

***ROGERS SUGAR INC.***

**NOTICE OF ANNUAL MEETING AND  
MANAGEMENT INFORMATION CIRCULAR**

**December 21, 2018**

**ROGERS SUGAR INC.**

December 21, 2018

Dear Shareholder:

We are pleased to invite you to the annual meeting of the shareholders of Rogers Sugar Inc. to be held at the Vancouver Marriott Pinnacle Downtown Hotel, 1128 West Hastings Street, Vancouver, British Columbia, V6E 4R5, on Thursday, January 31, 2019 at 1:00 p.m. (Pacific time). The meeting has been called to conduct our regular annual business as more fully described in the management information circular.

If you are unable to attend in person, please complete, sign, date and return the enclosed proxy in accordance with the instructions set out therein and in the enclosed management information circular.

Yours very truly,

*(signed) M. Dallas H. Ross*

M. Dallas H. Ross, Chairman of the Board of Directors of  
Rogers Sugar Inc., on behalf of the Directors of  
Rogers Sugar Inc.

**ROGERS SUGAR INC.**

**NOTICE OF ANNUAL MEETING**

TO: THE SHAREHOLDERS OF  
ROGERS SUGAR INC.

TAKE NOTICE that an annual meeting (the “Meeting”) of the holders (the “Shareholders”) of common shares of Rogers Sugar Inc. (the “Corporation”) will be held at the Vancouver Marriott Pinnacle Downtown Hotel, 1128 West Hastings Street, Vancouver, British Columbia, V6E 4R5, on Thursday, January 31, 2019, commencing at 1:00 p.m. (Pacific time) (the “Meeting Date”). The Meeting has been called for the following purposes:

1. to elect six directors of the Corporation (collectively, the “Directors”) for the ensuing year;
2. to consider the two nominees of the Corporation standing for election as directors of Lantic Inc. (“Lantic”) and to direct the Directors to vote all of the common shares of Lantic held by the Corporation in favour of the election of such nominees for the ensuing year;
3. to appoint KPMG LLP, Chartered Professional Accountants, as auditor of the Corporation, with remuneration to be fixed by the Audit Committee of the Corporation; and
4. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the management information circular accompanying and forming part of this Notice of Meeting.

**Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed proxy and to mail it to or deposit it with the Corporation, c/o Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1. In order to be valid and acted upon at the Meeting, proxies must be returned to the aforesaid address not less than 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting Date or any adjournment or postponement thereof at which the proxy is to be used.**

The Directors have fixed the record date for the Meeting as of the close of business on December 10, 2018 (the “Record Date”). Shareholders of record at the close of business on the Record Date are entitled to receive notice of, and to vote at, the Meeting.

DATED at Montréal, Québec,  
this 21<sup>st</sup> day of December, 2018

**BY ORDER OF THE DIRECTORS OF  
ROGERS SUGAR INC.**

*(signed) M. Dallas H. Ross*

M. Dallas H. Ross, Chairman of the Board of  
Directors of Rogers Sugar Inc., on behalf of  
the Directors of Rogers Sugar Inc.

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## ROGERS SUGAR INC.

### MANAGEMENT INFORMATION CIRCULAR

#### SOLICITATION OF PROXIES

This management information circular (this “Information Circular”) is provided in connection with the solicitation of proxies by the directors (the “Directors”) of Rogers Sugar Inc. (the “Corporation”) for use at the annual meeting (the “Meeting”) of the holders (the “Shareholders”) of common shares (“Common Shares”) of the Corporation to be held in Vancouver, British Columbia on Thursday, the 31<sup>st</sup> day of January 2019, commencing at 1:00 p.m. (Pacific time) for the purposes set forth herein and in the Notice of Meeting accompanying this Information Circular. **Unless otherwise indicated, the information contained in this Information Circular is given as of December 21, 2018. Moreover, the use of the present tense and of the words “current”, “currently”, “presently”, “now” and similar expressions in this Information Circular is to be construed as referring to information given as of December 21, 2018, unless the context otherwise requires or unless otherwise indicated.**

The cost incurred in the solicitation of proxies and in the preparation and mailing of the proxy, Notice of Meeting and this Information Circular will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication by the Directors and by the directors, officers and employees of Lantic Inc. (“Lantic” or the “Administrator”), the Administrator of the Corporation, who will not be specifically remunerated therefor.

#### **1. APPOINTMENT OF PROXIES**

Shareholders have received with this Information Circular a form of proxy for the Meeting. The persons named in such form of proxy are Directors. **A Shareholder submitting a proxy has the right to appoint a person (who need not be a Shareholder) to attend and act on its, his or her behalf at the Meeting, other than the persons designated in the enclosed form of proxy. Such appointment may be exercised by striking out the names of the persons designated in the enclosed form of proxy and by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy.** A proxy will not be valid unless it is completed and delivered to the Corporation, c/o Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, for receipt not less than 48 hours, excluding Saturdays, Sundays and holidays, before the time set for the Meeting or any adjournment or postponement thereof at which the proxy is to be used. A proxy should be executed by the Shareholder or his or her attorney duly authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney thereof indicating the capacity under which such officer or attorney is signing.

#### **2. REVOCABILITY OF PROXIES**

A Shareholder who has submitted a proxy may revoke it at any time insofar as it has not been exercised. A proxy may be revoked, as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by an instrument in writing executed by the Shareholder or by his or her attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized in writing, and deposited with the Corporation, c/o Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting. A proxy may also be revoked if a Shareholder personally attends the Meeting and votes his or her securities or, if the Shareholder is a corporation, its duly authorized officer or attorney personally attends the Meeting and votes such Shareholder’s securities, or in any other manner permitted by law.

### 3. NON-REGISTERED HOLDERS

The information set forth in this section is important to the many Shareholders who do not hold Common Shares in their own names (the “Non-Registered Holders”). Non-Registered Holders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. However, in many cases, Common Shares beneficially owned by a Non-Registered Holder are registered either:

- (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. or “CDS”) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”) of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Information Circular, the form of proxy and the Corporation’s 2018 Annual Report for the period ended September 29, 2018, including audited financial statements and management’s discussion and analysis (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. Copies of the Meeting Materials are also available on the Administrator’s website at [www.rogerssugarinc.com](http://www.rogerssugarinc.com) and under the Corporation’s profile on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com).

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive the Meeting Materials will either:

- (a) be given a proxy which is signed by the Intermediary (typically by a facsimile, stamped signature) and already sets forth the number of securities beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. The Non-Registered Holder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Investor Services Inc. as described above; or
- (b) more typically, be given a voting instruction form which must be completed and signed by the Non-Registered Holder in accordance with the directions on the voting instruction form received by the Non-Registered Holder.

Non-Registered Holders who have objected to their Intermediaries disclosing ownership information about them to the Corporation (“OBOs”) will not receive the Meeting Materials unless their Intermediaries assume the cost of delivery. The Corporation does not intend to pay for Intermediaries to forward any Meeting Materials or other materials required to be forwarded to OBOs under NI 54-101.

The majority of brokers delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions, Canada (“Broadridge”). Broadridge typically mails a proxy form to the Non-Registered Holders and asks Non-Registered Holders to return the proxy form to Broadridge (the Broadridge form also allows completion of the voting instructions form by telephone or via the internet). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of securities to be represented at the Meeting. A Non-Registered Holder receiving a proxy form from Broadridge cannot use that proxy to vote securities directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Common Shares held by brokers or their agents or nominees can be voted only upon the instructions of the Non-Registered Holder. Without specific instructions, brokers and their agents and nominees are prohibited from voting securities for the brokers’ clients. The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own.

Should a Non-Registered Holder who receives either a proxy or a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided, or, in the case of a voting instruction form, follow the corresponding directions on the form. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies and ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

#### **4. EXERCISE OF DISCRETION BY PROXYHOLDERS**

The persons named in the enclosed form of proxy will, on a poll, vote or withhold from voting, or vote as instructed, the securities in respect of which they are appointed in accordance with the instructions of the Shareholders appointing them. In the absence of such a voting instruction, such securities will, on a poll or otherwise, be voted **FOR** those matters set out in the enclosed proxy and at the discretion of the proxyholders with respect to other matters that may properly come before the Meeting. **THE ENCLOSED FORM OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN WITH RESPECT TO AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE PROXY AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING.** At the time of printing this Information Circular, neither the Directors nor the management of the Administrator is aware of any such amendments, variations or other matters. If any matters which are not known to the Directors or management of the Administrator should properly come before the Meeting, the persons named in the accompanying form of proxy will vote on such matters in accordance with their best judgment.

#### **5. VOTING OF COMMON SHARES AND PRINCIPAL HOLDERS THEREOF**

##### **Voting of Common Shares**

105,008,070 Common Shares are issued and outstanding as of December 21, 2018.

Shareholders of record are entitled to notice of and to attend the Meeting in person or by proxy, and to one vote per Common Share held on any poll vote taken at the Meeting.

The Directors have fixed the record date for the Meeting as of the close of business on December 10, 2018, (the "Record Date"). Only Shareholders of record at the close of business on the Record Date are entitled to receive notice of, and to vote at, the Meeting.

##### **Principal Holders of Common Shares**

To the knowledge of the Directors, there is no person or corporation which beneficially owns or exercises control or direction over, directly or indirectly, Common Shares carrying 10% or more of all the votes attached to the outstanding Common Shares, other than Letko Brosseau ("Letko"), which is the beneficial owner of, or exercises control or direction over, directly or indirectly, 11,542,380 Common Shares, representing approximately 10.99% of the issued and outstanding Common Shares and Belkorp Industries Inc. ("Belkorp"), which is the beneficial owner of, or exercises control or direction over, directly or indirectly, 11,380,823 Common Shares, representing approximately 10.84% of the issued and outstanding Common Shares. The foregoing figures do not include the Common Shares into which any of the Sixth Series 5.0% Convertible Unsecured Subordinated Debentures of the Corporation due December 31, 2024 or the Seventh Series 4.75% Convertible Unsecured Subordinated Debentures of the Corporation due June 30, 2025, beneficially owned, or over which control or direction is exercised, directly or indirectly, by Belkorp or Letko, may be converted.

## 6. EXECUTIVE AND OTHER COMPENSATION

### Compensation of the Directors and of the directors of Lantic

#### *Annual retainers and attendance fees of the Directors and of the directors of Lantic*

The compensation of the Directors and Lantic's directors is designed to (i) attract and retain the most qualified people to serve on the Corporation's Board of Directors and Lantic's board of directors, and (ii) provide appropriate compensation for the risks and responsibilities related to being an effective Director.

In fiscal 2017, a review of the Directors' compensation was undertaken by Hugessen Consulting to compare the compensation of the Directors with compensation paid to directors of other Canadian entities of comparable size and/or similar industry.

Based on this analysis, and taking into consideration the growing demands and risks of serving as a steward in today's complex business and governance environments, the Nominating and Governance Committee of the Corporation and the Human Resources & Compensation Committee of Lantic (the "HRCC") have recommended, and the Board of Directors of the Corporation and the board of directors of Lantic have approved, the following compensation to be more in line with competitive levels in the market, effective January 1, 2018. In addition, a Director that serves on the Board of the Corporation as well as on the board of directors of Lantic, including the Audit Committee, will receive its compensation from the Corporation and will not be receiving any compensation from Lantic, other than any annual retainer and/or meeting fees related to the HRCC. This change was applied starting on January 1, 2018 and was done to simplify compensation payment.

The annual retainer and meeting fees for the directors of the Corporation are as follows:

	To December 31, 2017 (\$)	From January 1, 2018 (\$)
Annual Board Retainer – Chairman of the Board.....	45,000	88,000
Annual Board Retainer – Board members and Belkin Nominee (as defined below).....	35,000	67,000
Annual Board Retainer – Audit Committee Chairman.....	10,000	15,000
Annual Board Retainer – Audit Committee members.....	7,500	7,500
Annual Board Retainer – Nominating and Governance Committee Chairman.....	–	10,000
Annual Board Retainer – Nominating and Governance Committee members.....	–	7,500
Annual Board Retainer – Strategic Initiative Committee Chairman <sup>(1)</sup> .....	10,000	15,000
Annual Board Retainer – Strategic Initiative Committee members <sup>(1)</sup> .....	7,500	7,500
Meeting Fee – Chairman (in person or by telephone).....	2,500	3,000
Meeting Fee – All other members (in person or by telephone).....	1,500	2,000
Meeting Fee – Audit Committee – Chairman.....	2,000	2,500
Meeting Fee – Audit Committee – Members.....	1,500	2,000
Meeting Fee – Nominating and Governance Committee Chairman.....	1,500	2,500
Meeting Fee – Nominating and Governance Committee members.....	1,500	2,000
Meeting Fee – Strategic Initiative Committee Chairman <sup>(1)</sup> .....	2,000	2,500
Meeting Fee – Strategic Initiative Committee members <sup>(1)</sup> .....	1,500	2,000

Note

<sup>(1)</sup> In fiscal 2017, the Board of Directors of the Corporation formed the Strategic Initiative Committee to assist management in connection with the review of projects of a strategic nature such as certain acquisition and/or business development opportunities. Despite that the Strategic Initiative Committee is an ad-hoc sub-committee of the Board of Directors of the Corporation, it allows members of the board of directors of Lantic to participate as active members thereof. The Strategic Initiative Committee may from time to time invite members of the Board of Directors of the Corporation or the board of directors of Lantic to participate on an ad-hoc basis in a meeting and/or to provide advice to such committee and as such, the number of active Strategic Initiative Committee members may change from time to time.

Since January 1, 2005, 50% of the annual retainers, and as of January 1, 2018, 35% of the annual retainers, for the Chairman of the Board of Directors of the Corporation and the members of the Board of Directors of the Corporation and the board of directors of Lantic is payable in Common Shares. The Corporation does not issue from treasury any Common Shares in connection with the foregoing. Rather, Common Shares that are granted to Directors of the



Corporation and directors of Lantic are acquired over the market by a third party broker for the account of such directors.

Each Director is compensated for all reasonable out-of-pocket expenses incurred incidentally to attending a Directors' meeting. There are no incentive award payments to the Directors.

The annual retainer and meeting fees for the directors of Lantic, except for John Holliday who, as the President and Chief Executive Officer ("CEO") of Lantic, is not entitled to receive any compensation for acting as director, are as follows. In addition, as mentioned above, a director of Lantic that also serves as a Director of the Corporation has not received any compensation since January 1, 2018, except for any payment relating to the HRCC, as the compensation for such director will be paid entirely by the Corporation:

	<u>To December 31, 2017</u>	<u>From January 1, 2018</u>
	(\$)	(\$)
Annual Board Retainer – Chairman of the Board.....	17,500	–
Annual Board Retainer – Nominees of the Corporation and the Belkin Nominee .....	12,500	–
Annual Board Retainer – Board members (all other members).....	35,000	67,000
Annual Board Retainer – Audit Committee Chairman .....	5,000	–
Annual Board Retainer – Audit Committee (nominees of the Corporation).....	–	–
Annual Board Retainer – Audit Committee (all other members) .....	7,500	7,500
Annual Board Retainer – Human Resources & Compensation Committee Chairman ...	–	10,000
Annual Board Retainer – Human Resources & Compensation Committee members .....	–	7,500
Annual Board Retainer – Corporation's Strategic Initiative Committee members <sup>(1)</sup> .....	7,500	7,500
Meeting Fee – Board Chairman .....	1,250	–
Meeting Fee – Board – (nominees of the Corporation and the Belkin Nominee).....	750	–
Meeting Fee – Board – (all other members) .....	1,500	2,000
Meeting Fee – Audit Committee – Chairman .....	1,000	–
Meeting Fee – Audit Committee – (nominees of the Corporation).....	750	–
Meeting Fee – Audit Committee – (all other members) .....	1,500	2,000
Meeting Fee – Human Resources & Compensation Committee Chairman .....	1,500	2,500
Meeting Fee – Human Resources & Compensation Committee members .....	1,500	2,000
Meeting Fee – Corporation's Strategic Initiative Committee members <sup>(1)</sup> .....	1,500	2,000

Note

<sup>(1)</sup> In fiscal 2017, the Board of Directors of the Corporation formed the Strategic Initiative Committee to assist management in connection with the review of projects of a strategic nature such as certain acquisition and/or business development opportunities. Despite that the Strategic Initiative Committee is an ad-hoc sub-committee of the Board of Directors of the Corporation, it allows members of the board of directors of Lantic to participate as active members thereof. The Strategic Initiative Committee may from time to time invite members of the Board of Directors of the Corporation or the board of directors of Lantic to participate on an ad-hoc basis in a meeting and/or to provide advice to such committee and as such, the number of active Strategic Initiative Committee members may change from time to time.

