



MAPLE LEAF FOODS INC.

ANNUAL INFORMATION FORM

March 18, 2010

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Unless otherwise indicated, the information in this Annual Information Form is given as of December 31, 2009 and all amounts are in Canadian dollars. Unless the context otherwise requires, references herein to “Maple Leaf Foods” or the “Company” are to Maple Leaf Foods Inc. and its consolidated subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains, and the Company’s oral and written public communications often contain, forward-looking statements that are based on current expectations, estimates, forecasts and projections about the industries in which the Company operates and beliefs and assumptions made by the Management of the Company. Such statements include, but are not limited to, statements with respect to the Company’s objectives and goals, as well as statements with respect to its beliefs, plans, objectives, expectations, anticipations, estimates and intentions. Specific forward-looking statements in this document include, but are not limited to, statements with respect to: the timing of the completion of, and the expected benefits of, the Company’s protein transformation strategy; expectations regarding the timing of the sale of the Burlington, Ontario and Lethbridge, Alberta pork plants; expectations regarding the phasing out of breeding stock in the Company’s Maple Leaf Agri-Farms division; expectations regarding the availability of raw materials; new product innovation; the timing, cost and expected benefits of the Company’s new planned shared services platform software; expectations regarding volume and margin recovery from the product recall; the expected number of finished pigs produced by the Company; the expected reduction in the level of cyclicality of the Meat Products Group; the continued growth of the Company’s position in the specialty bakery market; the expected benefits from the Company’s expansion of the plant in Roanoke, Virginia; expectations regarding the cost, timing, completion and restructuring charges associated with the building of a new scale fresh bakery plant in southwestern Ontario; the timing regarding the closure of older bakery plants; expectations regarding the *ThinkFood!*TM centre; expectations regarding the Company’s food safety strategy and Food Safety Advisory Council; reliance upon the Company’s portfolio of food assets and selling channels; reliance upon consumers’ brand recognition and loyalty; expectations regarding the payment of dividends and dividend eligibility; expectations regarding the payment of additional amounts with respect to the acquisition of Martel; the expected impact of outstanding litigation on the Company; and expectations regarding environmental expenditures. Words such as “expect”, “anticipate”, “intend”, “attempt”, “may”, “will”, “plan”, “believe”, “seek”, “estimate”, “designed to” and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict.

In particular, these forward-looking statements are based on a variety of factors and assumptions that are discussed throughout this document. In addition, these statements and expectations are based on a number of factors and assumptions including, but not limited to: the condition of the Canadian, United States, United Kingdom and Japanese economies; the rate of exchange of the Canadian dollar to the U.S. dollar, British pound and Japanese yen; expected recovery of sales following the product recall; the availability and prices of raw materials, energy and supplies; product pricing; the availability of insurance; the competitive environment and related market conditions; improvement of operating efficiencies whether as a result of the protein business transformation or otherwise; stable legislative and regulatory environment; continued access to capital; the cost of compliance with environmental and health standards; no adverse results from ongoing litigation that would not be covered by insurance; no unexpected actions of domestic and foreign governments; and the general assumption that none of the risks identified below or elsewhere in this document will materialize. All of these assumptions have been derived from information currently available to the Company including information obtained by the Company from third-party sources. These assumptions may prove to be incorrect in whole or in part. In addition, actual results may differ materially from those expressed, implied or forecasted in such forward-looking statements, which reflect the Company’s expectations only as of the date hereof.

Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking statements include, among other things:

- the risks associated with implementing and executing the protein business transformation;
- the risks associated with the implementation of a new ERP information technology system by the Company;

- the risks posed by food contamination, consumer liability and product recalls;
- the risks associated with the Company's outstanding indebtedness and availability of capital;
- the risks associated with acquisitions and capital expansion projects;
- the impact on pension expense and funding requirements of fluctuations in the market prices of fixed income and equity securities and changes in interest rates;
- the cyclical nature of the cost and supply of hogs and the competitive nature of the pork market generally;
- the risks related to the health status of livestock;
- the Company's exposure to currency exchange risks;
- the ability of the Company to hedge against the effect of commodity price changes through the use of commodity futures and options;
- the impact of international events on commodity prices and the free flow of goods;
- the risks posed by compliance with extensive government regulation;
- the risks posed by litigation;
- the impact of changes in consumer tastes and buying patterns;
- the impact of extensive environmental regulation and potential environmental liabilities;
- the risks associated with a consolidating retail environment;
- the risks associated with complying with differing employment laws and practices globally and the potential for work stoppages due to non-renewal of collective agreements;
- the risks associated with the Company's independent distributors; and
- the risks posed by competition.

The Company cautions the reader that the foregoing list of factors is not exhaustive. These factors are referred to in more detail under the heading "Risk Factors" on page 16 of this document. The reader should review such section and the other documents it references in detail. The Company does not intend, and the Company disclaims any obligation to update any forward-looking statements, whether written or oral, or whether as a result of new information, future events or otherwise except as required by law.

Additional information concerning the Company, including the Company's Management Discussion and Analysis, is available on SEDAR at www.sedar.com or at www.mapleleaf.ca.

OVERVIEW OF THE BUSINESS

Maple Leaf Foods is a leading Canadian food processing company with revenues of approximately \$5.2 billion in fiscal 2009. The Company's business is divided into three operating and reportable segments: the Meat Products Group, the Agribusiness Group, and the Bakery Products Group. The combination of the Meat Products Group and the Agribusiness Group comprises the Protein Group, which is involved in producing and marketing animal protein-based products.

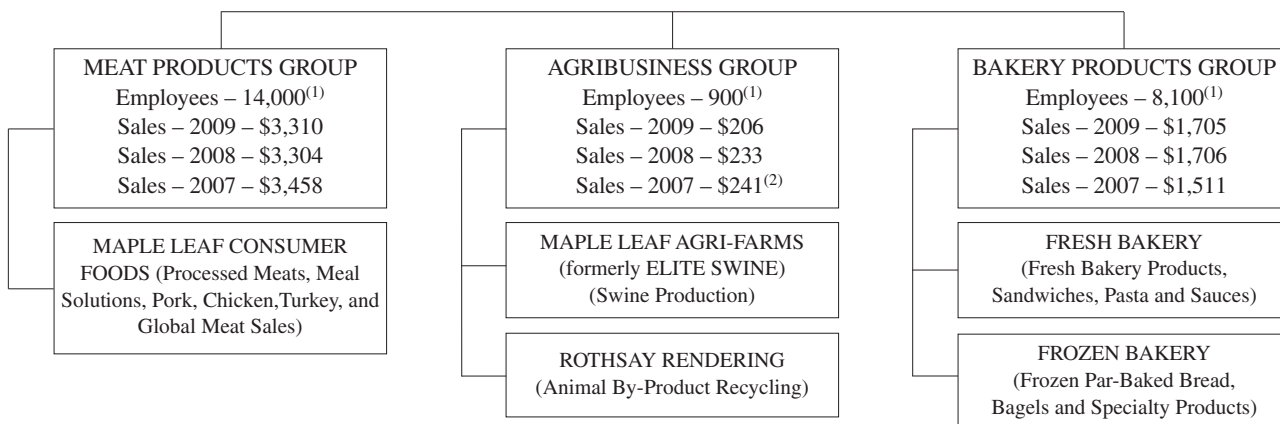
The Meat Products Group comprises value-added processed packaged meats, chilled meal entrees and lunch kits; and fresh, frozen and value-added pork, poultry and turkey. Meat products are sold under the Company's premium brands as well as through private label, food service and industrial channels. In connection with the restructuring of the Company's operations commenced in 2006 (described on page 3 under the heading "General Development of the Business – Three Year History"), the operating divisions of the Meat Products Group, namely Maple Leaf Fresh Foods, Maple Leaf Consumer Foods and Maple Leaf Global Foods, were combined and operate as one unit under the name Maple Leaf Consumer Foods.

The Agribusiness Group supplies the Company with hogs for slaughter and recycles a wide variety of animal and poultry by-products, including bones, trim, fat, offal and feathers, into a broad range of commercial tallow and protein products and biodiesel. The Agribusiness Group consists of two operating divisions, Maple Leaf Agri-Farms and Rothsay Rendering.

The Bakery Products Group is comprised of Maple Leaf Foods' 89.8% ownership (as at March 19, 2010) in Canada Bread Company, Limited ("Canada Bread"), a leading manufacturer and marketer of value-added flour-based products including fresh bread in Canada, frozen partially baked ("par-baked") bread in the United States and Canada, specialty bakery products including fresh pasta and sauces, prepared sandwiches and snack cakes in Canada, and bagels, croissants and other specialty baked goods in the United Kingdom. The Bakery Products Group consists of the two operating divisions, the Fresh Bakery Group and the Frozen Bakery Group.

Organizational Structure

The following chart summarizes the Company's current organizational structure by operating segment as at December 31, 2009 (sales figures are in millions):



- (1) In addition, there are approximately 600 corporate office employees of the Company who are not employed by any particular operating segment.
- (2) The Agribusiness Group's sales for 2007 do not include sales from the Maple Leaf Animal Nutrition business sold by the Company in July 2007. Prior to the sale by the Company, Maple Leaf Animal Nutrition had sales of \$343 million in 2007.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

During the year ended December 31, 2009, the Company continued to focus on improving its operating efficiencies, improving its sales mix by increasing the proportion of value-added and higher margin products, and recovering volumes and margins in the prepared meats and meals business following the recall of prepared meats in August 2008. In 2009, the Company's operations were impacted by four factors:

(1) substantial progress in the recovery of volumes and margins in the prepared meats and meals business following a product recall in August 2008 of sliced meats produced at the Company's Bartor Road facility in Toronto, Ontario; (2) normalization of margins in the Bakery Products Group due primarily to the combination of prior year price increases and the decline of commodity costs during 2009; (3) the benefits realized from the Company's restructuring of hog production and primary pork processing as the Company largely completed its three-year strategy to refocus its operations on value-added meat, meals and bakery businesses; and (4) increased earnings in the Company's poultry operations due to better markets and lower operating costs. These impacts were partially offset by an increase in pension expenses.

In 2006, in response to poor financial performance of the protein value chain operations resulting from the impact of the rise in the Canadian dollar against the U.S. dollar and the Japanese yen, the Company completed a comprehensive strategic review of its protein-related businesses and operations with the objective of maximizing the profitability of its meat businesses and recovering the loss in competitiveness due to adverse currency movements. In October 2006, the Company announced a strategy to reorganize its protein operations to focus on growth in higher margin, value-added meats and meals businesses where the Company has brand and market leadership (the "Transformation Strategy"). This was intended to mitigate the significant impact of currency fluctuations and increasing global competition in the hog and fresh pork areas of the business, where the Company has relatively little control or pricing power. Significant components of the strategy included:

1. simplifying the organization by the consolidation of six operating units into one;
2. focusing the organization by the sale of non-core business units;
3. lowering exposure to currency and commodity market fluctuations by downsizing the pork supply chain to quantities consumed in the Company's value-added meat and meals operations; and
4. increasing margins and growth by directing meat into value-added channels.

In 2007, in conjunction with the Transformation Strategy, the Company began a process to standardize core operational and financial processes and supporting systems across the Company as a foundation to establish a multi-functional shared service organization designed to provide lower cost, value-added services for all the Company's business operations.

In this regard, the Company embarked on an initiative to consolidate all of its information technology systems on to a single platform. During 2008, management initiated a plan to upgrade its existing software to achieve this goal. After further study, management decided that it was in the best interests of the Company to completely replace, as opposed to upgrade, its current systems. Management selected ERP software by SAP as its new information technology platform and engaged an implementation consultant to design an implementation plan to reduce any risks and disruptions to the Company's operations during conversion. Initial incremental installations of this software began in early 2009, and management expects that the full installation will be substantially complete by 2012. Based on the current project plan, management has no reason to change this estimate at this point in the project.

During 2009, the Company continued to be affected by commodity costs, primarily lower fresh meat prices and lower commodity costs in the Meat Products Group and Bakery Products Group, as well as being affected overall by a weaker Canadian dollar. This was a change from 2007 and 2008 during which, in addition to significant internal change activities related to execution of its Transformation Strategy, the Company was affected by unprecedented increases in the price of key inputs to its manufacturing operations, including wheat, corn, other grains and fuel. Market prices for hogs also declined in 2009 but were partly offset by reduced feed costs and the weaker Canadian dollar. In the Agribusiness Group, a decline in commodity prices reduced earnings in the rendering by-products business.

The Company was negatively impacted in both 2008 and 2009 by the product recall of sliced meats produced at its Bartor Road facility in Toronto, Ontario and in 2009 by the product recall of wieners in February and August. The latter two recalls were precautionary and did not have a significant impact. In 2009, the Company also delayed certain strategic initiatives to focus on the recovery of the prepared meats business as a result of these recalls. For a detailed description of the August 2008 and the 2009 product recalls and related recovery, see the description contained under "General Development of the Business – Three-Year History – Meat Products Group" below.

