culminated with revised strategic direction that was announced in October of that year. In 2007, the Board oversaw the implementation of the strategy, receiving detailed written updates and presentations from management at each regular meeting.

3. Succession Planning

   Management succession planning is an ongoing activity. The succession plans for each of the executive officers are reviewed by the Human Resources and Compensation Committee annually and reported on to the Board. These plans include the Chief Executive Officer's recommendation of a short and long-term successor for the Chief Executive Officer in the event of his unexpected incapacitation, and short-term and long-term successors for each of the Corporation's senior executive officers.

4. Board Communication with Stakeholders

   The Board has reviewed and approved a Disclosure Policy for the Corporation. The Board, or an appropriate Committee of the Board, reviews the content of the Corporation's major communications to shareholders and the investing public, including quarterly and annual reports, management's discussion and analysis, proxy circulars, the annual information form and any prospectuses.

The Board believes management should speak for the Corporation in its communications with the investment community, the media, customers, suppliers, employees, governments and the general public. If communications from non-shareholder stakeholders are made to the Chairman or other individual directors, management is informed and consulted to determine any appropriate response.

5. Corporate Governance

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

BOARD ORGANIZATION AND MEMBERSHIP

1. Chairman of the Board

   The Board has approved and periodically reviews a written position description for the Chairman that sets out the responsibilities and accountabilities of the Chairman which include duties relating to setting Board meeting agendas, chairing Board and shareholder meetings, and conducting director and Board assessments.

2. Lead Director

   As the Chairman of the Board is not an independent director, the independent directors have appointed an independent director as Lead Director. The Lead Director's duties, which are set out in a written position description, include acting as chair of the *in camera* meetings of the independent directors and assuming other responsibilities that the independent directors as a whole have designated. The Lead Director is Mr. Purdy Crawford.

3. Board Size and Selection of New Director Candidates

   The maximum number of directors permitted by the Corporation's articles is 18 and the minimum number is eight. Within that range, the Board is authorized to establish the number of directors. The Corporation's two largest shareholders, MCC and OTPPB, together hold 65.0% of all outstanding shares and 57.9% of all outstanding voting shares. They have entered into an agreement with respect to these shareholdings under which the Corporation is to have 13 directors. Unless MCC and OTPPB otherwise agree, the Board is to be composed of the CEO, two nominees of OTPPB, three nominees of MCC, and seven independent directors to be recommended by MCC and approved by OTPPB. Notwithstanding the agreement, OTPPB has not exercised its right to have nominees on the Board since 1999.

   While the agreement between MCC and OTPPB prescribes a process for the nomination of directors, the Corporate Governance Committee led by its Chairman together with the Lead Director and the Chairman of the Board has managed the process of new director nominations in consultation with MCC and OTPPB. Each member of the Corporate Governance Committee is independent.

   The Corporate Governance Committee maintains a matrix of skills and qualifications for existing directors and for new candidates to guide it in the selection and search for new directors. The Chairman of the Board and the Committee also maintain an evergreen list of potential candidates for membership to the Board. Other directors are encouraged to identify potential candidates for nomination.

4. Independence of Directors

   The Board has adopted a policy requiring a majority of the directors to be independent, by which the Board means a director who is not a member of management and is free from any interest and any business, family or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Corporation.

   A director shall not be considered to be independent if the director would not be considered independent under director independence tests for Audit Committee membership under applicable securities laws[2].

   The Board annually reviews the Corporate Governance Committee's report on director independence.

[2] Multilateral Instrument 52-110 Audit Committees

Set forth below is a summary indicating which directors of the Corporation are considered "independent" and which ones are considered "not independent", and the reasons why.

	Independent	Not Independent	Comments
P. Crawford	✓		
J. Gandz	✓		
J.F. Hankinson	✓		
R.W. Hiller	✓		
C.M. Hosek	✓		
D.E. Loadman	✓		
D.E. McGarry	✓		
J.E. Newall	✓		
G. Ritchie	✓		
R.T. Stewart	✓		
G.W.F. McCain		✓	Chairman of the Board of the Corporation
J.S. McCain		✓	President and Chief Operating Officer, Agribusiness Group of the Corporation
M.H. McCain		✓	President and Chief Executive Officer of the Corporation

5. Term Limits for Directors

   The Board values the increased insight into the Corporation and its strategy and operations that directors develop and the increased contribution that directors make over a long period of service. For this reason, the Board has determined that a fixed term limit for directors should not be established, as it would have the effect of forcing off the Board directors who have developed these insights. To ensure continued effectiveness of each director, the Board relies on its performance evaluation process.

6. Composition of the Board

   Annually, the Corporate Governance Committee reviews the competencies, skills and personal qualities of candidates to be considered for nomination to the Board. The objective of this review is to maintain the composition of the Board in a way that provides, in the judgment of the Board, the best mix of skills and experience to provide for the overall stewardship of the Corporation. The Committee takes into account the desirability of maintaining a reasonable diversity of personal characteristics such as age, gender, geographic residence and origin. However, all directors must possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of the shareholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment, outstanding ability in their individual fields of expertise and a willingness to devote necessary time to Board matters.

7. Individual Voting for Directors

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

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

   The Board believes that basing this policy on votes represented by proxies deposited in advance is appropriate for the Corporation. In April 2007, 99.8% of all shares represented at the annual shareholders' meeting were represented by proxies deposited in advance.

8. Director Orientation and Education

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

The new director orientation includes the dissemination of information regarding the Corporation and its operation and the structure of the Board and its committees. Each new director meets one-on-one with senior management of the Corporation's operations and functional areas to enable the director to learn about the various processes and operations of the Corporation and gain an appreciation of the skills and competence of the management team. Prior to nomination, candidates for nomination are provided with a clear understanding of the workload and time commitment required.

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

BOARD COMMITTEES AND TERMS OF REFERENCE

1. Board Committees

The Board has determined that there should be four Board Committees: (i) the Audit Committee; (ii) the Corporate Governance Committee; (iii) the Human Resources and Compensation Committee; and (iv) the Environment, Health and Safety Committee. This structure may change as the Board considers from time to time which of its responsibilities can best be fulfilled through a detailed review of matters at the committee level. Each committee operates according to a Board-approved written charter outlining its duties and responsibilities. A written set of procedures and policies also set out the role of the committee chairman.

The purpose of Board committees is to assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board committee, the Board is ultimately responsible for matters assigned to each committee for its determination. Except as may be explicitly provided in the charter of the committee or a resolution of the Board, the role of the Board committee is to review and make recommendations to the Board with respect to the approval of matters considered by the committee.

2. Membership of Committees

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

After receipt of recommendations from the Corporate Governance Committee, the Board appoints the members of the committees annually, and as necessary to fill vacancies, and generally appoints the chair of each committee. Members of the committees hold office at the pleasure of the Board.

The Committees' membership and chairman, and the year the member was first appointed (as a member or Chairman) are as follows:

Audit Committee		**Environment, Health & Safety Committee**	
D.E. McGarry (Chairman since 2007),	2005	J. Gandz (Chairman since 2006),	2006
J.F. Hankinson,	2003	R.W. Hiller,	2005
D.E. Loadman,	2000	C.M. Hosek,	2002
R.W. Hiller, and,	1995	D.E. Loadman, and,	2006
R.T. Stewart;	2006	J.E. Newall;	2006
Corporate Governance Committee		**Human Resources and Compensation Committee**	
J.F. Hankinson (Chairman since 2006),	2006	G. Ritchie (Chairman since 2006),	2000
P. Crawford,	1995	P. Crawford,	1995
C.M. Hosek,	2006	J. Gandz,	1999
D.E. McGarry, and,	2006	J.E. Newall, and	1997
G. Ritchie;	2006	R.T. Stewart.	2006

3. Committee Mandates

In summary, the responsibilities and functions of each committee is as follows:

Audit Committee

a) To assist the Board of Directors of the Corporation by reviewing the adequacy and effectiveness of financial and reporting processes including:

(i) the systems of internal and financial controls;

(ii) the selection of accounting policies and principles;

(iii) the preparation and audit of financial reports;

(iv) the review of financial risk management functions;

(v) the oversight of the stewardship of the Corporation's pension plan funds and report to the Board; and

(vi) the monitoring of certain other financial matters.

b) To oversee and monitor the appointment, independence and performance of the internal and external auditors.

c) To establish and monitor procedures for handling concerns and complaints related to financial matters.

d) To approve, on behalf of the Board of Directors, certain financial and other matters as delegated by the Board.

e) To review and make recommendations for approval of annual financial statements, management's discussion and analysis of the financial condition of the Corporation and the results of its operations for release to shareholders.

f) To review and approve the interim financial statements, management's discussion and analysis of the financial condition of the Corporation and the results of its operations for release to shareholders.

g) To conduct independent investigations into matters which may come under its scope of responsibilities.

Corporate Governance Committee

a) To assist the Board of Directors in matters pertaining to the Corporation's approach to governance issues, the organization and staffing of the Board of Directors, the organization and conduct of Board meetings and the effectiveness of the Board of Directors in performing and fulfilling its responsibilities.

b) To assist the Board of Directors in matters pertaining to the delegation of responsibilities to Board committees by reviewing annually the terms of reference for Board committees and making recommendations to the Board of Directors for any amendments deemed necessary or advisable including recommending directors for membership to each Board committee.

c) To assess the independence of individuals nominated for election to the Board and the committees of the Board and the financial literacy of members of the Audit Committee.

d) To assess the effectiveness of the Board, individual directors and committee members.

Environment, Health and Safety Committee

a) To review, on behalf of the Board, the Corporation's efforts to meet its objective of being a good corporate citizen with respect to the well-being of the environment and employee health and safety, including avoiding nuisance or damage to the environment and ensuring the health and safety of employees, of consumers of the Corporation's products and of other persons.

b) To assist the Board of Directors in ensuring:

(i) that the Corporation has appropriate environmental, health and safety policies (including product safety) having regard to legislative and regulatory requirements and industry standards in those areas; and

(ii) that the Corporation has and maintains management systems to implement such policies.

Human Resources and Compensation Committee

a) To review, develop and propose to the Board, from time to time, the necessary policies and procedures to ensure that all employees of the Corporation, with special attention devoted to the executive group, will be fairly and competitively compensated.

b) To evaluate annually the performance of the CEO against predetermined goals and criteria and to recommend to the Board of Directors the amount of compensation to be paid to the CEO.

c) To review annually the CEO's evaluation of the performance of the other executive officers of the Corporation and its major subsidiaries and the CEO's recommendations with respect to the amount of compensation to be paid to the other executive officers.

d) To assist the Board of Directors in ensuring that appropriate human resource development, succession planning and performance evaluation programs are in place and operating effectively.

e) To review and report to the Board on the administration of pension and retirement benefits to employees.