Each director is compensated for all reasonable out-of-pocket expenses incurred incidentally to attending a directors' meeting. There are no incentive award payments to the directors of Lantic.

#### **Attendance Record for Board Meetings**

During the financial year ended September 29, 2018, (i) the Board of Directors of the Corporation held four regular meetings and five special meetings, (ii) the board of directors of Lantic held four regular meetings and five special meetings, (iii) the Audit Committee of the Board of Directors of the Corporation held four regular meetings and two special meetings, (iv) the Audit Committee of Lantic held four regular meetings and one special meeting, (v) the Nominating and Governance Committee of the Corporation held one regular meeting and four special meetings, (vi) the HRCC held one regular meeting and two special meetings, and (vii) the Strategic Initiative Committee held six meetings.

On February 1, 2018, Mr. Desbiens retired from the Board of Directors of the Corporation and was not replaced.

Attendance at such meetings up to February 1, 2018 by the Directors of the Corporation was as follows:

Name of Director	Number of Meetings Attended			
	Board	Audit Committee	Nominating and Governance Committee	Strategic Initiative Committee
M. Dallas H. Ross <sup>(1)(2)</sup> .....	5 of 5	N/A	N/A	3 of 3
Dean Bergmame <sup>(3)(4)</sup> .....	5 of 5	3 of 3	nil	N/A
Gary Collins <sup>(5)</sup> .....	5 of 5	N/A	N/A	3 of 3
Michel P. Desbiens <sup>(3)(5)</sup> .....	3 of 5	3 of 3	nil	N/A
Daniel Lafrance <sup>(6)</sup> .....	5 of 5	3 of 3	N/A	3 of 3
William Maslechko .....	5 of 5	N/A	nil	3 of 3

Notes

- <sup>(1)</sup> Chairman of the Board of Directors of the Corporation.
- <sup>(2)</sup> Chairman of the Strategic Initiative Committee.
- <sup>(3)</sup> Mr. Desbiens was Chairman of the Nominating and Governance Committee until his retirement from the Board of Directors of the Corporation on February 1, 2018. Mr. Bergmame became Chairman of the Nominating and Governance Committee upon Mr. Desbiens's retirement therefrom. Mr. Desbiens attended all meetings held prior to this retirement.
- <sup>(4)</sup> Mr. Bergmame attended two meetings of the Strategic Initiative Committee.
- <sup>(5)</sup> Mr. Desbiens was a member of the Audit Committee until his retirement from the Board of Directors of the Corporation on February 1, 2018. Mr. Collins became a member of the Audit Committee of the Corporation upon Mr. Desbiens's retirement therefrom.
- <sup>(6)</sup> Chairman of the Audit Committee of the Corporation.

Attendance at such meetings subsequent to February 1, 2018 by the Directors of the Corporation was as follows:

Name of Director	Number of Meetings Attended			
	Board	Audit Committee	Nominating and Governance Committee	Strategic Initiative Committee
M. Dallas H. Ross <sup>(1)(2)(3)</sup> .....	4 of 4	N/A	N/A	3 of 3
Dean Bergmame <sup>(4)</sup> .....	4 of 4	3 of 3	5 of 5	N/A
Gary M. Collins <sup>(5)</sup> .....	4 of 4	3 of 3	N/A	3 of 3
Daniel Lafrance <sup>(6)(7)</sup> .....	4 of 4	3 of 3	N/A	3 of 3
William Maslechko .....	4 of 4	N/A	5 of 5	3 of 3

Notes

- <sup>(1)</sup> Chairman of the Board of Directors of the Corporation.
- <sup>(2)</sup> Chairman of the Strategic Initiative Committee.
- <sup>(3)</sup> Mr. Ross attended five meetings of the Nominating and Governance Committee and became a member of the Nominating and Governance Committee as of September 30, 2018.
- <sup>(4)</sup> Mr. Desbiens was Chairman of the Nominating and Governance Committee until his retirement from the Board of Directors of the Corporation on February 1, 2018. Mr. Bergmame became Chairman of the Nominating and Governance Committee upon Mr. Desbiens's retirement therefrom.
- <sup>(5)</sup> Mr. Desbiens was a member of the Audit Committee until his retirement from the Board of Directors of the Corporation on February 1, 2018. Mr. Collins became a member of the Audit Committee of the Corporation upon Mr. Desbiens's retirement therefrom.
- <sup>(6)</sup> Chairman of the Audit Committee of the Corporation.
- <sup>(7)</sup> Mr. Lafrance attended three meetings of the Nominating and Governance Committee.

Attendance at such meetings by the directors of Lantic was as follows:

Name of Director	Number of Meetings Attended			
	Board	Audit Committee	Human Resources and Compensation Committee	Strategic Initiative Committee
M. Dallas H. Ross <sup>(1)(2)(3)</sup> .....	9 of 9	N/A	3 of 3	N/A

Gary M. Collins.....	9 of 9	5 of 5	3 of 3	N/A
Michael A. Heskin <sup>(4)</sup> .....	7 of 9	5 of 5	3 of 3	N/A
John Holliday.....	9 of 9	N/A	N/A	N/A
Donald G. Jewell.....	8 of 9	N/A	3 of 3	6 of 6
Daniel Lafrance <sup>(5)</sup> .....	9 of 9	5 of 5	3 of 3	N/A

Notes

- (1) Chairman of the board of directors of the corporation.  
(2) Chairman of the Strategic Initiative Committee.  
(3) Chairman of the Human Resources and Compensation Committee.  
(4) Mr. Heskins attended one meeting of the Strategic Initiative Committee.  
(5) Chairman of the Audit Committee of Lantic.

### Total Compensation of the Directors of the Corporation and of Lantic

The table below shows the total compensation earned by the Directors of the Corporation during the fiscal year ended September 29, 2018:

Name	Fees earned (\$)		Shared based awards <sup>(2)</sup>	Option based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total
	Retainer <sup>(1)</sup>	Attendance	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
M. Dallas H. Ross <sup>(3)</sup> .....	62,275	49,000	28,725	—	—	—	—	140,000
Dean Bergmame.....	52,038	44,000	21,962	—	—	—	—	118,000
Gary M. Collins <sup>(3)</sup> .....	50,163	33,000	21,962	—	—	—	—	105,125
Michel P. Desbiens.....	11,348	11,000	6,335	—	—	—	—	28,683
Daniel Lafrance <sup>(3)</sup> .....	58,288	47,000	21,962	—	—	—	—	127,250
William Maslechko.....	50,163	38,500	21,962	—	—	—	—	110,625

Notes

- (1) These amounts represent the portion paid in cash to the named Directors.  
(2) These amounts represent the cash value of the retainer paid in Common Shares to the named Directors.  
(3) Starting on January 1, 2018, a Director that serves on the Board of the Corporation as well as on the board of directors of Lantic, including the Audit Committee, started receiving its compensation from the Corporation and did not receive any compensation from Lantic, other than any annual retainer and/or meeting fees related to the HRCC.

The table below shows the total compensation earned by the directors of Lantic, other than John Holliday, who was not remunerated as a director of Lantic during the year ended September 29, 2018:

Name	Fees earned (\$)		Shared based awards <sup>(2)</sup>	Option-based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total
	Retainer <sup>(1)</sup>	Attendance	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
M. Dallas H. Ross <sup>(3)</sup> .....	9,688	8,250	2,187	—	—	—	—	20,125
Gary M. Collins <sup>(3)</sup> .....	9,063	11,750	1,562	—	—	—	—	22,375
Michael A. Heskin.....	50,163	27,500	21,962	—	—	—	—	99,625
Donald G. Jewell.....	50,163	29,500	21,962	—	—	—	—	101,625
Daniel Lafrance <sup>(3)</sup> .....	8,438	8,750	1,562	—	—	—	—	18,750

Notes

- (1) These amounts represent the portion paid in cash to the named directors.  
(2) These amounts represent the cash value of the retainer paid in Common Shares to the named directors.  
(3) Starting on January 1, 2018, a Director that serves on the Board of the Corporation as well as on the board of directors of Lantic, including the Audit Committee, started receiving its compensation from the Corporation and did not receive any compensation from Lantic, other than any annual retainer and/or meeting fees related to the HRCC.

### Administration of the Corporation

Pursuant to a new Administration Agreement entered into with Lantic following the conversion of Rogers Sugar Income Fund (the “Fund”) to Rogers Sugar Inc. as of January 1, 2011 by way of an arrangement under the *Canada*

*Business Corporations Act* (the “Arrangement”), Lantic provides or arranges for the provision of services required in connection with the administration of the Corporation. See “Statement of Corporate Governance Practices — Administration Agreement”. In consideration of its services, Lantic receives an annual fee of \$50,000 plus certain out-of-pocket expenses. During the year ended September 29, 2018, Lantic, as Administrator, was paid a total of \$50,000.

## **Compensation of the Executives of Lantic**

### ***Compensation Discussion and Analysis***

The HRCC, composed of all of the members of the board of directors of Lantic (with the exception of the President and CEO of Lantic), has been in place since 2004, with the following specific mandate as regards to executive compensation:

- Review and approve any changes to Lantic’s compensation policies and programs; and
- Proceed with a regular review and continued monitoring of the compensation package of the executive leadership team and members of the board of directors of Lantic.

The HRCC’s primary objective for the Lantic executive compensation programs are as follows: to attract, retain and motivate qualified executives who are committed to improving Lantic’s performance and enhancing Shareholder value.

Such objective is achieved by:

- Providing a total compensation that is competitive with the compensation received by executives employed in a group of comparable Canadian companies;
- Ensuring that executive compensation is linked to performance through Lantic’s variable compensation plans where the performance goals are properly balanced in regards to short-term and long-term objectives; and
- Providing executives with long-term equity-based incentive plans, or similar incentive plans such as stock options or performance share units, in order to better align the interests of Lantic’s executives with those of the Shareholders.

In November 2017, a review of the Lantic executive compensation package was undertaken by the HRCC, with the support of Hugessen Consulting.

In proceeding with this exercise, the HRCC reviewed a group of companies deemed to constitute a valid comparator group. In order to ensure an appropriate comparison to current market pay levels, the comparator group was updated based on the following criteria:

- Canadian entities
- “Consumer Staples” industry classification
- Publically-traded entities
- Revenues between \$180 million and \$2.0 billion
- Beta less than 1.00 (i.e. the measure of risk compared to the overall market)

In 2017, the following peer group was reviewed and approved:

AGT Food and Ingredients Inc.	Colabor Group Inc.	Liquor Stores N.A. Ltd.
Andrew Peller Ltd.	High Liner Foods Inc.	Premium Brands Holdings Corp.
Clearwater Seafoods Inc.	Lassonde Industries Inc.	SunOpta Inc.

The HRCC is of the opinion that there are no risks associated with Lantic’s compensation policies and practices that are reasonably likely to have a material effect on Lantic. No executive officer is permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an executive officer.

In fiscal 2016, the HRCC proceeded with a review of the incentive programs in place for executive officers and employees. The goal was to have these programs evolve towards a new structure that will link, in a much greater

proportion, individual payouts to predetermined and measurable goals and objectives. A first phase was approved for fiscal 2016 that modified the weight of group and individual objectives in the determination of short term incentive plan payouts. In fiscal 2017, following the review of the incentive plans, a new Medium Term Incentive Plan (“MTIP”) was approved, which replaced the Short Term Incentive Plan (“STIP”) and the old Long Term Incentive Plan (“Old LTIP”), on a phased approach, for the entire executive leadership team and for a designated group of Senior Managers approved by the HRCC. In November 2017, the HRCC approved a new Long Term Incentive Plan (“New LTIP”) which is comprised of Performance Share Unit Plan (“PSU”) and Share Option Plan. For the year ended September 29, 2018, the incentive plans applicable to the executive leadership team and a designated group of Senior Managers are the MTIP and the New LTIP.

#### Elements of the Executive Compensation Program

The Lantic Executive Compensation Program is comprised of fixed and variable components. The variable components include equity and non-equity incentive plans. Each compensation component has a different function, but all elements work in concert to maximize Lantic’s and individual performance, with a short and a long term perspective, and a sound objective of continuous improvement.

In fiscal 2018, the compensation program consisted of the following four basic components:

- base salary;
- non-equity incentives – consisting of a cash bonus linked to the annual performance of Lantic and the employee, payable over a three year period;
- equity incentives – comprised of performance share units and stock options; and
- other elements of compensation – consisting of benefits, perquisites and retirement benefits.

On November 22, 2017, the Board of Directors of the Corporation and the board of directors of Lantic adopted the PSU Plan, which became an integral component of the equity incentives provided to executive officers with the first three-year cycle starting in fiscal 2018 and ending in fiscal 2020. On December 3, 2018, the Board of Directors of the Corporation and the board of directors of Lantic awarded to executive officers a second three-year cycle starting in fiscal 2019 and ending in fiscal 2021.

Every year and in accordance with its mandate, the HRCC meets to proceed with a review of the performance of each executive (the Chairman of the board of directors of Lantic reporting on the President and CEO’s performance, and the President and CEO reporting on the other executive officers) and decides on different aspects related to compensation, such as base salary reviews, approvals of individual bonus payouts, and determination of the new applicable target/objectives for these programs.

- **Base Salary**

Base salary is based on the executive’s level of responsibility, skills and experience. Assessments are performed regularly, with the assistance of an independent external consulting firm, to determine whether a salary increase is warranted, based upon performance and taking into account the market median.

- **Medium Term Incentive Plan**

In fiscal 2016, the HRCC approved the MTIP for the entire executive leadership team and to designated Senior Managers approved by the HRCC. The MTIP started in fiscal 2017 and replaced the STIP and Old LTIP. MTIP payouts are based on a pro-rata of three criterion, which were and are 50% adjusted earnings before interest and taxes (“Adjusted EBIT”), 10% safety results and 40% individual and group objectives. Individual and group objectives have a component of longer-term objectives. Group objectives for the executive leadership team are approved by the HRCC. Starting in fiscal 2019, the 50% adjusted EBIT component will be replaced by 50% of adjusted earnings before Interest, taxes, depreciation and amortization (“Adjusted EBITDA”).

Each participant has a targeted bonus expressed as a percentage of base salary (the President and CEO at 60% with a maximum at 120%, Vice-Presidents at 40% with a maximum at 80%, Corporate Director, Human Resources, until August 14, 2017, at 30% with a maximum at 60% and designated Senior Managers at 20% with a maximum at 40%). Recommendations for payouts are submitted by the President and CEO to the HRCC for review.

Recommendations for pay-outs to the President and CEO are submitted by the Chairman of the board of directors of Lantic to the HRCC for review. The MTIP payouts are paid over a three-year period, representing 70% in year one, 15% in year two and 15% in year three, as long as the participant remains under Lantic's employment. Upon retirement, any deferred payout is paid to the employee in December following the employee's retirement date.

For fiscal 2017, transitional provisions applied to executives and designated Senior Managers who were participants in the 2015-2017 Old LTIP cycle to ensure their total maximum bonus potential did not exceed the above mentioned percentages (120% for the President and CEO, 80% for Vice-Presidents, 60% for the Corporate Director, Human Resources, until August 14, 2017 and 40% for designated Senior Managers).

- **New Long Term Incentive Plan ("New LTIP")**

On November 22, 2017, the Board of Directors of the Corporation and the board of directors of Lantic adopted a New LTIP which is comprised of a combination of 70% PSU Plan and 30% Share Option Plan, except for the Vice-President Finance, Chief Financial Officer ("CFO") and Secretary, whereby the New LTIP is associated 100% to the PSU Plan.

The purpose of the New LTIP is to provide executive officers, including the named executive officers of Lantic and other subsidiaries of the Corporation and designated Senior Managers, with additional compensation opportunities through the granting of performance share units ("PSUs") and Share Options. The purposes of the New LTIP are to: (i) foster the growth and success of the business of the Corporation in accordance with its vision, (ii) promote a greater alignment of interest between the participants and the Shareholders, (iii) focus participants on, and reward participants for, achieving specific long-term financial goals and performance objectives, (iv) assisting the Corporation in attracting, retaining and rewarding senior management and key employees.

The New LTIP, consisting of PSU grants and Share options, and as applicable, stock appreciation rights, serves to align executive compensation with the Shareholders' interests. Both components of the New LTIP are an important tool to encourage executive officers and designated Senior Managers to deliver the Corporation's business plan and lay the basis for the future, while also limiting the Shareholder dilution created by the use of stock options.