The Company has established *Think Food!*TM, a food innovation centre in the Meadowvale Business Park in Mississauga, Ontario adjacent to the Company's existing office towers, that opened in the second quarter of 2009. The Company has invested approximately \$12 million in *Think Food!*TM. The centre is home to the Company's product innovation and culinary strategy experts, and is designed to foster collaborative product development across the Company's global bakery and protein businesses. Resources located at the centre include culinary facilities, a designated foodservice kitchen where foodservice customers' retail facilities can be replicated, sensory and product development areas, teaching facilities, and a global culinary insight and trend library. It is designed to be a central hands-on learning environment for sales, marketing and product development staff to develop and share new food concepts, recipe ideas, and evaluate preparation and display techniques with food service and retail customers. It will also support consumer research and product testing. *ThinkFood!*TM is home to nearly 60 dedicated employees including chefs, culinary food scientists, microbiologists, home economists, environmental technologists and biologists.

The specific acquisitions, dispositions, capital expansions and conditions that have influenced the general development of the business in each of the operating segments over the last three fiscal years are discussed below.

Meat Products Group

The Company has substantially completed the strategic reorganization of its protein operations, commenced in 2006, to increase profitability and reduce currency and commodity exposure by reducing the Company's fresh pork processing operations and focusing growth in its higher margin packaged meat and meals businesses. Although the reorganization is substantially complete, some work continues.

Integration and consolidation of Schneider Foods (a national producer of value-added processed meat products acquired in 2004), Mitchell's Gourmet Foods Inc. (a producer of value-added processed meat products acquired in 2004 and 2005), Cappola Food Inc. (a producer of value-added prepared meats acquired in 2005) and Cold Springs Farm Limited (an integrated turkey producer and processor acquired in 2004 through 2009) continued in 2009. These operations have been integrated in one business unit under single management with the Company's other fresh meats, value-added meats and meals operations in accordance with the Company's Transformation Strategy.

On March 31, 2007, the Company completed two transactions to sell its small convenience and seafood trading businesses in Germany, as those businesses were not aligned with the Company's new protein strategy. These sales did not have a material impact on the Company's ongoing earnings or cash flows.

In the area of value-added meats and meals manufacturing, the Company continues to rationalize and make efficiency improvements. In 2006, the Company acquired a new 185,000 square foot facility in Brampton, Ontario for the production of a new line of refrigerated, branded meal solution products. These products were launched in the first quarter of 2007 under the *Maple Leaf Simply Fresh*[®] brand name. In late 2007, the Company closed a red meat facility in Etobicoke, Ontario and consolidated the products previously made there into the Brampton facility. The Company consolidated and upgraded its Western distribution network with two distribution centres, a new one in Saskatoon and an upgraded one in the lower mainland in British Columbia, which came online in 2008. These centres allowed the consolidation of existing warehouses and third-party storage facilities. The Saskatoon distribution centre was sold and leased back on a long-term basis in June, 2009.

A component of the Transformation Strategy for pork production was to downsize pork supply to the quantities consumed by the Company in its value-added meats and meals operations. In 2006, the Company had seven pork processing plants. The Company's plant in Brandon, Manitoba operates on a double shift basis processing approximately 4.3 million hogs annually. Additionally, the Company has a ham boning operation in Winnipeg, Manitoba. In 2007, the Company closed two pork plants in Saskatoon, Saskatchewan and Winnipeg, Manitoba and a poultry primary processing facility in Atlantic Canada. The Company also double-shifted the front-end processing at the plant in Brandon, Manitoba in early September 2007 and reached its target of 75,000 hogs per week during the fourth quarter of 2007. At the end of 2009, the plant was processing approximately 88,000 hogs per week (2008 – 83,000). In 2008, further capital investments were made in the Brandon, Manitoba facility to expand and double-shift the back-end "cut" operations, and a dedicated competitive ham boning operation was established in Winnipeg, Manitoba. The two remaining pork plants in Burlington, Ontario and Lethbridge, Alberta that are surplus to the Company's fresh pork requirements have yet to be divested. The Company commenced a sale process for the Burlington plant in 2008. In April 2009, the Company discontinued the sale process due to economic and credit conditions. The sale process for the Burlington plant is expected to restart in 2010. The Company continues to process a limited number of hogs at its multi-purpose plant in Nova Scotia to supply its value-added products at the plant, although the hog processing is scheduled to cease in late March.

2009 Product Recalls

In February 2009, the Company conducted a voluntary recall of approximately 1,100 cases of wieners produced at its Hamilton, Ontario plant for possible contamination with *Listeria monocytogenes* as a precautionary measure. Subsequent testing by the Canadian Food Inspection Agency ("CFIA") found no *Listeria monocytogenes* in the recalled product.

In August 2009, the Company also conducted a voluntary recall of nine wiener products produced at its Hamilton, Ontario plant after random product testing detected the presence of *Listeria monocytogenes* at very low levels. The recall was conducted as a precautionary measure.

August 2008 Product Recall

In August 2008, the Company voluntarily recalled all product produced since January 1, 2008 at its Bartor Road facility in Toronto, Ontario because of a concern that these products may be contaminated with *Listeria monocytogenes*. In the end, the *Listeria* strain identified in Maple Leaf products was linked to 57 cases of illness including 22 deaths where Listeriosis was a contributing factor. While there was no evidence of *Listeria* contamination in products beyond two of the eight production lines at the facility, the Company recalled all products produced at the facility to ensure that all precautionary steps were being followed to protect consumers. The Bartor Road facility was closed for sanitization, comprehensive environmental testing and verification, and the completion of comprehensive pre-operation inspections by the CFIA. On September 17, 2008, the Company resumed production at the plant. In November 2008, the Company received approval to resume shipping products to customers.

In March 2009, the courts approved a settlement agreement between the Company and the plaintiffs of class action lawsuits related to this product recall. The settlement provided that the Company would pay \$25 million, increasing by up to \$2 million, to the extent claims and costs may exceed \$25 million, in full and final settlement of all claims. The class counsel has appointed an independent administrator who is administering the compensation to be paid from the settlement amount under the supervision of the courts. The settlement amount was fully funded by the Company's liability insurance.

The 2008 recall significantly disrupted the prepared meats business in the second half of 2008, resulting in sales volume declines and supply chain disruptions. Additionally, price increases necessary to offset rising input costs could not be made. In 2009, significant focus and resources were committed to selling and operational initiatives to support the recovery of the prepared meats business. Volumes recovered close to pre-recall levels in the first half of 2009, and have remained close to those levels in the second half of 2009. While promotional activities were increased at the start of 2009 to support volume recovery, the depth and frequency of these activities began to return to normalized levels by the third quarter of 2009, resulting in improved margins in the second half of 2009. In 2010, management is focusing on increasing sales volumes and expanding sustainable margins, as the Maple Leaf brand and certain key categories such as sliced meats continued to perform below expectations during 2009.

On January 20, 2009, the Federal Government commissioned an independent investigation into the August 2008 Listeriosis outbreak, specifically to identify the factors that contributed to the outbreak and the effectiveness of the response of federal organizations.

In 2009, the Company created its Food Safety Advisory Council, a team of independent experts, to increase the Company's access to global knowledge and expertise in the areas of food safety practices, microbiology, technology and public health. The Food Safety Advisory Council is to carry out three key missions in its first year: (i) to perform ongoing critical reviews of the Company's food safety strategy that will include recommendations on additions or modifications to advance its food safety programs; (ii) to provide insights on any global emerging food safety risks; and (iii) to provide guidance on the Company's employee training and education programs with respect to food safety.

In 2009, the Company also adopted new testing and sanitation processes where required, and started to implement technologies such as "ultra high pressure" processing and the use of antimicrobial ingredients in a majority of ready-to-eat meat products to reduce the risk of food-borne pathogens.

Cost containment initiatives implemented in the Meat Products Group in 2009 included a staff reduction and the elimination of vacant positions made redundant by the Transformation Strategy.

Agribusiness Group

An element of the Company's new protein strategy was to restructure the Manitoba hog production operations towards wholly-owned balanced operations concentrated in proximity to the Brandon, Manitoba primary processing plant, reducing both the total number of hogs produced and the cost and complexity of the existing operations. This goal was materially achieved in Manitoba in 2007. In 2008 and 2009, management focused on streamlining operations and further reducing costs.

The Company completed the sale of all of its ownership interests in hog production assets in Alberta and Ontario in 2008, and in November 2008 also completed the divestiture of its hog genetics operations. In 2009, the Company wound down a number of Manitoba hog production operations.

As a result of these changes, in 2009 the number of finished hogs produced by the Company was approximately 890,000. This compares with 1.0 million produced in 2008 and 1.3 million produced in 2007. At the end of 2009, the Company effectively owned 12.8% of the hogs that it processed in its facilities. In 2008 and 2007, the Company effectively owned 14.9% and 19.2% respectively of the hogs that it processed in its facilities.

On July 20, 2007, the Company completed the sale of its animal nutrition business to Nutreco Holding NV for gross proceeds of \$524.8 million and recognized a gain on the sale of \$207.2 million, net of income taxes of \$77.3 million. The sale included feed milling operations in Canada and the U.S., feed mills in Ontario, a multi-species research farm located in Burford, Ontario, dry pet food operations, a grain trading operation in the U.S. and operations in Eastern Canada for the production of hatching eggs, hatching of broiler and leghorn chicks and the growing of chickens and turkeys. The Company retained ownership of two feed mills in western Canada to service the Company's internal needs for hog feed. The feed mills now form part of Maple Leaf Agri-Farms.

In late 2007, the Company completed a review of the role of its Rothsay rendering operations in the Company's new protein business model and decided to retain the business in its entirety, as the business is an integral part of managing the disposition of by-products from its primary processing operations.

On January 14, 2008, the Company completed the purchase of Central By-Products, a by-products recycling business located near London, Ontario, for \$18.1 million subject to adjustments.

Bakery Products Group

In July 2008, the Company increased its ownership of Canada Bread by acquiring 458,800 shares of Canada Bread on the open market at the price of \$71.15 per share for an aggregate consideration of \$32,643,620, raising the Company's ownership to 22,818,515 common shares (89.8%) of Canada Bread. Over the past three years, Canada Bread has made a number of acquisitions to expand the global market for its products, and undertaken capital expansions at plants and locations.

In 2007, Canada Bread acquired the assets and operations of La Fornaia Ltd., a leading producer of an extensive range of quality, specialty and handcrafted breads in the United Kingdom, for total consideration of £18.9 million (\$40.3 million). With three acquisitions in 2006 and additional capital expansions, the UK operation has grown to now comprise six plants producing a variety of breads including bagels, croissants and other specialties. In 2008, the Company optimized its network of bakery operations in the UK by consolidating the production of two small facilities producing primarily croissants and bagels, into the production of two larger, more efficient plants in Maidstone and Rotherham. At the end of 2008, several new products were launched in the Italian specialty bread and Viennoiserie categories.

The UK bakery operations suffered an oven fire in its principal bagel line at the Rotherham plant early in 2008. Although bagels were sourced from the Company's North American operations during the time a new oven was commissioned, operations were nonetheless impacted. A new oven was commissioned in the summer of 2008 and was operating at full capacity by the end of 2009. The Rotherham, UK plant also commissioned a cold store expansion in 2008 and invested in a new Modified Atmosphere Packaging ("MAP") line. MAP is a technique used to prolong the shelf life period of fresh or minimally processed foods, whereby the gaseous composition of the air surrounding the food in the package is modified so that the natural deterioration of perishable products is slowed.

On February 26, 2007, Canada Bread made one acquisition in Quebec, being the assets and operations of Patisserie Chevalier Inc., a producer of single-portion snack cake products in Quebec, for a total cost of \$8.2 million.

On January 29, 2008, Canada Bread closed the acquisition of Aliments Martel Inc. ("Martel"), a privately held Quebec-based manufacturer and distributor of sandwiches, meals and sweet goods. Canada Bread paid an initial purchase price of \$44.6 million and in addition, may pay an earn-out of up to \$22.6 million based on financial performance of the acquired business over the three years following the acquisition.

In 2008, Canada Bread closed a bagel manufacturing facility in Toronto, Ontario, and moved production to other regional facilities. An expansion at the Company's Roanoke, Virginia plant was commissioned during the second half of 2008, improving product costs and reducing freight and distribution costs to supply

regional customers. The Roanoke bagel line was operating at full capacity by the end of 2009. Overall, these strategic closures and expansions were designed to allow the Company to better balance its North American production network to provide the best possible service to its North American customers.

In 2009, the Company launched a new customer alignment process designed to further increase the Company's alignment with its customers' strategies and needs and to identify opportunities for value-added product and service solutions while aligning resources across all functions.

In January 2010, the Company announced its plan to build a new scale fresh bakery plant in southwestern Ontario, which will ultimately replace three existing older and smaller facilities located in Toronto, Ontario. Management currently expects that the investments required to build the new plant will be approximately \$100 million, with an additional \$25 million restructuring charge for decommissioning and employee severance payments. The new plant is expected to start operations within a year of beginning construction while the closure of the existing older plants is expected to start towards the end of 2011.

DESCRIPTION OF THE BUSINESS

General

Maple Leaf Foods believes that its portfolio of food assets and selling channels provides the Company with a diversified revenue stream. The Meat Products Group, the Agribusiness Group and the Bakery Products Group are complementary. While the primary processing operations in the Meat Products Group are somewhat cyclical, the consumer foods operations of the Meat Products Group and the operations of the Bakery Products Group are not. As a result, the results of the non-cyclical operations provide an offset to the results of the cyclical operations. Furthermore, the markets and customers of the Meat Products Group and the Bakery Products Group are similar, allowing for the sharing of management and professional expertise. The implementation of the Transformation Strategy for the protein businesses described under "General Development of the Business – Three Year History" above has reduced the Company's hog production and primary pork processing.