BOARD MEETINGS AND MATERIALS

1. Functioning of the Board

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

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

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

3. *In camera* Meetings

   At each regularly scheduled meeting, the independent non-management directors meet *in camera* with the Lead Director as chairman. Since January 1, 2007, the independent directors met *in camera* six times. Each Committee is required to hold an *in camera* session at every regular meeting held in person. The Audit Committee also meets *in camera* at least twice a year with each of the internal and external auditors to maintain open and unfettered communications with those groups.

DIRECTOR COMPENSATION AND SHARE OWNERSHIP

1. Director Compensation

   The Board has determined that the directors should be compensated in a form and amount which is appropriate and customary for comparable companies, having regard for such matters as time commitment, responsibility and trends in director compensation.

   The Corporate Governance Committee reviews the compensation of the directors annually. The Committee review includes consideration of all forms of compensation that a director receives, directly or indirectly.

2. Share Ownership by Directors

   The Board has determined that it is appropriate to align the interests of the non-management directors with those of the shareholders by requiring such directors to own and hold a minimum number of shares of the Corporation or equivalent units having a value equal to five times their annual retainer. Such holdings are to be acquired within five years of the director's appointment, the adoption of the policy, or any increase in the amount of the retainer. For this purpose, ownership can take the form of actual shares or equivalent units acquired under the Directors' Deferred Share Unit Plan. The Board has determined that directors should invest at least 20% of the amount of their retainer in shares or deferred share units on an annual basis. Effective July 2007, the annual cash-based board retainer was supplemented with a 1,500 share (pre-tax) retainer.

BOARD'S RELATIONSHIP WITH MANAGEMENT

1. Board Relationship with Management

   Management shall make appropriate use of the Board's skills before decisions are made on key issues. The Corporate Governance Committee shall review and assess the Board's relationship with management.

2. Limits to Management Authority

   As required by the Corporation's by-laws, the Board has established general authority guidelines that place limits on management's approval authority depending on the nature and size of the proposed transaction. These limits provide for some flexibility within approved budgets but require that transactions outside defined limits be approved by the Board or an appropriate committee.

3. Evaluation of the Chief Executive Officer

   The Human Resources and Compensation Committee conducts an annual review of the performance of the Chief Executive Officer against goals and objectives that have been established by the Committee and reviews, assesses and recommends the compensation of the Chief Executive Officer to the Board for approval. The results of the review are communicated to the Chief Executive Officer by the Chair of the Human Resources Compensation Committee.

4. Director Access to Management

   All directors have open access to the Corporation's senior management for relevant information. Individual directors are encouraged to make themselves available for consultations with management outside Board meetings in order to provide specific advice and counsel on subjects where such directors have special knowledge and experience.

   In 2005, the Corporation introduced a program called "Board Connect" under which directors spent one day working with management of an operating unit or functional area. The plan was designed to provide opportunities for directors to engage in specific areas of the business at a deeper level and to engage employees very directly, enabling an assessment of the depth and breadth of management resources. The program remains in effect.

DIRECTOR RESPONSIBILITIES AND PERFORMANCE

1. Director Responsibilities

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

   Directors are expected to attend all Board and committee meetings in person (or by telephone). In circumstances where a director is unable to do so, he or she has the opportunity to communicate his or her views that are then shared with the full Board. A summary of the attendance record of each director at Board and Committee meetings held in 2007 is detailed in Appendix A. The Corporate Governance Committee reviews director attendance annually, taking note of any exceptional circumstances accounting for director absences.

2. Outside Advisors for Individual Directors

   The Board has determined that any director who wishes to engage a non-management advisor to assist on matters involving his or her responsibilities as a director at the expense of the Corporation, should review the request with and obtain the authorization of the Corporate Governance Committee. This pre-approval requirement does not limit the authority of the Audit Committee to engage consultants or advisors on matters of financial reporting or the authority of the Human Resources and Compensation Committee to engage compensation consultants.

3. Assessment of Board and Individual Director Performance

   The Corporate Governance Committee is responsible for making a periodic assessment of the overall performance and effectiveness of the Board and each Committee, the Chairman, each Committee Chair and each director and is responsible for reporting on such assessments to the Board and for recommending changes to the charter. The objective of the assessments is to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement.

   In 2007, each director completed a confidential survey of the effectiveness of the Board as a whole, the Committees they sit on, the directors as a group and their individual effectiveness. The results of the survey were tabulated on an anonymous basis with all comments made available to the Corporate Governance Committee on a non-attributed basis. The information is used to assess the effectiveness of the Board's procedures and assist the Corporate Governance Committee in making changes.

   The Chairman of the Board and the Lead Director make an annual assessment of the contribution and performance of the individual directors, which is reviewed with the Corporate Governance Committee. The Corporate Governance Committee together with the Chairman of the Board also conducts a program of assessment of individual directors in a process conducted bi-annually. A self-evaluation questionnaire directed toward the criteria the Corporate Governance Committee deems significant to director effectiveness is completed by individual directors. The Chairman of the Board and the Lead Director meet in person with each individual director to review the self-evaluation. The interviews with directors are constructive and are believed to lead to improvements on each director's individual performance and contribution to the Board. Following completion of evaluations and interviews, the Lead Director prepares a summary of the aggregate results for discussion by the Corporate Governance Committee. The results are also reported to the full Board together with the recommendations of the Corporate Governance Committee for changes to Board practices to advance director effectiveness.

ETHICS AND CONFLICTS OF INTEREST

1. Ethical Behaviour

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

2. Code of Business Practice

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

   An "Ethics Committee" comprised of management personnel reviews and addresses issues of interpretation of the Code raised by employees and proposes changes to the Code. The Ethics Committee reports on its activities to the Corporate Governance Committee. Waivers from the application of the Code for officers and directors may only be given by the Corporate Governance Committee.

3. Whistle-blower Procedures

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

4. Conflicts of Interest

   In addition to the statutory responsibilities of directors to disclose all actual or potential conflicts of interest and generally to refrain from voting on matters in which the director has a conflict of interest, the director is required to declare his or her interest in the matter to be discussed and shall recuse himself or herself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest or which otherwise affects his or her personal, business or professional interests.

DIRECTORS' AND EXECUTIVE COMPENSATION

COMPENSATION OF DIRECTORS

The Corporation does not pay compensation to directors who are full-time employees of Maple Leaf Foods Inc., any of its subsidiaries, or of MCC or OTPPB. The compensation paid for service of non-employee directors in 2007 totalled $935,480. Compensation consisted of a cash based retainer of $45,000 per annum, as share retainer each to 1500 shares (effective July 1, 2007 – see below) plus $1,500 for each committee on which such director served. Committee chairmen (other than the Audit Committee) receive a retainer of $3,000. The Chairman of the Audit Committee receives a retainer of $8,000. Directors receive $1,500 for each meeting of the Board attended in person and $800 for any Board meeting held by teleconference. Attendance at committee meetings held on the same day as a Board meeting is $800. Attendance at a "Board Connect" day (see paragraph 4 on page 15) is treated as an in-person Board meeting for purposes of fees. The fee for attendance at a committee meeting in person on other days is $1,000. Mr. G.W.F. McCain's remuneration for holding the office of Chairman of the Board was $250,000 per annum.

In 2007, the Corporate Governance Committee conducted its annual review of the Corporation's directors fees schedule in light of the work of the Board, the experience and effort of its members, and the published information regarding fees paid by other large Canadian public companies. The Committee determined that its compensation on the whole scored a low percentile. Accordingly, effective July 1, 2007 the annual cash-based retainer for board service was supplemented with a equity retainer equal to 1,500 shares on a pre-tax basis, payable in the form of 1,500 DSUs or the after-tax number of actual shares purchased by the Corporation on the TSX.

DIRECTOR COMPENSATION TABLE

Name	Board Retainer	Share Retainer	Committee Chair Retainer	Committee Member Retainer	Board Meeting Attendance Fee	Committee Meeting Attendance Fee	Total Fees in 2007	Deferred under DSU Plan	Used For Shares Purchases	Private Share Purchases	Paid In Cash or Retained After Share Purchases(2)
P. Crawford	45,000	24,878		3,000	12,100	6,400	91,378	91,378			
J. Gandz	45,000	24,878	3,000	4,500	12,200	4,200	93,778	93,778			
J.F. Hankinson	45,000	24,878	3,000	4,500	12,100	4,600	94,078	94,078			
R.W. Hiller	45,000	24,878	2,917	5,167	13,700	5,483	97,145	61,011			36,133
C.M. Hosek	45,000	24,878		3,000	12,100	5,600	90,578	32,850	13,355		44,373
D.E. Loadman	45,000	24,878		3,000	13,000	8,200	94,078	24,878		22,626	46,574
D.E. McGarry	45,000	24,878	5,458	8,833	12,100	2,142	98,411	39,585			58,827
J.E. Newall	45,000	24,878		3,000	11,400	7,200	91,478	91,478			
G. Ritchie	45,000	24,878	3,000	4,500	14,400	3,400	95,178	95,178			
R.T. Stewart	45,000	24,878		3,000	10,700	5,800	89,378		57,384		31,994
Total	450,000	248,780	17,375	42,500	123,800	53,025	935,480	624,214	70,739	22,626	240,527
G.W.F. McCain	250,000						250,000			250,000	

Notes:
(1) Directors serving as employees of the Corporation or any subsidiary are not entitled to directors' fees.
(2) This amount is the pre-tax amount. Accordingly, a portion of the amount shown as paid in cash was used by tax withholdings.
(3) In addition to the share retainer received, outside directors are required to contribute at least 20% of fees to the DSU plan or share purchases. All outside directors satisfied this requirement.

Under the Share Purchase Plan, a director may elect to have all or a portion of his or her compensation used for the purchase of shares of the Corporation. Quarterly, on predetermined dates, the Corporation purchases shares on the TSX on behalf of the participating directors. The Corporation arranges the purchase of the shares and is responsible for commissions and any administration fees. The Corporation also maintains a Deferred Share Unit Plan for directors. Under the Plan, directors may elect to receive a portion of their fees and retainer in the form of DSUs, each of which has a value equal to the market value of one common share of the Corporation at the time the DSU is credited to the director. The value of a DSU, when redeemed for cash, is equivalent to the market value of a common share at the time of redemption. DSUs attract dividends in the form of additional DSUs at the same rate as dividends on common shares of the Corporation. A director cannot redeem the DSU in cash until he or she ceases to be a member of the Board and then must do so within approximately one calendar year (exactly six months in the case of U.S. directors) of leaving the Board.