Pursuant to the New LTIP, the Board of Directors of the Corporation, or the HRCC, to the extent it has been delegated the powers conferred to the Board of Directors of the Corporation under the New LTIP, may from time to time by resolution (i) determine the individuals (from among the senior management and employees of the Corporation and any of its subsidiaries) to whom PSUs and Share options may be granted, (ii) fix the number of PSUs and Share option to be granted to each such participant, and (iii) fix the relevant vesting criteria and other conditions of the PSUs and Share options.

For details of the PSU Plan and Share Option Plan, refer to section Share Based Compensation – Performance Share Units and Share Option Plan below.

- **Short Term Incentive Plan**

Starting in fiscal 2011 and until fiscal 2015, the annual incentive program in place was linked 100% to adjusted EBIT, from which, payout targets were determined every year by the HRCC. Effective fiscal 2016, STIP payouts were based on a pro-rata of three criterion, which were 50% adjusted EBIT, 10% safety results and 40% individual and group objectives. Group objectives for the President and CEO and senior executives were approved by the HRCC.

Each executive officer had a targeted annual bonus expressed as a percentage of base salary (the President and CEO at 30% with a maximum at 60%, Vice-Presidents at 20% with a maximum at 40%, and until August 14, 2017, the Corporate Director, Human Resources at 15% with a maximum at 30%). Recommendations for payouts were submitted by the President and CEO to the HRCC for review. Recommendations for pay-outs to the President and CEO were submitted by the Chairman of the board of directors of Lantic to the HRCC for review. Ultimately the STIP payouts operated on a totally discretionary basis, under the HRCC authority, which payout could have exceeded the maximum for any participating member noted above, based upon a final review of the achieved results for both Lantic and the employee.

As of October 1, 2017, the STIP no longer applies to the executive officers and designated Senior Managers as it was replaced by the MTIP.

- **Old Long Term Incentive Plan (“Old LTIP”)**

Starting in fiscal 2009, the Old LTIP was in place for the entire executive leadership team and to a designated group of Senior Managers approved by the HRCC. The Old LTIP provided, through successive three-year overlapping performance cycles, rewards for achieving determined Corporation financial performance objectives. Adjusted EBIT was the applicable factor for the Old LTIP. In addition, for the President and CEO, the Vice-President, Finance, the Vice-President, Operations and the General Managers of each manufacturing operation, the successful completion of capital projects was also an applicable factor.

Each participant had a targeted bonus expressed as a percentage of base salary (the President and CEO at 30% with a maximum at 60%, Vice-Presidents at 20% with a maximum at 40%, the Corporate Director, Human Resources, until August 14, 2017, at 15% with a maximum at 30% and designated Senior Managers at 10% with a maximum at 20%). Recommendations for payouts were submitted by the President and CEO to the HRCC who had full authority to approve the corresponding pay-outs.

The Old LTIP was terminated as of October 1, 2017 and was replaced by the MTIP.

- **Non-International Financial Reporting Standards (“IFRS”) Measures**

Lantic selected adjusted EBIT, and starting in fiscal 2019, adjusted EBITDA as part of a measure for performance goals as it believes it is a fair and accurate representation of Lantic’s profitability that executives can help to influence. Adjusted EBIT and Adjusted EBITDA are a non-IFRS measure and do not have standardized meanings under IFRS.

- **Retirement and pension arrangements**

A defined contribution (“DC”) pension arrangements composed of a basic registered DC pension plan, where Lantic contributes a percentage of each executive base salary (President and CEO at 15% and Vice-Presidents at 12%), subject to the maximum allowed under the *Income Tax Act* (Canada), and a DC SERP for contributions exceeding the allowed maximum is in place for the entire executive leadership team. Contributions to the DC SERP vest gradually and are paid over a three-year period at termination or retirement. The payments, at termination or retirement, are conditional on the executive complying with a three-year non-competition provision.

- **Share Based Compensation / Employee Share Purchase Plan (“ESPP”) / Share Holding Policy**

Four programs are in place to better align the interests of executives and designated Senior Managers of Lantic with those of the Shareholders:

- **Share Based Compensation**

- a) Performance Share Units**

The PSU component of the New LTIP has a performance cycle consisting of three financial years of the Corporation (a “Performance Cycle”), unless otherwise determined by the Board of Directors of the Corporation. At the time of PSU grants, the Board of Directors of the Corporation determines at its sole discretion the vesting conditions (the “Vesting Conditions”) which must be met by the Corporation. Following the end of a Performance Cycle, the Board of Directors of the Corporation will determine, and to the extent only that the Vesting Conditions include financial conditions, concurrently with the release of the Corporation’s financial and/or operational results for the fiscal year ended at the end of the Performance Cycle, whether the Vesting Conditions for the PSUs granted to a participant relating to such Performance Cycle have been achieved. Depending on the achievement of the Vesting Conditions, between 0% and 200% of the PSUs will become vested. The Board of Directors of the Corporation has the discretion to determine that all or a portion of the PSUs granted to a participant for which the Vesting Conditions have not been achieved shall vest to such participant. Dividends declared on Common Shares are converted into a dollar equivalent of PSUs, based on the closing value of the Common Share price on the dividend record date and are added to the number of PSUs granted.

The following table outlines the Vesting Conditions of the Performance Cycle:

Performance Cycle	Grant Date	Vesting conditions	Performance results
2018 - 2020	December 4, 2017	Range of TSR <sup>(1)</sup> : 10% - 12.99% 13% - 15.9% 16% and higher	0% to 99% 100% to 199% 200%

Note

<sup>(1)</sup> The Total Shareholder Return (“TSR”) is measured in absolute performance by taking into consideration the sum of the compounded share price appreciation and the dividend yield. The three-year cycle is divided into four components: each individual year weighing 15%, for an aggregated total of 45% and the full three-year period weighting 55% of the total performance results. Each component is calculated using the TSR results and is always measured on a compounded basis, using the Common Share price of the grant date regardless of the share price at the beginning of year 2 and 3. In other words, the TSR targets are set at the time of grant for the three-year performance period, but each year’s performance is separately measured to reduce the impact of a single year’s performance. The TSR performance results are equal to the sum of all four components as follows: all reinvested per-share dividends declared on Common Shares during a given year + the variation of the Common Share Price between the grant date and the end for the year / Common Share Price at the grant date. PSUs are automatically forfeited and cancelled if the Corporation decreases dividend paid on common shares.

The following table outlines the Common Share price required at the end of each year in order to meet the Vesting Conditions of the Performance Cycle for each component:

Performance Cycle	Year 1 (15%) <sup>(1)</sup>	Year 2 (15%) <sup>(1)</sup>	Year 3 (15%) <sup>(1)</sup>	Year 1 to 3 (55%) <sup>(1)</sup>
2018 - 2020	Minimum: \$6.61 <sup>(2)</sup> Target: \$6.80 Maximum: \$6.99	Minimum: \$7.31 Target: \$7.74 Maximum: \$8.17	Minimum: \$8.08 Target: \$8.79 Maximum: \$9.54	Minimum: \$8.08 Target: \$8.79 Maximum: \$9.54

Note

<sup>(1)</sup> Assumes no change in the current annual dividend payment of \$0.36 per share

<sup>(2)</sup> The volume weighted average price as at September 29, 2018 was \$5.60.

The value to be paid-out to each participant will be equal to the result of: the number of PSUs granted to the participant which have vested, multiplied by the volume weighted average closing price (“VWAP”) of the Common Shares on the Toronto Stock Exchange (the “TSX”) for the five trading days immediately preceding the day on which the Corporation shall pay the value to the participant under the PSU Plan, and such date will in no event occur after December 31 of the third calendar year following the calendar year in which the PSUs are granted.

The PSU Plan provides certain rules, subject to the discretion of the Board of Directors of the Corporation, for the vesting and/or cancellation of PSUs in the case of termination of employment for cause, by reason of death, disability, by reason of retirement and other circumstances of termination.

The PSU Plan further provides that in the event of a change of control, the Board of Directors of the Corporation has discretion with respect to the treatment of PSUs, which could result in substitution grants under a new entity. A change of control is defined as the occurrence of any or more of the following events: (i) the acquisition of ownership, directly or indirectly, beneficially or of record, by any person or combination of persons acting jointly or in concert with each other, of Common Shares representing more than 50% of the aggregate voting rights represented by the issued and outstanding Common Shares, (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets, rights or properties of the Corporation and/or its subsidiaries to any other person or entity, other than a disposition to a wholly-owned subsidiary of the Corporation in the course of a reorganization of the business or assets of the Corporation and/or its subsidiaries, (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation, (iv) as a result of or in connection with (A) a contested election to the Board of Directors of the Corporation, or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its subsidiaries and another person or entity, or (v) the Board of Directors of the Corporation adopts a resolution to the effect that a change of control as defined in the PSU Plan has occurred or is imminent.

Should the participant’s employment be terminated for cause or by voluntary resignation, all PSUs, whether or not vested, will be immediately forfeited and cancelled. If a participant is terminated other than for cause, all PSUs not yet vested will be immediately forfeited and cancelled unless the Board of Directors of the Corporation determines, in its sole discretion, that the PSUs granted to such Participant continue to vest in accordance with the original vesting schedule and be subject to the original Vesting Conditions as at the end of the Performance Cycle. If a participant ceases to be an executive officer or employee as a result of a retirement, all PSUs will continue to vest in accordance with in the original vesting schedule and be subject to the original Vesting Conditions as at the end of the Performance



Cycle. For terminations by reason of disability, the participant will be entitled to prorated vesting based on the number of months elapsed in the Performance Cycle to the day of the disability. The pro-rated PSUs will be determined by dividing the number of days actually worked before the day of the disability by the number of days included in the original vesting schedule, in addition to the achievement of the Vesting Conditions as at the end of the Performance Cycle. If a participant ceases to be an executive officer or employee as a result of death, all PSUs not yet vested will immediately vest and be settled as soon as possible with the succession of such participant.

If within the 36 months following the settlement of PSUs, the Corporation's financial statements are subject to material restatement due to a serious misconduct, fraud or gross negligence of an employee of the Corporation, the Board of Directors the Corporation may, at its sole discretion, review the Vesting Conditions, if applicable, and/or the market value of PSUs paid-out and recalculate such value to reflect the materially restated financial statements, following which the participant will be responsible to reimburse the Corporation for any excess after-tax amount received and conversely, the Corporation will be responsible to compensate the participant for any shortfall in the amount previously paid, unless the Board of Directors of the Corporation, in its sole discretion, decides otherwise, for example if the excess or shortfall amounts are not significant.

As of September 29, 2018, an aggregate of 235,052 PSUs were outstanding.

#### **b) Share Option Plan**

On July 1, 2005, the Fund established a unit option plan providing for a maximum of 850,000 units to be granted, at the trustees' discretion, for the purpose of attracting, retaining and motivating employees recognized as key service providers to Lantic. On January 1, 2011, the 450,000 options outstanding under the unit option plan were transferred to a share option plan (the "Share Option Plan") on a one-for-one basis. On January 29, 2015, the Share Option Plan was amended to increase the maximum number of Common Shares which may be issued under the Share Option Plan from 450,000 to 4,000,000. The Share Option Plan is administered by the Board of Directors of the Corporation. Pursuant to the terms of the Share Option Plan, as amended, options to purchase Common Shares ("Options") may be granted to senior personnel of the Corporation and its affiliates (the "Corporate Group"), certain corporations controlled by such individuals and family trusts of which such individuals and/or their spouse, minor children or grandchildren are beneficiaries (each, an "Eligible Person") as determined by the Board of Directors of the Corporation from time to time.

The Share Option Plan provides that, subject to any adjustments in accordance with its terms, the price at which Common Shares may be purchased under Options shall in no circumstances be lower than the volume weighted average trading price of the Common Shares on the TSX for the five (5) days immediately preceding the date of the grant of the Options. In no event may the term of an Option exceed ten (10) years from the date of the grant thereof.

The aggregate number of Common Shares reserved for issuance upon the exercise of all Options granted under the Share Option Plan, subject to adjustment pursuant to anti-dilution provisions, shall not exceed 4,000,000 Common Shares, representing approximately 3.81% of the issued and outstanding Common Shares. The aggregate number of Common Shares reserved for issuance at any time to any one optionee shall not exceed five percent (5%) of the number of Common Shares outstanding on a non-diluted basis at such time, less the total of all Common Shares reserved for issuance to such optionee pursuant to any other share compensation arrangement of the Corporate Group. The aggregate number of Common Shares issuable (or, reserved for issuance) to insiders of the Corporate Group under the Share Option Plan or any other share compensation arrangement of the Corporate Group, cannot at any time exceed ten percent (10%) of the issued and outstanding Common Shares. The aggregate number of Common Shares issued to insiders of the Corporate Group under the Share Option Plan or any other share compensation arrangement of the Corporate Group, within a one-year period, cannot exceed ten percent (10%) of the issued and outstanding Common Shares.

An Option or interest therein is personal to each optionee and is non-assignable other than by will or the law of succession (or to certain corporations controlled by the individual or family trusts, subject to the approval of the Board of Directors of the Corporation), nor shall an Option be hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity. An Option, and all rights to purchase Common Shares pursuant thereto, shall expire and terminate immediately upon the optionee ceasing to be an Eligible Person. If, before the expiry of an Option, the employment of the optionee shall terminate for any reason whatsoever other than termination for cause, but including termination by reason of the death of the optionee, such Option may, subject to the terms thereof, be

exercised, if the optionee is deceased, by the legal personal representative(s) of the estate of the optionee during the first year following the death of the optionee, or if he or she is alive, by the optionee, at any time within three (3) months of the date of termination of the employment of the optionee (but in either case prior to the expiry of the Option), but only to the extent that the optionee was entitled to exercise such Option at the date of the termination of his or her employment. Subject to the rules of any securities exchange or other governmental or regulatory body, the Board of Directors of the Corporation may, by resolution, decide that any of the provisions hereof concerning the effect of ceasing to be an Eligible Person shall not apply to any optionee for any reason acceptable to the Board of Directors of the Corporation. Furthermore, at the time an optionee ceases to be an Eligible Person for any reason, the Board of Directors of the Corporation shall have the right to extend the period of time over which any Option is exercisable; provided, however, that (i) if such period of time exceeds the maximum period of time permitted as described above, such extension shall be subject to any required consent or approval of any securities exchange or other governmental or regulatory body; or (ii) if such extension benefits an insider of the Corporation, such extension shall be subject to the approval of the Shareholders. In the event the Corporation proposes to consolidate, merge or amalgamate with any other trust or entity (other than a wholly-owned entity) or to distribute all of its assets or to liquidate, dissolve or wind-up, or in the event an offer to purchase or repurchase the Common Shares or any part thereof shall be made to all or substantially all Shareholders, including, without limitation, a take-over bid (collectively, an "Acceleration Event"), the Board of Directors of the Corporation may, in its sole discretion, give notice in writing to each optionee advising such optionee that all Options (whether vested or unvested) may be exercised in whole or in part by the optionees, upon the conditions determined by the Board of Directors of the Corporation in its sole discretion, and any Options not so exercised shall automatically expire, provided, however, that, if the Acceleration Event is not completed, the Common Shares issued pursuant to the exercise of Options in accordance with this provision shall be returned by the optionee to the Corporation and reinstated as authorized unissued Common Shares and the initial terms of the Options hereof shall apply again to such Options.

In the event of the sale by the Corporation of all or substantially all of the assets of the Corporation as an entirety or substantially as an entirety so that the Corporation shall cease to operate as an active business, any outstanding Option may be exercised as to all or any part of the Common Shares subject to Options in respect of which the optionee would have been entitled to exercise the Option in accordance with the provisions of the Share Option Plan at the date of completion of any such sale at any time up to and including, but not after the earlier of: (i) the close of business on that date which is thirty (30) days following the date of completion of such sale; and (ii) the close of business on the expiration date of the Option; but the optionee shall not be entitled to exercise the Option with respect to any other Common Shares subject to Options.