Prior to the announced change in strategy in 2006, Maple Leaf Foods used a business model premised on the "vertical coordination" of its Meat Products Group and Agribusiness Group. This model of "vertical coordination" is different from the Company's new business model of "vertical integration". As part of the old "vertical coordination" strategy, the Company did not own 100% of all of the production assets used in the "protein value chain" but rather took minority ownership interests in, or entered into partnerships or contracts with, producers and provided them with genetics, animal nutrition, production management services and links to processing and marketing. To advance the "vertical integration" model, the Company has restructured its hog production business such that it currently consists of a substantially wholly-owned sow and nursery operation in close proximity to the Brandon, Manitoba pork processing plant.

The Company's customers are located in over 50 countries worldwide. While domestic sales in Canada represent the majority of the Company's revenues, a significant portion of the Company's sales are derived from international markets such as sales to the United States, the United Kingdom and Japan. Maple Leaf Foods' customers include retail and food service stores, and other food processors. No single customer accounted for more than 15% of Maple Leaf Foods' consolidated revenues for the year ended December 31, 2009. Maple Leaf Foods' largest customers typically purchase many different food products from the Company.

MEAT PRODUCTS GROUP

General

The Meat Products Group, operating through the Maple Leaf Consumer Foods division, includes the Company's branded and customer-branded value-added prepared meat products; fresh, frozen and branded value-added pork, chicken and turkey; further processed meats and grocery products; and, global food marketing and distribution. Meat products are sold under the Company's premium brands such as *Maple Leaf*[®] and *Schneider*[®] as well as through private label, food service and industrial channels. Maple Leaf

Consumer Foods also operates an international export business through a network of five offices located in Canada, Mexico, Korea, Japan and Hong Kong that is focused on the sale of chilled and frozen pork and value-added meats and meals and on serving the needs of the Company's strategic international customers.

As stated above, the Company's strategy is to centralize its primary pork processing operations in Brandon, Manitoba. The Brandon, Manitoba pork processing plant is operating on a full two-shift basis processing approximately 86,000 hogs per week. The Company has not completed the divestiture of its primary pork operations in Lethbridge, Alberta and Burlington, Ontario. As stated above, the Company expects to restart the process of selling the Burlington plant in 2010. In poultry, the Company operates plants in Ontario and Alberta which process chicken and turkey.

In the third quarter of 2009, the Meat Products Group introduced resealable packaging for deli meats and bacon. The Meat Products Group also launched *Maple Leaf Gourmet*[™], a line of five ready to bake and serve gourmet fresh chicken and pork entrees, in Ontario, and *Maple Leaf Prime*[®] pre-seasoned ready to cook poultry products.

Maple Leaf Consumer Foods has processing plants and distribution centres across Canada with a sales organization across both Canada and the United States.

Principal Products and Markets

Maple Leaf Consumer Foods' products include bacon, hams, wieners, meat snacks, a wide variety of European delicatessen products, processed chicken products such as fully cooked chicken breasts and wings, processed turkey products such as fully cooked turkey breast roasts, specialty sausage and deli products, a complete line of cooked meats, sliced meats, cooked sausage products, frozen entrees, lunch kits, lard and canned meats. Maple Leaf Consumer Foods produces and markets a broad line of value-added meats and meals under a variety of brand names such as Maple Leaf, Schneider and other names as well as supplying private label brands. Maple Leaf Consumer Foods markets its products to major grocery store chains, independent grocery outlets, and retail and wholesale buying groups. Products are sold primarily in Canada and the United States. In addition, processed meats, pork and poultry products, frozen french fries and other potato products are sold to food service distributors for subsequent sale to restaurants, institutions and other food service establishments. Frozen french fries, potato croquettes and other potato products are sold internationally.

Maple Leaf Consumer Foods' products also include fresh primal and value-added pork cuts, fresh cut-up and whole chicken and turkey products and frozen whole birds and turkey parts. Chickens are sold under the *Maple Leaf Prime*[®] and *Maple Leaf Prime Naturally*[®] brands as a value-added branded line of fresh poultry products. Turkey is sold under the *Maple Leaf Prime*[®] and *Cold Springs Farm*[®] brands. Most of the chicken produced is sold in fresh form while turkey is sold in both fresh and frozen formats. Primary customers are retail grocery store chains, the food service industry, institutional buyers and other food processors. There are significant sales of pork products outside of Canada, principally in the United States and Japan. The Company also processes turkey meat into cooked and uncooked value-added turkey products. The processed value-added turkey products are sold to retailers, distributors and food service companies.

Within its integrated turkey operations, Maple Leaf Consumer Foods produces eggs from its breeder flock, a majority of which are sold to its hatchery which in turn produces poults. A majority of eggs not used to produce poults are sold in Canada and for export. While some poults produced in the hatchery are transferred to commercial turkey farms owned by the Company, the majority are sold to third parties. Maple Leaf Consumer Foods also further processes the meat into cooked and uncooked value-added turkey products. The fresh turkeys, turkey parts and further processed value-added turkey products are sold to retailers, distributors and food service companies.

Raw Materials

The majority of the hogs procured by Maple Leaf Consumer Foods are sourced through direct contracts with producers with terms from one to five years with varying pricing mechanisms and premiums for livestock with specific quality characteristics. Under the contracts, producers gain access to risk management tools. Poultry processing operations in Canada function within a highly regulated environment where live supply is controlled by marketing boards and other government agencies. All of the Company's live chicken and turkey supply for its processing operation is purchased through supply marketing boards that regulate both the supply and the cost of the Company's primary raw material. Maple Leaf Consumer Foods' raw material requirements (other than the significant amount of fresh pork and poultry produced in its own plants) are purchased as commodities on the open market, either directly from suppliers or through brokers in Canada or the United States, with prices fluctuating based on demand and available supply. As part of the revised protein strategy of the Company, more of Maple Leaf Consumer Foods' raw materials are sourced internally for pork and poultry, but there still is a requirement for purchases of these raw materials externally as well. A number of finished products are purchased through co-packing agreements with outside suppliers. The raw materials necessary for the operation of the Company's Meat Products Group are readily available.

Markets and Competition – Meat Products Group

The Meat Products Group currently holds the number one or number two national market share position in each of its core product segments. While the number of competitors and the degree of competition varies by product and region, the meat industry in Canada is highly competitive and includes competition from foreign manufacturers. Major competitors include several multinational food companies, and national and regional manufacturers. The markets for fresh pork are international, and the Company competes with large pork processors located in the United States and throughout the world. The international trading operations compete with other food trading organizations located throughout the world and with international sales organizations that are aligned with food processors. The Company is a significant purchaser of live hogs in Canada and competes with both Canadian and United States processors for hog supply. In the fresh pork and poultry operations, the Company's financial results are influenced by market prices for live chickens and hogs.

The Company is continuing in its efforts to minimize the influence of underlying commodity prices through adding value to its products, and by increasing operating efficiencies in order to improve its competitive position. The Company also attempts to minimize the overall impact of these commodity prices through its balanced portfolio of production and processing operations, as its hog production operations benefit from high hog prices and profits are usually countercyclical to the fresh pork operations. The announced protein strategy change, and in particular the reduction in the amount of primary pork processing, is expected to reduce the level of cyclicity further.

Consumer demand for meat products is seasonal, with demand increasing during the summer months for barbecue products and during the winter months for fully cooked ready-to-serve products. The market for turkey products is seasonal with a higher level of sales of turkey products in the festive seasons (September to December and to a lesser extent, in March and April).

AGRIBUSINESS GROUP

The Agribusiness Group manages and produces live hogs, including providing its own hog feed, and provides a valuable environmental service by recycling a wide variety of animal and poultry by-products, including bones, trim, fat, offal and feathers, into a broad range of commercial tallow, protein products, and biodiesel. The Agribusiness Group is divided into two operating divisions: Maple Leaf Agri-Farms (formerly called Elite Swine) and Rothsay Rendering.

Maple Leaf Agri-Farms

General

Maple Leaf Agri-Farms is a hog production operation with approximately 200 production locations in Manitoba and Saskatchewan, with approximately 34,500 sows under management at the end of 2009 (unchanged from 2008 and down from 77,395 at the end of 2007). The sow reduction was carried out as part

of the planned restructuring of the Company's operations, which is described above in the section entitled "General Development of the Business – Three-Year History." Maple Leaf Agri-Farms produces feed for its operations in two feed mills located in Manitoba. The Company owns the sow barns which produce weanlings and owns a number of nursery barns where weanlings are converted to feeder pigs. The Company grows additional weanlings in nursery barns leased by Maple Leaf Agri-Farms. Most of the feeder pigs are converted to market hogs in third-party owned and operated finishing barns under contracts of up to five years.

In 2009, the Company produced approximately 890,000 hogs compared to 1.0 million in 2008 and 1.3 million in 2007. At the end of 2009, the Company effectively owned 12.8% of the hogs that it processed in its hog slaughter facilities.

Principal Products and Markets

Maple Leaf Agri-Farms' market hogs are sold to the Company's pork processing plant in Brandon, Manitoba. Since completion of the restructuring, Maple Leaf Agri-Farms no longer provides services to hog producers such as production facility design, facilities construction management, genetics, health and nutrition, production management, transportation, marketing of hogs and employee training.

Raw Materials

Maple Leaf Agri-Farms purchases breeding stock, feeds and medication, each of which is readily available at competitive prices. In 2007, the Company sold its animal nutrition business but retained two feed mills in Manitoba to service the internal animal feed requirements of the Maple Leaf Agri-Farms hog production operations. In 2008, Maple Leaf Agri-Farms sold its hog genetics supply operations. While the Company reached an agreement to cancel a license agreement for a line of breeding stock in 2009, Maple Leaf Agri-Farms still partially supplies its own internal requirements from this line of breeding stock. This will be phased out as the animals reach the end of their breeding life.

Rothsay Rendering

General

Maple Leaf Foods' rendering business, operating as Rothsay, is one of the largest animal by-product recycling operations in Canada. In Canada, Rothsay owns six rendering plants which process inedible products, of which one plant also produces edible products. Rothsay also owns a biodiesel plant which processes animal fat and recycled cooking oils into a diesel fuel substitute.

In late 2007, the Company completed a review of the role of its Rothsay rendering operations in the Company's new protein business model and decided to retain the business in its entirety, as the business is an integral part of managing the disposition of by-products from its primary processing operations.

In 2009, Rothsay converted its truck fleet operated out of its Moorefield, Ontario plant to run on Rothsay biodiesel, bringing the total environmentally sustainable fleet to more than 100 vehicles. The Moorefield, Ontario and Montreal, Quebec fleets are fuelled by a minimum of five per cent (5%) biodiesel produced at Rothsay's Montreal facility.

Principal Products and Markets

Rothsay's principal products are inedible tallow, protein meals and edible lard. Its principal customers are feed mills and pet food manufacturers for protein meal and soap, and chemical and cosmetic manufacturers for most of the inedible tallow produced. Edible lard is sold through brokers for export and directly to domestic customers in Canada.

Rothsay operates in a highly regulated industry and is required to comply with a wide range of regulations, including environmental standards and regulations relating to the use of raw materials in finished products.

Changes to these regulations can require significant investments to be made in order to comply with them. Regulatory change can also impact decisions of the Company concerning whether or not to pursue a particular market for its finished products.

Rothsay produces biodiesel, a renewable alternative fuel produced from animal fat and recycled cooking oils in a Company owned biodiesel production facility near Montreal in Ville Ste. Catherine, Quebec. Biodiesel is sold primarily to refiners and distributors of diesel fuels in Canada for export to the United States and is also used in Rothsay's truck fleet as noted above.

Raw Materials

The primary sources of raw materials are from primary and further meat processors, butcher shops, restaurants and grocery store chains. Availability of raw materials is determined by levels of hog, beef and poultry processing in Canada. Approximately 23% of Rothsay's raw material is supplied by Maple Leaf Consumer Foods' businesses, primarily the pork and poultry slaughter plants in the Meat Products Group. Rothsay maintains a fleet of approximately 190 specially-equipped vehicles to pick up raw materials for the rendering process and deliver finished products to customers.

Energy is a significant component of Rothsay's costs. Energy price increases cannot necessarily be passed on to finished goods customers as the prices for its finished products are priced on a global basis.

Markets and Competition – Agribusiness Group

The Rothsay business faces competition for raw material supplies from other renderers and competes in the sale of its finished products with both domestic and foreign suppliers and from suppliers of substitute commodities such as vegetable protein and vegetable oils. Rothsay also faces competition for customers from other biodiesel manufacturers.

The hogs produced by Maple Leaf Agri-Farms are sold to the Company's pork plants for processing. Maple Leaf Agri-Farms faces competition from other sow barns for nursery and finishing barn spaces.

Demand for rendered products is not affected by seasonal factors; however, available supplies of beef and poultry raw materials increase during the summer months as a result of increased beef and poultry consumption.

BAKERY PRODUCTS GROUP

The Bakery Products Group is comprised of Maple Leaf Foods' 89.8% indirect ownership (as at March 19, 2010) in Canada Bread, which is a leading manufacturer and marketer of value-added flour-based products in its various markets, including fresh bread in Canada, frozen par-baked bread in the United States and Canada, specialty bakery products including fresh pasta and sauces in Canada, and bagels and specialty baked goods in the United Kingdom. The Bakery Products Group complements the operations of the Meat Products Group and the Agribusiness Group by diversifying Maple Leaf Foods' asset portfolio. The Bakery Products Group is divided into two operating divisions: the Fresh Bakery Group and the Frozen Bakery Group.