DIRECTOR EQUITY OWNERSHIP

Name	Equity Ownership at February 15, 2008		Equity Ownership at February 15, 2007		Net Change In Equity		Market Value of Equity Holdings at February 15, 2008 ($) [1]	Guideline Met or Shortfall ($) [2]
	Common Shares (#)	DSUs (#)	Common Shares (#)	DSUs (#)	Common Shares (#)	DSUs (#)		
P. Crawford	143,090	19,679	127,920	13,512	15,170	6,168	2,213,661	✓
J. Gandz	100	25,300	100	18,903		6,398	345,447	✓
J.F. Hankinson	3,000	22,734	3,000	16,355		6,379	349,984	✓
R.W. Hiller	7,215	14,830	7,215	10,756		4,074	299,810	✓
C.M. Hosek	805	12,980		9,148	805	3,831	187,470	✓
D.E. Loadman	16,000	1,508	14,500		1,500	1,508	238,111	✓
D.E. McGarry		3,462		1,102		2,360	47,082	✓
J.E. Newall	40,000	25,808	40,000	19,570		6,237	894,983	✓
G. Ritchie	25,665	16,373	25,665	9,979		6,394	571,711	✓
R.T. Stewart	24,215		21,410		2,805		329,324	✓
G.W.F. McCain	300,361		300,361				4,084,910[3]	N/A[4]
J.S. McCain	156,089		137,789		18,300		2,122,810[3]	N/A[4]
M.H. McCain	176,773		150,073		26,700		2,404,113[3]	N/A[4]

Notes:

(1) The closing price of the Corporation's stock on February 15, 2008 was $13.73.

(2) All directors satisfied the requirement for share or DSU ownership.

(3) Excludes shares held by McCain Capital Corporation. Messrs GWF McCain, J.S. McCain, and M.H. McCain are members of the GWF McCain family which holds a majority of the shares of McCain Capital Corporation ("MCC"). MCC holds 32% of the shares of the Corporation with a market value of $570 million at February 15, 2008.

(4) The ownership guidelines do not apply to executive officers who do not receive directors' fees as set out above on page 18.

EXECUTIVE COMPENSATION

The following table provides a summary of compensation earned during each of the last three fiscal years by the CEO, the Chief Financial Officer ("CFO") (including any individual that held the position during the year) and the three most highly compensated executive officers other than the CEO and CFO. The CEO and other executive officers are referred to collectively as the "Named Executive Officers". This information is given as of December 31, 2007, the end of the most recently completed financial year of the Corporation. *For a summary of the estimated total compensation value received by each Named Executive Officer during the last three fiscal years, see Supplemental Compensation Disclosure following the Summary Compensation Table.*

Summary Compensation Table

		Annual Compensation			Long-Term Compensation		
					Awards	*Payouts*	
Name and Principal Position with Corporation at Year End	**Year**	**Salary ($)**	**Bonus (1) ($)**	**Other Annual Compensation (2) ($)**	**Securities Under Options Granted (3) (#)**	**All Other LTIP Payouts ($)**	**All Other Compensation ($) (6)**
M.H. McCAIN	2007	920,769	2,373,840			350,571	
President and Chief	2006	875,000	121,500				
Executive Officer	2005	824,423	1,324,883		80,000		
M.H. VELS	2007	603,846	808,152			240,279	
Executive Vice President,	2006	575,000	55,802				
and Chief Financial Officer	2005	535,000	406,168		70,000		
D.W. DODDS	2007	579,230	507,429			300,000	
Chief Strategy Officer	2006	565,000	133,380			300,000	
	2005	510,000	285,040		146,600	300,000	
R.A. LAN (4)	2007	$US 777,500	$US 903,844			240,279	$US 9,000
President, Chief Operating	2006	$US 637,500	$US 143,588				$US 12,000
Officer, Foods Group	2005	$US 550,000	$US 481,755		70,000		$US 10,500
J.S. McCAIN	2007	603,846	665,632			240,279	
President and Chief	2006	575,000					
Operating Officer,	2005	535,000	408,184		70,000		
Agribusiness Group							

Notes:

(1) Bonuses shown for 2007 are those earned in 2007 which were paid in cash during the year or will be paid in 2008.

(2) The table does not include the value of perquisites, as they are less than $50,000 or 10% of salary and bonus for those individuals.

(3) The share options in the table are for the purchase of common shares of Maple Leaf Foods Inc.

(4) As indicated, all compensation other than equity based and long term compensation amounts shown for Mr. Lan are in U.S. dollars and paid in U.S. dollars. The 2007 compensation translated into Canadian dollars at the average exchange rate for the year is: salary $832,955; bonus, $971,435; and other annual compensation, $9,673.

(5) The long term compensation plan payments for all executives except Mr. Dodds represents the market value of shares distributed in 2007 on the maturity of RSUs granted in 2004. Two-thirds of the RSUs granted vested based on the share price performance of Maple Leaf Foods common shares in comparison to the S&P Food Index (see page 31). The remaining one-third of the grant may vest in 2009 depending on performance. The payments for Mr. Dodds were made pursuant to a special long-term incentive plan commencing effective April 5, 2004, the date on which Schneider Corporation, a company of which he was CEO, was acquired by Maple Leaf Foods. Under the plan, Mr. Dodds was eligible to annual payments of $300,000 as a special long term incentive. See the discussion under the heading "Employment Contracts" on page 26.

(6) The amounts shown in the table in the column entitled "All Other Compensation" are contributions by the Corporation to defined contribution retirement arrangements.

SUPPLEMENTAL COMPENSATION DISCLOSURE:
ESTIMATED TOTAL COMPENSATION VALUE RECEIVED BY EACH NAMED EXECUTIVE OFFICER

	M.H. McCAIN President and Chief Executive Officer			
Cash and in kind	**Total 2005 to 2007**	**2007**	**2006**	**2005**
Base salary	2,620,192	920,769	875,000	824,423
Bonus	3,820,223	2,373,840	121,500	1,324,883
Cash compensation	6,440,415	3,294,609	996,500	2,149,306
Long-term Equity Compensation				
Grant of restricted share units [(1)(5)]	11,921,357	4,507,008	6,774,239	640,110
Grant of share options [(2)]	372,694	—	—	372,694
Total cash compensation	18,734,466	7,801,617	7,770,739	3,162,110
Pension expense related to service in year				
Under defined contribution plans	—			
Under defined benefit plans [(3)]	548,549	199,673	194,420	154,456
Total annual compensation	19,283,015	8,001,290	7,965,159	3,316,566

	M.H. VELS Executive Vice President, and Chief Financial Officer			
Cash and in kind	**Total 2005 to 2007**	**2007**	**2006**	**2005**
Base salary	1,713,846	603,846	575,000	535,000
Bonus	1,270,122	808,152	55,802	406,168
Cash compensation	2,983,968	1,411,998	630,802	941,168
Long-term Equity Compensation				
Grant of restricted share units [(1)]	2,661,495	1,201,869	899,530	560,096
Grant of share options [(2)]	326,108	—	—	326,108
Total direct compensation	5,971,571	2,613,867	1,530,332	1,827,372
Pension expense related to service in year				
Under defined contribution plans	—			
Under defined benefit plans [(3)]	401,625	135,684	123,930	142,011
Total annual compensation	6,373,196	2,749,551	1,654,262	1,969,383

	R.A. LAN [(4)] President and Chief Executive Officer, Canada Bread Company, Limited **(in $US)**			
Cash and in kind	**Total 2005 to 2007**	**2007**	**2006**	**2005**
Base salary	1,962,500	775,000	637,500	550,000
Bonus	1,529,187	903,844	143,588	481,755
Cash compensation	3,491,687	1,678,844	781,088	1,031,755
Long-term Equity Compensation				
Grant of restricted share units [(1)]	4,233,447	2,096,709	1,674,472	462,266
Grant of share options [(2)]	269,147	—	—	269,147
Total direct compensation	7,994,281	3,775,553	2,455,560	1,763,168
Pension expense related to service in year				
Under defined contribution plans	31,500	9,000	12,000	10,500
Under defined benefit plans	—			
Total annual compensation	8,025,781	3,784,553	2,467,560	1,773,668
Total in CAD$	9,015,044	4,067,567	2,798,444	2,149,034

See Notes (1) through (5) on page 22.

	J.S. McCAIN President and Chief Operating Officer, Agribusiness Group			
Cash and in kind	**Total 2005 to 2007**	**2007**	**2006**	**2005**
Base salary	1,713,846	603,846	575,000	535,000
Bonus	1,073,816	665,632	—	408,184
Cash compensation	2,787,662	1,269,478	575,000	943,184
Long-term Equity Compensation				
Grant of restricted share units (1)	2,661,495	1,201,869	899,530	560,096
Grant of share options (2)	326,108	—	—	326,108
Total direct compensation	5,775,265	2,471,347	1,474,530	1,829,388
Pension expense related to service in year				
Under defined contribution plans	—			
Under defined benefit plans (3)	391,863	135,813	123,030	133,020
Total annual compensation	6,167,128	2,607,160	1,597,560	1,962,408

	D.W. DODDS Chief Strategy Officer			
Cash and in kind	**Total 2005 to 2007**	**2007**	**2006**	**2005**
Base salary	1,655,000	580,000	565,000	510,000
Bonus	925,849	507,429	133,380	285,040
Special long term cash incentive	900,000	300,000	300,000	300,000
Cash compensation	3,480,849	1,387,429	998,380	1,095,040
Long-term Equity Compensation				
Grant of restricted share units (1)	1,000,725	600,934	399,791	—
Grant of share options (2)	228,275	—	—	228,275
Total direct compensation	4,709,849	1,988,363	1,398,171	1,323,315
Pension expense related to service in year				
Under defined contribution plans	—			
Under defined benefit plans (3)	351,991	124,218	116,424	111,349
Total annual compensation	5,061,840	2,112,581	1,514,595	1,434,664

Notes:

(1) Details of the units awarded are found in the section below under the heading entitled "Share Option and Share Incentive Plan". The restricted share units ("RSUs") have been valued using assumptions and methodology consistent with those for valuing the expense in the financial statements, except that no discount for potential forfeiture of RSUs due to termination of employment was factored into the valuation. The assumptions used for accounting purposes are found in Note 16 of the financial statements of the Corporation for the years ended December 31, 2007 and 2006. They may be found on the Corporation's website at www.mapleleaf.ca and on SEDAR at www.sedar.com.