Subject to the rules of the TSX or other governmental or regulatory body, the Board of Directors of the Corporation may, by resolution, advance the date on which any Option may be exercised or extend the expiration date of any Option; provided, however, (i) that an extension of the term of an Option benefiting an insider of the Corporation requires the approval of the Shareholders; and (ii) that the period during which an Option is exercisable does not exceed ten (10) years from the date the Option is granted. The Board of Directors of the Corporation may, subject to the prior approval of, or acceptance by, the TSX and any other governmental or regulatory body, amend or discontinue the Share Option Plan at any time; provided, however, that no such amendment may increase the maximum number of Common Shares that may be optioned under the Share Option Plan, change the manner of determining the minimum exercise price or, without the consent of the optionee, materially and adversely affect any Option previously granted to an optionee, except to the extent required by law. Notwithstanding the foregoing, (i) a reduction in the exercise price of an Option benefitting an insider of the Corporation, (ii) an extension of the expiration date of an outstanding Option benefitting an insider of the Corporation, (iii) any amendment to remove or to exceed the insider participation limits specified in the Share Option Plan, (iv) any amendment which would permit Options to be transferable or assignable other than for normal estate settlement purposes and other than as specified in the Share Option Plan, or (v) any amendment to the Share Option Plan so as to increase the ability of the Board of Directors of the Corporation to amend the Share Option Plan without shareholder approval, may not be made without the approval of the Shareholders (excluding the votes of securities held directly or indirectly by insiders benefiting from the amendment, as the case may be), provided that an adjustment to the exercise price of an Option subject to any applicable regulatory requirements, shall not require approval of the Shareholders.

- **Common Shares Authorized for Issuance under the Share Option Plan**

Share Option Plan Category	Number of Shares to be Issued upon Exercise of Options, as at September 29, 2018	Weighted-average Exercise Price of Options as at September 29, 2018 (\$)	Number of Common Shares Remaining Available for Future Issuance under Option-based Compensation Plans, Excluding Securities Reflected in First Column, as at September 29, 2018
Share Option Plan approved by Shareholders	2,275,322 <sup>(1)</sup>	5.65	1,404,678

Note

(1) Since January 1, 2011, 320,000 Options have been exercised and 210,000 Options were forfeited.

**b) Stock Appreciation Rights**

In fiscal 2017, share appreciation rights (“SARs”) were created pursuant to an agreement between the Corporation and Vice President Finance, CFO and Secretary of Lantic. The Vice President Finance, CFO and Secretary of Lantic is the only participant who can receive SARs. The SARs operate under the same terms and conditions as the Share Option Plan, except for the following: (i) the amount payable upon exercise of each vested SAR is equal to the excess of (A) the five-day volume weighted average trading price of a Common Share at the time of exercise, over (B) the price at the date of grant of the SARs, (ii) a total of 20% of SARs granted will vest on each of the first, second, third, fourth and fifth anniversaries of the date of grant (each, a “SAR Vesting Date”), subject also to Rolled SARs (as defined below), (iii) each vested SAR will be automatically exercised upon its SAR Vesting Date, (iv) if the amount payable upon exercise of a SAR at such SAR Vesting Date is negative, then such SAR will not be exercisable; instead, the exercise of such SAR (a “Rolled SAR”) will be deferred to the next SAR Vesting Date, at which time all vested SARs, including Rolled SARs, will be automatically exercised, subject to the provisions of the agreement governing the SARs.

As of September 29, 2018, there were 125,000 SARs granted at a price of \$6.51 per SAR. On December 5, 2018, the second Vesting Date, the calculation of appreciation of the SARs was negative and therefore, 50,000 SARs were deferred to the next SAR Vesting Date of December 5, 2019.

- **ESPP**

Effective July 1, 2016, the Corporation and Lantic established the ESPP whereby an employee can contribute, in increments of \$500, up to a maximum of \$2,000 annually, to purchase Common Shares in the open market. Under the ESPP, Lantic agrees to match the employee contribution at a rate of 20%.

- **Share Holding Policy**

This policy allows the HRCC to require executives and designated Senior Managers to acquire, within a five-year period, a certain number of Common Shares corresponding in value to a percentage of base salary (the President and CEO at 100%, Vice-Presidents at 50%, and a designated group of Senior Managers at 10%).

- **Perquisites and other benefits**

A Group Registered Retirement Saving Plan (“RRSP”) is in place for all employees, whereby Lantic contributes 3% of the employee’s salary and matches at a pro-rata of 50% the employee’s contribution for a total maximum employer contribution of 6%. Lantic contributed to the RRSP of Lantic’s Corporate Director, Human Resources until Mr. Khalil’s promotion to Vice-President, Human Resources on August 14, 2017.

Group insurance programs are aligned with the group insurance programs offered to all other employees of Lantic. In addition, car allowances are given to certain Lantic executives and to some other designated employees.

### ***Share-based awards***

In fiscal 2018, 224,761 PSUs were granted on December 4, 2017. Dividends declared on Common Shares are converted into a dollar equivalent of PSUs, based on the closing value of the Common Share price on the dividend record date, representing an additional 10,291 PSUs to be added to the fiscal 2018 grant. In aggregate, 235,052 PSUs were therefore granted in fiscal 2018. In addition, on December 3, 2018, 258,861 PSU were granted.

### ***Option-based awards***

In fiscal 2018, 1,065,322 Share Options were granted. In addition, on December 3, 2018, 447,176 Share Options were granted.

### ***Compensation Governance***

The members of the HRCC are:

M. Dallas H. Ross  
Gary M. Collins  
Michael A. Heskin  
Donald G. Jewell  
Daniel Lafrance

Messrs. Ross, Collins and Lafrance are independent members of the HRCC.

Despite the fact that no member carries a direct and thorough expertise on the subject of executive compensation, they are all seasoned businessmen who have, at numerous occasions during their career, dealt with compensation matters.

The HRCC has, since its inception in 2004, relied on an independent consulting firm, Willis Towers Watson, and in fiscal 2017, Hugessen Consulting, to provide the necessary data and observations for the HRCC to decide on changes or modifications to the executive compensation package. The HRCC has also, since inception, relied on Lantic's President and CEO and Vice-President, Human Resources or other executive assuming similar functions, to provide the necessary business/operational information and financial information for the HRCC to decide on targets and payouts for the STIP, Old LTIP, New LTIP and MTIP. Finally, the HRCC has, since inception, relied on Lantic's President and CEO for a report on the performance of each executive for the year, and on the Chairman of the board of directors of Lantic for a report on the performance of the President and CEO of Lantic.

Executives have no other role in the determination of executive compensation.

Hugessen Consulting is the only firm that provided services in support of the HRCC activities during fiscal 2017 and 2018. Hugessen Consulting did not provide any other services to Lantic.

The following table outlines the fees paid to Hugessen Consulting for services provided during fiscal 2017 and 2018:

<b><u>Consultant</u></b>	<b><u>Fee category</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Hugessen Consulting	Executive compensation-related fees	\$—	\$81,000
	All other fees	—	—

The Board of Directors of the Corporation and the HRCC do not have to pre-approve the consulting services that are not related to executive compensation.

## Summary Compensation Table

The following table sets forth information concerning the compensation of named executive officers of Lantic for services rendered during the fiscal years ended September 29, 2018, September 30, 2017 and October 1, 2016.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards <sup>(8)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
			New LTIP	New LTIP	Annual incentive plans <sup>(1)</sup>	Old LTIP <sup>(2)</sup>			
JOHN HOLLIDAY President and CEO	2018	465,578	562,183 <sup>(7)</sup>	73,645	252,000	—	69,900	—	1,423,306
	2017	429,230	—	63,274	242,888	264,000	64,500	—	1,063,892
	2016	400,000	—	—	188,000 <sup>(3)</sup>	145,000 <sup>(3)</sup>	60,000	—	793,000
MANON LACROIX Vice-President, Finance, CFO & Secretary	2018	272,596	280,001 <sup>(7)</sup>	—	100,000	—	32,800	—	685,397
	2017	250,481	53,652 <sup>(9)</sup>	—	138,277	101,000	30,100	—	573,510
	2016	240,000	—	—	100,000	—	28,800	—	368,800
PATRICK DIONNE <sup>(4)</sup> Vice-President, Operations and Supply Chain	2018	280,000	147,003 <sup>(7)</sup>	19,256	100,000	—	33,600	—	579,859
	2017	129,231	—	—	123,872 <sup>(5)</sup>	—	15,500	20,000 <sup>(5)</sup>	288,603
MICHAEL W. WALTON Vice-President, Sales & Marketing	2018	314,143	292,947 <sup>(7)</sup>	38,375	120,000	—	36,900	—	802,365
	2017	295,154	—	63,274	113,560	120,000	35,500	—	627,488
	2016	280,250	—	—	133,000	—	33,600	—	446,850
JEAN-FRANÇOIS KHALIL <sup>(6)</sup> Vice-President, Human Resources	2018	225,000	118,127 <sup>(7)</sup>	15,474	80,000	—	27,000	—	465,601
	2017	193,385	—	25,310	79,024	53,438	3,100	10,066 <sup>(10)</sup>	364,323
	2016	181,000	—	—	50,000	—	—	10,864 <sup>(10)</sup>	241,864

### Notes

- (1) Bonus payouts earned for a particular year were payable the following year until fiscal 2016. Starting in fiscal 2017, bonus payouts are payable 70% the following year and 15% each of the subsequent two years. Please refer to the above section “Compensation of the Executives of Lantic – Elements of the Executive Compensation Program” for a description of the applicable STIP and/or MTIP.
- (2) Bonus payouts earned for a particular cycle were payable in the year immediately following the last year of the cycle. For example bonus payouts earned for the 2015-2017 cycle was paid in fiscal 2018. Please refer to the above section “Compensation of the Executives of Lantic – Elements of the Executive Compensation Program” for a description of the applicable Old LTIP.
- (3) Mr. Holliday’s annual incentive and long-term incentive for fiscal 2016 were based on his employment contract.
- (4) Mr. Dionne was appointed Vice-President, Operations on April 17, 2017 and Vice-President, Operations and Supply Chain on August 5, 2017.
- (5) Mr. Dionne’s annual incentive and other compensation for fiscal 2017 were based on his employment contract.
- (6) Mr. Khalil was appointed Corporate Director, Human Resources on November 1, 2015, and Vice-President, Human Resources on August 14, 2017.
- (7) For the purpose of calculating the fair value of the PSU award on the grant date, a 100% payout was assumed. Such fair value equals the number of PSUs granted multiplied by the VWAP for the Common Shares on the TSX during the five trading days prior to the grant date, which was \$6.23 for fiscal 2018. See the Share Based Compensation – Performance Share Units section for more details on the PSU grant and the vesting conditions. These amounts do not constitute cash amounts received by the named executive and represent an at-risk value that may or may not be paid at the end of the 3-year cycle and as such, may never be realized. In fact, the accounting compensation expense to the Corporation of the PSUs for the fiscal year ended September 29, 2018 is zero. As detailed in the above section Share Based Compensation – Performance Share Units, the share price would need to reach a minimum of \$8.08 at the end of the 3-year cycle for the fair value expressed herein to materialize. See above section “Compensation of the Executives of Lantic – Elements of the Executive Compensation Program” for a description of the Performance Share Units.

(8) In determining the fair value at grant date of the options granted, the Black-Scholes model was used with the following assumptions:

	<b>2018</b>	<b>2017</b>	<b>2016</b>
Expected volatility (weighted average volatility)	16.194% to 17.640%	16.520% to 18.490%	—
Option life (expected weighted average life)	4 to 6 years	4 to 6 years	—
Expected dividends	5.71%	5.43%	—
Weighted average risk-free interest rate (based on government bonds)	1.647% to 1.760%	0.923% to 1.156%	—

The methodology used to calculate the fair value of the options granted is the same as the one used for financial reporting. Management believes that the Black-Scholes model used is adequate considering the relatively short contractual lives of the options granted and the world reputation of the model.

(9) In determining the fair value at grant date of the SARs granted, the Black-Scholes model was used with the following assumptions:

	<b>2018</b>	<b>2017</b>	<b>2016</b>
Expected volatility (weighted average volatility)	—	16.520% to 18.670%	—
SARs life (expected weighted average life)	—	2 to 6 years	—
Expected dividends	—	5.43%	—
Weighted average risk-free interest rate (based on government bonds)	—	0.740% to 1.160%	—

The methodology used to calculate the fair value of the SARs granted is the same as the one used for financial reporting. Management believes that the Black-Scholes model used is adequate considering the relatively short contractual lives of the SARs granted and the world reputation of the model.

(10) This corresponds to Lantic’s contributions made to the named executive officer’s Group RRSP account.

### ***Incentive Plan Awards***

The following table presents, for each named executive officer of Lantic, all of the option-based grants outstanding at the end of fiscal 2018 (see above section “Compensation of the Executives of Lantic – Elements of the Executive Compensation Program” for a description of the Share Option Plan).

Name	Grant year	Option-based Awards			Share-based Awards		
		Number of securities underlying unexercised options <sup>(1)</sup> (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(2)</sup> (\$)	Number of shares or units of shares that have not vested <sup>(4)</sup> (#)	Market or payout value of share-based awards that have not vested (\$)
	2015	490,000	4.59	May 22, 2025	323,000	n/a	n/a
JOHN HOLLIDAY	2016	30,000	6.51	December 5, 2026	—	n/a	n/a
	2017	—	6.23	December 4, 2027	n/a	90,238	— <sup>(5)</sup>
MANON LACROIX	2016	n/a	n/a	n/a	n/a	125,000 <sup>(3)</sup>	—
	2017	n/a	n/a	n/a	n/a	44,944	— <sup>(5)</sup>
PATRICK DIONNE	2017	—	6.23	December 4, 2027	n/a	23,596	— <sup>(5)</sup>
	2012	80,000	5.61	March 19, 2022	—	n/a	n/a
MICHAEL W. WALTON	2016	30,000	6.51	December 5, 2026	—	n/a	n/a
	2017	—	6.23	December 4, 2027	n/a	47,022	— <sup>(5)</sup>
JEAN-FRANÇOIS KHALIL	2016	12,000	6.51	December 5, 2026	—	n/a	n/a
	2017	—	6.23	December 4, 2027	n/a	18,961	— <sup>(5)</sup>

Notes

- (1) These amounts correspond to the outstanding vested option-based awards at the end of fiscal 2018.
- (2) These amounts corresponds to the aggregate value that would have been realized if the options had been exercised on September 29, 2018, based on the difference between the closing price of the Common Shares on the TSX of \$5.54 and the exercise price on such date. This value has not been, and may never be realized. The actual gain, if any, will depend on the value of the Common Shares on the dates the options are exercised.
- (3) This amount corresponds to the number of SARs that have not vested at the end of fiscal 2018. Ms. Lacroix is the only named executive officer who is eligible to receive Stock Appreciation Rights.
- (4) Except for the fiscal 2016 grant for Ms. Lacroix, these amounts correspond to the number of PSUs that have not vested at the end of fiscal 2018.
- (5) The market value of the PSUs granted in 2017 was nil as at September 29, 2018, given that the VWAP for the Common Shares on the TSX during the five trading days prior to September 29, 2018 was \$5.60, which is below the minimum threshold of the vesting condition. The actual gain, if any, will depend on the value of the Common Shares on the vesting date of each component year. See above section “Compensation of the Executives of Lantic – Elements of the Executive Compensation Program” for a description of the Performance Share Units.

The following table presents, for each named executive officer of Lantic, the value of Options that have become vested during fiscal 2018 (see above section “Compensation of the Executives of Lantic – Elements of the Executive Compensation Program” for a description of the Share Option Plan). In fiscal 2018, Lantic provided a share-based award in the form of a PSU Plan. However, given the nature of the PSU Plan (see above section “Compensation of the Executives of Lantic – Elements of the Executive Compensation Program” for a description of the Performance Share Unit Plan), there is no vesting or value earned under such plan until the three-year cycle has been completed and the TSR has been calculated.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
JOHN HOLLIDAY	122,400	n/a	252,000
MANON LACROIX	n/a	—	100,000
PATRICK DIONNE	n/a	n/a	100,000
MICHAEL W. WALTON	—	n/a	120,000
JEAN-FRANÇOIS KHALIL	—	n/a	80,000

Notes

- <sup>(1)</sup> The options automatically vest at a rate of 20%, on each of the first five anniversaries of their date of grant. This value corresponds to the difference between the closing price of the Common Shares on the TSX and the exercise price on such vesting date. This value has not been, and may never be realized. The actual gain, if any, will depend on the value of the Common Shares on the dates the options are exercised.

### ***Pension***

On July 1, 2007, a new DC arrangement (the “DC Arrangement”) was implemented, to which Lantic contributes 12% of the member’s base salary (15% for the President and CEO), is funded up to the maximum allowed under the *Income Tax Act* (Canada) through a basic defined contribution arrangement (the “Basic DC Arrangement”), with the remainder provided through the DC SERP, which is not funded. Lantic’s notional contributions under the DC SERP are adjusted each year with investment income, which can be negative, based on average mutual fund returns as determined in accordance with the DC SERP rules.

Mr. John Holliday was appointed President and CEO, effective May 1, 2015. Mr. Holliday immediately joined the Basic DC Arrangement and the DC SERP.