Bakery Products Group – General

Canada Bread has generally focused on attempting to increase the consumption of flour-based bread, rolls and bagels by creating more varieties and more premium products, while expanding distribution channels to make these products more widely available. The product mix is currently weighted towards premium whole-grain and healthy bakery products.

Canada Bread's customer base in the retail and food service sectors has been consolidating for some time, resulting in larger and more sophisticated customers who demand national solutions and cost effectiveness over a national distribution area. Canada Bread has undertaken strategic acquisitions in the past to build its business over the past eight years. On February 26, 2007, when Canada Bread acquired Patisserie Chevalier Inc., a producer of single-portion snack cake products in Quebec. On August 17, 2007, Canada Bread acquired La Fornaiia Ltd., a leading U.K. producer of an extensive range of quality, specialty and handcrafted breads. On January 29, 2008, Canada Bread closed the acquisition of Martel, a privately held Quebec-based manufacturer and distributor of sandwiches, meals and sweet goods. In 2008, the Martel operations, which are primarily in Quebec and the Maritime provinces, were integrated with the Royal Touch operations, which are in Ontario.

All of these acquisitions were targeted to enable Canada Bread to manufacture and distribute its products more broadly (both par-baked and fresh products in Canada; par-baked and specialty products in the United

States; and bagels, croissants and specialty products in the United Kingdom) and to expand its product offerings to consumers.

A trend that has affected all companies in the food industry is a growing consumer focus on food safety and healthy diets. Furthermore, consumers appear to be expanding food choices to include more diversity, such as ethnic diversity and bakery products with specialty flavours and toppings. In response, Canada Bread has attempted to ensure that its range of products and food preparation standards are responsive to these trends. Over the past several years, whole grains have become increasingly popular as consumers become more aware of consuming healthier products and including whole grains in their diets. Canada Bread has experienced significant volume growth in the sale of its whole-grain products including *Dempster's*[®] *Whole Grains*[™] and *Ancient Grains*[™] breads. In 2007, Canada Bread extended its line *Dempster's Smart*[™] line of bakery products with white bread flavour profile and whole grain nutritional value to include *Dempster's Smart*[™] *White Bagels*, *Dempster's Smart*[™] *White Tortillas* and *Dempster's Smart*[™] *White English Muffins*. Reinforcing its leadership in the growing higher nutrition market, Canada Bread launched *Dempster's WholeGrains Prebiotik*[™], a bread that contains inulin, a unique prebiotic source that promotes digestive health, becoming the first major brand in Canada to offer the benefits of prebiotics. In 2008, the Company launched *Smart 100% Whole Grain Wheat* bread nationally and *Smart Snack Cakes* in Eastern Canada. Canada Bread also launched *Dempster's Indian Naan* bread and *Dempster's BodyWise* diet breads, along with *Nature's Path*, a national line of branded organic breads. Olivieri launched new gourmet flavour filled pasta in the U.S. and Canada and expanded its offering in sauces for pasta and pizza. In 2009, Canada Bread launched *Dempster's*[®] *Healthy Way*[®] with *ProCardio Recipe*[™] fresh breads and snack squares, and *Dempster's*[®] *OvenFresh*[™], a line of fresh, long life white and multigrain baguettes and dinner rolls that finish baking at home. Under a licensing agreement, the Company has also launched *Cadbury*[®] *Snack Cakes* in Eastern Canada, expanding the Company's sweet goods offerings in the region. Note that *Cadbury*[®] is a registered trademark of Cadbury UK Limited.

In 2007, the Company announced an investment to further expand capacity at its Rotherham bagel facility in the UK that was designed to allow the business to pursue further opportunities in the frozen bagel market in the UK and Europe. The oven fire in 2008 at the facility and the subsequent oven replacement slowed completion of the expansion. The expansion, together with investments in croissant capacity at the French Croissant Company Ltd. and its acquisition of La Fornaia, is expected to position the business to continue its growth in the specialty bakery market.

In 2007, Canada Bread undertook a major warehouse expansion of its Roanoke plant in Virginia, Canada Bread's largest par-baked facility that has significantly expanded its storage capacity.

Fresh Bakery Group

General

The Fresh Bakery Group comprises fresh bakery products, specialty fresh pasta and sauces and fresh prepared sandwiches and foods. The Fresh Bakery Group operates bakeries and facilities producing fresh pasta and sauces, sweet goods, sandwiches and meals. Management of the Fresh Bakery Group is organized into four regions: Ontario, Quebec, Atlantic Canada and Western Canada.

Principal Products and Markets

Canada Bread's primary brands include *Dempster's*[®], the leading brand of fresh bread in Canada; *POM*[®], a leading brand of fresh breads and rolls in Quebec; *Ben's*[®], a leading bakery brand in Atlantic Canada; and *Healthy Way*[®] and *Olafson's*[®], leading brands in Western Canada. Fresh bread and rolls are distributed and sold primarily across Canada and also in the Northeastern and Northwestern United States to retail grocery store chains, retail outlets and the food service industry. While Canada Bread manufactures the majority of its branded products, a small selection of products is produced by other manufacturers under co-pack agreements.

The Fresh Bakery Group has a network of bakery plants in Canada with approximately 1,200 franchisee distributors. Canada Bread manufactures and distributes a full line of fresh bread and rolls and specialty bakery products. The Company has introduced many new products appealing to consumers tastes for specialty and ethnic products including whole grain, flat breads (such as tortillas) and pita bread, naan bread, and also many product offerings with enhanced health and nutritional value such as whole grains, multi-

grains, fiber and omega 3 oils. The Fresh Bakery Group also manufactures and distributes private label bakery products to major grocery store chains and fast food outlets. Most fresh products have a short shelf life; therefore, effective product distribution is an important element of ensuring high customer satisfaction and minimizing costs associated with product expirations. Manufacturing facilities and distribution centres are located as close as practicable to the market areas being served. Canada Bread's distribution and routing system has been designed to ensure that fresh products are delivered on a timely and cost-efficient basis. Fresh products are generally delivered directly to the retail store, either by Canada Bread employees or by franchisees that own their own distribution routes and equipment.

The Fresh Bakery Group also manufactures fresh pasta and sauces under its *Olivieri*[®] brand. Canada Bread distributes these products to large retail customers across Canada and in the United States. Pasta and sauces are also manufactured for private label brands.

Through the Fresh Prepared Foods Group, the Fresh Bakery Group manufactures and distributes fresh sandwiches, fresh prepared foods and sweet goods to Ontario, Quebec and Maritime retail and food service channels.

Raw Materials

The Fresh Bakery operations purchase a range of ingredients and packaging material, the major ingredients being flour, yeast, vegetable oil and sugar. These raw materials are primarily priced on a North American basis (except for sugar, which is priced on a worldwide basis) and have historically been readily available.

The cost of flour, the largest component of product cost, is responsive to changes in wheat prices and quality. Exposures to these price movements exist to the extent that cost changes cannot always be reflected in final selling prices on a timely basis, although raw material costs are a relatively small component of overall product costs.

Frozen Bakery Group

General

The Frozen Bakery Group consists of Canada Bread Frozen Bakery Ltd. in Canada, Maple Leaf Bakery Inc. in the United States and Maple Leaf Bakery UK Limited in the United Kingdom. Each of Canada Bread Frozen Bakery Ltd., Maple Leaf Bakery Inc. and Maple Leaf Bakery UK Limited are wholly-owned subsidiaries of Canada Bread. Together, Canada Bread Frozen Bakery Ltd. and Maple Leaf Bakery Inc. are leading North American manufacturers of frozen par-baked bakery products. Par-baked products are baked to approximately 90% of completion, quick-frozen and shipped to retail and food service customers for final baking. The par-baked market is among the fastest growing in the bakery industry. Production of par-baked products is designed to reduce in-store labour, waste and cycle time and improve product freshness for customers. Products include frozen par-baked breads, rolls, baguettes, specialty rye and hearth breads, artisan breads, croissants, sourdough bread, an assortment of scones, pastry shells, turnovers and fruit bites. The Frozen Bakery Group operates eight bakeries in North America and six bakeries in the United Kingdom.

Principal Products and Markets

The Frozen Bakery Group serves major retail grocery, food service and club store operators across Canada and the United States. It produces private label products as well as a select range of branded offerings including *California Goldminer*[®] Sourdough Bread, *Grace*[™] artisan breads, *Maison Cousin*[®] crusty breads and *Tenderflake*[®] frozen pie/pastry shells.

Maple Leaf Bakery UK Limited specializes in the production of bagels and value-added specialty bakery products including croissants, ciabatta and other morning goods products, and is the United Kingdom's largest producer of bagels, a growing market in both the United Kingdom and Europe, and ambient croissants. The business also produces specialty bread products for the United Kingdom and European market. Over the past few years, Maple Leaf Bakery UK Limited has grown substantially through a number of acquisitions including the acquisition of the Harvestime operations (specialty and sliced bread products), The French Croissant Company Limited (croissants), Avance (UK) Limited (specialty bread products) and La Fornai (specialty Italian style bakery products).

The Frozen Bakery Group distributes its products through a network of third-party brokers and freight carriers. While a small portion of the products is distributed by direct store delivery, the great majority are shipped to the customers' central warehouses or the customers' third-party logistics suppliers.

Raw Materials

The Frozen Bakery operations purchase a range of ingredients and packaging material, the major ingredients being flour, yeast, vegetable oil, sugar and butter. These raw materials for North American production are primarily priced on a North American basis (except for sugar, which is priced on a worldwide basis), independent of European pricing, and have historically been readily available. Ingredients for UK operations are sourced locally.

The cost of flour, the largest component of product cost, is responsive to changes in wheat prices and quality. Exposures to these price movements exist to the extent that cost changes cannot always be reflected in final selling prices on a timely basis, although raw material costs are a relatively small component of overall product costs.

Markets and Competition – Bakery Products Group

Markets for fresh bakery products tend to be regional in nature, due to the cost and timeliness of transporting fresh bread. Canada Bread competes with other national, local and regional bakers, as well as the in-store bakeries of large grocery stores. Canada Bread believes it has a competitive advantage in fresh bakery as a result of being one of two bakers with a national production and distribution network. This national network allows it to service its large national customers on a cost effective and timely basis. In pasta and sauces, Canada Bread competes with local and regional Canadian manufacturers and manufacturers in the United States. The market for fresh pasta and sauces is less regional as the products can be shipped longer distances economically. There are many small and medium sized competitors in the fresh pasta and sauce market place.

Frozen bakery products, due to lower perishability, can be transported more efficiently over longer distances. The Frozen Bakery Group operations compete with other baked goods manufacturers and with retail grocery store chains that use frozen dough or bake "from scratch" in their stores. Sales of certain fresh products such as rolls and *Tenderflake*[®] baking products are affected by seasonality. Canada Bread's customer base in the retail and food service segments has been consolidating for some time, resulting in larger and more sophisticated customers who demand national solutions and cost effectiveness over a national distribution area. Canada Bread has the capacity to manufacture and distribute its products nationally (in Canada, both par-baked and fresh products; par-baked products in the United States; and bagels, croissants and specialty products in the United Kingdom) and is continually seeking to expand its product offerings to consumers. In both North America and the United Kingdom, the Company has a number of small to medium sized competitors in its principal product lines.

FOREIGN OPERATIONS

The Company derives approximately 75% of its revenue from sales in Canada, approximately 13% from sales in the United States and the balance from sales in other global markets, principally the United Kingdom, Japan, Europe, and Mexico. Maple Leaf Consumer Foods operates an international export business through a network of offices located in Canada, Mexico, Korea, Japan and Hong Kong that is focused on the sale of chilled and frozen pork and value-added meats and meals and on serving the needs of the Company's strategic international customers. Maple Leaf Consumer Foods markets a number of products including pork products, pre-cooked meat and poultry products and potato products outside of Canada. Frozen french fries and other potato products are sold internationally and there are significant sales of pork products in the United States and Japan. The Company's performance is affected by global market demand, prices, foreign exchange fluctuations as well as trade barriers.

The Company's Bakery Products Group is one of the largest par-baked manufacturers in North America and the United Kingdom. The Bakery Products Group operates three frozen par-baked plants in the United States, one in Virginia and two in California, and also services the United States market from five plants in Canada. It also operates six bakery facilities in the United Kingdom, making it the largest producer of bagels and specialty bakery products in the country. The Company's Frozen Bakery operations in the United States and the United Kingdom generated 25.0% (2008 – 26.6%, 2007: 27.5%) of the total revenue of the Bakery Products Group for the fiscal year ended December 31, 2009.

INTANGIBLE PROPERTY – TRADEMARKS AND PATENTS

As a food products company, Maple Leaf Foods relies heavily on brand recognition and loyalty, and places a great deal of emphasis on its established range of trademarks. The Company believes its brands are recognized by consumers for quality and reliability.

The Company's key trademarks in each of its operating segments are presented below.