(2) The share options have been valued using the Black-Scholes model and using assumptions consistent with those for valuing the expense in the financial statements except that no discount for potential forfeiture of options due to termination of employment was factored into the valuation. Each of the share options awarded have performance vesting restrictions as described in the Management Proxy Circulars dated March, 2006 and March, 2005.

(3) Messrs. M.H. McCain, Vels, Dodds and J.S. McCain are accruing benefits under the Corporation's defined benefit pension arrangements for salaried employees in Canada. Mr. Dodds also has credited service under the Schneider Corporation registered pension plan. The amount in the table above represents the pension expense related to the service for each of the Named Executive Officers, including the impact of differences between actual compensation paid in 2007 and the actuarial assumptions used for the year. The amount shown for Mr. Lan is the Corporation's contribution to a defined contribution 401(k) plan in the United States.

(4) As indicated, all amounts shown for Mr. Lan are in U.S. dollars. Items of compensation paid or denominated in Canadian dollars (share options and RSUs) were translated to U.S. dollars at the average Canada/U.S. exchange rate for the year.

(5) The RSU award for 2006 represents an amount intended as compensation for two years, 2005 and 2006. In 2005, after considering the CEO overall compensation and the incentive compensation in particular, the Human Resources and Compensation Committee concluded that: (i) for several years running the CEO received long-term incentive grants well below market; and (ii) a substantial increase in equity based compensation was warranted. Implementation of the awards was deferred pending the establishment of a non-dilutive equity incentive plan for all executives. The new plan was established in late 2006 at which time 610,000 RSUs in respect of 2005 and 2006 were awarded to Mr. M.H. McCain. Mr. M. H. McCain was granted 300,000 RSUs for 2007.

SHARE OPTION AND SHARE INCENTIVE PLANS

The Corporation currently has three outstanding equity incentive plans; the 1982 Option Plan, the 2004 Share Incentive Plan and the 2006 RSU Plan. Currently, grants are made under only the 2004 Share Incentive Plan and the 2006 RSU Plan. The 2004 Share Incentive Plan provides for the grant of options and restricted share units ("RSUs") that are satisfied by the issuance of shares by the Corporation from treasury. The 2006 RSU Plan provides for the grant of RSUs that are satisfied through the acquisition of shares in the market by a trust established for that purpose. For a description of the 1982 Option Plan, the 2004 Share Incentive Plan and the 2006 RSU Plan, see "Description of Share Option and Share Incentive Plans" below. The Corporation has not granted any awards under the 1982 Option Plan or the 2004 Share Incentive Plan since the 2006 RSU Plan was implemented in 2006.

Under the 2006 Plan, there is full vesting of the number of base RSUs if the Corporation's total shareholder return equals the S&P Food Index and there is 50% vesting if performance is 75% of the S&P Food Index (see page 32 for a discussion of this index). An extra 50% over the base number of RSUs can vest if the Corporation's performance exceeds the S&P Food Index by 25%. Approximately 18 months after the dates of grant, 25% of the RSUs mature. The balance of the award matures in three years subject to the vesting requirements described above.

The following table sets out the RSUs awarded to the Named Executive Officers in 2007. All of the RSUs were granted pursuant to the 2006 RSU Plan. The shares required for distribution on maturity, on achievement of the performance and service time requirements, will be acquired from the market at the Corporation's cost by a trust established for that purpose.

LTIP – Awards of RSUs During the Year Ended December 31, 2007

Name	Restricted Share Units Awarded (#)	Performance Period Until Maturation or Payout (1)
McCain, M.H.	300,000	December 1, 2010
Vels, M.H.	80,000	December 1, 2010
Dodds, D.W.	40,000	December 1, 2010
Lan, R.A.	150,000	December 1, 2010
McCain, J.S.	80,000	December 1, 2010

Note:

(1) The RSUs were granted pursuant to the 2006 RSU Plan effective October 1, 2007. The closing price of the common shares of the Corporation was $14.90 on October 1, 2007. One-quarter (25%) of the units will vest approximately 18 months after grant and another 25% will vest approximately 3 years after grant on the dates indicated in the table above. The remaining RSUs will vest based on the total shareholder return for the Corporation's shares compared with the total return of the S&P Food Products sub-index (the "S&P Food Index"), an index of 26 American food company stocks, for the three years following the date of grant. If the Corporation's total shareholder return equals the S&P Food Index, then the number of shares reported above that have not yet vested will vest. If the Corporation's total shareholder return exceeds the S&P Food Index by 25% or more, all shares reported above that have not yet vested together with an additional 50% of the number of shares listed above will vest. The RSUs do not earn or accumulate dividends under this plan.

The following table provides information concerning (i) options exercised by the Named Executive Officers during the financial year ended December 31, 2007; and (ii) the number and value at December 31, 2007 of unexercised options held by the Named Executive Officers. In the table, "in-the-money" options are those where the exercise price was less than the market price of the common shares of the Corporation at December 31, 2007.

Aggregated Option Exercises During the Year Ended December 31, 2007 and Year-End Option Values

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ($)	Unexercised Options at December 31, 2007 (#)		Value of Unexercised in-the-money Options at December 31, 2007 (1) ($)	
			Exercisable (vested)	Unexercisable (not vested)	Exercisable (vested)	Unexercisable (not vested)
McCain, M.H.	150,000	941,850	463,300	80,000	1,371,575	43,788
Vels, M.H.	60,000	416,600	346,700	65,000	936,075	30,012
Dodds, D.W.	—	—	169,300	16,300	320,736	—
Lan, R.A.	100,000	590,560	433,300	65,000	1,203,551	30,012
McCain, J.S.	100,000	627,900	323,300	65,000	961,551	30,012

Note:

(1) Calculated based on the difference between the closing price of the common shares of the Corporation on the TSX on the last trading day of the Corporation's financial year ended December 31, 2007 and the exercise price of the option. The closing price of common shares of the Corporation on the TSX on the last trading day of the Corporation's financial year ended December 31, 2007 was $14.85.

PENSION/RETIREMENT PLANS

The Corporation, either directly or through designated subsidiaries, maintains a number of defined benefit and defined contribution pension plans for its employees. Messrs. M.H. McCain, Vels, Dodds and J.S. McCain participate in the Corporation's defined benefit arrangements. Mr. Lan participates in a defined contribution plan. Mr. Dodds is also a member of the Schneider Corporation's registered pension plan.

The following table shows the estimated annual retirement income that would be payable if the executive retired on December 31, 2007 at age 65. Remuneration (salary, excluding bonuses and other compensation) is calculated as the average of the best five years' earnings in the last ten years prior to retirement. Full benefits are payable at age 65, the normal retirement age, or at age 60, the earliest age for retirement with an unreduced pension. Benefits are payable over the life of the executive with a guarantee of at least 60 monthly payments. Optional schedules of actuarially equivalent payments are also available to plan participants.

Remuneration	Years of Service				
	15	20	25	30	35
$ 250,000	70,559	94,078	117,598	141,117	164,637
$ 300,000	85,559	114,078	142,598	171,117	199,637
$ 400,000	115,559	154,078	192,598	231,117	269,637
$ 500,000	145,559	194,078	242,598	291,117	339,637
$ 600,000	175,559	234,078	292,598	351,117	409,637
$ 800,000	235,559	314,078	392,598	471,117	549,637
$1,000,000	295,559	394,078	492,598	591,117	689,637
$1,200,000	355,559	474,078	592,598	711,117	829,637

Retirement income indicated above is in addition to any other payments to which an executive may be entitled to under the Canada Pension Plan. As at December 31, 2007, Messrs. M.H. McCain and J.S. McCain each have 12.7 years contributory membership under the Corporation's defined pension arrangements, Mr. Dodds, 3.7 years, and Mr. Vels, 16.5 years.

Mr. Dodds is also a member of the Schneider Corporation registered pension plan in which he has 33.5 years of credited service. The table below shows the estimated annual retirement income payable for years of service from that registered pension plan. Benefits are based on the highest average annual earnings (salary, excluding bonus or other compensation) over thirty-six consecutive months during the final ten years of employment, which for Mr. Dodds is the maximum for the table below.

Remuneration	Years of Non-Executive Service						
($)	5	10	15	20	25	30	35
125,000 and up	8,610	17,220	25,830	34,440	43,050	51,660	60,270

2007 Changes in Accrued Pension Liabilities

The accrued pension liability is calculated following the method prescribed by the Canadian Institute of Chartered Accountants and is based on management's best estimate of future events that affect the cost of pensions, including assumptions about future salary adjustments. The amounts in the table are for defined benefit plan obligations. Changes in the accrued pension liabilities for the Named Executive Officers are summarized in the following table. These changes include the fiscal 2007 expense attributed to service and compensation (see footnote (1) to the table below) as well as changes arising from the annual valuation of the Corporation's pension plans, which includes all employees who are participants (see footnote (2) to the table below).

Name	Accrued Obligation at December 31, 2006	Pension Expense Related to Service and Compensation in 2007 (1)	Other Changes in Accrued Obligation for 2007 (2)	Accrued Obligation at December 1, 2007 (3)	Years of Credited Service (4)	Earned Annual Pension (5)
McCain, M.H.	2,060,723	199,565	(122,547)	2,137,741	12.7	196,945
Vels, M.H.	1,774,721	135,545	(158,040)	1,752,226	16.5	152,564
Dodds, D.W.	1,163,252	96,104	30,247	1,289,603	37.2	99,688
McCain, J.S.	1,387,684	135,701	(85,223)	1,438,162	12.7	126,862

Notes:

(1) The amount in this column includes the service cost for the year as well as gains and losses arising from the executive's salary increase for the year being greater or lesser than the assumption used for the plan as a whole.

(2) The amount in this column includes interest on the beginning-of-year liability and contributions, as well as changes in interest rate assumptions as the result of changes in long-term bond yields and changes in exchange rates.

(3) The calculation of reported amounts use actuarial assumptions and methods that are consistent with those used for calculating pension liabilities and annual expenses as disclosed in the Corporation's 2006 and 2007 consolidated financial statements. As the assumptions reflect the Corporation's best estimate of future events, the values shown in the above table may not be directly comparable to similar estimates of pension liabilities that may be disclosed by other corporations. However, the figures in the table are calculated on the assumption that the executive's employment will terminate at the normal retirement age.

(4) The number in the column is the number of years of credited service under the defined benefit arrangements.

(5) This is the amount of pension the executive will be entitled to at retirement based on the salary and years of credited service earned to December 31, 2007. The actual pension the executive will receive may be higher (due to additional years of service after 2007 or increase in the average earnings) or lower if the executive elects to receive a longer period of guaranteed payments or if the pension payable is paid on a joint survivor basis with a spouse.

