HIGH LINER FOODS

Notice of 2019 Annual General Meeting of Shareholders

and

Management Information Circular

Annual General Meeting: May 14, 2019, 11:30 a.m. (Atlantic Time)
High Liner Foods Incorporated
100 Battery Point
Lunenburg, Nova Scotia

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

March 25, 2019

HIGH LINER FOODS

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear High Liner Foods' Shareholders,

It is my pleasure to invite you to the 2019 Annual General Meeting (the "Meeting") of the Shareholders of High Liner Foods Incorporated (the "Company" or "High Liner"), to be held at High Liner's headquarters in Lunenburg, Nova Scotia, on May 14, 2019 at 11.30 a.m. (Atlantic Time) in celebration of its 120th anniversary.

For this year's Meeting, we have nominated a slate of 10 qualified and experienced directors to make up the Company's Board, down from the 13 members nominated in 2018. With the attrition we have seen this year, including the upcoming retirement of our Chairman Henry Demone following the Meeting, the Board has made the determination that for 2019 a 10-member Board more accurately reflects and effectively supports the new, streamlined "One High Liner Foods" realignment which the Company recently completed.

We have ensured that our 10 director nominees have the right mix of experience, industry knowledge, and skills diversity to provide the Company with the expertise and strategic vision it needs at the Board level, as well as the guidance and support necessary for management to execute on its mandate. Our director slate is made up of 40% female nominees, furthering the Company's progress toward our goal of gender parity on the Board (excluding executive directors).

In recognition of the ongoing headwinds facing the Company, and in keeping with the strategic focus of the organization as exemplified by our critical initiatives, the Board has made the decision to lower costs by reducing its compensation. As you will note on page 16 of this Management Information Circular (the "Circular"), we have reduced the annual cash retainer for non-executive directors appointed at the Meeting by CAD$35,000 (with a 1:1 equivalent reduction in USD for U.S. resident directors). As I also intend to resign my title as Vice Chairman & Lead Director immediately following the Meeting (but remain on the Board), the related retainer will cease effective on the same day. We believe such reductions show the Company's commitment to cost savings permeates across all levels of our organization.

As you all know, our financial results for the past several quarters have not reflected the Company's true potential. However, with the right leadership team in place, and our realignment complete, there is palpable enthusiasm throughout the organization. We continue to make progress on our remaining critical initiatives - business simplification, supply chain excellence, and Rubicon alignment and shrimp growth - which together set the foundation for our final and ongoing initiative, a return to profitable organic growth by 2020. I thank all Shareholders for their patience and continued support throughout the implementation of this turnaround plan.

Lastly, on behalf of the entire Company, I would like to thank outgoing Chairman Henry Demone once again for his decades of loyal service, leadership, and vision to High Liner Foods. Henry's contributions to our Company and the industry at large are innumerable, and it has been a pleasure serving with him. We all wish him happiness and good health in his retirement.

Additional Information Regarding the Meeting

The Meeting will be held for the following purposes:

1. **To receive the annual financial statements of the Company for the fiscal year ended December 29, 2018, and the reports of the directors and auditors;**
2. **To elect directors to the Board of the Company for 2019;**
3. **To appoint auditors and permit the directors to fix their remuneration;**
4. **To approve the advisory resolution to accept the Company's approach to executive compensation disclosed in the Management Information Circular; and**
5. **To transact such other business as may be properly brought before the Meeting.**

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

The annual financial statements for the fiscal year ending December 29, 2018, together with Management's Discussion and Analysis (the "**MD&A**"), the Management Information Circular and a form of proxy accompany this Notice of Meeting.

Dated at Lunenburg, Nova Scotia as of the 25th day of March 2019.

By order of the Board
(signed)

David J. Hennigar
Vice Chairman & Lead Director

2019 MANAGEMENT INFORMATION CIRCULAR

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All references to the "**Circular**" mean this Management Information Circular dated March 25, 2019 in connection with the 2019 Annual General Meeting of the Shareholders of High Liner Foods Incorporated to be held on May 14, 2019. In this document "**Shareholders**", "**you**" and "**your**" refer to the holders of Shares of the Company, and "**High Liner Foods**", the "**Company**", "**we**", "**us**" and "**our**" refer to High Liner Foods Incorporated.

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

Accordingly, the conversion of applicable amounts to USD has been reflected throughout the Circular. For purposes of this conversion, an exchange rate of 1.2956 has been used, representing the average foreign exchange rate for the fiscal year 2018; however different conversion rates are used (where noted) in particular circumstances as required. Unless otherwise noted all reported figures within the Circular are reported in USD.

QUESTIONS & ANSWERS
VOTING AND PROXIES

HIGH LINER FOODS

1. Who is entitled to vote?

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

2. What am I voting on?

Shareholders of the Company are voting on: a) the election of the directors to the Board of the Company for 2019; b) the appointment of auditors for the Company for 2019 and permitting the directors to fix the auditors' remuneration; and c) the advisory resolution to accept the Company's approach to executive compensation disclosed in the Circular. Management of the Company will also present the Company's annual financial statements for the year ending December 29, 2018, but no vote will be taken on the annual financial statements.

3. How do I vote?

If your shares are held in the name of a nominee (e.g. your broker or financial institution), please see the answer to Question 18 for voting instructions.