<u>Operating Segment</u>	<u>Key Trademarks</u>
Meat Products Group	<i>Maple Leaf</i> [®] , <i>Schneiders</i> [®] , <i>Maple Leaf Prime</i> [™] , <i>Maple Leaf Prime Naturally</i> [®] , <i>Lunchmate</i> [®] , <i>Top Dogs</i> [®] , <i>Shopsy's</i> [®] , <i>Mitchell's Gourmet Foods</i> [®] , <i>Hygrade</i> [®] , <i>Maple Leaf Simply Fresh</i> [®] , <i>Larsen</i> [®] , <i>Maple Leaf Simply Savour</i> [™]
Bakery Products Group	<i>Dempster's</i> [®] , <i>POM</i> [®] , <i>Ben's</i> [®] , <i>Bon Matin</i> [®] , <i>Healthy Way</i> [®] , <i>Olafson's</i> [®] , <i>McGavins</i> [®] , <i>Olivieri</i> [®] , <i>Villaggio</i> [®] , <i>Smart</i> [™] , <i>WholeGrains</i> [™] , <i>Obsession</i> [™]

Patents and other forms of intellectual property such as industrial designs and copyright are of less importance to the business activities of the Company.

ENVIRONMENTAL MATTERS

Each business of Maple Leaf Foods operates within the framework of an environmental policy entitled "Our Environmental Commitment" that is approved by the Environment, Health and Safety Committee of the Board of Directors. The Company's environmental program is monitored on a regular basis by the Committee, and involves the monitoring of compliance by the Company with regulatory requirements, the use of internal environmental specialists and independent, external environmental experts. The Company continues to invest in environmental infrastructure related to water, waste and air emissions to ensure that environmental standards continue to be met or exceeded, while implementing procedures to reduce the impact of operations on the environment. Expenditures related to current environmental requirements are not expected to have a material adverse effect on the financial position or earnings of the Company. There can be no assurance, however, that certain events will not occur that will cause expenditures related to the environment to be significant and have a material adverse effect on the Company's financial condition or results of operations. Such events could include, but not be limited to additional environmental regulation or the occurrence of an adverse event at one of the Company's locations.

EMPLOYEE RELATIONS

As of December 31, 2009, the Company employed approximately 23,600 people, of which about 16,000 were covered by some 103 collective agreements. These agreements are normally negotiated for varying terms, and in any given year, a number of these agreements expire and are re-negotiated; most renew without significant issue. However, if a collective agreement covering a significant number of employees or involving certain key employees were to expire leading to a work stoppage, there can be no assurance that such work stoppage would not have a material adverse effect on the Company's financial condition and results of operations.

Thirty-nine (39) collective agreements have expired or will expire in 2010. Negotiations are currently ongoing in respect of eight (8) of these agreements. Key collective agreements to be negotiated in 2010 include: the Maple Leaf processed meat plant in Kitchener, Ontario; Fresh Bakery plants in Etobicoke, Ontario, Toronto, Ontario, Edmonton, Alberta, Quebec City, Quebec, Moncton, New Brunswick and Grand Falls, New Brunswick; and Frozen Bakery plants in Richmond, California, Walsall, United Kingdom and London, United Kingdom.

RISK FACTORS

The Company operates in the food processing and agricultural business, and is therefore subject to risks and uncertainties related to these businesses that may have adverse effects on the Company's results of operations and financial condition.

These risks and uncertainties are described under the heading “Risk Factors” in the Company’s Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) for the fiscal year ended December 31, 2009 and incorporated by reference herein. The Company has filed the MD&A with the Canadian securities regulators and it is available on SEDAR at www.sedar.com.

CORPORATE STRUCTURE

Name, Address and Incorporation

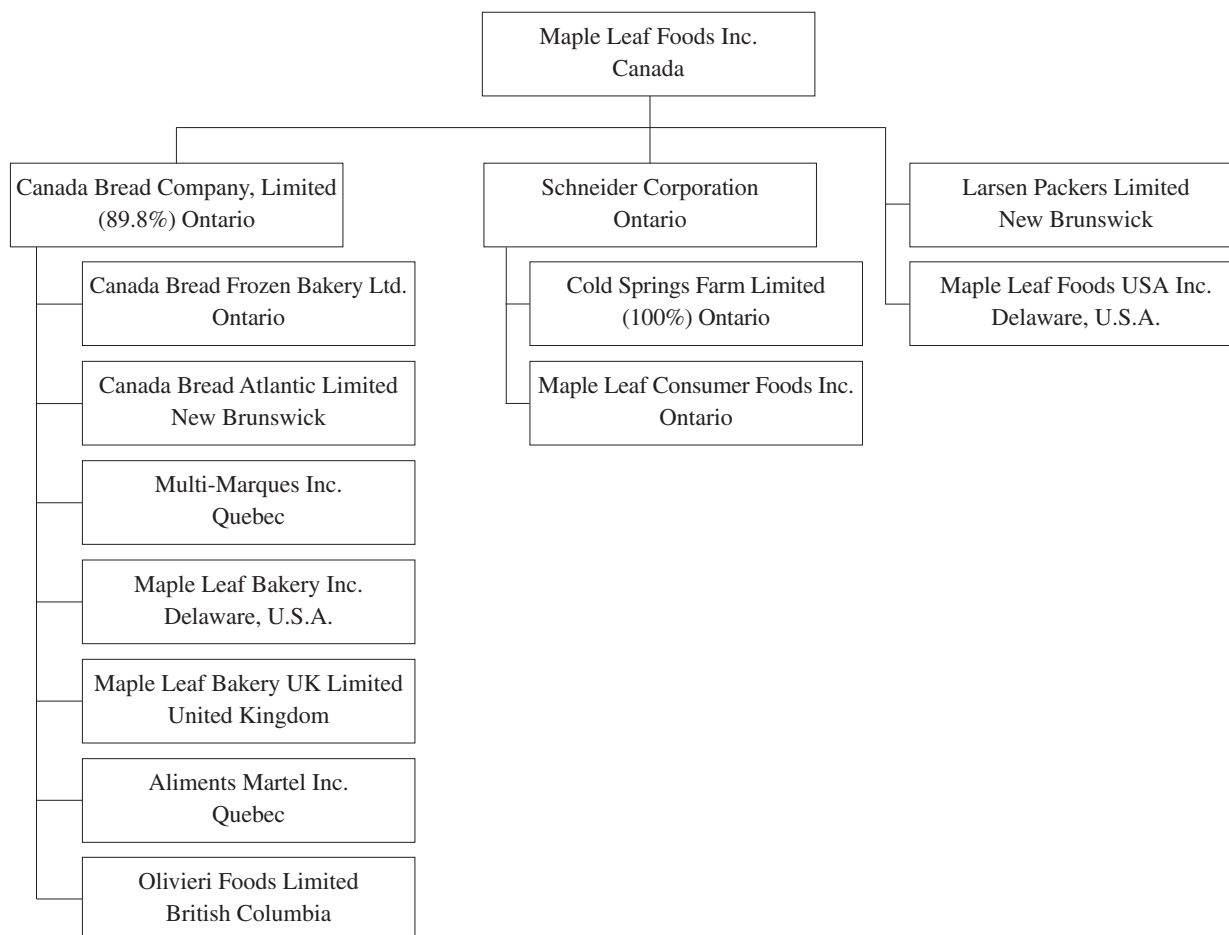
Maple Leaf Foods Inc./Les Aliments Maple Leaf Inc. is incorporated under the Canada Business Corporations Act. It was incorporated on August 13, 1927, although portions of the business originated before 1900. The Company’s registered and principal office is located at 30 St. Clair Avenue West, Suite 1500, Toronto, Ontario, Canada M4V 3A2.

Intercorporate Relationships

As at December 31, 2009, the only operating subsidiary of the Company whose total assets constituted more than 10% of the consolidated assets of the Company, or whose total consolidated sales and operating revenues exceeded 10% of the consolidated sales and operating revenues of the Company, was: Canada Bread Company, Limited, incorporated under the *Business Corporations Act* (Ontario). As at March 19, 2010, Maple Leaf Foods owned, directly or indirectly, an 89.8% voting and equity interest in Canada Bread and its subsidiaries. Maple Leaf Consumer Foods Inc. and Schneider Corporation (both incorporated in Ontario) also had assets or revenues exceeding this threshold but both were amalgamated with Maple Leaf Foods Inc. effective January 1, 2010 as noted below.

The Company had the following significant operating subsidiaries and affiliates as of December 31, 2009:

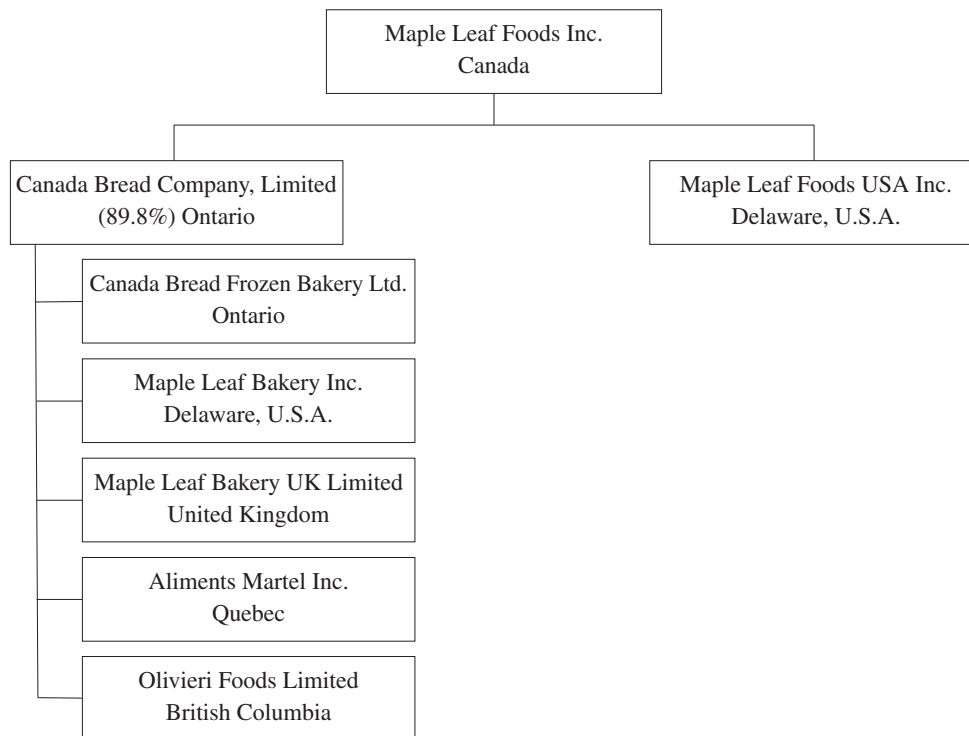
Note: All companies are 100% owned, directly or indirectly, unless otherwise indicated. The jurisdiction listed is the jurisdiction of incorporation.



Effective January 1, 2010, the Company underwent a legal entity reorganization, which involved, among other things, the amalgamation of the Company with various operating and non-operating subsidiaries. The reorganization also involved the wind-up of a non-operating Quebec subsidiary on December 31, 2009. Canada Bread underwent a similar legal entity reorganization, which involved, among other things, the amalgamation of Canada Bread with various of its operating and non-operating subsidiaries and also involved the winding-up of certain Quebec subsidiaries. The Canada Bread reorganization was completed in early January 2010.

Accordingly, upon completion of the above noted reorganizations the Company had the following significant operating subsidiaries and affiliates:

Note: All companies are 100% owned, directly or indirectly, unless otherwise indicated. The jurisdiction listed is the jurisdiction of incorporation.



DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Company currently consists of an unlimited number of common shares, an unlimited number of non-voting common shares and an unlimited number of preferred shares issuable in series. On April 28, 2004, the articles of incorporation were amended to change the authorized number of non-voting common shares to an unlimited number. On June 2, 2009, the articles of the Company were amended to increase the authorized capital by creating an unlimited number of preferred shares issuable in series. As of February 28, 2010, the issued capital of the Company consisted of 114,774,802 common shares, 22,000,000 non-voting common shares and no preferred shares.

Holders of common shares are entitled to one vote at all meetings of shareholders. In addition, holders of common shares are entitled to dividends if, as and when declared by the Board of Directors of the Company and, in the event of the liquidation, dissolution or winding up of its affairs, to a pro rata share of the assets of the Company after payment of all liabilities and obligations of the Company. There are no pre-emptive, conversion or redemption rights attaching to the common shares.

The non-voting common shares (the “non-voting securities”) carry rights identical to those of the common shares except as hereinafter described. Except as required by law, the holders of the non-voting securities as a class are not entitled as such to vote at any meeting of the shareholders of the Company. Further, the holders of the non-voting securities are not entitled to vote separately as a class, and are not entitled to dissent, upon a proposal to amend the articles to (a) increase or decrease any maximum number of

authorized non-voting securities resulting from a subdivision or consolidation respectively; (b) increase any maximum number of authorized shares of a class or series of a class having rights or privileges equal or superior to the non-voting securities; (c) effect an exchange, reclassification or cancellation of the non-voting securities; or (d) create a new class or series of a class of shares equal or superior to the non-voting securities, unless the holders of non-voting securities are being affected by such amendment in a manner differently from the holders of common shares. The non-voting securities may be converted at any time by the holder or holders thereof into fully-paid common shares on the basis of one common share for one non-voting security. In addition, if, at any time, a current holder of non-voting securities transfers all or a portion of the non-voting securities held by such holder to another person, the shares being transferred shall be automatically converted upon such transfer into fully-paid common shares of the Company on the basis of one common share for each non-voting security. The conversion will occur simultaneously upon the completion of such transfer, without any further action by the Company or any other person, so that the transferee will be a holder of common shares equal in number to the non-voting securities transferred by the transferor. **The holders of the non-voting securities have no express right to participate in a take-over bid made for the common shares of the Company.** Such holders, however, may convert their non-voting securities into common shares and participate in a take-over bid in that manner. These non-voting securities may be considered “restricted securities” under National Instrument 51-102 – *Continuous Disclosure Obligations*, as the common shares of the Company which are publicly traded carry a greater vote per security relative to the non-voting common shares (described above).