EMPLOYMENT CONTRACTS

The Corporation has entered into an employment contract with Mr. D.W. Dodds effective April 5, 2004, the date on which Schneider Corporation, a company of which he was CEO, was acquired by Maple Leaf Foods, in order to ensure the continued availability of Mr. Dodd's services during the period of transition and integration of Schneider Corporation. The contract replaced and superceded the contract Mr. Dodds had entered into with the previous shareholder of Schneider Corporation. The contract contains a number of provisions including:

(i) Salary – The base salary is subject to adjustment on an annual basis with no pre-agreed increase specified;

(ii) Bonus plan – Mr. Dodds commences participation in the Maple Leaf Foods annual bonus plan for executives with a target bonus of 50% of base salary and maximum of 80% of base salary, dependent on corporate performance (75% weighting) and personal performance against objectives established at the start of the year (25% weighting);

(iii) Pensions – Enrolment as a new employee under the Maple Leaf Foods pension plans for service after April 5, 2004. Mr. Dodds continues his membership under the Schneider Corporation registered pension plan for service prior to April 5, 2004 but received a cash payment in respect of all entitlements earned to April 5, 2004 under the unregistered Schneider Corporation supplemental pension plan;

(iv) Equity compensation – participation in share option plan with an initial grant and annual grants with an expected value of $350,000 per year, each subject only to time vesting over three years; (1)

(v) Special Long Term Incentive Plan – Mr. Dodds was eligible for annual payments of $300,000 as a special long term incentive, payable at the end of the year. These payments were in addition to base salary and participation in the Corporation's annual bonus plan and equity compensation plans; and,

(vi) Termination of employment – Mr. Dodds is entitled to 24 months notice or severance if his employment is terminated without cause at any time before April 5, 2008 (four years following the date of the acquisition of Schneider Corporation.) Severance in lieu of notice shall consist of base salary, bonus at the target of 50% of salary, the special

long term incentive plan, and two additional years of credit under the Maple Leaf Foods pension plan. After April 5, 2008, Mr. Dodds' entitlement to severance or notice shall be limited to the statutory amount under the applicable employment standards legislation for service after April 5, 2004 without any claim under common law.

(1) Since the Corporation discontinued using options in 2006, Mr. Dodds has been granted RSUs with the normal performance vesting conditions (see LTIP awards on page 23) with expected value of at least $350,000.

COMPOSITION OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

The Human Resources and Compensation Committee (in this section referred to as the "Committee") is composed of five directors:

G. Ritchie as Chairman	P. Crawford	J. Gandz
J.E. Newall	R.T. Stewart	

Each member of the Committee is independent of the Corporation within the meaning of applicable securities laws. Each of the committee members has experience with executive compensation or leadership matters through executive management, service on compensation committees of other public companies, and academic research. The Committee supports its independence by meeting *in camera* at each regularly scheduled meeting and at the request of any member and at each meeting where the compensation or performance of the CEO is discussed. At each meeting, the Committee met *in camera* or *in camera* with the Chief Human Resources Officer to discuss compensation to be paid or awarded to the CEO.

Compensation increases for the top 18 executives are approved by the Committee. The Committee makes decisions regarding the CEO's compensation based on market data collected by William Mercer Human Resource Consulting. Management would make recommendations based on the existing salary policy and on market data provided by William Mercer Human Resources Consulting. In 2007, the Committee engaged Towers Perrin directly, and independent of management, to review the Corporation's compensation systems and information for the purpose of giving independent advice to the Committee. Specifically, the consultants were to: assist the Committee to review and validate the compensation philosophy, including the selection of comparable groups, desired competitive positioning and pay mix; to assist the Committee by ensuring they understand and are comfortable with executive remuneration; to ensure the Committee fully understands the current and any proposed program designs and is comfortable with the potential range of pay outcomes; to assist the Committee with governance and content issues concerning disclosure; to provide annually an overview of emerging trends and best practices and then undertake any other special projects on behalf of the Committee. The chairman of the Committee led the selection of the consultants. The consultant reports directly to its client in this engagement, the Committee, without management present. While Towers Perrin provides actuarial advice and services to the Corporation on pension matters, the senior compensation consultant in this engagement provides no other services to the Corporation or any of its subsidiaries.

The Committee assists the Board in ensuring that the necessary policies and processes are in place by which all employees of the Corporation, with special attention devoted to the executive group, will be fairly and competitively compensated and in ensuring that appropriate human resources development, retention, succession planning and performance evaluation programs are in place and operating effectively. The Committee plans meeting dates and agendas in advance to ensure that it devotes attention to matters of importance.

Annually, the Committee agrees upon performance objectives for the performance of the CEO, which it then recommends to the Board. The Committee evaluates the actual performance of the CEO against these predetermined objectives and makes compensation recommendations to the Board. The Committee also reviews the CEO's evaluation of the performance and recommendations with respect to compensation of the other senior executive officers of the Corporation and its major subsidiaries (including each Named Executive Officer) and makes its recommendations to the Board for approval. The Committee reports to the Board on its proceedings.

The Committee reviews all other matters related to employee compensation for the Corporation as a whole including pension benefits, equity compensation and incentive plans.

The Committee meets at least twice a year as required at the call of the Chairman of the Committee. In 2007, the Committee met five (5) times.

LEADERSHIP DEVELOPMENT

The Corporation has a deep conviction in the benefit of investing in people and is committed to attracting, developing, motivating and retaining top talent. The Committee monitors all programs and processes that have made the Corporation's core Leadership Values and a high performance work ethic, the glue that binds the team of leaders together. Under the leadership and direct personal involvement of the CEO, the Corporation has implemented and continues to refine leading edge performance development systems and processes and has invested significant resources in the ongoing development of human capital and leadership capacity.

These initiatives span all aspects of the leaders' career cycle, from in-depth screening during the recruiting process, through individually tailored development initiatives and the Maple Leaf Foods Leadership Academy, to pay-for-performance compensation systems that ensure that financial rewards go to those who have done the most to benefit the shareholder, to careful succession planning, to real life experiences with the Board of Directors, to a internally developed coaching system through broad scale muscle-building that ensures our talent pool continues to broaden and deepen. These initiatives mean our leaders are focused continually on measurable business results to the benefit of all shareholders.

The CEO devoted a considerable portion of his time to leadership development and assessment of management talent in the organization. He is the executive sponsor of the Maple Leaf Foods Leadership Academy and personally attends all courses/programs and participates in teaching portions of the curriculum. The Academy was developed working with the Richard Ivey School of Business at the University of Western Ontario and offers company-specific curriculum to managers at key career transition points. Over 1,500 of the Corporation's salaried employees have attended at least one of the Leadership Academy programs.

Working hand-in-hand with its focus on leadership, the Corporation has adopted Six Sigma as its central process methodology to increase customer and shareholder value. It is the continual, systematic, and practical application of tools and concepts, many statistically based, to every kind of business process through a set of rigorous, step-by-step methodologies.

The Human Resources and Compensation Committee monitors the Corporation's leadership development activities relating to executives and managers. The Committee also assesses the CEO performance in guiding the Corporation's leadership development.

The Committee reviews on an annual basis the Corporation's talent pool and succession plans to assure itself and the full Board that the human and leadership resources necessary for the achievement of the Corporation's goals are in place. During the last 18 months, as the Corporation has been implementing a new strategic direction, the Committee has maintained oversight of the talent and leadership retention plans and monitored progress on this front. The Committee will continue to monitor retention and leadership closely through to the completion of the restructuring in 2009.

REPORT ON EXECUTIVE COMPENSATION

The Human Resources and Compensation Committee (in this section referred to as the "Committee") has responsibility for evaluating all aspects of compensation for designated executives including salary, bonus, perquisites and other benefits, long-term compensation and grants under incentive plans such as the 2004 Share Incentive Plan and the 2006 RSU Plan. The CEO makes recommendations on compensation matters, other than matters directly affecting the CEO, to the Committee.

The Corporation has four main components to its compensation for senior executives: base salary, annual bonus, participation in equity-based plans, and benefits in kind. The Corporation's philosophy is to provide above average fixed compensation (base salary) for top performers with above average variable or at-risk compensation linked to performance (bonuses). Compensation for other executives is targeted to be at the market median. The Corporation has adopted a comprehensive and rigorous performance evaluation methodology for all salaried employees, upon which all compensation matters are based.

To ensure that the total compensation for the CEO and the other Named Executive Officers was market competitive, the Committee conducted a thorough review during 2005 and 2006 of market data collected for management by William Mercer Human Resource Consulting. The detailed analysis confirmed that the CEO had been compensated well below prevailing market levels for several years. The Committee decided to address the shortfall over a period of two years. The adjustment was accomplished through very modest increases to base salary and more significant increases to performance

based short and long-term incentives. In 2005, the CEO's base salary and annual bonus levels were adjusted, and in 2006, following the establishment of a non-dilutive equity incentive plan for all executives, long term incentives were aligned to market levels. The Committee believes that the CEO compensation is now aligned with market norms. As discussed above, the Committee has also reviewed its executive compensation systems for 2007 with Towers Perrin, its independent compensation consultant.

Base Salary – Base salary and annual adjustments are based on an assessment of the individual executive's responsibility, experience, contribution and assessed performance. The annual adjustment date is June 30. With respect to the CEO and all other Named Executive Officers, base salary is set by taking into account salary levels of Canadian companies of a similar size (75% weighting) and other North American companies in the consumer packaged goods industry (25% weighting).

For the CEO, compensation for the following companies was included in data assessed:

Canadian companies:

Alimentation Couche-Tard	Thomson Corp.	Industrial-Alliance Life Ins
METRO Inc.	CN Rail	Agrium Inc.
ACE Aviation Holdings	Nova Chemicals Corp.	Abitibi Consolidated Inc.
Enbridge Inc.	TransCanada Corp.	Canadian Pacific Railway Ltd.
Celestica	Quebecor World Inc.	RONA Inc.
Canadian Natural Resources	Molson Coors Brewing Co.	ING Canada Inc.
Quebecor Inc.	Barrick Gold Corp.	Potash Corp. of Saskatchewan
Rogers Communications	Teck Cominco Ltd.	Saputo Inc.
TELUS Corp.	National Bank of Canada	Canfor Corp.
Canadian Tire Corp.	Sears Canada Inc.	Research In Motion
Brookfield Asset Management	Newmont Mining	CGI (Groupe) Inc.
Fairfax Financial Hldg	Nexen Inc.	Cascades Inc.
Talisman Energy Inc.	SNC-Lavalin Group Inc.	Tembec Inc.
Shoppers Drug Mart	Finning International	West Fraser Timber Co.