If you are a registered Shareholder there are several ways you may vote your Shares. You may vote in person at the Meeting, or you may sign the enclosed form of proxy appointing the persons named, or some other person you choose, to represent you and vote your Shares at the Meeting. ***However, if you want to appoint a proxy other than the persons named and you are an individual Shareholder, your proxy must also be a registered Shareholder of the Company.*** A Shareholder that is a corporation may appoint as its proxy a person who is not a Shareholder of the Company. You may also vote your Shares electronically by either telephone or online.

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

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

4. Do I have to complete the proxy if I plan to attend the Meeting?

If you are a registered Shareholder and you plan to attend the Meeting on May 14, 2019 and wish to vote your Shares in person you do not need to complete or return the form of proxy. Your vote will be taken and counted at the Meeting. Please register with the transfer agent, AST Trust Company (Canada) (referred to as the "**Transfer Agent**"), upon arrival at the Meeting.

If your Shares are held in the name of a nominee (e.g. your broker or financial institution), please see the answer to Question 18 for voting instructions.

5. Who is soliciting my proxy?

The enclosed form of proxy is being solicited by management of the Company and the associated costs will be borne by the Company. The solicitation will be distributed by mail by our Transfer Agent on behalf of the Company.

6. Who can I call with questions?

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

7. What happens if I sign and return the enclosed form of proxy?

Signing the enclosed form of proxy gives authority to Mr. Henry E. Demone or Mr. David J. Hennigar, both directors of the Company, or to another person you have appointed, to vote your Shares at the Meeting in accordance with your instructions.

8. Can I appoint someone other than these directors to vote my Shares?

Yes. Write the name of this person in the blank space provided in the form of proxy. If you are an individual Shareholder, you must appoint someone who is also a registered Shareholder of the Company. If the Shareholder is a corporation, your proxy need not be a Shareholder.

9. What do I do with my completed proxy?
Return it to the Company's Transfer Agent in the postage prepaid envelope provided or fax it to 416.368.2502 (or toll-free in Canada and the U.S. at 1.866.781.3111) or email it to proxyvote@astfinancial.com so that it arrives not later than 11:30 a.m. Atlantic Time (10:30 a.m. Eastern Time) on May 13, 2019. This will ensure your vote is recorded.

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

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

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

13. How many Shares are entitled to vote?
As of March 25, 2019, there were 33,383,481 Shares of the Company outstanding. Each registered Shareholder has one vote for each Share held at the time of commencement of the Meeting.

14. What happens if I want to transfer my Shares prior to the Meeting?
You are free to transfer your Shares at any time, and any registered Shareholder as of the time of the Meeting may vote at the Meeting. However, the person to whom you have transferred your Shares must be able to establish before the Meeting that he or she owns the Shares, and therefore we recommend that you complete the contemplated transfers at least 48 hours prior to the Meeting. Also, for the purpose of communicating effectively with the Company's Shareholders, March 25, 2019 has been fixed as the Record Date for the purposes of determining those Shareholders entitled to receive Notice of the Meeting. The Transfer Agent will be forwarding this Circular and other Meeting materials only to those registered Shareholders, and to other persons who, prior to that date, have asked to be included for the purposes of distributing Company information.

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

16. Who counts the votes?
The Company's Transfer Agent counts and tabulates the proxies.

17. If I need to contact the Transfer Agent, how do I reach them?
You can reach the Transfer Agent at:

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

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

18. If my Shares are not registered in my name but are held in the name of a nominee (a bank, trust company, securities broker, trustee or other), how do I vote my Shares?
There are two kinds of non-registered or "beneficial" owners - those who object to their name being known to the Company (called "**Objecting Beneficial Owners**") and those who do not object (called "**Non-Objecting Beneficial Owners**"). If you are a Non-Objecting Beneficial Owner, the Company will obtain your name and you will be treated as if you are a registered holder. You will receive proxy related materials including a form of proxy from our Transfer Agent and you may refer to the answers in this Q&A as if you are a registered holder.

If you are an Objecting Beneficial Owner, there are two ways that you can vote your Shares held by your nominee. Unless you have previously informed your nominee that you do not wish to receive material relating to the Meeting, you will receive from your nominee either a request for voting instructions or a form of proxy for the number of Shares you hold. For your Shares to be voted for you, please follow the voting instructions provided by your nominee. If you wish to vote in person at the Meeting, insert your own name in the space provided on the request for voting instructions or form of proxy to appoint yourself as proxy holder and return the proxy in the envelope provided. Do not otherwise complete the form, as your vote will be taken at the Meeting. The Company intends to pay for your broker or intermediary to forward to Objecting Beneficial Owners the proxy-related materials and voting instruction form.

If you do not know whether you are a Non-Objecting Beneficial Owner or an Objecting Beneficial Owner, the Transfer Agent can tell you. Please see the answer to Question 17.