Ms. Manon Lacroix was appointed Vice-President, Finance & Secretary, effective August 4, 2013. Ms. Lacroix immediately joined the Basic DC Arrangement and the DC SERP. Prior to that, Ms. Lacroix participated in the DC pension arrangement for employees in the Eastern operations.

Mr. Patrick Dionne was appointed Vice-President, Operations, effective April 17, 2017. Mr. Dionne immediately joined the Basic DC Arrangement and the DC SERP.

Mr. Michael W. Walton was appointed Vice-President, Sales & Marketing, effective April 4, 2011. Mr. Walton immediately joined the Basic DC Arrangement and the DC SERP. Prior to that, Mr. Walton participated in the DC pension arrangement for employees in the Eastern operations.

Mr. Jean-François Khalil was appointed Vice-President, Human Resources, effective August 14, 2017. Mr. Khalil immediately joined the Basic DC Arrangement and the DC SERP. Prior to that, Mr. Khalil participated in the DC pension arrangement for employees in the Eastern operations.

### ***Defined Contribution Plans***

The following table illustrates, for each concerned named executive officer, the estimated accumulated value in the applicable DC arrangement and compensatory changes in the accumulated value from September 30, 2017 to September 29, 2018.

<b>Named Executive Officer</b>	<b>Accumulated Value at Start of Year (\$)</b>	<b>Compensatory Change (\$)</b>	<b>Accumulated Value at Year End (\$)</b>
John Holliday <sup>(1)</sup>	163,300	69,900	247,700
Manon Lacroix <sup>(1)</sup>	130,700	32,800	176,800
Patrick Dionne <sup>(1)</sup>	18,800	33,600	49,900
Michael W. Walton <sup>(1)</sup>	263,300	36,900	334,200
Jean-François Khalil <sup>(1)</sup>	3,200	27,000	30,900

Note

- <sup>(1)</sup> A portion of the notional SERP benefits will not be vested if employment terminates before the age of 60.

Employer contributions to non-registered savings accounts and Group RRSP accounts are not considered pension benefits. Therefore, Lantic’s contributions to Mr. Khalil’s Group RRSP account prior to his nomination as Vice-President, Human Resources are not included in the table above, and are reported instead as “All Other Compensation” in the Summary Compensation Table.

Compensatory changes are employer contributions for the period from September 30, 2017 to September 29, 2018. Non compensatory changes, which are not shown, include employee contributions, benefit payments and interest credited during the period.



### ***Termination and Change of Control Benefits***

Lantic is party to employment agreements with each of its executives, providing for the conditions mentioned in the above section “Elements of the Executive Compensation Program”. Some of the employment agreements also contain provisions with regards to termination and change of control.

#### John Holliday’s Employment Agreement

On February 2, 2015, Lantic entered into an employment agreement (the “Holliday Employment Agreement”) with Mr. John Holliday, pursuant to which Mr. Holliday was appointed as President and CEO of Lantic. The Holliday Employment Agreement provides that if Mr. Holliday’s employment is terminated by Lantic without cause, Mr. Holliday is entitled to an amount equal to two times his annual base salary. In the event of a “change of control” of the Corporation and Lantic, Mr. Holliday may elect to terminate his employment relationship with Lantic within six (6) months from the date of the change of control, and in such an event, is entitled to receive an amount equal to two times his annual base salary. For the purposes of the Holliday Employment Agreement, “change of control” means the sale of more than 50% of the business, whether the sale occurs by acquisition of Common Shares or by asset purchases, provided that a change of control will not be triggered where the sale of Common Shares or assets takes place within the current organizational structure or current ownership group, affiliated companies, or principals for the purpose of internal reorganization.

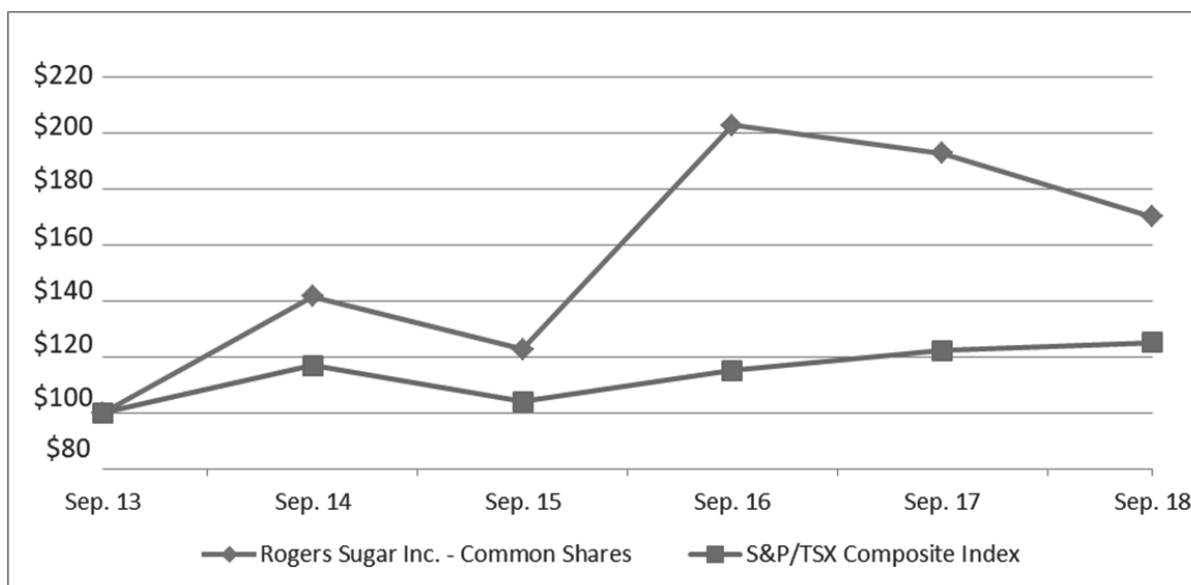
<u>Named Executive Officer</u>	<u>Change of control Provisions Value<sup>(1)</sup></u>	<u>Termination Provisions Value<sup>(1)</sup></u>
John Holliday	\$950,000	\$950,000

Note

<sup>(1)</sup> The values assume that the triggering event took place on the last business day of Lantic’s fiscal year-end (September 29, 2018).

### **Performance Graph**

The following graph compares the total return for \$100 invested in Common Shares (or trust units of the Fund) for the Corporation’s last five most recently completed financial years with the total return of the S&P/TSX Composite Index, assuming reinvestment of distributions.



	SEPT. 13	SEPT. 14	SEPT. 15	SEPT. 16	SEPT. 17	SEPT. 18
Rogers Sugar Inc. – Common Shares	\$100.00	\$141.82	\$122.76	\$202.85	\$192.99	\$170.23
S&P/TSX Composite Index	\$100.00	\$117.00	\$104.06	\$115.16	\$122.27	\$125.33

The trend in the above performance graph shows that from fiscal 2013 to 2015, the Common Shares were substantially tracking the S&P/TSX Composite Index. In fiscal 2016, there was a substantial increase in the cumulative shareholder return, when compared to the S&P/TSX Composite Index, while the cumulative shareholder return decreased the subsequent two years, as opposed to a slight increase for the S&P/TSX Composite Index. The levels of total compensation of named executive officers have also generally increased over the same period, although not at the same pace as shareholder returns.

## **7. INDEBTEDNESS OF THE DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES**

None of the directors, executive officers, employees or former directors, executive officers or employees of the Corporation, Lantic or any of its subsidiaries, as applicable, the proposed nominees for election as Directors or directors of Lantic, or any of their associates, is, or has been at any time since the beginning of the fiscal year ended September 29, 2018, indebted (other than routine indebtedness) to the Corporation or any of its subsidiaries or any of their associates or affiliates, or has indebtedness (other than routine indebtedness) to another entity that is, or has been at any time since the beginning of the fiscal year ended September 29, 2018, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, Lantic or any of its subsidiaries.

## **8. STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The Directors and the members of the board of directors of Lantic are aware of their responsibility for corporate governance and recognize the importance of enhancing corporate governance practices at both the Corporation and Lantic levels. As part of the Corporation's commitment to effective corporate governance, the Board of Directors of the Corporation, with the assistance of its Nominating and Governance Committee, monitors changes in corporate governance practices and regulatory requirements.

Under National Instrument 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators (“NI 58-101”), the Corporation is required to disclose certain information relating to its corporate governance practices. This information is set out in Schedule A to this Information Circular.

The Corporation is created to hold securities, including the common shares and notes of Lantic. The Corporation's principal activity is to distribute to Shareholders earnings the Corporation receives from Lantic. Lantic is the leading refiner, processor, distributor and marketer of sugar products in Western Canada and is one of two refiners of sugar products in Eastern Canada. In addition to being an operating Corporation, Lantic also holds all of the issued and outstanding shares of L.B. Maple Treat Corporation (“LBMT”), one of the world's largest branded and private label maple syrup bottling and distribution companies. The Corporation does not conduct any active business and the role of the Directors is primarily to act on behalf of the Corporation as shareholder and noteholder of Lantic and to manage the limited affairs of the Corporation. Arrangements have been made under a number of agreements for the governance of the Corporation and Lantic, management of Lantic and the administration of the affairs of the Corporation. These arrangements are discussed below and the governance practices of the Corporation and Lantic in relation to the disclosure requirements of NI 58-101, taking into account the particular structure of the Corporation and Lantic, are discussed in Schedule A to this Information Circular.

### **Governance Agreements**

Under the terms of the Fund governance agreement (the “Fund Governance Agreement”) dated March 8, 2002 between the Fund, Onex Corporation and Belkin Enterprises Ltd. (“Belkin Enterprises”), the Fund was required to nominate for election as trustees at each annual meeting of the Fund one nominee of Onex Corporation and one nominee of Belkin Enterprises, provided that they each beneficially own or exercise control or direction over, directly

or indirectly, at least five percent (5%) of the outstanding units of the Fund. As a consequence of the closing of a secondary offering of units of the Fund on July 4, 2003, Onex Corporation's direct and indirect ownership of units of the Fund fell below five percent (5%) of the outstanding units of the Fund on a fully-diluted basis. As a result, the Fund was no longer obligated to nominate for election as a trustee at each annual meeting of the Fund one nominee of Onex Corporation. However, Belkin Enterprises continued to hold greater than five percent (5%) of the outstanding units on a fully-diluted basis and, therefore, the Fund continued to be obligated to nominate for appointment as a trustee at each annual meeting of the Fund one nominee of Belkin Enterprises. Following completion of the Arrangement and the subsequent termination of the Fund, the Fund Governance Agreement remained in full force and effect with the necessary adaptations, as applicable. Therefore, Belkin Enterprises (now Belkin Industries Inc.) continues to have the right to nominate one Director of the Corporation (the "Belkin Nominee") for election at the meeting of the Shareholders.

The Fund, Lantic and Lantic Capital Inc. ("Lantic Capital") entered into a corporate governance agreement (the "Governance Agreement") on June 30, 2008. Following completion of the Arrangement and the subsequent termination of the Fund, the Governance Agreement remained in full force and effect, with the necessary adaptations. Lantic Capital, as holder of two Class C shares of Lantic, is entitled to elect five (5) of seven (7) members of the board of directors of Lantic. The Corporation has the right to terminate Lantic Capital's right to elect a majority of the directors of Lantic if a take-over bid is made for all of the issued and outstanding Common Shares and, on completion thereof, the offeror thereunder holds more than sixty percent (60%) of the issued and outstanding Common Shares (a "Change of Control"). The Governance Agreement also terminates upon the earliest to occur of (i) the date on which Lantic Capital and its affiliates collectively beneficially own, directly or indirectly, or exercise control or direction over, less than five percent (5%) of the outstanding Common Shares (calculated on a fully-diluted basis), (ii) the date on which the agreement is terminated by agreement of the parties to that effect, and (iii) the date on which all of the obligations of the Corporation thereunder relating to certain restrictions on the ability of the Corporation to make changes to the articles of Lantic and the election of Lantic Capital's nominees to the board of directors of Lantic expire or terminate.

The Governance Agreement provides that the Corporation will not vote for any amendment to Lantic's articles or by-laws, including an amendment with respect to the number of directors of Lantic, without Lantic Capital's approval. The Governance Agreement will remain in force until the earlier of (i) the date when Lantic Capital beneficially owns, directly or indirectly, less than five percent (5%) of the fully diluted Common Shares, (ii) the date upon which the Governance Agreement is terminated by an agreement in writing, and (iii) the date upon which certain obligations of the Corporation, under the Governance Agreement, have expired.

The Governance Agreement also provides that, in the event that a *bona fide* take-over bid has been made for all of the issued and outstanding Common Shares and the Board of Directors of the Corporation has publicly recommended that Shareholders accept such take-over bid, the boards of directors of Lantic, Lantic Capital and the Corporation will consent to a reorganization of the Corporation and Lantic in the manner determined by the Corporation, including an amalgamation of the Corporation and Lantic, provided that (i) such reorganization has been approved, if required by law, by the requisite number of Shareholders of the Corporation; (ii) such reorganization is necessary and advisable, in the sole discretion of the Board of Directors of the Corporation, in order to avoid adverse tax consequences for the Corporation or the Shareholders; and (iii) such reorganization is effected in a manner in which it is certain that, immediately after the reorganization is effective, the offeror under the take-over bid will acquire more than 60% of the issued and outstanding Common Shares and any support agreement relating to the take-over bid contains a covenant to complete the reorganization and take-over bid in such a manner. Such reorganization will be made effective immediately prior to the taking-up and payment of Common Shares by the offeror under the take-over bid described above.

### **Administration Agreement**

Pursuant to the Arrangement, the then existing administration agreement was terminated and replaced by a new Administration Agreement dated January 1, 2011 (the "Administration Agreement") and was subsequently amended on December 8, 2017. The Administration Agreement is on the same terms and conditions, whereby Lantic acts as Administrator of the Corporation. The Administrator provides or arranges for the provision of services required in the administration of the Corporation. These services include arranging and paying for annual audit and regulatory public reporting services and costs, arranging for, and paying the costs of, legal counsel, monitoring and coordinating the activities of and paying the fees of the transfer agent and registrar for the Common Shares, arranging for dividend

payments to Shareholders, and providing reports to Shareholders. In consideration for its services, Lantic receives a fee of \$50,000 per annum plus reimbursement of certain out-of-pocket costs and expenses. The Administration Agreement is terminable on 180 days' notice, the insolvency or receivership of Lantic or default by Lantic in the performance of any material obligation which is not remedied within 30 days.

## **9. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of the Directors, other than as disclosed herein, no informed person, Director or proposed nominee for election as a director of the Corporation or of Lantic, or any associate or affiliate of any such persons, had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any material transaction with the Corporation since October 1, 2017, or in any proposed transaction, which has materially affected or would materially affect the Corporation, Lantic or any of its subsidiaries.

## **10. MATTERS TO BE ACTED UPON AT THE MEETING**

### **Election of Directors**

The number of Directors to be elected at the Meeting is determined from time to time by resolution of the Directors, such number being not more than seven and not less than three. During the year, the Nominating and Governance Committee undertook a search for an independent Director and as a result, has recommended for nomination and the Board has approved the nomination of Mrs. Stephanie Wilkes. As such, the Directors have fixed the number of Directors to be elected at the Meeting at six and comprises of five men and one woman, the latter being a new Director. All Directors elected at the Meeting will hold office until the next annual meeting of Shareholders or until their successors are duly elected or appointed.

### *Majority Voting Policy*

On November 14, 2013, and as revised on May 4, 2016 and December 8, 2017, the Board of Directors of the Corporation unanimously adopted a majority voting policy (the "Majority Voting Policy") to the effect that, in an uncontested election of Directors, other than the Belkin Nominee pursuant to the Governance Agreement (See "Statement of Corporate Governance Practices – Governance Agreements"), if the number of Common Shares withheld exceeds the number of Common Shares voted in favour of the nominee (a "Majority Withheld Vote"), then the person who has received a Majority Withheld Vote is expected immediately to submit to the Board of Directors of the Corporation his or her resignation, to take effect upon acceptance by the Board of Directors of the Corporation. The Board of Directors of the Corporation will refer the matter to the Nominating and Governance Committee of the Board of Directors of the Corporation for its recommendation as to whether to accept such offer of resignation.