US Consumer Packaged Goods companies:

General Mills Inc.	Dean Foods Co.	Pilgrims Pride Corp.
Conagra Foods Inc.	Heinz (H J) Co.	Hershey Foods Corp.
Smithfield Foods Inc.	Campbell Soup Co.	Wrigley (WM) Jr Co.
Kellogg	Hormel Foods Corp.	McCormick & Co.

Bonus – Executives participate in the Corporation's Rewards for Excellence short-term bonus program. Under the plan, a portion of an executive's bonus is determined by team performance against targets and a portion by the achievement of personal objectives. Participation levels for the bonus program are determined by market competitiveness. The table below outlines the components of the plan.

Executive	Payout as % of Salary			Team Performance		Personal Objectives	
	Target	Minimum (1)	Maximum	Measure (3)	%	Measure	%
CEO	175%	75%	275%	EBT for Corporation	90%	(2)	10%
CFO	80%	40%	120%	EBT for Corporation	90%	(2)	10%
COO	80%	40%	120%	EBT for Corporation	75%	(2)	25%
CSO	60%	20%	100%	EBT for Corporation	75%	(2)	25%

Notes:

(1) Below a minimum performance level, no bonus is payable. At the minimum level, the amount shown is payable.

(2) For the CEO, CFO and CSO, personal objectives are set based on the executive's area of responsibility and in the case of the CEO for the Corporation as a whole and account for 10% of the bonus payout. The objectives are established at the start of the year and are approved by the Committee. For COOs (Mr. J.S. McCain and Mr. Lan), personal performance includes the financial performance of the executive's area of responsibility and accounts for 12.5% of the bonus payout. Other objectives are established at the start of the year and are approved by the Committee and account for the remaining 12.5% of payout.

(3) Earnings before tax.

The bonus payment for the CEO is determined as follows: For "Team Performance", EBT results below 85% of the Committee approved target yield no payment. At 85%, a payment of 67.5% of base salary is triggered (75% x 90% or $637,875). EBT at target results in a payment of 157.5% of base salary (175% x 90% or $1,488,375). EBT at 115% or more of target results in an incentive payment of 247.5% of base (275% x 90% or $2,388,875). For "Personal Objectives", the payment amount is determined by the independent directors that comprise the Committee. Based on the number of objectives achieved, the payment can range from zero to 27.5% of base salary (275% x 10% or $259,875).

For 2007, the following incentive payments for the CEO were approved:

- for "Team Performance", the independent members of the Committee approved a payment of $2,151,765 based on EBT for the year that was 111.7% of the approved target; and
- for "Personal Objectives", the independent members of the Committee approved a payment of $220,075 based on the achievement of the Board approved goals.

The Committee may in its discretion approve bonuses in addition to the pre-established formula in circumstances where it believes it to be warranted. Except for Mr. Vels, none of the Named Executive Officers were awarded discretionary bonuses for 2007. The Committee approved the payment of a special discretionary bonus to several executives and managers, including Mr. Vels, in connection with the sale of the Corporation's animal nutrition business in 2007. Mr. Vels received $100,000, which is included in the total bonus reported on page 20 and 21.

Equity and Long-Term Incentive Compensation – Executives participate in the Corporation's 2004 Share Incentive Plan and 2006 RSU Plan which link rewards to shareholder interests. Since 1995, the Corporation's share option grants to senior executives have had time vesting, generally over three years. Substantially all of those grants have also had performance vesting restrictions. Total shareholder return of the Corporation versus a peer group of U.S. food companies has been the exclusive performance vesting provision since 2001. The Committee has continued to promote performance vesting as a means of tying the level of share option rewards in the plan to the creation of superior levels of shareholder value, particularly for executive officers.

In 2004, the Corporation's equity awards included both share options and RSUs. On maturity, participants receive one fully paid share for each vested RSU held. The vesting conditions for the RSUs were identical to those of the share options: based on performance over a five year period of the Corporation's total shareholder return in comparison to the S&P Food Index.

In 2006, the Corporation established the 2006 RSU Plan in which vested RSUs are distributed in the form of shares purchased by a trust on the TSX. The plan has the advantage of not diluting shareholders' interests. However, the maturity period under the new structure is limited to three years. The performance vesting formula (based on the Corporation's total shareholder return versus the S&P Food Index) has remained in place with some modifications. For each RSU granted, one share is awarded on maturity if the Corporation's performance equals the S&P Food Index. At 75% performance or less, one-half share vests and is awarded. At 125% performance, the maximum, one and a half shares, vest and are awarded.

PERFORMANCE (1)	PERCENT VESTING
75% or below	50%
100%	100%(2)
125% or above	150%(2)

Notes:

(1) Performance means the Corporation's total shareholder return expressed as a percentage of the S&P Food Index total shareholder return for the same period.

(2) Vesting is prorated if performance is between 75% and 100% or 100% and 125%.

One-quarter of the number of units vest 18 months after grant and that number of shares is distributed to holders. Three years following the date of grant all shares vesting pursuant to the table above, less the shares that vested and were distributed earlier, will vest and be distributed.

The Corporation has discontinued share option grants since the 2006 RSU Plan was introduced. However, the Committee may recommend granting additional share options in the future to executives. The Committee continues to see options as a cost effective mechanism for providing awards with high leverage to increases in shareholder value.

The number of share options and RSUs granted to each executive, and to all senior managers, is heavily based on individual performance assessments. Historically, share option and RSU grants have fallen below market competitive levels so as not to overly dilute the Corporation's equity base.

Other – The Corporation provides perquisites and benefits in kind on a standardized basis for executives in accordance with a written policy. The benefits are selected on the basis of cost effectiveness and are intended to be less than those provided by companies of comparable size. Business travel and entertainment expenses are chargeable by executive officers to the Corporation in accordance with a written policy and subject to approval. Annually, the Corporation's internal auditors review all expenses charged by each executive officer to ensure compliance with the policy and make a full report on their findings to the Audit Committee.

Short-term incentives will be paid based on the Corporation's ability to meet its yearly business plans. Long-term incentives will be based on total shareholder return performance compared to the S&P Food Index.

Advisors to the Committee and to the Corporation

During 2007, the Committee engaged the services of an individual consultant (the "Consultant") from Towers Perrin to provide independent advice to the Committee on executive compensation matters. The chairman of the Committee led the selection of the Consultant, who reports directly to the Committee. Under Towers Perrin's mandate, among other things, the Consultant may provide advice on policy recommendations by management regarding compensation philosophy, compensation levels and program design, on governance and content issues concerning disclosure and other compensation matters as requested by the chairman of the Committee.

During 2007 the Consultant reviewed certain aspects of the Corporation's executive compensation system and compensation recommendations, and attended a portion of a Committee meeting, as requested by the chairman of the Committee. The fees paid to Towers Perrin in 2007 for the Consultant's services were approximately $10,819. The Consultant engaged by the Committee provides no other services to the Corporation or any of its subsidiaries.

In 2007, other separate consultants from Towers Perrin provided actuarial advice and services to the Corporation and its pension plans on pension matters, and the fees paid for these services were approximately $1,282,279.

In 2007, William Mercer Human Resource Consulting was engaged by the Corporation to assist in compiling market information on senior management compensation. The support consisted of the provision of benchmark data. Decisions by the Corporation with respect to the compensation of its officers, however, are its own responsibility and may reflect factors and considerations other than the information provided to management by Mercer. The fees paid for their assistance were $36,003.

This report is presented and approved by each member of the Committee, namely:

Gordon Ritchie, Chairman
Purdy Crawford
Jeffrey Gandz
J. Edward Newall
Robert T. Stewart

STOCK PERFORMANCE GRAPH

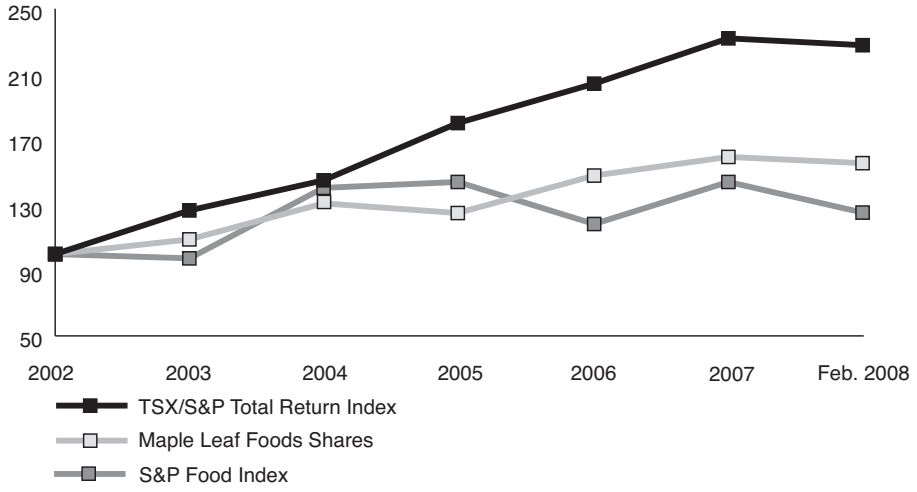
The following chart compares the cumulative total shareholder return of $100 (Canadian) invested in common shares of the Corporation for the period from December 31, 2002 to February 28, 2008 with the cumulative total return of the S&P/TSX Total Return Index. Also included in the graph is the cumulative total shareholder return of $100 (U.S.) invested in the S&P 1500 Composite Food Products Index (in this circular referred to as the "S&P Food Index") for the same period. The U.S. dollar denominated S&P Food Index is not translated to Canadian dollars. Dividends declared on common shares of the Corporation are assumed to be reinvested at the closing price on the payment date. Similarly, the S&P/TSX Total Return Index and the S&P Food Index used for comparison in the graph below include dividends reinvested.

On December 31, 2007, the Corporation's shares closed on the TSX at $14.85 and on February 29, 2008, the Corporation's shares closed on the TSX at $12.92.

The S&P Food Index is not a published index but is calculated by and reported to the Corporation by Standard & Poor's. The index consists of each food company included in Standard & Poor's three major U.S. broad market indices: the S&P 500 Index, the S&P Midcap 400 Index and the S&P 600 Smallcap Index. The securities of these companies are all market capitalization weighted in the S&P Food Index. Changes to the companies included in the S&P Food Index correspond to changes in the three major indices, which in turn is determined by Standard & Poor's according to the methodology it has established and includes factors such as market capitalization, liquidity and public float.