19. What if this document has left questions unanswered?
Please feel free to contact the Company's Corporate Secretary, Executive Vice President, Corporate Affairs and General Counsel, Tim Rorabeck, by writing at:

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

or by telephone at: 902.634.8811

or by fax at: 902.634.6228

or by email at: investor@highlinerfoodinc.com

20. Why did I receive a notice in the mail regarding the electronic availability of the Company's Circular instead of receiving a paper copy?
Under notice-and-access rules adopted by the Canadian Securities Administrators, we are able to provide you with electronic access to our Circular and related proxy form instead of sending you a paper copy. This means delivery is more environmentally friendly, and paper use and the cost of printing and mailing materials to shareholders are significantly reduced. The notice you received provides instructions on how to access and review an electronic copy of our Circular. The notice also provides instructions on voting by proxy at the Meeting. Shareholders can request a paper copy of the Circular prior to May 6, 2019 at fulfilment@astfinancial.com or by calling our Transfer Agent toll-free at 1.888.433.6443 from Canada and the U.S. or at 416.682.3801 for all other countries.

HIGH LINER FOODS

PROXY INFORMATION

PRINCIPAL HOLDERS OF SHARES

The only securities of the Company entitled to vote on all matters are common shares ("**Shares**" or a "**Share**"). As at March 25, 2019, there are 33,383,481 Shares issued and outstanding. Each Share is entitled to one vote and all registered holders of Shares ("**Shareholders**") as of the commencement of the Meeting are entitled to be present and to vote at the Meeting.

The directors and senior officers of the Company do not know of any person or entity which beneficially owns or controls or directs, directly or indirectly, more than 10% of the Shares (as of March 25, 2019) except as noted below:

Shareholder	Number of Shares	% of Shares Issued
Thornridge Holdings Limited	11,531,440	34.5%
Letko, Brosseau & Associates Inc.	4,825,955	14.5%

DESIGNATION AND REVOCABILITIY OF PROXIES

Mr. Henry E. Demone and Mr. David J. Hennigar are directors of the Company and are named in the attached form of proxy. They have indicated to the Company their willingness to represent, as proxy, the Shareholders desiring to so appoint them.

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

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

All proxy forms must be deposited at the office of the Company's Transfer Agent, AST Trust Company (Canada), Attention Proxy Department, PO Box 721, Agincourt, Ontario M1S 0A1 or may be sent by fax to 416.368.2502 (or toll-free in Canada and the U.S. at 1.866.781.3111) or by email to proxyvote@astfinancial.com by 11:30 a.m. Atlantic Time (10:30 a.m. Eastern Time) on May 13, 2019.

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

VOTING OF MANAGEMENT PROXIES

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

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

(b) The appointment of Ernst & Young LLP as auditors for 2019 and the authorization for the directors to fix the auditors' remuneration; and

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

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

BOARD OF DIRECTORS

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

The ten persons named below will be nominated for election as directors to the board of directors (the "**Board**") at the Meeting. Mr. Demone intends to retire from the Board immediately following the Meeting, at which time the Board intends to appoint Mr. Robert Pace as Chairman of the Board. At that time, Mr. David Hennigar also intends to resign his title as Vice Chairman & Lead Director but will remain on the Board. All nominees are currently directors and have been since the date indicated. "Director since" indicates the earliest date that the person became a director. Each director holds office until the Meeting and each director elected at the Meeting will hold office until the next Annual General Meeting of the Company or until their successor is elected. The table shows the number of Shares, including deferred share units ("**DSUs**"), and options to acquire Shares of the Company reported by each nominee as beneficially owned or controlled or directed, directly or indirectly, by them on March 25, 2019.

Nominee for Election as Director	Shares and DSUs Owned, Controlled or Directed		Value of Shares CAD(1)		Options Outstanding	Public Board Memberships During Last Five Years
	2019	2018	2019	2018		
Joan K. Chow Oak Park, IL, U.S. Director since 2017	15,262	3,966	$118,281	42,753	—	High Liner Foods Incorporated The Manitowoc Company Welbilt Inc.

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

High Liner Foods Board Details

- Member Human Resource & Corporate Governance Committee ("**HRCG Committee**")
- Independent(2)
- Meets 95% of the Share ownership requirement(3)

Meeting Attendance

- Board 8/8
- HRCG Committee 7/8

Nominee for Election as Director	Shares and DSUs Owned, Controlled or Directed		Value of Shares CAD(1)		Options Outstanding	Public Board Memberships During Last Five Years
	2019	2018	2019	2018		
Robert P. Dexter, Q.C. Halifax, NS, Canada Director since 1992	605,473	570,855	$4,692,416	$6,153,817	—	High Liner Foods Incorporated Wajax Corporation Empire Company Limited and its wholly owned subsidiary Sobeys Inc. (Ceased October 2016) BCE Inc. and wholly owned subsidiary Bell Aliant Inc. (Ceased October 2014)

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

High Liner Foods Board Details

- Member HRCG Committee
- Independent(2)
- Meets Share ownership requirement(3)

Meeting Attendance

- Board 8/8
- HRCG Committee 8/8

Nominee for Election as Director	Shares and DSUs Owned, Controlled or Directed		Value of Shares CAD[1]		Options Outstanding	Public Board Memberships During Last Five Years
David J. Hennigar	**2019**	**2018**	**2019**	**2018**		High Liner Foods Incorporated
Bedford, NS, Canada Director since 1984	262,658	257,780	$2,035,600	$2,778,868	27,601	MedX Health Corp. Aquarius Surgical Technologies Inc. (formerly Aquarius Coatings Inc.) SolutionInc Technologies Limited Landmark Global Financial Corporation Grand River Iron Sands Inc. Metalo Manufacturing Inc. (formerly Muskrat Minerals Inc.)