The preferred shares are issuable in one or more series. As of the date hereof, no series of preferred shares has been created and no preferred shares have been issued. Each series of preferred shares is to rank equally with any other series of preferred shares in respect of redemption, the payment of dividends, the return of capital and the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary. Each series of preferred shares shall have priority over the common shares, the non-voting common shares and any other class of shares of the Company ranking junior to the preferred shares with respect to redemption, the payment of dividends, the return of capital and the distribution of assets in the event of the liquidation, dissolution or winding up of the Company. The preferred shares of any series may also be given such preferences, not inconsistent with the general provisions of the class, over the common shares, the non-voting common shares and over any other class of shares of the Company ranking junior to the preferred shares, as may be determined by the Board of Directors of the Company. The holders of each series of preferred shares shall be entitled to receive cumulative dividends as and when declared by the Board of Directors of the Company at a rate per share per annum as determined by the Board of Directors of the Company, acting in good faith, provided such rate per annum does not exceed by more than 2% the yield to maturity of an unsecured bond with a comparable credit rating issued by a “comparable issuer” on the date the rights, privileges, restrictions and conditions attaching to the shares of such series of preferred shares are determined or such other date as close as practicable to such date, such bond having the same or as close as possible term to maturity as is equal to the period until the series of preferred shares are first redeemable in whole or in part. A “comparable issuer” refers to an issuer selected by the Board of Directors of the Company as being comparable to the Company in terms of industry focus and whose outstanding unsecured long-term debt securities have a comparable credit rating (being a credit rating that is the same or that is the closest as possible to the credit rating of the outstanding long-term debt securities of the Company). No series of preferred shares shall be convertible into any other class of shares of the Company. Each series of preferred shares shall be redeemable by the Company on such terms as determined by the Board of Directors. Holders of preferred shares shall not be entitled to receive notice of, to attend or to vote at any shareholders’ meeting of the Company except as provided by law, or upon an event of default by the Company where the Board of Directors has not declared the whole dividend on the particular series of preferred shares in any period and in that event, such holders shall be entitled to receive notice of, to attend and to vote at the shareholders’ meetings (with one vote for each share held), which voting rights shall cease upon payment by the Company of the dividend to which holders are entitled. Whenever a share of any series of preferred shares is to be issued, the total number of such series of preferred shares to be issued shall be limited such that the aggregate value of all preferred shares of all series issued and outstanding, including the value of the preferred shares of such series to be issued (based on the issuance price per share of each preferred share) shall not exceed 25% of the market capitalization of the common shares (the aggregate value of the common shares and non-voting common shares issued and outstanding calculated based on the volume weighted average trading price of the common shares on the Toronto Stock Exchange for the five (5) trading days immediately preceding 5:00 p.m. on the date on which

the Board of Directors determines the issuance price per share of the series of preferred shares to be issued). **The holders of preferred shares may not have an express right to participate in a take-over bid made for the common shares of the Company.**

On December 16, 2008, the Company closed a private placement of 7,368,421 units at a price of \$9.50 per unit for aggregate gross proceeds of \$70 million. Each unit consisted of one subscription receipt and 0.4 of a common share purchase warrant. Each subscription receipt entitled the holder to receive one common share of the Company on August 4, 2009 or, at the election of the Company, the return in cash of \$9.50 per subscription receipt. Each whole common share purchase warrant is exercisable into one common share of the Company until December 16, 2010 at a price of \$9.50 per common share. As part of the private placement, Ontario Teachers' Pension Plan and McCain Capital Corporation purchased 5,484,784 units and 1,694,737 units, respectively. Pursuant to the terms of the offering, as noted above, the Company had the option to elect to return the subscription proceeds or issue common shares in satisfaction of the subscription receipts. As required pursuant to the terms of the agreement governing the issuance of subscription receipts, a Special Committee of independent directors was formed to evaluate this option and other alternatives and take independent advice. On July 28, 2009, the Special Committee approved management's recommendation that the Company issue 7,368,421 common shares on August 4, 2009 in satisfaction of the subscription receipts. On August 4, 2009, such shares were issued. This decision reflected the Company's approach to ensuring that it maintains an appropriate mix of equity and debt in its capital structure and that these levels are maintained over time. The 2,947,368 common share warrants that were issued remain outstanding and are unexercised.

The Company has an unsecured revolving debt facility with a principal amount of \$870.0 million. The maturity date is May 31, 2011. This facility can be drawn in Canadian dollars, U.S. dollars or British pounds and bears interest based on bankers' acceptance rates for Canadian dollar loans and LIBOR for U.S. dollar and British pound loans. As at December 31, 2009, \$476.6 million of the revolving facility was utilized, of which \$131.6 million was in respect of letters of credit and trade finance.

In addition to the amount drawn on its revolving debt facility, the Company had the following debt securities outstanding as at December 31, 2009: US\$75 million 8.5% Notes due 2010, C\$115 million 7.7% Notes due 2010, US\$207 million 5.2% Notes due 2011, US\$98 million 5.6% Notes due 2014, US\$7 million 5.8% Notes due 2016, C\$105 million 6.1% Notes due 2014 and C\$20 million 6.2% Notes due 2016. All of the notes were issued in private placement transactions and are not convertible but may be prepaid in whole or in part.

Schneider Corporation had the following debt securities outstanding as at December 31, 2009: C\$2.6 million 10.0% Debentures due 2010 and C\$39.3 million 7.5% Debentures due 2016. The debentures were issued in private placement transactions and were assumed upon the Company's acquisition of Schneider Corporation. They are not convertible but may be prepaid in whole or in part. These debt securities are now obligations of the Company as a result of the amalgamation of the Company and Schneider Corporation that occurred effective January 1, 2010. See the description of the amalgamation under "Corporate Structure" on page 17 above.

The Company and its subsidiaries have various other debt facilities with banks and other lenders, all of which are not convertible. The interest rates on these facilities range from non-interest bearing to 7.1% and have maturity dates ranging from 2010 to 2016. As at December 31, 2009, the total amount drawn pursuant to these facilities was \$14.5 million.

DIVIDENDS

The declaration and payment of dividends is at the discretion of the Board of Directors. The Board of Directors intends to maintain a stable dividend and, where appropriate, change the dividend on the basis of the stability of the Company's earnings and stock price appreciation. During each of the fiscal years ended December 31, 2007, 2008 and 2009, the Company declared an aggregate yearly dividend of \$0.16 per common share (voting and non-voting) payable quarterly. At present, there is no intention to change the Company's dividend policy; however, that is subject to market conditions. During 2010, it is anticipated that dividends paid by the Company will not be considered eligible dividends for the purposes of the "Enhanced Dividend Tax Credit System".

Certain of the Company's covenants with its lenders restrict the aggregate amount of dividends that can be paid. Specifically, certain covenants place a limit on the amount of dividends, capital distributions and

redemptions which the Company may make from a permitted amount, also known as a “specified pool”. The specified pool increases over time with increases in earnings and is reduced over time by the amount of any restricted payments, which includes dividends. This covenant is not currently an impediment to the amount of dividends being paid, but could conceivably become so depending on market conditions. The Company is also subject to a minimum net worth covenant, which ensures that the Company cannot pay dividends that would cause shareholder equity to decrease below a specified minimum. This covenant is not currently an impediment to the amount of dividends being paid, but is a technical limitation of the maximum amount that the Company can distribute to its shareholders.

MARKET FOR SECURITIES

The Company’s common shares are listed on the Toronto Stock Exchange under the stock market symbol “MFI”. The following table outlines the price range and trading volume of the common shares for each month of the last fiscal year:

Date	High (\$)	Low (\$)	Volume
December	12.06	10.69	2,529,437
November	12.04	11.01	2,321,730
October	11.45	9.26	2,431,408
September	9.60	8.77	4,120,638
August	9.40	8.71	1,892,859
July	9.41	8.00	2,873,791
June	8.90	8.26	2,272,986
May	8.99	8.25	2,244,674
April	9.05	7.95	2,236,584
March	8.59	7.30	3,349,092
February	10.85	7.95	2,610,505
January	11.15	9.61	2,114,257

DIRECTORS AND OFFICERS

The following table sets forth each director’s name and municipality of residence, the year in which he or she became a director, and his or her principal occupation. Directors are elected to hold office until the next annual meeting of the shareholders or until a successor is elected or appointed. The information is given as at December 31, 2009 and current to March 18, 2010 as follows:

Name and Municipality of Residence	Director Since	Principal Occupation
W. Geoffrey Beattie ⁽²⁾ ⁽⁴⁾ Toronto, Ontario, Canada	2008	President and Chief Executive Officer, The Woodbridge Company Limited <i>(privately-held investment company)</i>
John L. Bragg ⁽¹⁾ ⁽³⁾ Collingwood, Cumberland County, Nova Scotia, Canada	2008	Chairman, President and Co-CEO, Oxford Frozen Foods Limited <i>(food manufacturing company)</i>
Purdy Crawford ⁽²⁾ ⁽⁴⁾ Toronto, Ontario, Canada	1995	Counsel, Osler, Hoskin & Harcourt LLP, Toronto, Ontario, Canada <i>(law firm)</i>
Jeffrey Gandz ⁽³⁾ ⁽⁴⁾ London, Ontario, Canada	1999	Professor, Managing Director – Program Design, Richard Ivey School of Business, University of Western Ontario <i>(business school)</i>

Name and Municipality of Residence	Director Since	Principal Occupation
James F. Hankinson ^{(1) (2)} Toronto, Ontario, Canada	1995	Corporate Director
Chaviva M. Hošek ^{(2) (3)} Toronto, Ontario, Canada	2002	President and Chief Executive Officer, The Canadian Institute for Advanced Research <i>(not-for-profit research institute)</i>
Wayne A. Kozun ^{(2) (3)} Toronto, Ontario, Canada	2009	Senior Vice President, Public Equities, Ontario Teachers Pension Plan <i>(public sector pension fund)</i>
Claude R. Lamoureux ^{(1) (4)} Toronto, Ontario, Canada	2008	Corporate Director
J. Scott McCain Toronto, Ontario, Canada	1995	President and Chief Operating Officer, Agribusiness Group of the Company
G. Wallace F. McCain Toronto, Ontario, Canada	1995	Chairman of the Board of the Company
Michael H. McCain Toronto, Ontario, Canada	1995	President & Chief Executive Officer of the Company
Diane E. McGarry ^{(1) (3)} Fripp Island, South Carolina, U.S.A.	2005	Corporate Director
Gordon Ritchie ^{(3) (4)} Ottawa, Ontario, Canada	1995	Principal Advisor, Hill & Knowlton, <i>(government and public relations company)</i>
William T. Royan ^{(1) (4)} Toronto, Ontario, Canada	2009	Vice President, Relationship Investing, Ontario Teachers Pension Plan <i>(public sector pension fund)</i>

Notes:

(1) Member of Audit Committee. Ms. McGarry is the Committee Chairman.

(2) Member of Corporate Governance Committee. Mr. Hankinson is the Committee Chairman.

(3) Member of Environment, Health and Safety Committee. Dr. Gandz is the Committee Chairman.

(4) Member of Human Resources and Compensation Committee. Mr. Ritchie is the Committee Chairman.

During the last five years, all of the previously listed directors have been engaged in their present principal occupation, except for:

- Mr. J.F. Hankinson was President and C.E.O., Ontario Power Generation (power generation company) (2005–2009) and Corporate Director (to 2005);
- Ms. Diane E. McGarry was Chief Marketing Officer, Xerox Corporation (document and printing company) (to 2005); and
- Mr. William T. Royan was Portfolio Manager, Equity Strategies, Lehman Brothers Inc. (investment bank) (to 2007).