The Board of Directors of the Corporation will have 90 days from the Meeting to make and publicly disclose its decision. The Board of Directors of the Corporation shall accept a resignation absent exceptional circumstances. If the Board of Directors of the Corporation determines not to accept a resignation, the news release in respect thereof must fully state the reasons for that decision and must be filed with the TSX. A Director who tenders a resignation pursuant to the Majority Voting Policy will not participate in any meeting of the Board of Directors of the Corporation or the Nominating and Governance Committee at which the resignation is considered, provided that if the Directors who received a majority of votes in favour of their election do not constitute a quorum for a meeting of the Board of Directors of the Corporation or the Nominating and Governance Committee, then all Directors may attend such meeting for quorum purpose provided, however, that a Director who is tendering a resignation pursuant to the Majority Voting Policy may not participate in the determination of whether or not to accept the resignation offer.

If the Board of Directors of the Corporation decides to accept the Director's resignation, subject to any corporate law restrictions, the Board of Directors of the Corporation may leave the resultant vacancy unfilled until the next annual meeting of Shareholders. Alternatively, it may fill the vacancy through the appointment of a new Director or it may call a special meeting of Shareholders at which there will be presented management nominees to fill the vacant position or positions.

The Majority Voting Policy does not apply in any case where the election is contested — i.e., where proxy material is circulated in support of one or more nominees who are not part of the list of nominees supported by the Board of Directors of the Corporation.

## Director Nominees

The Corporation proposes to nominate for election as Directors at the Meeting each of the persons named in the following table (including the Belkin Nominee — See “Statement of Corporate Governance Practices — Governance Agreements”). All proposed nominees have consented to be named in this Information Circular and to serve as Directors if elected. The Corporation has no reason to believe that any proposed nominee will be unable to serve as a Director, but should any such nominee become unable to do so for any reason prior to the Meeting, the persons named in the enclosed form of proxy, unless directed to withhold from voting, reserve the right to vote for other nominees in their discretion.

The following table sets forth the name and principal occupation, business or employment for each proposed nominee for election as Director. In addition, the table shows the province and country of residence, period(s) during which each proposed nominee served as a Director or trustee of the Fund, and the number of Common Shares that each proposed nominee beneficially owns, or over which he exercises control or direction, directly or indirectly. The information as to principal occupation, business or employment and Common Shares held is not within the knowledge of the Corporation and has been furnished by the respective nominees.

Name and Place of Residence	Period as Director of the Corporation or Trustee of the Fund	Principal Occupation	Common Shares Beneficially Owned or Over Which Control or Direction Is Exercised
M. DALLAS H. ROSS <sup>(1)(2)</sup> British Columbia, Canada	Since September 15, 1997	Partner, Kinetic Capital Limited Partnership, a private investment partnership	108,781
DEAN BERGMAME <sup>(1)(2)(3)</sup> Québec, Canada	Since April 27, 2009	Corporate Director	45,091
GARY M. COLLINS <sup>(3)(4)</sup> British Columbia, Canada	Since February 1, 2017	Senior Advisor, Lazard Group	6,914
DANIEL LAFRANCE <sup>(1)(3)</sup> Québec, Canada	Since February 1, 2017	Corporate Director	47,487
WILLIAM MASLECHKO <sup>(1)(2)</sup> Alberta, Canada	Since May 3, 2006	Partner, Burnett, Duckworth & Palmer LLP, a law firm	31,315
STEPHANIE WILKES <sup>(1)</sup> New Jersey, United States	n/a	Founder, Wilkes Coaching and Consulting	—

### Notes

- (1) Nominee of the Corporation.
- (2) Member of the Nominating and Governance Committee.
- (3) Member of the Audit Committee.
- (4) Belkin Nominee

Messrs. Lafrance and Ross will also serve as the nominees of the Corporation on the board of directors of Lantic.

Each of the foregoing persons has held the same principal occupation, business or employment for the previous five years, except for Mr. Collins, who prior to May 2014, was President of Coastal Contacts Inc. from July 2012 to May 2014 and Mrs. Wilkes who prior to January 2017 was President of Global Gum and Candy for Mondelez International from October 2014 to January 2017 and prior to October 2014 was President NA Confections for Mondelez International from August 2011 to October 2014.

**The Directors unanimously recommend that Shareholders vote in favour of the election of each of the proposed nominees as Directors of the Corporation.**

### Election of directors of Lantic

Lantic has a board of directors consisting of up to seven members, two of whom are currently nominated by the Corporation as holder of all of the common shares of Lantic. Pursuant to the terms of the Governance Agreement and the terms of the Class C shares of Lantic, Lantic Capital, as holder of these shares, is entitled to nominate five directors to the board of directors of Lantic.

### *Lantic Majority Voting Policy*

On December 8, 2017, and as revised on November 21, 2018, the Board of Directors of the Corporation adopted a majority voting policy for the nominees of the Corporation to the board of directors of Lantic (the “Lantic Majority Voting Policy”).

At each annual general meeting of the Shareholders of the Corporation (“Shareholders”), the Corporation will seek the direction of the Shareholders with respect to the appointment of the nominees of the Corporation to the board of directors of Lantic by submitting the proposed nominees of the Corporation to a vote of the Shareholders. Forms of proxy for the vote in respect of the nominees of the Corporation will enable the Shareholders to vote in favour of, or to withhold from voting, separately for each of the nominees of the Corporation. At the Meeting, the Chair will call for a vote by ballot and the scrutineers will record with respect to each of the nominees of the Corporation the number of Common Shares in his or her favour and the number of Common Shares withheld from voting.

If, with respect to any particular nominee of the Corporation, the number of Common Shares withheld exceeds the number of Common Shares voted in favour of the nominee of the Corporation (a “Lantic Majority Withheld Vote”), then, the Board of Directors of the Corporation will ask the Nominating and Governance Committee of the Corporation to consider and recommend to the Board of Directors of the Corporation whether or not to appoint the person who has received a Lantic Majority Withheld Vote to the board of directors of Lantic.

The Board of Directors of the Corporation will have 90 days from the meeting to make and publicly disclose its decision. The Board of Directors of Corporation shall not appoint a person who has received a Lantic Majority Withheld Vote absent exceptional circumstances, which may include but are not limited to, the Corporation or Lantic no longer being compliant with corporate or securities law requirements, applicable regulations or commercial agreements regarding the composition of the board of directors of Lantic as a result of the failure to appoint such person to the board of directors of Lantic. However, such person’s length of service, qualifications, attendance at meetings, experience, contributions to the Corporation or Lantic or any reoccurring events are not to be considered as exceptional circumstances. If the Board of Directors of the Corporation determines to appoint such person to the board of directors of Lantic, the news release in respect thereof must fully state the reasons for that decision and must be filed with the TSX, and the Board of Directors of the Corporation shall subsequently take active steps to resolve the exceptional circumstances for the following year.

A nominee of the Corporation to the board of directors of Lantic who has received a Lantic Majority Withheld Vote pursuant to the Lantic Majority Voting Policy will not participate in any meeting of the Board of Directors of the Corporation or the Nominating and Governance Committee at which the appointment of such person to the board of directors of Lantic is considered, provided that if required in order to constitute a quorum for a meeting of the Board of Directors of the Corporation or the Nominating and Governance Committee, such person may attend such meeting for quorum purposes but may not speak or otherwise participate in any part of the meeting where his or her appointment is discussed or considered or a related resolution is voted upon.

If the Board of Directors of the Corporation decides to not appoint a person who has received a Lantic Majority Withheld Vote to the board of directors of Lantic, subject to any corporate law restrictions, the Board of Directors of the Corporation may leave the resultant vacancy unfilled until the next annual general meeting of Shareholders. Alternatively, it may fill the vacancy through the appointment of a new director or it may call a special meeting of Shareholders at which there will be presented a nominee or nominees to fill the vacant position or positions.

The Lantic Majority Voting Policy does not apply in any case where the election is contested — i.e., where proxy material is circulated in support of one or more nominees of the Corporation who are not part of the list of the nominees of the Corporation supported by the Board of Directors of the Corporation.

Nothing in the Lantic Majority Voting Policy shall in any way affect or limit as between the Corporation, Lantic and Lantic Capital the rights of the Corporation as the holder of the common shares of Lantic or as a party to the Governance Agreement.

### *Lantic Director Nominees*

The following persons are the proposed nominees of each of the Corporation and Lantic Capital for election as directors of Lantic to serve until the next annual meeting of Shareholders of the Corporation or until their successors

are duly elected or appointed. If any vacancies occur in the slate of the nominees of the Corporation because any nominee is unable to serve or will not serve, discretionary authority conferred by the proxies appointing the nominees of the Corporation will be exercised to grant approval to the Directors to vote for the election of any other person or persons nominated by the Directors.

The following table sets forth the name, province and country of residence and principal occupation, business or employment for each proposed nominee for election as a director of Lantic (including Lantic Capital's nominees). In addition, the table shows the period(s) during which each proposed nominee served as a director of Lantic and the number of Common Shares that each proposed nominee beneficially owns, or over which he exercises control or direction, directly or indirectly. The information as to Common Shares held is not within the knowledge of the Corporation and has been furnished by the respective nominees.

Name and Place of Residence	Period as Director	Position with Lantic	Principal Occupation	Common Shares Beneficially Owned or Over Which Control or Direction is Exercised
M. DALLAS H. ROSS <sup>(1)</sup> British Columbia, Canada	Since October 1997	Director	Partner, Kinetic Capital Limited Partnership, a private investment partnership	108,781
GARY M. COLLINS <sup>(2)(3)</sup> British Columbia, Canada	Since February 1, 2017	Director	Senior Advisor, Lazard Group	6,914
MICHAEL A. HESKIN <sup>(2)(3)</sup> British Columbia, Canada	Since August 2003	Director	Vice-President of Finance and Chief Financial Officer, Belkorp Industries Inc., an investment holding corporation	40,292
JOHN HOLLIDAY <sup>(3)</sup> Québec, Canada	Since May 2015	Director	President and CEO, Lantic	90,905
DONALD G. JEWELL <sup>(3)</sup> British Columbia, Canada	Since August 2003	Director	Managing Partner, RIO Industrial, a financial management services partnership	235,815
DANIEL LAFRANCE <sup>(1)(2)</sup> Québec, Canada	Since January 2013	Director	Corporate Director	47,487

Notes

- (1) Nominee of the Corporation.
- (2) Member of the Audit Committee of Lantic.
- (3) Nominee of Lantic Capital.

All of the directors of Lantic are a member of the HRCC, except for Mr. Holliday.

Each of the foregoing persons has held the same principal occupation, business or employment for the previous five years, except for Mr. Holliday who prior to May 1, 2015, was North American President of Operations for Canada Malting and Great Western Malting from July 2011 to April 2015 and Mr. Collins who prior to May 2014 was President of Coastal Contacts Inc. from July 2012 to May 2014.

To the knowledge of the Directors, other than as set forth below, no proposed Director or proposed director of Lantic:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, CEO or CFO of any company, that:
  - (i) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued while that person was acting in that capacity, and that was in effect for a period of more than 30 consecutive days; or

- (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued after that person ceased to be acting in that capacity and which resulted from an event that occurred while that person was acting in that capacity, and that was in effect for a period of more than 30 consecutive days; or
- (b) is, at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of the person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

Mr. Ross was asked to join the Board of Directors of Catalyst Paper Corporation in May 2010 to assist in the possible restructuring of the organization. Catalyst Paper Corporation subsequently filed for protection under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") in January 2012, reorganized its financial affairs significantly over a number of months and then successfully emerged from the CCAA in September 2012, at which time a new board of directors representing the post recapitalization stakeholders was appointed.

To the knowledge of the Directors, no proposed Director or proposed director of Lantic has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director or proposed director of Lantic.

**The Directors unanimously recommend that Shareholders vote in favour of the election of each of the proposed nominees of the Corporation for election as directors of Lantic.**

#### **Financial Statements**

The audited consolidated financial statements of the Corporation for the financial year ended September 29, 2018, together with the auditor's report thereon and the notes thereto, are contained in the Corporation's 2018 Annual Report to Shareholders which is being mailed to the Shareholders with this Information Circular and is available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Appointment of Auditor of the Corporation**

Unless otherwise directed, the person named in the form of proxy solicited by the Directors and the Directors will vote the Common Shares represented by the proxy for the appointment of KPMG LLP, Chartered Professional Accountants, as auditor of the Corporation, to hold office until the next annual meeting of Shareholders at a remuneration to be fixed by the Audit Committee of the Corporation. KPMG LLP has been the auditor of the Fund since its inception on September 15, 1997 and of the Corporation since the conversion was completed on January 1, 2011.

#### **Audit Committee Information**

Reference is made to the Annual Information Form of the Corporation for the financial year ended September 29, 2018 for a disclosure of information relating to the Audit Committee of the Corporation.

#### **Particulars of Other Matters to Be Acted Upon**

The Directors know of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the



intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

#### **11. SHAREHOLDER PROPOSALS**

Shareholders who wish to submit a proposal for consideration at the next annual meeting of Shareholders must do so by submitting same to the attention of the Secretary of the Corporation on or before September 13, 2019 in the manner and subject to the limitations prescribed by the *Canada Business Corporations Act*.

#### **12. ADDITIONAL INFORMATION**

Financial information is provided in the Corporation's audited consolidated financial statements and Management's Discussion and Analysis for its most recent financial year ended September 29, 2018. Copies of these documents and additional information relating to the Corporation are available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Upon written request, a copy of the Corporation's audited consolidated financial statements contained in the Corporation's 2018 Annual Report for the period ended September 29, 2018, together with the auditor's report thereon and the notes thereto, and a copy of this Information Circular, the Corporation's Annual Information Form for the fiscal year ended September 29, 2018, will be provided to any person.

Requests for any such documents should be made to the Secretary of Lantic at 4026 Notre-Dame East, Montréal, Québec H1W 2K3 (telephone: (514) 940-4350).

#### **13. APPROVAL OF DIRECTORS**

The contents of this Information Circular and the sending, communication or delivery thereof to the Shareholders have been approved and authorized by the Directors of the Corporation.

DATED at Montréal, Québec, this 21<sup>st</sup> day of December 2018.

**BY ORDER OF THE DIRECTORS OF  
ROGERS SUGAR INC.**

*(signed) M. Dallas H. Ross*

M. Dallas H. Ross, Chairman of the Board of Directors of  
Rogers Sugar Inc., on behalf of the  
Directors of Rogers Sugar Inc.

## SCHEDULE A

### ROGERS SUGAR INC. CORPORATE GOVERNANCE DISCLOSURE

The corporate governance practices of the Corporation must be considered in the context of the overall structure of the Corporation. The Corporation holds common shares and notes of Lantic. The Board of Directors of the Corporation (the “Board”) is responsible for supervising the limited activities and affairs of the Corporation, which activities include representing the Corporation as a shareholder of Lantic. Lantic is the Administrator for the Corporation, and as such, is responsible for most of the management and administrative matters of the Corporation. The board of directors of Lantic is responsible for managing the business and affairs of Lantic. The Corporation has the right to elect two members of the board of directors of Lantic, which is comprised of up to seven members. Lantic Capital has the voting power to elect up to five members of the board of directors of Lantic. Arrangements have been made under a number of agreements for the governance of the Corporation and Lantic, and the administration of the affairs of the Corporation. These arrangements are discussed in the Information Circular under the heading “Statement of Corporate Governance Practices”. The governance practices of the Corporation and Lantic in relation to the disclosure requirements of NI 58-101, taking into account the particular structure of the Corporation and Lantic, are set out below.

#### Governance Disclosure Requirements under NI 58-101      Governance Procedures

##### **1. Board of Directors**

- |  |  |
|--|--|
| (a) Disclose the identity of the Directors who are independent.  | The Board has determined that all the Directors are “independent”, within the meaning of NI 58-101.<br><br>Messrs. Ross and Lafrance are also the Corporation’s representatives on the board of directors of Lantic.   |
| (b) Disclose the identity of Directors who are not independent, and describe the basis for that determination.   | Not applicable.  |
| (c) Disclose whether or not a majority of Directors are independent. If a majority of Directors are not independent, describe what the Board does to facilitate its exercise of independent judgment in carrying out its responsibilities. | The Board has determined that all of the Directors are “independent”, within the meaning of NI 58-101. All of the nominees for election at the Meeting are “independent”.<br><br>The Corporation has adopted governance guidelines consistent with National Policy 58-201 – <i>Corporate Governance Guidelines</i> of the Canadian Securities Administrators, which provide, among other things, that at all times, a majority of the Directors must be independent. Furthermore, no employee of the Administrator may be a Director except in the case of the nominee of Belkin Industries Inc. pursuant to the Governance Agreement (See “Statement of Corporate Governance Practices — Governance Agreements”). |
| (d) If a Director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify the Director and the other issuer.                                      | The following Directors currently serve on the board of the reporting issuers (or equivalent) listed below: <sup>(1)</sup><br>M. Dallas H. Ross:<br>Westshore Terminals Investment Corporation<br>Just Energy Group Inc.<br>Canfor Corporation<br><br>Gary M. Collins (the Belkin Nominee):<br>Chorus Aviation Inc.  |

**Governance Disclosure Requirements under NI 58-101**      **Governance Procedures**

D-Box Technologies Inc.  
Fiera Capital Corporation

Daniel Lafrance:  
Innergex Renewable Energy Inc.