David J. Hennigar has been Vice Chairman & Lead Director of High Liner Foods since May 2015. Prior to this appointment, Mr. Hennigar was Chairman of the Board of High Liner Foods since 1995. Mr. Hennigar is the Executive Chairman of Thornridge Holdings Limited, and director of other public and private companies.

High Liner Foods Board Details

- Vice Chairman & Lead Director
- Member Executive Committee
- Member Nominating Committee
- Independent[2]
- Meets Share ownership requirement[3]

Meeting Attendance

- Board 8/8
- Nominating Committee 2/2
- Executive Committee 1/1

Nominee for Election as Director	Shares and DSUs Owned, Controlled or Directed		Value of Shares CAD[1]		Options Outstanding	Public Board Memberships During Last Five Years
Jillian (Jill) C. Hennigar	**2019**	**2018**	**2019**	**2018**		High Liner Foods Incorporated
Halifax, NS, Canada Director since 2018	4,720	—	$36,580	$0	—	

Jill Hennigar is Senior Manager, Workforce Planning at Emera Inc. Previously, she was the Manager of Investor Relations at Emera Inc. Ms. Hennigar is a CPA, CA.

High Liner Foods Board Details

- Member Audit Committee
- Independent[2]
- Meets 25% of the Share ownership requirement[3]

Meeting Attendance

- Board[4] 6/8
- Audit[4] 3/4

Nominee for Election as Director	Shares and DSUs Owned, Controlled or Directed		Value of Shares CAD[1]		Options Outstanding	Public Board Memberships During Last Five Years
	2019	2018	2019	2018		
Rodney (Rod) W. Hepponstall Portsmouth, NH, U.S. Director since 2018	171,737	—	$1,330,962	$0	850,521	High Liner Foods Incorporated

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

High Liner Foods Board Details

- Member Executive Committee
- Not independent[2]
- Meets 41% of his Share ownership requirement[3]

Meeting Attendance

- Board[4] 6/8
- Executive Committee[4] 1/1

Nominee for Election as Director	Shares and DSUs Owned, Controlled or Directed		Value of Shares CAD[1]		Options Outstanding	Public Board Memberships During Last Five Years
	2019	2018	2019	2018		
Shelly L. Jamieson Norwood, ON, Canada Director since 2012	18,945	10,467	$146,824	$112,834	30,413	High Liner Foods Incorporated

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

High Liner Foods Board Details

- Chair HRCG Committee
- Member Executive Committee
- Independent[2]
- Meets Share ownership requirement[3]

Meeting Attendance

- Board 8/8
- HRCG Committee 8/8
- Nominating Committee 2/2
- Executive Committee 1/1

Nominee for Election as Director	Shares and DSUs Owned, Controlled or Directed		Value of Shares CAD[1]		Options Outstanding	Public Board Memberships During Last Five Years
	2019	2018	2019	2018		
M. Jolene Mahody Halifax, NS, Canada Director since 2014	17,776	12,898	$137,764	$139,040	31,019	High Liner Foods Incorporated

Jolene Mahody is currently Executive Vice President & CFO of Chorus Aviation Inc. Effective May 8, 2019, Jolene will assume a new role within Chorus Aviation Inc. as Executive Vice President & Chief Strategy Officer. She has previously held the position of COO at Jazz Aviation LP, a subsidiary of Chorus Aviation Inc. Ms. Mahody is a FCPA, FCA and also received her ICD.D designation through the Institute of Corporate Directors. Ms. Mahody is past Chair of the Board of Governors of Mount Saint Vincent University and serves on several other not-for-profit boards.

High Liner Foods Board Details

- Member Audit Committee
- Independent[2]
- Meets Share ownership requirement[3]

Meeting Attendance

- Board 8/8
- Audit Committee 4/4

Nominee for Election as Director	Shares and DSUs Owned, Controlled or Directed		Value of Shares CAD[1]		Options Outstanding	Public Board Memberships During Last Five Years
R. Andy Miller	**2019**	**2018**	**2019**	**2018**		High Liner Foods Incorporated
St. John's, NL, Canada Director since 2012	32,914	23,189	$255,084	$249,977	11,017	

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

High Liner Foods Board Details	Meeting Attendance
• Member Audit Committee • Independent[2] • Meets Share ownership requirement[3]	• Board 7/8 • Audit Committee 4/4

Nominee for Election as Director	Shares and DSUs Owned, Controlled or Directed		Value of Shares CAD[1]		Options Outstanding	Public Board Memberships During Last Five Years
Robert L. Pace	**2019**	**2018**	**2019**	**2018**		High Liner Foods Incorporated Canadian National Railway Company Hydro One (Ceased 2014)
Halifax, NS, Canada Director since 1998	72,890	64,271	$564,898	$692,841	34,079	

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

High Liner Foods Board Details	Meeting Attendance
• Chair Audit Committee • Member Executive Committee • Member Nominating Committee • Independent[2] • Meets Share ownership requirement[3]	• Board 8/8 • Audit Committee 4/4 • Nominating Committee 2/2 • Executive Committee 1/1