The names, municipalities of residence and principal occupations of the Company's executive officers and executive officers of principal subsidiaries as at December 31, 2009 and current to March 18, 2010 are as follows:

Name and Municipality of Residence	Position Held with the Company
G. Wallace F. McCain Toronto, Ontario, Canada	Chairman of the Board
Michael H. McCain Toronto, Ontario, Canada	President and Chief Executive Officer
Richard A. Lan Chatham, New Jersey, U.S.A.	Chief Operating Officer, Food Group, and President and Chief Executive Officer, Canada Bread Company, Limited
J. Scott McCain Toronto, Ontario, Canada	President and Chief Operating Officer, Agribusiness Group
Michael H. Vels Toronto, Ontario, Canada	Executive Vice-President and Chief Financial Officer
J. Nicholas Boland Toronto, Ontario, Canada	Vice-President, Finance Projects
Catherine Brennan Toronto, Ontario, Canada	Vice-President and Treasurer
Rocco Cappuccitti Richmond Hill, Ontario, Canada	Senior Vice-President, Transactions & Administration, and Corporate Secretary
Douglas W. Dodds Guelph, Ontario, Canada	Chief Strategy Officer
Kevin P. Golding Guelph, Ontario, Canada	President, Rothsay and President, Maple Leaf Agri-Farms
Stephen D. Graham Toronto, Ontario, Canada	Chief Marketing Officer
Glen L. Gratton Grande Pointe, Manitoba, Canada	Vice-President, Maple Leaf Agri-Farms
Randall D. Huffman Toronto, Ontario, Canada	Chief Food Safety Officer
E. Jeffrey Hutchinson Exeter, Rhode Island, U.S.A.	Chief Information Officer (Effective February 24, 2010)
Wayne Johnson Pickering, Ontario, Canada	Senior Vice-President and Chief Human Resources Officer
Bill Kaldis Northbrook, Illinois, U.S.A.	Vice-President, Logistics
Lynda J. Kuhn Acton, Ontario, Canada	Senior Vice-President, Communications & Consumer Affairs
Gary Maksymetz Carlisle, Ontario, Canada	President, Maple Leaf Consumer Foods
Rory A. McAlpine Oakville, Ontario, Canada	Vice-President, Government & Industry Relations

Name and Municipality of Residence	Position Held with the Company
Jeffrey W. McDowell Burlington, Ontario, Canada	Vice-President, Cold Springs Farm
C. Barry McLean Toronto, Ontario, Canada	President, Canada Bread Fresh Bakery
Réal G. Ménard Laval, Quebec, Canada	President, Canada Bread Frozen Bakery
Peter Baker London, England	Managing Director, Maple Leaf Bakery UK
Bruce Y. Miyashita Toronto, Ontario, Canada	Vice-President, Six Sigma
H. Ray Shei, Jr. Chicago, Illinois, U.S.A.	Chief Information Officer (Retiring effective March 12, 2010)
Deborah K. Simpson Toronto, Ontario, Canada	Vice-President, Finance
Peter C. Smith Vancouver, British Columbia, Canada	Vice-President, Corporate Engineering
Simon Wookey Oakville, Ontario, Canada	President, Maple Leaf Fresh Prepared Foods
Richard Young Mississauga, Ontario, Canada	Executive Vice-President, Transformation, Maple Leaf Consumer Foods

The principal occupations within the last five years of the officers of the Company who have not held their present office for more than five years are as follows: **Mr. P. Baker** was Chief Executive Officer of PB Services, a consultancy business (2007–2008), and Chief Executive Officer of La Fornaia Bakery (2004–2007); **Mr. J.N. Boland** was Vice-President, Finance (to 2007); **Ms. C. Brennan** was Senior Vice-President Treasury & Tax, Cott Corporation (to 2009); **Mr. S.D. Graham** was Chairman and CEO, The Graham Group (2008–2009), Executive Vice-President Corporate Marketing & Convergence Officer, Rogers Communications (2006–2008) and Executive Vice-President, Retail & Small Business Banking and Chief Marketing Officer, Canadian Imperial Bank of Commerce (2002–2006); **Mr. G.L. Gratton** was Vice-President and General Manager, Maple Leaf Agri-Farms (2006 to date) and Director, Western Region, Rothsay (1999 to 2006); **Dr. R. Huffman** was Vice-President, Scientific Affairs, American Meat Institute (AMI) Foundation (to 2008) and President of the AMI Foundation (2008–2009); **Mr. E. J. Hutchinson** was Chief Information Officer, Danone/Dannon (2006–2009) and Partner, Accenture (to 2006); **Mr. B. Kaldis** was Executive Vice-President, Supply Chain, KIK Custom Products (2006–2008) and Senior Director Manufacturing, Kraft Foods (to 2005); **Ms. L.J. Kuhn** was Vice-President, Public and Investor Relations, Maple Leaf Foods Inc. (to 2008); **Mr. R.A. Lan** was President and Chief Operating Officer, Bakery Products Group, and President and Chief Executive Officer, Canada Bread Company, Limited (to 2006); **Mr. G. Maksymetz** was Executive Vice-President, Maple Leaf Consumer Foods (2004–2010); **Mr. R.A. McAlpine** was Deputy Minister of the B.C. Ministry of Agriculture, Food and Fisheries (to 2005); **Mr. J.W. McDowell** was Vice-President, Turkey Value Chain (March 2009–December 2009), Senior Director and General Manager, Turkey Value Chain (2006–2009) and Director, Turkey Business Unit (to 2006); **Mr. R. Ménard** was Executive Vice-President, Canada Bread Fresh Bakery (to 2007); **Mr. R. Shei** was Chief Information Officer, Kellogg USA (to 2005) and Senior Vice President, Kellogg Company (to 2005); **Ms. D.K. Simpson** was Vice-President and Treasurer, Vincor (2003–2006); **Mr. S. Wookey** was General Manager and Vice-President, Food to Go (2008–2009), Managing Director, Greencore North America (2006–2008), and Managing Director, Greencore Sandwiches (2004–2006); **Mr. R. Young** was President, Maple Leaf Consumer Foods (to 2010).

Ownership of Voting Securities by Directors and Executive Officers

As at February 28, 2010, the directors and executive officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over, directly or indirectly, an aggregate of 2,584,839 common shares, representing approximately 2.3% of the issued and outstanding voting common shares of the Company. The figure does not include the 43,212,890 common shares (37.7% of all voting shares) of the Company held by McCain Capital Corporation, in which the G.W.F. McCain Family, including Messrs. G.W.F. McCain, J.S. McCain and M.H. McCain, has a controlling interest. The figure also does not include the 26,213,155 common shares (22.8% of all voting shares) and 22,000,000 non-voting shares of the Company (35.3% of all shares) held by Ontario Teachers' Pension Plan Board. Wayne A. Kozun and William T. Royan are the Senior Vice-President, Public Equities and the Vice-President, Relationship Investing, respectively of the Ontario Teachers' Pension Plan Board.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Within ten years preceding the date of this Annual Information Form:

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

Mr. Gordon R. Ritchie was a director of Laidlaw Inc. at a time that the company was subject to proceedings under the *Companies Creditors' Arrangement Act* (Canada) and comparable legislation in the United States. On February 28, 2003, Laidlaw Inc. announced that the United States Bankruptcy Court for the Western District of New York had confirmed its Third Amended Plan of Reorganization and that the Ontario Superior Court of Justice had issued an order recognizing and implementing the Third Amended Plan of Reorganization in Canada. These orders cleared the way for that company to emerge from bankruptcy in April 2003 as Laidlaw International, Inc., subject to the satisfaction of certain other conditions.

AUDIT COMMITTEE

Composition of the Audit Committee

The Audit Committee of Maple Leaf Foods consists of the following directors, each of whom has been a member of the committee since the year set out below.

D.E. McGarry (Chairman since 2007)	2006
J.L. Bragg	2009
J.F. Hankinson	2003
C.R. Lamoureux	2009
W.T. Royan	2009

Each member of the Audit Committee is independent within the meaning of applicable securities legislation and none receives, directly or indirectly, any compensation from the Company other than for service as a member of the Board of Directors and its committees. Each member of the Audit Committee is financially literate as defined under National Instrument 52-110 – *Audit Committees*. In considering the criteria for determining financial literacy, the Board of Directors looks at the ability of a director to read and understand a balance sheet, an income statement and a cash flow statement of a company of a complexity comparable to that of the Company.

A copy of the charter of the Audit Committee is attached as Appendix A hereto.

Relevant Education and Experience of Audit Committee Members

J.L. Bragg

Mr. Bragg has combined Bachelor of Commerce and Bachelor of Education degrees from Mount Allison University, and founded Oxford Frozen Foods in 1968 and Bragg Communications in 1970. Mr. Bragg is the President, Chairman and Co-Chief Executive Officer of Oxford Frozen Foods, has served on the boards of numerous public companies and in addition to sitting on the Board of Maple Leaf Foods he also serves as a

director of The Toronto-Dominion Bank, Empire Company Limited, and Moosehead Breweries Limited. Mr. Bragg serves as a member of the Audit Committee of The Toronto-Dominion Bank, and served as a member of the Audit Committee of Canada Bread Company, Limited.

J.F. Hankinson

Mr. Hankinson has a Master of Business Administration from McMaster University and is a Chartered Accountant. Mr. Hankinson was the President and Chief Executive Officer of Ontario Power Generation Inc. from May 2005 until his retirement in June 2009. He has broad management experience in energy, transportation, resource and manufacturing based businesses. Prior to that, he served as President and Chief Executive Officer of New Brunswick Power Corporation from 1996 to 2002. In 1973, he joined Canadian Pacific Limited from and served as President and Chief Operating Officer from 1990 to 1995. Mr. Hankinson is past chairman of the Maple Leaf Foods Audit Committee, is chairman of the Audit Committee of CAE Inc. and serves on its Governance Committee. He also serves on the Governance Committee of Shoppers Drug Mart Corporation.

C.R. Lamoureux

Mr. Lamoureux is an actuary by profession and a Fellow of the Canadian Institute of Actuaries. He served as Chief Executive Officer of the Ontario Teachers' Pension Plan, a public sector pension fund, until his retirement in 2007. Mr. Lamoureux joined Teachers' from Metropolitan Life, where he worked in their New York and Ottawa offices.

D.E. McGarry

Ms. McGarry has a Bachelor of Science, Business Administration degree from the University of Redlands, CA. Her career includes over 30 years experience with Xerox Corporation including five years in Canada as Chairman, President and Chief Executive Officer from 1993 to 1998. Prior to retiring in 2005, Ms. McGarry held the position of Chief Marketing Officer of Xerox Corporation. Ms. McGarry was a director and audit committee member of Omnova Solutions Inc. (a NYSE listed company) until her retirement in 2007, and has served as a director of Canada Life Financial Corporation.

W.T. Royan

Mr. Royan has an Honours Master of Business Administration from the University of Chicago and a Bachelor of Commerce from the University of Calgary. As Vice President, Relationship Investing of Ontario Teachers' Pension Plan, he is responsible for making large-scale, long-term strategic investments in companies across the globe. Mr. Royan joined Teachers' from Lehman Brothers in New York, where he held senior roles in its mergers group and its equity strategies unit, Lehman's principal investing arm. Previously, he worked in mergers and acquisitions at J.P. Morgan in New York, and RBC Dominion Securities in Toronto.

Fees paid to Auditors – KPMG LLP

For the years ended December 31, 2009 and 2008, the fees paid by the Company for the services performed by KPMG LLP are set out in the table below. Annually, the Audit Committee reviews a summary of the services provided by the auditors to the Company and its subsidiaries. In 2004, the Audit Committee established a policy requiring pre-approval of all non-audit services to be rendered by the external auditors. Any engagement of KPMG LLP by the Company for any non-audit services must be approved in advance by the Audit Committee. Between meetings of the Audit Committee, authority for approval is delegated to the Audit Committee Chairman. Approvals under the delegated authority are presented to the full Audit Committee at their next meeting. The policy also prohibits the engagement of KPMG LLP in a number of services that the Audit Committee believes may have the potential to impact KPMG LLP's independence.

In the last two years, KPMG LLP has not provided any of following services to the Company:

- (i) bookkeeping services and other services related to accounting records or financial statements;
- (ii) financial information systems design and implementation; (iii) appraisal or valuation services, fairness opinions or contribution-in-kind reports; (iv) actuarial services; (v) internal audit outsourcing services;
- (vi) management functions; (vii) human resources; (viii) broker-dealer, investment advisor or investment banking services; and (ix) legal services and expert services unrelated to the audit.

Description	2009	2008
Audit fees ⁽¹⁾	\$ 1,947,112	\$ 2,487,173
Audit-related fees ⁽²⁾	287,240	557,584
Tax fees ⁽³⁾	323,838	778,954
All other fees ⁽⁴⁾	1,219,501	37,000
Total fees	\$ 3,777,691	\$ 3,860,711

Notes:

- (1) The audit of Maple Leaf Foods' annual financial statements (including the audits of subsidiaries).
- (2) Audit-related services consisting primarily of audit procedures for compliance and business purposes, audits of financial statements of employee pension benefit plans that are not reported under "Audit Fees", including accounting consultations, comfort letters and various agreed upon procedures.
- (3) For domestic tax compliance, advice, planning and return preparation services and for international tax planning and compliance services.
- (4) For products and services other than the fees reported in (1) to (3). The 2009 fees were for forensic accounting services and the fees in 2008 were primarily for financial investigations and other miscellaneous services.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is a defendant to certain claims arising in the normal conduct of its business. Management believes that the final resolution of these claims will not have a material adverse effect on the Company's earnings or financial position. The Company is not subject to any material legal or regulatory actions other than as set out below.

As a result of the product recall in August 2008, several class action lawsuits were filed against the Company on behalf of persons that consumed or purchased for consumption products that were subject to the recall due to possible contamination with *Listeria monocytogenes*. On December 18, 2008, the Company reached a settlement agreement with the plaintiffs of these class action lawsuits. In March and April 2009, the settlement was approved by the courts in Ontario, Saskatchewan and Quebec. The settlement amount is \$25 million, increasing by up to \$2 million to the extent claims and costs may exceed \$25 million. An independent claims administrator appointed by class counsel and operating under the supervision of the court will administer the compensation paid from the settlement amount. The Company and the class counsel are of the opinion that settlement of the class action is fair, reasonable and in the best interests of the class. The settlement amount is fully funded by the Company's liability insurers.