William Maslechko:  
Ag Growth International Inc.

<sup>(1)</sup> *Unless otherwise indicated, all issuers mentioned above are reporting issuers in one or more Canadian jurisdictions.*

(e) Disclose whether or not the independent Directors hold regularly scheduled meetings at which members of management are not in attendance. If the independent Directors hold such meetings, disclose the number of meetings held during the preceding 12 months. If the independent Directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent Directors.

The Board has determined that appropriate *in camera* sessions of the Directors will be held in conjunction with every regular meeting of the Board. The independent members of the Board have an opportunity to meet at least annually during which the members of the Board who are not independent and management of the Administrator are not in attendance.

During the financial year ended September 29, 2018, there were four regular meetings of the independent Directors.

The independent members of the Board are authorized to retain independent financial, legal and other experts as required whenever, in their opinion, matters come before the Board which require an independent analysis by the independent members of the Board.

The Board, the Audit Committee and the Nominating and Governance Committee of the Board are composed entirely of independent Directors.

(f) Disclose whether or not the chair of the board is an independent Director. If the board has a chair or lead Director who is an independent Director, disclose the identity of the independent chair or lead Director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead Director that is independent, describe what the Board does to provide leadership for its independent Directors.

The chair of the Board (the “Chair”) is an independent Director.

The role and responsibilities of the Chair include the following:

- managing the affairs of the Board;
- chairing Board meetings and establishing their frequency;
- ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities;
- leading the Board in monitoring and reviewing the Corporation’s investments in Lantic and monitoring the compliance of Lantic with the Governance Agreement;
- maintaining, in conjunction with the Corporation Nominees on the board of directors of Lantic, ongoing communications with the senior management and board of directors of Lantic in the Corporation’s capacity as an investor in those companies; and
- working with the Administrator and the President and CEO of the Administrator to ensure that the Administrator effectively performs its duties towards the Corporation and to ensure effective relations with Board members, Shareholders, other stakeholders and the public.

**Governance Disclosure Requirements under NI 58-101**      **Governance Procedures**

- (g) Disclose the attendance record of each Director for all Board meetings held since the beginning of the issuer's most recently completed financial year.

The attendance record of each Director for all board meetings held since the beginning of the financial year ended September 29, 2018 is set out in this Information Circular under the heading "Executive and Other Compensation — Attendance Record for Board Meetings".

**2. Mandate of the Board**

Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.

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 with respect to oversight as an investor in the Corporation's investments, management of the Board, monitoring of the Corporation's financial performance, financial reporting, financial risk management and oversight of policies and procedures, communications and reporting and compliance.

The text of the Board's mandate is attached as Schedule B to this Information Circular.

**3. Position Descriptions**

- (a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the board delineates the role and responsibilities of each such position.

The Board has developed written position descriptions for the Chair and the chair of each of the Nominating and Governance Committee and the Audit Committee of the Board. The primary role of the chair of each such committee is managing the affairs of the committee, including ensuring the committee is organized properly, functions effectively and meets its obligations and responsibilities.

The chair of the Audit Committee also maintains on-going communications with the Administrator and the Corporation's external auditors in order to lead the committee in performing its oversight and other audit-related functions. For further information regarding the Corporation's Audit Committee, including the relevant education and experience of the committee members, see the Corporation's Annual Information Form for the financial year ended September 29, 2018.

- (b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.

The Corporation does not conduct any active business nor does it have any full time employees. The Corporation is managed by the Administrator. The corporate objectives of the CEO of Lantic are reviewed and approved by the board of directors of Lantic. Two of the Directors of the Corporation are elected to the board of directors of Lantic. A formal written position description has been developed for the CEO of Lantic. The role and responsibilities of the CEO of Lantic are delineated by the chair of the board of directors of Lantic, in conjunction with the Human Resources and Compensation Committee of Lantic (the "HRCC").

**4. Orientation and Continuing Education**

- (a) Briefly describe what measures the Board takes to orient new Directors regarding (i) the role of the Board, its committees and its

The Nominating and Governance Committee is mandated as may be required from time to time to oversee an orientation and education program for new Directors and ongoing educational opportunities

**Governance Disclosure Requirements under NI 58-101**      **Governance Procedures**

Directors, and (ii) the nature and operation of the issuer's business.

for all Directors.

The objective of such programs are to ensure that new Directors fully understand the role of the Board and its committees, as well as the contribution individual Directors are expected to make (including, in particular, the commitment of time and resources that the Corporation expects from its Directors) and understand the nature and operation of the Corporation's affairs.

- (b) Briefly describe what measures, if any, the Board takes to provide continuing education for its Directors. If the Board does not provide continuing education, describe how the Board ensures that its Directors maintain the skill and knowledge necessary to meet their obligations as Directors.

Continuing education opportunities are directed at enabling individual Directors to maintain or enhance their skills and abilities as Directors, as well as ensuring that their knowledge and understanding of the Corporation's affairs remains current.

All new Directors are provided with a baseline of knowledge about the Corporation, Lantic and its subsidiaries which serves as a basis for informed decision-making. This includes a combination of written material, one-on-one meetings with senior management of Lantic, site visits and other briefings and training, as appropriate.

**5. Ethical Business Conduct**

- (a) Disclose whether or not the Board has adopted a written code for the Directors, officers and employees. If the Board has adopted a written code:

The Board has adopted and amended a Code of Business Conduct for the Corporation (the "Code"). The Code has been filed on and is accessible under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). A copy of the Code may also be obtained, upon request, from the Secretary of Lantic at 4026 Notre-Dame East, Montréal, Québec H1W 2K3 (telephone: (514) 940-4350).

- (i) disclose how a person or company may obtain a copy of the code;
- (ii) describe how the Board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and
- (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

The Board expects directors and employees of Lantic and its subsidiaries to act ethically at all times and to acknowledge their adherence to the policies comprising the Code. Any material issues regarding compliance with the Code are brought forward by management at either the Board or committee meetings, or are referred to senior executive officers of Lantic, as may be appropriate in the circumstances. The Board and/or appropriate committee or senior executive officers determine what remedial steps, if any, are required. Any waivers from the Code that are granted for the benefit of a Director or an employee may be granted only by the Board. The Board has not granted any such waivers since the beginning of the financial year ended September 29, 2018.

- (b) Describe any steps the Board takes to ensure Directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Each Director must disclose all actual or potential conflicts of interest and refrain from voting on matters in which such Director has a conflict of interest. In addition, the Director must excuse 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.

- (c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.

The Board has reviewed and approved a Disclosure Policy for the Corporation, in order to promote consistent disclosure practices aimed at informative, timely and broadly disseminated disclosure of

**Governance Disclosure Requirements under NI 58-101**      **Governance Procedures**

material information to the market, in accordance with applicable securities legislation.

The Audit Committee of the Board has also reviewed and approved a Whistleblower Policy, to promote, among other things, the disclosure and reporting of any serious weaknesses which may affect the financial stability and assets of the Corporation and Lantic.

**6. Nomination of Directors**

- (a) Describe the process by which the Board identifies new candidates for board nomination.
- (b) Disclose whether or not the Board has a nominating committee composed entirely of independent Directors. If the Board does not have a nominating committee composed entirely of independent Directors, describe what steps the Board takes to encourage an objective nomination process.
- (c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The Board has established a Nominating and Governance Committee, which is composed of Messrs. Bergname, Maslechko and Ross, all of whom are independent. The responsibilities, powers and operation of the Nominating and Governance Committee are set out in the Nominating and Governance Committee Charter.

As described in its charter, the Nominating and Governance Committee is mandated to review annually the competencies, skills and personal qualities applicable to candidates to be considered for nomination to the Board, other than the Director nominated by Belkin Industries Inc. pursuant to the Governance Agreement. 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 competencies, skills and experience to provide for the overall stewardship of the Corporation.

The Nominating and Governance Committee is also mandated to recruit and consider Director candidates and to make recommendations to the Board.

In so doing, the Nominating and Governance Committee considers, in addition to any other factors it deems relevant: (i) the competencies and skills that the Board considers to be necessary for the Board, as a whole to possess; (ii) the competencies and skills that the Board considers each existing Director to possess; and (iii) the competencies and skills each nominee will bring to the Board. Directors are encouraged to identify potential candidates. In addition, the Nominating and Governance Committee may engage the services of a specialized recruitment firm. The Chair of the Board is consulted and has input into the process. An invitation to stand as a nominee for election to the Board will normally be made to a candidate by the Board through the Chair or the Chair's delegate.

**7. Compensation**

- (a) Describe the process by which the Board determines the compensation for the issuer's

The Board has determined that the Directors should be compensated in a form and amount which is appropriate and which is customary

**Governance Disclosure Requirements under NI 58-101**

Directors and officers.

- (b) Disclose whether or not the Board has a compensation committee composed entirely of independent Directors. If the Board does not have a compensation committee composed entirely of independent Directors, describe what steps the Board takes to ensure an objective process for determining such compensation.
- (c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

**Governance Procedures**

for comparative organizations, having regard for such matters as time commitment, responsibility and trends in director compensation.

The HRCC, which is composed of a majority of independent Directors, is mandated to annually review the compensation of the Directors on this basis.

The committee review will include consideration of all forms of compensation that a Director receives, directly or indirectly, including consulting contracts or charitable contributions to organizations in which a Director is affiliated.

The Corporation has no employees and is managed by Lantic pursuant to an Administration Agreement. The board of directors of Lantic created the HRCC (see “Executive and Other Compensation — Compensation of the Executives of Lantic”), which is comprised of all of the members of the board of directors of Lantic, except for the President and CEO of Lantic.

The HRCC has the responsibility of annually reviewing and approving the compensation package for executive management of Lantic. The HRCC also reviews and approves Lantic’s compensation policies in respect of matters such as pension plans and employee benefit plans.

Lastly, the HRCC approves the hiring of executive management recruited from outside Lantic, as well as the promotion of executive management within Lantic.

The HRCC Charter stipulates that a majority of the HRCC members shall be independent. Messrs. M. Dallas H. Ross, Gary M. Collins and Daniel Lafrance are independent members of the HRCC, representing 60%. The two remaining members of the HRCC, being Messrs. Michael A. Heskin and Donald G. Jewell, are not considered to be independent because they are either employees and/or directors of Belkorp Industries Inc., or one of its affiliates. The directors of Lantic do not consider that the aforementioned relationships prevent the HRCC from ensuring that an objective process is adopted for determining the compensation of the directors and officers of Lantic.

**8. Other Board Committees**

If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board has two committees, the Audit Committee and the Nominating and Governance Committee and one ad-hoc committee, namely, the Strategic Initiative Committee. For further information regarding the Corporation’s Audit Committee, including the relevant education and experience of its members, see the Corporation’s Annual Information Form for the financial year ended September 29, 2018.

The board of directors of Lantic has no committees other than its Audit Committee and the HRCC.

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**9. Assessments**

Disclose whether or not the Board, its committees and individual Directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual Directors are performing effectively.

The Nominating and Governance Committee is responsible for making regular assessments of the overall performance, effectiveness and contribution of the Board and each committee, the Chair, each committee chair and each Director, other than the director nominated by Belkin Industries Inc. pursuant to the Governance Agreement, and reporting on such assessments to the Board. 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 addition to any other matters the Nominating and Governance Committee deems relevant, the assessments will consider in the case of the board or a committee, the applicable mandate or charter, and in the case of individual Directors, the applicable position descriptions, as well as the competencies and skills each individual Director is expected to bring to the Board.

**10. Director Term Limits and Other Mechanisms of Board Renewal**

Disclose whether or not the issuer has adopted term limits for the directors on its Board or other mechanisms of Board renewal and, if so, include a description of those director term limits or other mechanisms of Board renewal. If the issuer has not adopted director term limits or other mechanisms of Board renewal, disclose why it has not done so.

The Corporation has a retirement policy for Directors pursuant to which the Directors must retire by the age of 75, except where the Board determines that it is in the interest of the Corporation to request a director to extend his or her term beyond the regular retirement age, but does not otherwise impose term limits on Directors. The Nominating and Governance Committee and the Board are of the view that term limits are an arbitrary mechanism that may force valued Directors, who have been able to develop, over a period of time, increasing insight into the Corporation, Lantic, its operations and the operations of its subsidiaries and, therefore, provide an increasing contribution to the Board as a whole, off of the Board solely because of length of service, thus depriving the Corporation of their knowledge, skills, qualifications and contributions.

As an alternative to director term limits and to foster Board renewal, the Nominating and Governance Committee annually assesses the effectiveness of the Board, its committees and individual Directors in determining whether to recommend Directors for re-election. In these reviews, consideration is given to each Director's level of engagement and participation in Board activities and his or her ability to continue to make a meaningful contribution to the Board. The Nominating and Governance Committee and the Board believe this flexible approach allows the Board to consider each Director individually as well as the Board composition generally to determine if the appropriate balance is being achieved. See item 9 above, for more information on the annual assessment process.

**11. Policies Regarding the Representation of Women on the Board of Directors**

(a) Disclose whether the issuer has adopted a written policy relating to the identification and

The Corporation has not adopted a written policy relating to the identification and nomination of women Directors because, as a



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nomination of women Directors. If the issuer has not adopted such a policy, disclose why it has not done so.

matter of practice, diversity (including gender diversity) is among the many factors that the Nominating and Governance Committee considers when evaluating the composition of the Board (see item 12 below). However, Mrs. Wilkes has been identified and is being proposed for nomination as an additional Director, following the independent director search that took place in fiscal 2018.

(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy: (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented, (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and (iv) whether and, if so, how the Board or its nominating committee measures the effectiveness of the policy.

Not applicable.

**12. Consideration of the Representation of Women in the Director Identification and Selection Process**

Disclose whether and, if so, how the Board or nominating committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. If the issuer does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the issuer's reasons for not doing so.

Although the Nominating and Governance Committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, it does not believe that diversity, including gender diversity, should be given more considerations than any other factors that the Nominating and Governance Committee may consider relevant. The Nominating and Governance Committee believes that the main factors which should be considered to determine the value which an individual can bring to the Board are the competencies and skills that such individual possesses.

The Corporation proposes to nominate Mrs. Wilkes as an additional Board Director, following the independent director search that took place in fiscal 2018.

**13. Consideration Given to the Representation of Women in Executive Officer Appointments**

Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.

Although the Corporation and Lantic consider, among other things, the level of representation of women in executive officer positions when making executive officer appointments, they do not believe that diversity, including gender diversity, should be given more considerations than any other factors that they may consider relevant. The Corporation and Lantic believe that the main factors which should be considered to determine the value which an individual can bring to the management team are the competencies and skills that such individual possesses.

However, and as reflected in its policies, the Corporation believes in workplace diversity. A diverse working population brings with it cultures and ideas that can benefit and strengthen its workforce. The Corporation and its subsidiaries aspire to provide a workplace that embraces minority groups and ensures that employees are treated

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equally, with respect, dignity and courtesy at all times. The Corporation and its subsidiaries oppose any form of unlawful discrimination, which may include but is not limited to discrimination on the basis of race, national or ethnic origin, colour, religion, gender, sexual preference, religious or political beliefs, disability and impairment or marital status.

**14. Issuer's Targets Regarding the Representation of Women on the Board of Directors and in Executive Officer Positions**

For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.

(a) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.

The Corporation has not adopted a target regarding women on the Board. Although the Corporation considers diversity, including gender diversity, in identifying and nominating candidates for election or re-election to the Board, it does not believe that adopting targets is in the best interests of the Corporation and prefers instead to focus on choosing the most appropriate candidates for the position.

(b) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.

The Corporation has not adopted a target regarding women in executive officer positions of the Corporation or Lantic. Although the Corporation and Lantic consider diversity, including gender diversity, when making executive officer appointments, they do not believe that adopting targets is in their best interests and prefer instead to focus on choosing the most appropriate candidates for the position.

(c) If the issuer has adopted a target referred to in either (b) or (c), disclose: (i) the target, and (ii) the annual and cumulative progress of the issuer in achieving the target.

Not applicable.