Nominee for Election as Director	Shares and DSUs Owned, Controlled or Directed		Value of Shares CAD[1]		Options Outstanding	Public Board Memberships During Last Five Years
Frank B. H. vanSchaayk Marion Bridge, NS, Canada Director since 2014	**2019**	**2018**	**2019**	**2018**		High Liner Foods Incorporated
	24,926	15,698	$193,177	$169,224	34,079	

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

High Liner Foods Board Details	Meeting Attendance	
• Member HRCG Committee (from May 2018)	• Board	8/8
• Member Audit Committee (until May 2018)	• HRCG Committee[5]	5/8
• Independent[2]	• Audit Committee[5]	2/4
• Meets Share ownership requirement[3]		

(1) For the 2019 Shares: as of March 25, 2019 at the Toronto Stock Exchange (the **"TSX")** closing Share price of CAD$7.75. For the 2018 Shares: as of March 23, 2018 (the date of last year's Circular), at TSX close of CAD$10.78 per Share.
(2) For the analysis of independence, see the *Independence and Board Committees* section of this Circular.
(3) Effective January 1, 2017, Share ownership requirements were adjusted from one (1) times the annual cash retainer to three (3) times the annual cash retainer. Directors are required to meet this requirement within five (5) years from January 1, 2017 or the specific director's appointment date whichever is later. For further discussion on ownership requirements for non-executive directors please see the *Compensation of Non-Executive Directors* section of this Circular. For further discussion on ownership requirements for Mr. Rod Hepponstall please see the *Share Ownership Requirements* section under *Executive Compensation* of this Circular.
(4) Ms. Hennigar and Mr. Hepponstall were in attendance at all meetings since the date of their appointment to the Board in May 2018.
(5) Mr. vanSchaayk joined the HRCG Committee in May 2018, up until this date he was a member of the Audit Committee. Mr. vanSchaayk attended all meetings of the committees of which he was a member.

EXPERIENCE MATRIX

Areas of Director Experience Identified by the Board as necessary for the Board of a global food-processing company	Joan Chow	Robert Dexter	David Hennigar	Jillian Hennigar	Rodney Hepponstall	Shelly Jamieson	M. Jolene Mahody	R. Andy Miller	Robert Pace	Frank vanSchaayk
Legal & Regulatory		√							√	
Finance/Accounting			√	√			√		√	√
Human Resource & Compensation	√	√		√		√	√		√	√
M&A/Growth Strategy	√		√		√		√	√	√	√
Governance/Other Directorships	√	√	√			√	√		√	√
CEO/Senior Executive	√	√	√		√	√	√	√	√	√
Sales & Marketing	√	√			√			√	√	√
Food Industry	√				√			√		√
Manufacturing								√		√
Retail & Consumer Trends	√	√			√			√	√	√
International Operations								√	√	√
Information Technology/Cyber Risk Management/Digital Media	√						√		√	
Risk Management				√	√	√	√	√	√	√

DIRECTORS' LIABILITY INSURANCE

High Liner Foods maintains a directors' and officers' liability insurance policy. The policy provides coverage for costs incurred to defend and settle claims against directors and officers to an annual limit of CAD$40 million with a deductible of CAD$75,000 per occurrence for claims against the corporation only. The cost of coverage for 2018 was CAD $70,275. The 2019 premium is CAD$83,867.

INDEPENDENCE AND BOARD COMMITTEES

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

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

BOARD AND COMMITTEE MEETINGS HELD AND ATTENDANCE

There were eight Board meetings held in 2018 with one appointed Board member missing one meeting. The Audit Committee met four times, with all appointed members in attendance. The HRCG Committee met eight times, with one appointed member missing one meeting. The Nominating Committee met twice with all members in attendance. The Executive Committee met once with all members in attendance.

CEASE TRADE ORDERS AND BANKRUPTCIES

For information on cease trade orders and bankruptcies involving directors of the Company or other companies that they serve, please see section 8.3 "Proceedings" in the Company's Annual Information Form ("**AIF**") for the year ending December 29, 2018, filed on www.sedar.com, which section is incorporated by reference herein.

COMPENSATION OF NON-EXECUTIVE DIRECTORS

To make recommendations on directors' compensation, the HRCG Committee reviews the compensation paid to directors of comparable publicly-traded companies. It reviews information publicly disclosed by these companies and independent surveys. Using the same peer group as is used to benchmark executive compensation, Meridian Compensation Partners ("**Meridian**") reviewed director compensation in 2016. Based on Meridian's review, effective January 1, 2017, the director's remuneration included an annual cash retainer of CAD$70,000 and an equity entitlement of CAD$50,000 in DSUs. No meeting attendance fees were paid to any director. Chairs of the Audit Committee and HRCG Committee received an annual retainer of CAD$15,000 and the chair of the Nominating Committee received an annual retainer of CAD$5,000. The Chairman of the Board of the Company was paid an annual retainer of CAD $150,000 and an equity entitlement of CAD$50,000 in DSUs and the Vice Chairman & Lead Director of the Board of the Company received an annual retainer of CAD$90,000 and an equity entitlement of CAD$50,000 in DSUs. U.S. resident directors received the 1:1 equivalent in USD for their annual cash retainer and equity entitlement (DSUs). Share ownership guidelines for all directors was adjusted to three times the cash retainer, with a director being expected to achieve the requirements within five years from January 1, 2017, or the director's appointment, whichever was later using the volume weighted average share price for the five trading days prior to January 1, 2017 or their appointment date, whichever was later.