As at February 29, 2008, the following companies were included in the S&P Food Index:

Company Name	Ticker	Major Index	Company Name	Ticker	Major Index
Archer-Daniels-Midland Co.	ADM	S&P 500	Hormel Foods Corp.	HRL	S&P MidCap 400
Campbell Soup Co.	CPB	S&P 500	Lancaster Colony Corp.	LANC	S&P MidCap 400
Conagra Foods Inc.	CAG	S&P 500	Smithfield Foods Inc.	SFD	S&P MidCap 400
Dean Foods Co.	DF	S&P 500	J.M. Smucker Co.	SJM	S&P MidCap 400
General Mills Inc.	GIS	S&P 500	Tootsie Roll Industries Inc.	TR	S&P MidCap 400
H.J. Heinz Co.	HNZ	S&P 500	Corn Products Intl Inc.	CPO	S&P SmallCap 600
Hershey Co.	HSY	S&P 500	Flowers Foods Inc.	FLO	S&P SmallCap 600
Kellogg Co.	K	S&P 500	Hain Celestial Group Inc.	HAIN	S&P SmallCap 600
Kraft Foods Inc.	KFT	S&P 500	J & J Snack Foods Corp.	JJSF	S&P SmallCap 600
McCormick & Company Inc.	MKC	S&P 500	Lance Inc.	LNCE	S&P SmallCap 600
Sara Lee Corp.	SLE	S&P 500	Ralcorp Holdings Inc.	RAH	S&P SmallCap 600
Tyson Foods Inc. – Cl A	TSN	S&P 500	Sanderson Farms Inc.	SAFM	S&P SmallCap 600
Wm Wrigley Jr Co.	WWY	S&P 500	Treehouse Foods Inc.	THS	S&P SmallCap 600



	Dec. 31, 2002	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2007	Feb 28, 2008
S&P/TSX Total Return Index ($CAD)	100.0	126.7	145.1	180.1	204.2	231.9	227.7
S&P Food Index ($USD) (1)	100.0	109.0	131.0	125.1	148.0	159.4	155.6
Maple Leaf Foods Shares ($CAD)	100.0	97.4	140.5	144.1	118.4	144.1	125.4

Note:
(1) The U.S. dollar denominated S&P Food Index is not translated to Canadian dollars in the graph.

COMPARISON OF EXECUTIVE COMPENSATION AND RETURNS – THREE YEAR LOOK-BACK

The table below shows the total shareholder returns for the Corporation's common shares and the S&P Food Index for the three years ended December 31, 2007 together with total change in market value of the Corporation, total compensation for the CEO and the other Named Executive Officers for the same period.

	Total 2005 to 2007	2007	2006	2005
Total Shareholder Return:				
MLF (% change – $CAD per share) (1)	2.5%	21.6%	(17.8%)	2.5%
S&P Food Index (% change – $USD) (1)	21.6%	7.7%	18.3%	(4.5%)
Change in MLF market capitalization ($ millions) (2)	59	349	(344)	54
Total Executive Compensation ($ millions) (3):				
CEO	19.3	8.0	8.0	3.3
Total for All Named Executive Officers (including CEO)	45.9	19.5	15.5	10.8
Total compensation of all Named Executive Officers as a percentage of total change in market capitalization	78.4%	5.6%	–4.5%	19.7%

Notes:

(1) Total shareholder return is calculated on the basis of the year-end share value with dividends reinvested. The amount in the "Total 2005 to 2007" column is the aggregate compound return over the three-year period. The return for the S&P Food Index covers the same period except that the return is calculated in U.S. dollars and is not translated to Canadian dollars. Further details of the S&P Food Index are found above under the heading Stock Performance Graph.

(2) Increase or decrease in market capitalization based on year-end shares outstanding and closing share prices. The change in market capitalization for the period is reduced by the proceeds for shares issued, and increased by dividends paid, and shares repurchased in the market under the Corporation's normal course issuer bid.

(3) A detailed summary of the components of total executive compensation for the CEO as well at the total compensation for the CEO and the other Named Executive Officers is found on pages 18 to 22.

OTHER MATTERS

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

1982 OPTION PLAN

The 1982 Option Plan became effective April 16, 1982 and was last amended effective March 18, 2002. Options are no longer granted under the 1982 Option Plan but options remain outstanding and available for exercise under such plan.

Eligibility

Key employees of the Corporation and its subsidiaries and partnerships of which it is a partner (including directors only if they are full-time employees of the Corporation) were eligible to receive options to purchase common shares of the Corporation under the 1982 Option Plan. Pursuant to the plan, the Board could from time to time determine which key employees were eligible to be granted such options.

Exercise Price

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

Number of shares

The maximum number of common shares of the Corporation that could be issued after March 5, 1999 under the 1982 Option Plan was set at 15,099,000 common shares. This maximum amount is subject to adjustment in the event that the Corporation issues stock dividends or rights, the common shares are subdivided, consolidated or changed or the Corporation amalgamates, merges or consolidates with another corporation or another similar event occurs. The table below indicates the status of the shares reserved for option grants under the 1982 Option Plan as of February 29, 2008. As mentioned above, however, options are no longer granted under the 1982 Option Plan.

	Number of shares or options(1)	Percentage of shares outstanding(1)
Shares issued pursuant to the exercise of options since March 5, 1999	7,900,976	6.1%
Options granted and outstanding	4,032,200	3.1%
Options available for future grants	3,165,824	2.4%
Total number of shares reserved for issue after March 5, 1999	15,099,000	

(1) The number of options and shares and percentage of the number of shares outstanding is given as of as at February 29, 2008.

Exercise Periods / Term of Options / Assignability

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

Limits on individual and insider participation

The 1982 Option Plan limits insider participation such that the number of common shares reserved for issuance pursuant to options granted to insiders, together with all common shares issuable to insiders under all other plans or stock option agreements of the Corporation, at any time, shall not exceed 10% of the issued and outstanding common shares. The 1982 Option Plan also provides that the number of common shares that may be issued to insiders pursuant to options granted under the 1982 Option Plan, together with all common shares issued to insiders under all other plans or stock option agreements of the Corporation, within any one year period, shall not exceed 10% of the issued and outstanding common shares. In addition, no one insider, together with such insider's associates, shall be issued, within any one year period, an aggregate number of shares that exceeds 5% of the issued and outstanding common shares. The 1982 Option Plan also provides that the aggregate number of common shares reserved for issuance pursuant to options granted to any single participant, together with such participant's associates, shall not exceed 5% of the issued and outstanding common shares.

Amendments

Currently the 1982 Option Plan provides that the Board may amend or terminate the 1982 Option Plan at any time subject to the receipt of any necessary regulatory approval and subject to certain other conditions. As described on page 9 of this Circular, shareholders will be asked to vote on a resolution to amend the 1982 Option Plan to revise the amendment provisions of the 1982 Option Plan to specify more clearly which amendments require shareholder approval, and to automatically extend the expiry of an option outstanding under the plan to ten days following a Black-Out Period where the option would otherwise expire within two days of a Black-Out Period.

2004 Share Incentive Plan

The 2004 Share Incentive Plan was adopted on September 8, 2004 and was amended effective March 17, 2005.

Eligibility

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

RSUs

The 2004 Share Incentive Plan authorizes the board to grant RSUs. Upon the completion of the time vesting service requirements and achievement of the performance vesting requirements, each RSU entitles the employee to receive one fully paid share of the Corporation's stock from treasury.

Exercise Price of Options

Options to be granted under the 2004 Share Incentive Plan are to be exercisable at a price not below market value at the time of grant. For purposes of the 2004 Share Incentive Plan, market value is the weighted average trading price on the TSX for the five days prior to the day of grant (versus ten days under the 1982 Option Plan.)

Number of shares

The maximum number of shares that may be issued pursuant to the exercise of options under the 2004 Share Incentive Plan is 14,077,799 less any number that are issued after September 8, 2004 under the 1982 Option Plan. In addition, 2,200,000 shares are reserved for issuance under the 2004 Share Incentive Plan in respect of RSUs. The table below indicates the status of the shares reserved for option and RSU grants under the 2004 Share Incentive Plan as of February 29, 2008. As mentioned above, however, options are no longer granted under the 1982 Option Plan.

	Options		**RSUs**	
	Number of shares or options (1)	**Percentage of shares outstanding**[1]	**Number of shares or RSUs** (1)	**Percentage of shares outstanding** (1)
Shares issued pursuant to the exercise of options or distribution of RSUs under the 2004 Share Incentive Plan	74,100	0.1 %	395,100	0.3 %
Options or RSUs granted and outstanding under the 2004 Share Incentive Plan	2,238,350	2.0 %	878,625	0.7 %
Shares issued pursuant to the exercise of options under the 1982 Option Plan after September 8, 2004	5,579,775	4.3 %		
Options granted and outstanding under the 1982 Option Plan	4,032,200	3.1 %		
Options or RSUs available for future grants	2,153,374	1.7 %	926,275	0.7 %
Total number of shares reserved for issue	14,077,799		2,200,000	

(1) The number of options, RSUs and shares and percentage of the number of shares outstanding is given as of as at February 29, 2008.

Exercise Periods / Term of Options and RSUs / Assignability

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

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

employee, vested options on the last date of employment are, subject to the earlier expiration of the option, exercisable for a 30-day period afterwards. While the same 30-day period applies if the participant's employment is terminated without cause by the Corporation, the Board is permitted the discretion to amend the time limit. In the event employment is terminated with cause, all vested and unvested options and RSUs expire on the date of termination.

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

Limits on individual and insider participation

The number of shares reserved for issuance to any one person pursuant to the 2004 Share Incentive Plan, together with shares issuable under the Corporation's other security based compensation arrangements may not exceed 5% of the Corporation's outstanding issue. The number of shares reserved for issuance pursuant to the 2004 Share Incentive Plan to insiders, at any time, together with shares issuable to insiders under the Corporation's other security based compensation arrangements may not at any time exceed 10% of all outstanding shares of the Corporation. In addition, the number of shares issued to any one insider and the insider's associates in any one-year period under the 2004 Share Incentive Plan and any other security based compensation arrangement of the Corporation may not exceed 5% of the issued and outstanding shares of the Corporation. Furthermore, the maximum number of shares that may be issued to all insiders of the Corporation in a one-year period under the 2004 Share Incentive Plan is limited to 10% of all shares outstanding.