**15. Number of Women on the Board of Directors and in Executive Officer Positions**

(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.

None (0%) as at December 21, 2018. However, the Corporation proposes to nominate Mrs. Wilkes as an independent Director which would bring the number and proportion of women to one (17%) if elected by the Shareholders at the Annual General Meeting of January 31, 2019.

(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

One (20%) as at December 21, 2018.

## SCHEDULE B

### ROGERS SUGAR INC. MANDATE FOR THE BOARD OF DIRECTORS

The term “**Corporation**” refers to Rogers Sugar Inc., the term “**Board**” refers to the Board of Directors of the Corporation, the term “**Corporation’s Subsidiaries**” refers to any subsidiary of the Corporation (with the term “**subsidiary**” having a meaning attributed thereto in the *Canada Business Corporations Act*) and the term “**Governance Agreements**” refers to, collectively, the Administration Agreement between the Corporation and the Corporation’s Subsidiaries, the Governance Agreement between the Corporation and Belkorp Industries Inc. and the Corporate Governance Agreement between the Corporation and the Corporation’s Subsidiaries.

The Board is elected by the shareholders and is responsible for the stewardship of the affairs of the Corporation. The Board seeks to discharge such responsibility by reviewing and discussing the Corporation’s investments, and in particular the Corporation’s interest in the Corporation’s Subsidiaries, and, as an investor, monitoring the stewardship of the Corporation’s Subsidiaries by their respective boards of directors, subject to the provisions of the Governance Agreements.

The Board is responsible for establishing and maintaining a culture of integrity in the conduct of the affairs of the Corporation. To the extent within its authority to do so, the Board seeks to discharge this responsibility by satisfying itself as to the integrity of the CEO and other senior management of the Corporation’s Subsidiaries, as administrator (the “**Administrator**”) of the Corporation pursuant to the Administration Agreement, and, as an investor, satisfying itself as to the integrity of the CEO and other senior management of the Corporation’s Subsidiaries

Although directors may be elected by the shareholders to bring special expertise or a point of view to Board deliberations or may be elected by the shareholders pursuant to the requirements of the Governance Agreement, they are not chosen to represent a particular constituency. The best interests of the Corporation must be paramount at all times.

#### **DUTIES OF DIRECTORS**

The Board is responsible for, among other things: (i) supervising the activities and managing the investments and affairs of the Corporation; (ii) maintaining records and providing reports to shareholders, (iii) effecting payment of dividends to Shareholders, (iv) investing funds of the Corporation and (v) acting for, voting on behalf of and representing the Corporation as a shareholder and noteholder of the Corporation’s Subsidiaries. The Board may exercise in respect of the Corporation assets and the business and affairs of the Corporation any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof.

The Board discharges its responsibilities directly and through its committees, the Audit Committee, and the Nominating and Governance Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address certain issues of a more short-term nature.

The Board has approved and adopted governance guidelines (the “**Governance Guidelines**”) to assist it in discharging its governance responsibilities. This mandate is supplemented by and is to be read together with the Governance Guidelines, which are incorporated by reference in, and form part of this mandate.

In addition to the Board’s primary role of overseeing the affairs of the Corporation, principal duties include, but are not limited to the following categories:

#### **OVERSIGHT OF ADMINISTRATOR**

1. In accordance with the Governance Agreements, the Board has delegated authority for certain administrative matters to the Administrator but has retained authority for the overall management of the Corporation, including strategy and operations. This delegation is summarized in the General Authority Guidelines in Exhibit “A” that require either prior authorization by the Board or periodic review by the Board in respect of specified matters.

2. The Board has the responsibility for the appointment, training and monitoring of any officers of the Corporation (collectively, the “**Corporation Officers**”), and approving the compensation of Corporation Officers and employees, if any, following a review of the recommendations of the Nominating and Governance Committee. To the extent within its authority to do so, the Board will endeavour to satisfy itself as to the appointment, training and monitoring of senior management of the Administrator undertaken by the board of directors of the Administrator.
3. The Board may from time to time delegate authority to the Administrator, to Corporation Officers, if any, or others. Matters that are outside the scope of the authority delegated to the Administrator or others and material transactions are reviewed by and subject to the prior approval of the Board.

#### **MONITORING OF INVESTMENTS AND RELATED MATTERS**

4. As an investor, the Board will monitor and review the Corporation’s investments including its investments in the Corporation’s Subsidiaries and may question the strategies and plans of the Corporation’s Subsidiaries
5. As part of its monitoring role, and recognizing that the Corporation does not exercise control over the affairs of Lantic pursuant to the Governance Agreements, the Board will endeavour, to the extent within its ability to do so, to monitor and review the strategic planning process undertaken by the Corporation’s Subsidiaries and seek to encourage the Corporation’s Subsidiaries to: approve, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of each businesses; to identify the principle risks of each business and implement appropriate systems to manage those risks; and adopt a succession planning system for the Corporation’s Subsidiaries’ key personnel.
6. The Board has the responsibility for monitoring the compliance by the Corporation’s Subsidiaries with the Corporate Governance Agreement.
7. The Board is responsible for considering appropriate measures it may take as an investor in the Corporation’s Subsidiaries if the performance of the Corporation’s Subsidiaries, as the case may be, falls short of its goals or other special circumstances warrant or if the Corporation’s Subsidiaries does not fulfill its obligations under the Corporate Governance Agreement or any other agreement to which the Corporation, Lantic Inc. and its Subsidiaries may be party.

#### **FINANCIAL PERFORMANCE AND FINANCIAL AND OTHER REPORTING MATTERS**

8. The Board is responsible for approving the audited financial statements of the Corporation and the notes and Management’s Discussion and Analysis accompanying such financial statements.
9. The Board is responsible for reviewing and approving material transactions involving the Corporation and those matters that the Board is required to approve, including the payment of dividends, the issuance of shares, acquisitions and dispositions of material assets by the Corporation and material expenditures by the Corporation.

#### **BOARD ORGANIZATION**

10. The expectations and responsibilities of the directors including with respect to attendance at board meetings and advance review of meeting materials are set out in the Governance Guidelines.
11. The Board will respond to recommendations received from the Nominating and Governance Committee, but retains the responsibility for managing its own affairs by giving its approval for its composition, the selection of the Chair of the Board, candidates nominated for election to the Board (subject to the provisions of the Governance Agreement), committee and committee chair appointments, committee charters and director compensation.
12. The Board may delegate to Board committees matters it is responsible for, including the approval of compensation of the Board and management, if any, the approval of interim financial results of the Corporation, the conduct of performance evaluations and oversight of the Corporation’s internal control systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

## **POLICIES AND PROCEDURES**

13. The Board is responsible for:

- (a) approving and monitoring compliance with all significant policies and procedures by which the Corporation is operated;
- (b) developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation;
- (c) approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards and with a view to creating a culture of integrity within the Corporation's organization;
- (d) overseeing the Corporation's strategy and programs regarding environmental and social risks, stewardship and sustainability; and
- (e) enforcing obligations of the directors respecting confidential treatment of the Corporation's proprietary information and Board deliberations.

14. The Board has approved a Disclosure Policy respecting communications to the public.

## **COMMUNICATIONS AND REPORTING**

15. The Board is responsible for:

Mandate from stakeholders:

- (a) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis;
- (b) overseeing that the financial results of the Corporation are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements;
- (c) overseeing the integrity of the internal control and management information systems of the Corporation;
- (d) taking steps to ensure the timely disclosure of any other developments that have a significant and material impact on the Corporation;
- (e) reporting annually to shareholders on its stewardship for the preceding year as may be required under applicable securities laws and the rules of any stock exchange on which the Corporation's shares are listed for trading;
- (f) overseeing the investor relations and communications strategy of the Corporation; and
- (g) overseeing the Corporation's implementation of systems that accommodate feedback from shareholders and other stakeholders.

For this, the Corporation has adopted the following policies.

- (i) the Corporation is committed to providing efficient access to shareholder information, enabling shareholders to have shareholder related matters addressed, and providing the means for shareholder enquiries and complaints to be appropriately handled.
- (ii) there are a number of ways shareholders can access relevant information and make related enquiries and complaints:
  - a) access the Corporation's website.
  - b) contact the Corporation's transfer agent.

- c) contact the Corporation's Investor Relations Department.
- (iii) the Corporation is committed to responding to bona fide enquiries and complaints fairly and promptly. Once a bona fide enquiry has been received, the Investor Relations Department will endeavour to: answer helpfully; consider the enquiry or complaint; record relevant details (if appropriate); explain the courses of action available; and follow-up and keep the shareholder informed (if required), until the matter is resolved.

## **EXHIBIT A**

### **TO MANDATE FOR THE BOARD OF DIRECTORS**

#### **ROGERS SUGAR INC.** **GENERAL AUTHORITY GUIDELINES**

##### **AUTHORITY OF THE ADMINISTRATOR**

The Corporation has retained Lantic Inc. (the “**Administrator**”) pursuant to the Administration Agreement to provide or arrange for the provision of services required in the administration of the Corporation. Among other things, the services include arranging and paying for the Corporation’s annual audit and regulatory public reporting services and costs, arranging for, and paying the costs of, legal counsel, monitoring and co-ordinating the activities of and paying the fees of the transfer agent and registrar for the shares, arranging for dividends to shareholders, and providing reports to shareholders. An extract from the Administration Agreement setting out the specific services to be provided by the Administrator is attached as **Appendix “1”**.

The directors have retained responsibility for overall management of the Corporation, including strategy and operations. This responsibility is subject to the provisions of the Governance Agreements and applicable law.

##### **MATTERS REQUIRING DIRECTORS OR COMMITTEE OF DIRECTORS APPROVAL OR REVIEW**

###### **I. Organizational Changes and Policy**

1. Approve major changes to the organization of the Corporation such as the creation or divestiture of investments or acquisitions.
2. Approve adoption of or changes to Corporation policies with application to the conduct of directors, including the insider trading policy and the disclosure policy of the Corporation.
3. Review of adherence to the policies of the Corporation.
4. Approve proposed changes to the Governance Agreement or other Agreements.

###### **II. Financial and Corporate**

5. Approve the Corporation’s annual audited financial statements, annual report, management proxy circular and annual securities law filings.
6. Approve the Corporation’s interim financial statements and other reporting in accordance with the Corporation’s disclosure policy and Audit Committee Charter.
7. Approve declaration of dividends and changes to Corporation practice in respect thereof.
8. Approve any dividend reinvestment plan.
9. Repurchase of shares, issuance, repurchase or redemption of debt securities and any prospectuses or circulars in connection therewith other than pursuant to redemptions.
10. Approve the Corporation’s borrowing, hedging and granting of guarantees, if any.
11. Review significant changes in the Corporation’s accounting practices or policies.
12. Review findings of any regulatory agencies concerning the financial information of the Corporation and the Administrator’s response.
13. Approve adoption of share option, share purchase or other share based compensation arrangements, if any, that involve the issuance of shares by the Corporation or involve the purchase of shares by the Corporation.

### **III. External Auditors of the Corporation**

14. Recommend appointment of external auditors of the Corporation for approval by shareholders and establish their fees and annual audit plan.
15. Review independence of the Corporation's external auditors.
16. Review findings of external audit review and the Administrator's response.

### **IV. Risk Management**

17. Identify the principal risks of the Corporation's investments and affairs and ensure the implementation of appropriate systems to manage those risks.
18. Review the Corporation's risk management and insurance coverages, if any, annually.
19. Review the Corporation's conduct of litigation that could materially affect the financial condition of the Corporation.
20. Review effectiveness of the Corporation's internal control procedures.

### **V. Management and Administration**

21. Monitor and evaluate the performance of the Administrator pursuant to the Administration Agreement.
22. As an investor, monitor and evaluate the Corporation's investments including its investments in the Corporation's Subsidiaries
23. Approve appointment or removal of officers or employees of the Corporation, if any.



## APPENDIX "1"

### EXTRACT FROM ADMINISTRATION AGREEMENT

#### **"1.1 Administration of Corporation Affairs**

Subject to and in accordance with the terms, conditions and limitations of the Act and its governing documents, the Corporation hereby delegates to the Administrator, and the Administrator hereby agrees to be responsible for, the administration of the general and administrative affairs of the Corporation in accordance with the provisions hereof (other than the issue, certification, countersigning, transfer and cancellation of certificates representing Shares and the maintenance of a register of Shareholders) and specifically including such matters as may be requested by the Corporation from time to time.

#### **1.2 Administration and Advisory Services**

It is acknowledged and agreed that in furtherance of its obligations under section 1.1 to administer and manage the general and administrative affairs of the Corporation, and not in limitation thereof, the Administrator will:

- (a) keep and maintain at its offices in Montréal, Québec at all times books, records and accounts which shall contain particulars of operations, receipts, disbursements and investments relating to the Corporation Assets and such books, records and accounts shall be kept pursuant to normal commercial practices that will permit the preparation of financial statements in accordance with Canadian generally accepted accounting principles and in each case shall be, as nearly as practicable, in accordance with those required of a corporation under the Act and the Income Tax Act (Canada) and the income tax regulations applicable with respect thereto, all as amended from time to time;
- (b) prepare all income tax returns filings of the Corporation;
- (c) provide advice with respect to the Corporation's obligations as a reporting issuer and arrange for compliance by the Corporation with continuous disclosure obligations under applicable securities legislation including the preparation and filing of reports and other documents with all applicable regulatory authorities;
- (d) arrange for the payment of listing, sustaining fees and fees associated with additional listings charged by The Toronto Stock Exchange for or in respect of the Shares and similar fees charged by any other exchange on which the Shares may from time to time be listed;
- (e) arrange for the maintenance of proper registers for Shareholders and for issues, redemptions and cancellations of Shares;
- (f) arrange for and monitor and coordinate the activities of and paying for Shares and any other third party provider of services;
- (g) provide investor relations services to the Corporation;
- (h) at the request and under the direction of the Directors, call and hold all annual and/or special meetings of the Shareholders, prepare all materials (including notices of meetings and information circulars) in respect thereof and submit all such materials to the Directors in sufficient time prior to the dates upon which they must be mailed, filed or otherwise relied upon so that the Directors have a reasonable opportunity to review them, approve them, execute them and return them to the Administrator for filing or mailing or otherwise use them;
- (i) provide, for performing its obligations hereunder, office space, equipment and personnel including all accounting, clerical, secretarial, corporate and administrative services as may be reasonably necessary to perform its obligations hereunder;
- (j) provide or cause to be provided such audit, accounting, engineering, legal, insurance and other professional services as are reasonably required or desirable for the purposes of the Corporation from time to time and provide or cause to be provide such legal, engineering, financial and other advice and analysis as the

Directors may require or desire to permit any of them of their responsibilities as Directors, to the extent such advice and analysis can be reasonably provided or arranged by the Administrator;

- (k) provide assistance in negotiating the terms of any financing required by the Corporation or otherwise in connection with the Corporation Assets;
- (l) provide or cause to be provided to the Directors any services reasonably necessary for them to be able to consider any future acquisitions or divestitures by the Corporation of the Corporation Assets;
- (m) provide advice to the Directors with respect to determining the timing and terms of future offerings of Shares, if any;
- (n) administer all of the records and documents relating to the Corporation Assets;
- (o) provide advice and, at the request and under the direction of the Directors, direction to the Transfer Agent;
- (p) provide advice with respect to the determination of the dividend payable and arrange for payment thereof to the Shareholders; and
- (q) provide such additional administrative and support services pertaining to the Corporation, the Corporation Assets and the Shares and matters incidental thereto as may be reasonably requested by the Corporation from time to time.

The Administrator shall provide quarterly reports to the Directors outlining the nature and details of the foregoing services that have been provided including, without limitation, details of all matters in respect of which the Administrator shall be seeking reimbursement pursuant to section 3.2 hereof.

### **1.3 Powers and Authorities of the Administrator**

The Administrator shall have full right, power and authority to do and refrain from doing all such things as are necessary or appropriate in order to discharge its duties hereunder. In particular, and without limiting the generality of the foregoing, the Administrator shall have full right, power and authority to execute and deliver all contracts, leases, licences and other documents and agreements, to make applications and filings with governmental and regulatory authorities and to take such other actions as the Administrator considers appropriate in connection with the Corporation in the name of and on behalf of the Corporation and no person shall be required to determine the authority of the Administrator to give any undertaking or enter into any commitment on behalf of RSI, provided that the Administrator shall not have the authority to commit to any transaction which would require the approval of the Shareholders in accordance with the Act and its governing documents or take any action required to be taken by the Directors under the Act and its governing documents or take any action requiring approval of the Directors without such approval having been given.”

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