In 2018, directors received a cash retainer of CAD$70,000 (or the equivalent amount prorated for their appointed time as a director) and all appointed directors at the issuance of the award received an equity entitlement of CAD$50,000 in DSUs in the respective currency of residency. Mr. David Hennigar was paid a cash retainer as Vice Chairman & Lead Director of CAD$90,000 and Mr. Demone was paid a prorated cash retainer as Chairman from May 1, 2018 until December 31, 2018. For clarity, while Mr. Demone was acting as Chairman and CEO of the Company, up until May 1, 2018, he received compensation as CEO in accordance with his employment agreement and his retainer as Chairman was suspended. Effective May 1, 2018, Mr. Rod Hepponstall was appointed as President & CEO and Mr. Demone's retainer was reinstated on a prorated basis. Mr. Hepponstall, being an executive member of management, does not receive additional compensation as a Board member. In 2018, directors were paid an aggregate of CAD$864,621 in retainers and were reimbursed CAD$44,998 in aggregate for travel and out-of-pocket expenses.

The table below summarizes the director compensation structure for 2019. Following the Meeting, the Board has made the decision to lower costs by reducing director compensation. The annual cash retainer for non-executive directors in 2019 will be reduced by CAD$35,000 (with a 1:1: equivalent reduction in USD for U.S. resident directors). As Mr. Hennigar intends to resign the position of Vice Chairman & Lead Director of the Board immediately following the Meeting, the related retainer for this position will also cease effective on the same day (as no other director will be appointed to this position). These compensation reductions have been made in order to appropriately reflect the current operating circumstances of the Company and are in line with the cost-saving actions taken across all levels of the organization.

Director Compensation Structure for 2019

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

This table summarizes compensation earned by non-executive directors in the fiscal year ending December 29, 2018.

Name	Total Fees Earned[(1)] ($)	All Other Compensation[(2)] ($)	Total ($)
Alan Bell[(3)]	57,888	38,592	96,480
Joan Chow	70,000	50,000	120,000
James Covelluzzi[(3)]	61,771	50,000	111,771
Henry Demone[(4)]	72,519	38,592	111,111
Robert Dexter[(5)]	54,029	38,592	92,621
Andrew Hennigar[(3)]	19,148	—	19,148
David Hennigar[(6)]	69,466	38,592	108,058
Jillian Hennigar[(7)]	34,881	38,592	73,473
Shelly Jamieson	65,607	38,592	104,199
M. Jolene Mahody	54,029	38,592	92,621
R. Andy Miller[(5)]	54,029	38,592	92,621
Robert Pace	65,607	38,592	104,199
Frank vanSchaayk	54,029	38,592	92,621

(1) All compensation which is paid in CAD is reported in USD. The rate of exchange used to convert CAD to USD is the average daily foreign exchange rate for the fiscal year ending December 29, 2018 of 1.2956. The total fees reflect the cash retainer (including Chair retainers).
(2) In 2018 the equity entitlement for directors was CAD$50,000 (or the equivalent in USD for U.S. resident directors). All directors received the award in DSUs. The number of units issued for Canadian resident directors was 4,476 units which was calculated using the volume weighted average share price ("VWAP") for the last five trading days from the date of issue (including the issue date). For U.S. resident directors the number of units issued was 5,764 DSUs calculated using the VWAP and an average exchange rate for the same period. The rate of exchange used to convert CAD to USD is the average foreign exchange rate for the fiscal year ending December 29, 2018.
(3) The following ceased being directors of the Company: Mr. Covelluzzi on November 19, 2018; Mr. Andrew Hennigar on May 9, 2018; and Mr. Bell on March 15, 2019.
(4) Mr. Demone received compensation as Chairman in accordance with the terms of the director remuneration noted above beginning May 1, 2018 when he ceased being CEO. All compensation received prior to May 1, 2018 in the capacity of CEO is reported in the *Summary Compensation Tabl*e under the *Executive Compensation* section.
(5) For the 2018 fiscal year, Mr. Dexter elected to receive 100% of his compensation and Mr. Miller elected to receive 50% of his compensation as DSUs. Of the $81,043 aggregate earned as director fees, 11,948 DSUs were issued as per the DSU plan implemented in 2012. This number does not include reinvested dividends.
(6) Director's fees for Mr. David Hennigar were invoiced to High Liner Foods from, and paid to, Scotia Financial Corporation Limited.
(7) Ms. Jillian Hennigar became a director on May 9, 2018.

Directors' Options and Deferred Share Unit Plan

In 2012, as an alternative form of compensation, the DSU plan was implemented with DSUs payable in cash on the redemption date which will not be earlier than the date the director ceases to hold all positions with the Company (the "**cessation date**") and not later than December 15 of the year following the cessation date. Each director will generally have the right to elect once a calendar year for the immediately succeeding year to receive their annual retainer fees in the form of DSUs and effective January 1, 2017, the director equity entitlement is issued as DSUs. In 2018, two directors elected to take all, or a portion of, their annual cash retainer as DSUs. Outstanding DSUs at December 29, 2018 equaled 153,425, including reinvested dividends with a value of CAD$1,147,232 using the closing Share price on the TSX on December 29, 2018, being CAD$7.30.