Share Capital Adjustments

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

Vesting

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

Amendment

The 2004 Share Incentive Plan currently provides that the Board may, subject to stock exchange approval, amend, suspend or terminate the Plan provided that such action does not (i) without the employee's consent, impair the rights or obligations arising from an award previously granted to such employee, or (ii) permit the expiry of options beyond ten years from the grant date. As described on page 9 of this Circular, shareholders will be asked to vote on a resolution to amend the 2004 Share Incentive Plan to revise the amendment provisions of the 2004 Share Incentive Plan to more clearly specify which amendments require shareholder approval, and to automatically extend the expiry of an option outstanding under the plan to ten days following a Black-Out Period where the option would otherwise expire within two days of a Black-Out Period.

2006 RSU Plan

In 2006, the Board adopted a share based incentive compensation plan for employees, including executive officers. The 2006 RSU Plan provides for the grant of RSUs. On maturity, assuming the performance criteria are achieved, participants receive one fully paid share for each vested RSU held. The shares required for distribution on maturity and on achievement of the performance and service time requirements will be acquired from the market at the Corporation's cost by a trust established for that purpose.

The following table provides information as at December 31, 2007 with respect to common shares authorized for issuance under the Maple Leaf Foods Inc. Share Incentive Plan. This plan was approved by shareholders at the annual meeting held in April 2005.

The share options and restricted share units that have been issued to employees are described in Note 16 to the Corporation's 2007 consolidated financial statements. These statements are available from the Corporation at www.mapleleaf.ca and on SEDAR at www.sedar.com.

Equity Compensation Plan Information as at December 31, 2007

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	7,156,875	$12.84 (1)	4,092,099
Equity compensation plans not approved by securityholders	—	—	—
Total	7,156,875	$12.84 (1)	4,092,099

Note:

(1) Both options and restricted share units were granted under the Share Incentive Plan. The weighted average price shown is for the options alone. Weighted average trading price on the date of grant of the 878,625 RSUs outstanding as of year end is $15.61.

In 2006, the Corporation also implemented a restricted share unit plan in which awards are satisfied with shares that will be purchased on the TSX. The awards under that plan are not included in the above figures as there will be no shares issued from treasury to satisfy those amounts.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

The total premium paid by the Corporation for directors' and officers' liability insurance in the last completed financial year was $264,664, including taxes. No part of the premium is paid by any officer or director.

INTERESTS IN MATERIAL TRANSACTIONS

None of the directors or officers of the Corporation, nor any proposed nominees for election as directors, nor any associate or affiliate of any such person, had any direct or indirect material interest, since January 1, 2007, in respect of any matter that has materially affected or will materially affect the Corporation or any of its subsidiaries.

OTHER BUSINESS

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

RECEIPT OF SHAREHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

Any shareholder who intends to present a proposal at our 2009 Annual Meeting of Shareholders must send the proposal to the Corporation, Attention: Corporate Secretary at Suite 1500, 30 St. Clair Avenue West, Toronto, Canada M4V 3A2. In order for the proposal to be included in the proxy materials we send to shareholders for that meeting, the proposal must be received by the Corporation no later than December 17, 2008, and must comply with the requirements of Section 137 of the Canada Business Corporations Act.

ADDITIONAL INFORMATION

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

DIRECTORS' APPROVAL

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

R. Cappuccitti
Senior Vice-President, Transactions &
Administration, and Corporate Secretary

Toronto, Canada
March 17, 2008

APPENDIX A
MEETING FREQUENCY AND ATTENDANCE

ATTENDANCE BY COMMITTEE

BOARD/COMMITTEE	NUMBER OF MEETINGS	ATTENDANCE AT ALL MEETINGS	ATTENDANCE AT REGULARLY SCHEDULED MEETINGS (1)
Board of Directors	10 meetings	89%	99%
Audit Committee ("AC")	6 meetings	93%	93%
Corporate Governance Committee ("CGC")	3 meetings	100%	100%
Environment, Health and Safety Committee ("EHSC")	4 meetings	100%	100%
Human Resources and Compensation Committee ("HRCC")	5 meetings	92%	90%
Average for all meetings	28 meetings	92%	97%

ATTENDANCE BY DIRECTOR

	ALL MEETINGS							REGULARLY SCHEDULED MEETINGS (1)	
DIRECTOR	Board	AC	CGC	EHSC	HRCC	Total		Total	
P. Crawford	8/10		3/3		5/5	16/18	89%	13/13	100%
J. Gandz	9/10			4/4	5/5	18/19	95%	14/14	100%
J.F. Hankinson	8/10	6/6	3/3			17/19	89%	15/15	100%
R.W. Hiller	10/10	6/6		4/4		20/20	100%	16/16	100%
C.M. Hosek	8/10		3/3	4/4		15/17	88%	13/13	100%
D.E. Loadman	10/10	6/6		4/4		20/20	100%	16/16	100%
D.E. McGarry	8/10	6/6	3/3			17/19	89%	15/15	100%
J.E. Newall	8/10			4/4	5/5	17/19	89%	14/14	100%
G. Ritchie	9/10		3/3		5/5	17/18	94%	13/13	100%
R.T. Stewart	8/10	4/6			3/5	15/21	71%	11/16	69%(2)
G.W.F. McCain	10/10					10/10	100%	6/6	100%
J.S. McCain	10/10					10/10	100%	6/6	100%
M.H . McCain	10/10					10/10	100%	6/6	100%
	116/130	28/30	15/15	20/20	23/25	202/220	92%	158/163	97%

Notes:

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

(2) Due to medical condition, Mr. Stewart was unable to attend two meetings. Aside from those absences, his attendance exceeded 80%.

APPENDIX B
1982 STOCK OPTION PLAN AMENDMENTS

FORM OF RESOLUTIONS

Shareholders will be asked to approve the following resolutions, with or without variation, relating to the proposed amendments to Maple Leaf Foods Inc.'s 1982 Share Option Plan:

BE IT RESOLVED THAT Section 10.1 of the Share Option Plan of Maple Leaf Foods Inc. be deleted in its entirety and replaced with the following:

"(1) The Board may, without notice and without shareholder approval, at any time or from time to time, amend, suspend or terminate this Plan, any Option granted hereunder or any provisions hereof or thereof in such respects as it, in its sole discretion, determines appropriate, provided, however, that:

(a) no such amendment, suspension or termination of this Plan or any Option granted hereunder may impair any rights or obligations arising from any Option previously granted to a Participant under this Plan without the consent of the Participant or the representatives of his or her estate, as applicable; and

(b) shareholder approval shall be required for any amendment that (A) increases the maximum number of Shares that may be issued under this Plan, except pursuant to provisions in the Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital, (including adjustments contemplated by Section 7 of the Plan which include, but are not limited to, adjustments as a result of any consolidation, reorganization, stock dividend, amalgamation or similar transaction), (B) reduces the purchase price of Shares purchasable under any Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its expiry for the purpose of reissuing Options to the same Participant with a lower purchase price shall be treated as an amendment to reduce the purchase price of Shares purchasable under any Option) except for the purpose of maintaining Option value pursuant to provisions in the Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital, (including adjustments contemplated by Section 7 of the Plan which include, but are not limited to, adjustments as a result of any consolidation, reorganization, stock dividend, amalgamation or similar transaction), (C) permits the expiry of Options beyond ten years from the date on which an Option is granted, (D) permits the expiry of Options beyond the original expiry date (other than an automatic extension to 10 business days after the end of a corporate blackout period if the Option would otherwise have expired during or within two business days following a corporate blackout period), (E) extends eligibility to participate in the Plan to non-employee directors, (F) permits Options to be transferred other than for normal estate settlement purposes, (G) permits awards, other than Options, to be made under the Plan, or (H) deletes or reduces the range of amendments which require shareholder approval under this clause (b).

(2) Notwithstanding the foregoing, termination of the Plan shall not affect any Options previously granted, which Options shall remain in effect until exercised, terminated or surrendered or until they have expired in accordance with their terms."

AND BE IT FURTHER RESOLVED THAT the Plan be amended to provide that when an option expiry date falls during or within two Business Days following a corporate blackout period applicable to an optionee, the expiry date of the option will automatically be extended to be the 10th Business Day following the end of the blackout period.

APPENDIX C
2004 SHARE INCENTIVE PLAN AMENDMENTS

FORM OF RESOLUTIONS

Shareholders will be asked to approve the following resolutions, with or without variation, relating to the proposed amendments to Maple Leaf Foods Inc.'s 2004 Share Incentive Plan:

BE IT RESOLVED THAT Section 9.6(b) of the Share Incentive Plan of Maple Leaf Foods Inc. be deleted in its entirety and replaced with the following:

"(b) The Board may, without notice and without shareholder approval, at any time or from time to time, amend, suspend or terminate this Plan, any Award granted hereunder or any provisions hereof or thereof in such respects as it, in its sole discretion, determines appropriate, provided, however, that:

(i) no such amendment, suspension or termination of this Plan or any Award granted hereunder may impair any rights or obligations arising from any Award previously granted to a Participant under this Plan without the consent of the Participant or the representatives of his or her estate, as applicable; and

(ii) shareholder approval shall be required for any amendment that (A) increases the number of Shares reserved for issuance under the Plan, except in connection with a Change in Control or pursuant to provisions in the Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Company or its capital, (including adjustments contemplated by Article 8 of the Plan which include, but are not limited to, adjustments as a result of any consolidation, reorganization, stock dividend, amalgamation or similar transaction), (B) reduces the exercise price of the Shares subject to Options (for this purpose, a cancellation or termination of an Option of a Participant prior to its expiry for the purpose of reissuing Options to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option) except for the purpose of maintaining Option value in connection with a Change in Control or pursuant to provisions in the Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Company or its capital, (including adjustments contemplated by Article 8 of the Plan which include, but are not limited to, adjustments as a result of any consolidation, reorganization, stock dividend, amalgamation or similar transaction), (C) permits the expiry of Options beyond ten years from the Date of Grant, (D) permits the expiry of Options beyond the original expiry date (other than an automatic extension to 10 business days after the end of a corporate blackout period if the Option would otherwise have expired during or within two Business Days following a corporate blackout period), (E) extends eligibility to participate in the Plan to non-employee directors, (F) permits Options or RSUs to be transferred other than for normal estate settlement purposes, (G) permits Awards, other than Options and RSUs, to be made under the Plan, or (H) deletes or reduces the range of amendments which require shareholder approval under this clause (ii)."

AND BE IT FURTHER RESOLVED THAT the Plan be amended to provide that when an option expiry date falls during or within two Business Days following a corporate blackout period applicable to an optionee, the expiry date of the option will automatically be extended to be the 10th Business Day following the end of the blackout period.