CONFLICTS OF INTEREST

To the best of the knowledge of the Company, no director or executive officer of Maple Leaf Foods Inc. has an existing or potential conflict of interest with the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRARS

The Company's transfer agent is Computershare Investor Services Inc., with transfer points for the common shares of the Company in Vancouver, British Columbia; Calgary, Alberta; Toronto, Ontario; and, Montreal, Quebec.

INTERESTS OF EXPERTS

The Company's independent auditors, KPMG LLP, have delivered an audit report to the Company concerning the consolidated balance sheets of the Company as at December 31, 2009 and 2008, and the consolidated statements of earnings, comprehensive income (loss), retained earnings and cash flows for the years then ended. KPMG LLP is an independent auditor within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

MATERIAL CONTRACTS

Except for the following and except as otherwise described in this Annual Information Form, since January 1, 2002, the Company did not enter into any material contracts, other than contracts in the ordinary course of business:

- (a) a warrant indenture between the Company and Computershare Trust Company of Canada, dated as of December 16, 2008, providing for the issuance of up to 2,947,367 warrants, as further described on page 18 under the heading “Description of Capital Structure”.

Copies of these documents are available on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION

Additional information including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s common shares, securities authorized for issuance under equity compensation plans and interest of insiders in material transactions, if applicable, will be contained in the Notice of Annual Meeting of Shareholders and Management Proxy Circular to be issued in connection with the Annual Meeting of Shareholders to be held on April 29, 2010. Additional financial information is also provided in the Company’s Management Discussion & Analysis and consolidated financial statements for the fiscal year ended December 31, 2009. Copies of the foregoing documents may be obtained free of charge, upon request, from the Corporate Secretary of Maple Leaf Foods Inc., at 30 St. Clair Avenue West, Suite 1500, Toronto, Ontario M4V 3A2.

The above information and additional information relating to Maple Leaf Foods Inc. is available on SEDAR at www.sedar.com.

APPENDIX “A”

CHARTER OF THE AUDIT COMMITTEE

(THE “COMMITTEE”) OF THE BOARD OF DIRECTORS OF MAPLE LEAF FOODS INC. (THE “CORPORATION”)

Nature and Scope of the Committee

The Committee is a standing committee appointed by the Board of Directors, established to fulfill applicable public company obligations respecting audit committees and to assist the Board of Directors (the “Board”) in fulfilling its oversight responsibilities in the following areas: (i) accounting policies and practices, (ii) the integrity of the Company’s financial statements, (iii) compliance with legal and regulatory requirements, (iv) the qualifications, independence, and performance of the external auditors, and (v) the performance of the internal audit function.

The Committee Chair and members are members of the Board, appointed to the Committee to provide broad oversight of the financial reporting, risk and control related activities of the Corporation, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities.

Management is responsible for the preparation, presentation and integrity of the financial statements and for maintaining appropriate accounting and financial reporting principles and policies, systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations.

The internal auditor is responsible for monitoring and reporting on the adequacy and effectiveness of the system of internal controls.

The external auditors are responsible for planning and carrying out an audit of the annual consolidated financial statements in accordance with generally accepted auditing standards to provide reasonable assurance that, among other things, such financial statements are in accordance with generally accepted accounting principles. The external auditors are accountable to the Committee and the Board as the representatives of the shareholders of the Corporation and the Committee shall so instruct the external auditors and the external auditors shall report directly to the Committee.

Except as set out below, the Committee does not have decision-making authority but rather conveys its findings and recommendations to the Board of Directors for consideration and decision by the Board of Directors.

Procedures, Powers and Duties

In addition to the procedures and powers set out in the policy entitled “Composition, Appointment & Practices of Each Committee of the Board of Directors of Maple Leaf Foods Inc.”, as amended, or in any resolution of the Board relating to the Committee, the Committee shall have the following procedures, powers and duties:

1. *Composition* – The Committee shall be comprised of a minimum of three members. Each member of the Committee shall be both an “unrelated” director and “independent” director as such terms are defined from time to time under the requirements or guidelines for Audit Committee service under applicable securities laws and the rules of any stock exchange on which the Corporation’s securities are listed for trading.

All members of the Committee must be “financially literate” subject to any available exemption in applicable securities laws as that term is defined from time to time under the requirements or guidelines for Audit Committee service under securities laws and the rules of any stock exchange on which the Corporation’s securities are listed for trading or if it is not so defined as that term is interpreted by the Board in its business judgment.

2. *In Camera Meetings* – At least annually, the Committee shall hold *in camera* meetings with each of the head of the internal audit function and the external auditors to discuss any matters that the Committee or each of these groups believes should be discussed privately and such persons shall have unrestricted access to the Committee to bring forward matters requiring its attention.
3. *Professional Assistance* – The Committee may require the external auditors and internal auditors to perform such supplemental reviews or audits as the Committee may deem desirable. In addition, the Committee may retain such special legal, accounting, financial or other consultants and determine their compensation as the Committee may determine to be necessary to carry out the Committee’s duties at the Corporation’s expense and will inform the Chair of the Corporate Governance Committee of any such retainer.
4. *Reliance* – Absent actual knowledge or belief to the contrary which shall be promptly reported to the Board, each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Corporation from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by management and the external auditors as to any non-audit services provided by the external auditors to the Corporation and its subsidiaries.
5. *Reporting to the Board* – The Committee will report through the Committee Chair to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.

The Committee will:

1. *Internal controls* – Review and discuss with management, the external auditors and the internal auditors as it deems necessary and exercise oversight with respect to:
 - (a) The adequacy and effectiveness of the system of internal accounting and financial controls and the recommendations of management, the external auditors and the internal auditors for the improvement of accounting practices and internal controls;
 - (b) Any material weaknesses in the internal control environment, including with respect to computerized information system controls and security; and
 - (c) Management’s compliance with the Corporation’s processes, procedures and internal controls.
2. *Regulatory agency reviews* – Review the findings of any examination by regulatory agencies concerning financial matters of the Corporation and make recommendations to the Board related thereto.
3. *Appointment of external auditors* – With respect to the appointment and oversight of the external auditors:
 - (a) Make recommendations to the Board on the external auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services of the Corporation to be nominated in the Corporation’s proxy circular for appointment or reappointment by shareholders;
 - (b) Make a recommendation to the Board for the approval of compensation for the external auditors; and
 - (c) Review, evaluate and approve the terms of engagement, performance, audit scope and approach to the conduct of the external auditors with respect to the annual audit.
4. *Independence of external auditors* – Review the independence of the external auditors and make recommendations to the Board on actions the Committee deems necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee:
 - (a) Shall actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;
 - (b) Shall require that the external auditors submit to it on a periodic basis, and at least annually, a formal written statement delineating all relationships between the Corporation including its subsidiaries, and the external auditors including their affiliates;

- (c) Shall review and approve clear policies for hiring by the Corporation of employees or former employees of the current or former external auditors;
 - (d) May approve policies and procedures for the pre-approval by a Committee member of any non-audit services to be rendered by the external auditors which the external auditors are not otherwise prohibited from providing and which policies and procedures shall include reasonable detail with respect to the services covered, provided that the pre-approval of non-audit services by a Committee member with delegated authority must be presented to the full Committee at its next scheduled meeting. For greater certainty, all non-audit services to be provided to the Corporation or any of its affiliates by the external auditors or any of their affiliates which are not covered by pre-approval policies and procedures approved by the Committee shall be subject to pre-approval by the Committee; and
 - (e) Shall review and approve the disclosure in the annual information form and management proxy circular of the fees paid in the financial year to the external auditors by category.
5. *Internal auditors* – Review the organizational structure, independence and qualifications of the internal audit department and its resources, the internal audit plans and their implementation.
 6. *Internal audit function* – Oversee and monitor the internal audit function including:
 - (a) Meeting periodically with the internal auditors to discuss the progress of their activities and any significant findings stemming from internal audits and any difficulties or disputes that arise with management and the adequacy of management’s responses in correcting audit-related deficiencies; and
 - (b) Reviewing summaries of reports to management prepared by the internal auditors and have available the full reports, communicate with the internal auditors with respect to their reports and recommendations as necessary with respect to the extent to which prior recommendations have been implemented, management’s responses to such reports and any other matters that the internal auditor brings to the attention of the Committee.
 7. *External audits* – Oversee and monitor external audits, including:
 - (a) Reviewing with the external auditors, the internal auditors and management the audit function generally, the objectives, staffing, locations, co-ordination, reliance upon management and internal audit and general audit approach and scope of proposed audits of the financial statements, the overall audit plans, the responsibilities of management, the internal auditors and the external auditors, the audit procedures to be used and the timing and estimated budgets of the audits;
 - (b) Discussing with the external auditors any difficulties or disputes that arose with management or the internal auditors during the course of the audit and the adequacy of management’s responses in correcting audit-related deficiencies and resolve any outstanding disputes;
 - (c) Taking such other reasonable steps as the Committee may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies; and
 - (d) Reviewing and resolve any disagreements between management and the external auditors regarding financial reporting or the application of any accounting principles or practice.
 8. *Accounting principles and policies* – Oversee, review and discuss, as the Committee deems necessary, with management, the external auditors and the internal auditors, the Corporation’s accounting principles and policies, including:
 - (a) *Selection* – the appropriateness and acceptability of the Corporation’s accounting principles and practices used in its financial reporting, changes in the Corporation’s accounting principles or practices and the application of particular accounting principles and disclosure practices by management to new transactions or events;
 - (b) *Significant financial reporting issues* – all significant financial reporting issues and judgments made in connection with the preparation of the financial statements and any “second opinions”

- sought by management from an independent auditor with respect to the accounting treatment of a particular item;
- (c) *Disagreements* – disagreements between management and the external auditors or the internal auditors regarding the application of any accounting principles or practices;
 - (d) *Material change or proposed change* – any material change or proposed change to the Corporation’s accounting principles and practices;
 - (e) *Changes in regulatory and accounting requirements* – the effect of changes in regulatory and accounting requirements;
 - (f) *Legal matters, claims and contingencies* – any legal matter, claim or contingency that could have a significant impact on the financial statements, the Corporation’s compliance policies and any material reports, inquiries or other correspondence received from regulators or governmental agencies and the manner in which any such legal matter, claim or contingency has been disclosed in the financial statements;
 - (g) *Pro forma or adjusted information* – the use of any “pro forma” or “adjusted” information not in accordance with generally accepted accounting principles; and
 - (h) *Goodwill impairment* – management’s determination of goodwill impairment, if any, as required by applicable accounting standards.
9. *Interim financial results* – Prior to the release of any summary of interim financial results, including any associated press release, or the filing of such reports with the applicable regulators, review with the external auditors and management the interim consolidated financial statements and related MD&A and associated press release and approve for release.
 10. *Annual audited consolidated financial statements* – Review with the external auditors and management the annual audited consolidated financial statements and related MD&A and associated press release, and report on the results of such review to the full Board prior to the approval and release to shareholders of such results by the Board.
 11. *Prospectuses and information circulars* – Review with the external auditors and management, financial information contained in any prospectus or information circular of the Corporation, and make recommendations regarding approval to the Board. The Committee shall also periodically assess the adequacy of the procedures in place for the review of the Corporation’s public disclosure of financial information extracted or derived from financial statements and MD&A.
 12. *Communications between management, the internal and external auditors* – Provide an open avenue of communication between management, the internal auditors, the external auditors and the Board.
 13. *Independent investigations* – Conduct independent investigations into any matters which come under its scope of responsibilities.
 14. *Pension plans* – With respect to pension plans:
 - (a) *Investment objectives, policies and asset investment mix* – Receive the recommendation of the Pension Investment Advisory Committee (of management) investment objectives, policies and asset investment mix and make recommendations to the Board of Directors.
 - (b) *Engage investment managers* – Receive the recommendation of the Pension Investment Advisory Committee and approve the engagement and termination of investment management suppliers.
 - (c) *Pension plan performance* – Receive reports from the Pension Investment Advisory Committee on pension fund performance and make reports to the Board.
 - (d) *SIP&P* – Receive the recommendation of the Pension Investment Advisory Committee and approve the filing of the SIP&P.
 - (e) *Pension Investment Advisory Committee* – Oversee the activities of the Pension Investment Advisory Committee.

15. *Other reports of the external auditors* – Review and discuss all reports which the external auditors are required to provide to the Committee or the Board under rules, policies or practices of professional or regulatory bodies applicable to the external auditors and any other reports which the Committee may require with the external auditors.
16. *Complaints regarding accounting, controls or audit matters* – Establish and monitor procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters and review periodically with management and the internal auditors these procedures and any significant complaints received.
17. *Financial risk exposures* – Meet periodically with management to review and discuss the Corporation’s major financial risk exposures and the policy steps management has taken to monitor and control such exposures, including the use of financial derivatives and hedging activities.
18. *Audit committees of material subsidiaries* – Receive and review the minutes of meetings of the audit committees of material subsidiaries of the Corporation.
19. *Other delegated matters* – Review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial matters.

The Charter

20. *Charter review* – The Committee shall review and reassess the adequacy of this Charter at least annually and otherwise as it deems appropriate and recommend changes to the Corporate Governance Committee.
21. *Committee performance* – Annually, the Committee shall evaluate its performance with reference to this Charter and the results of its evaluation shall be submitted to the Corporate Governance Committee.
22. *Disclosure of Charter* – The Committee shall ensure that this Charter is disclosed on the Corporation’s website and that this Charter is disclosed in the annual information form of the Corporation in accordance with all applicable securities laws or regulatory requirements.



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