In 2018, and in accordance with the DSU plan, each appointed director was issued CAD$50,000 (for Canadian resident directors) and USD$50,000 (for U.S. resident directors) of their equity entitlement as DSUs using the fair-market value, being the volume weighted average share price of the last five trading days including the issue date, to calculate the total number of DSUs issued, being 4,476 DSUs for Canadian resident directors and 5,764 DSUs for U.S. resident directors.

To ensure that interests of non-executive directors are aligned with Shareholder interests, the Board adjusted its share ownership guidelines, effective January 1, 2017, to require that directors hold Shares valued at not less than three times their annual cash retainer within five years of the revised shareholding requirement or their Board appointment, whichever is later. DSUs are counted towards this requirement. Directors are able to apply directors' fees in advance to the purchase of Shares through the exercise of options. No director applied this method towards the purchase of any Shares in 2018. As at December 29, 2018, non-executive directors held options to purchase an aggregate of 250,496 Shares at prices ranging from CAD$8.25 to CAD$23.13 per Share.

Outstanding Option-Based & Share-Based Awards as at December 29, 2018 for Non-Executive Directors

	Option-Based Awards				Share-Based Awards	
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price (CAD) ($)**	**Option Expiration Date**	**Value of Unexercised In-the-Money Options(1) ($)**	**Number of Shares or Units of Shares that Have Not Vested (#)**	**Market or Payout Value of Share-Based Awards that Have Not Yet Vested ($)**
Joan Chow	—	—	—	—	—	—
Henry Demone(2)	13,761	15.30	March 31, 2021	—	—	—
	74,850	13.68	August 14, 2027	—		
Robert Dexter	—	—	—	—	—	—
Jillian Hennigar	—	—	—	—	—	—
David Hennigar	5,568	23.01	March 31, 2019	—	—	—
	8,272	23.13	May 31, 2020	—		
	13,761	15.30	March 31, 2021	—		
Shelly Jamieson	8,380	23.01	March 31, 2019	—	—	—
	8,272	23.13	May 31, 2020	—		
	13,761	15.30	March 31, 2021	—		
M. Jolene Mahody	8,986	22.09	March 31, 2019	—	—	—
	8,272	23.13	May 31, 2020	—		
	13,761	15.30	March 31, 2021	—		
R. Andy Miller	4,136	23.13	May 31, 2020	—	—	—
	6,881	15.30	March 31, 2021	—		
Robert Pace	8,380	23.01	March 31, 2019	—	—	—
	8,272	23.13	May 31, 2020	—		
	13,761	15.30	March 31, 2021	—		
	3,666	8.25	March 31, 2019	—		
Frank vanSchaayk	8,272	23.13	May 31, 2020	—	—	—
	19,484	15.30	March 31, 2021	—		

(1) Values for unexercised in-the-money options were converted to USD using the foreign exchange rate for December 29, 2018, being 1.3628 and calculated using the December 29, 2018 closing Share price on the TSX being CAD$7.30.
(2) Options issued to Mr. Demone with an expiry date of August 14, 2027 were issued to Mr. Demone in August of 2017 when he assumed the role of Chairman & Chief Executive Officer. These options vested immediately in accordance with his August 2017 employment agreement.

Value Vested for Non-Executive Directors

Name	Option-Based Awards - Value Vested During the Year[(1)] ($)	Share-Based Awards - Value Vested During the Year[(2)] ($)
Joan Chow	—	50,000
Henry Demone	—	38,592
Robert Dexter	—	92,621
Jillian Hennigar	—	38,592
David Hennigar	—	38,592
Shelly Jamieson	—	38,592
M. Jolene Mahody	—	38,592
R. Andy Miller	—	65,607
Robert Pace	—	38,592
Frank vanSchaayk	—	38,592

(1) Calculated using the volume weighted average Share price on the vesting date, less the exercise price, multiplied by the number of in-the-money options. The value shown in this column does not represent the actual value the individual director could receive. The actual gain on exercise, if any, will depend on the value of the Share on the date of exercise. No options were in-the-money at vesting.
(2) Share-based awards (DSUs) for non-executive directors vest immediately upon issuance and are exercisable at the time of retirement or death in accordance with the terms of the DSU plan and can only be paid in cash. Values vested were calculated using the volume weighted average Share price as of the date of vesting multiplied by the number of DSUs issued at vesting and converted from CAD to USD using the daily average foreign exchange rate for the fiscal year ending December 29, 2018 being 1.2956. This does not include reinvested dividends.

Shareholdings of Board Members

Shares held, controlled or directed by non-executive directors nominated for election at the Meeting as at March 25, 2019 equaled 927,279. This number does not include the shareholdings of Thornridge Holdings Limited of which Mr. Hennigar is Executive Chairman. The total value of Shares held by non-executive directors as at March 25, 2019, was CAD$6.8 million using the closing Share price on the TSX on March 25, 2019, being CAD$7.75.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS (CD&A)

COMPENSATION GOVERNANCE

The HRCG Committee (the "**Committee**") of the Board of Directors of the Company is responsible for reviewing executive performance and compensation. The following five outside directors served on the Committee since the last annual general meeting: Ms. Jamieson (Chair), Mr. Bell (who has retired from the Board), Ms. Chow, Mr. Dexter, and Mr. vanSchaayk.

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

The Committee met eight times in 2018 and plans to meet at least four times during 2019. The mandate of the Committee is fully described in the *Corporate Governance Practices* section of this Circular.

Independent Adviser

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

Fees Paid to Independent Adviser

2016	2017	2018
$ 79,910	$ 49,548	$ 51,685

The fees described above, denominated in CAD, are the only fees paid to Meridian by the Company. Meridian is not permitted to provide any services to management of the Company.

EXECUTIVE SUMMARY

Management of High Liner Foods knows it is vital to the Company's success to retain, attract and motivate talented employees, and that competitive compensation must be a key element of its human resources philosophy. High Liner Foods provides compensation that balances the market value of the position, scope of and experience in the role, internal pay equity, and the level of individual and corporate performance. The compensation program is comprised of four main elements: (i) base salary; (ii) Short-Term Incentive ("**STI**") (annual bonus); (iii) Long-Term Incentive ("**LTI**") including the Share Option Plan (the "**Option Plan**") and a Performance Share Unit Plan (the "**PSU Plan**") which includes Restricted Share Units ("**RSUs**"); and (iv) retirement and benefit plans. The Committee closely monitors executive compensation matters having regard to the financial performance of the Company and its succession planning initiatives, while ensuring compensation is competitive with the companies in its Compensation Peer Group (as defined in the *Compensation Benchmarking* section below).

New CEO Appointment

On May 1, 2018, the Board concluded its search for the President and Chief Executive Officer position with the appointment of Rod Hepponstall. Mr. Hepponstall assumed the position from Mr. Demone, who continued as Chairman of the Board of Directors of High Liner Foods. Mr. Hepponstall has 25 years of leadership skills and extensive experience within the food industry in North America, both in the retail and foodservice segments. The Board is confident that Mr. Hepponstall is well positioned to successfully lead High Liner Foods and deliver on a turnaround strategy that will ultimately create long-term value for Shareholders.

For purposes of discussion below, CEO shall mean Mr. Hepponstall unless otherwise noted; however, reporting of compensation in this document for the Named Executive Officers ("**NEOs**") includes information for both Mr. Hepponstall and Mr. Demone for the time in 2018 they each spent as CEO.

On Mr. Hepponstall's appointment to the role of President and CEO, the Company entered into an employment agreement with him that outlined compensation and other conditions of his employment. The details of the agreement are outlined in the *Summary Compensation Table, Incentive Plan Awards Table and Employment Agreements* sections and include certain arrangements and special one-time awards to replace forfeited compensation from his previous employer. In determining CEO compensation, the Committee received advice from Meridian and reviewed market compensation data from comparator companies. This information included the level and component mix that comprise a CEO pay package.

High Liner Foods' Critical Initiatives for 2019 and Beyond

Financial performance in 2018 reflected challenges in both the external operating environment and internal operations. As a result, the following five critical initiatives were created to reinforce the need to realign the business and drive cost efficiencies:

1. Organizational Realignment
2. Business Simplification
3. Supply Chain Excellence
4. Rubicon Alignment and Shrimp Growth
5. Profitable Organic Growth

These initiatives, discussed more broadly in our 2018 Annual Report, are the focus for the organization in 2019 and will form the basis for the individual objectives component of the Short-Term Incentive Plan for our NEOs. In November 2018, supplemental Performance Share Unit awards were granted to certain senior leaders within the Company, including the NEOs, with performance metrics directly tied to these initiatives. Executing on these initiatives will ensure the Company will have an efficient supply chain, a simplified business with lower costs, the right talent in the right roles, a tighter integration with Rubicon, and a stronger strategic marketing platform to grow consumer demand for seafood and our value-added offerings.

Organizational Realignment

In 2018, the Company completed a realignment organized by core functions, rather than by geography, to take better advantage of High Liner Foods' North American scale. This resulted in certain changes to the executive leadership team, including additional responsibilities and consolidation of roles. Most notable was the integration of procurement, plant operations, transportation and warehousing activities into an end-to-end supply chain, led by Mr. Paul Snow. Management believes the organizational changes have created the appropriate structure to enable execution on plans to reposition the business.

Named Executive Officers in 2018

The Compensation Discussion and Analysis ("**CD&A**") explains the compensation programs at High Liner Foods and the process for setting executive compensation; and includes information on our President & CEO, former CEO, CFO and our three most highly-compensated officers. The Company's NEOs for 2018 were:

Executive	Role
Rod Hepponstall	President and Chief Executive Officer (from May 1, 2018)
Paul Jewer	Executive Vice President & Chief Financial Officer
Paul Snow	Executive Vice President, Chief Supply Chain Officer
Chris Mulder	Senior Vice President, North American Sales
Brian Wynn	President, Rubicon Resources
Henry Demone	Chief Executive Officer (until April 30, 2018)

COMPENSATION PHILOSOPHY AND OBJECTIVES

Objectives of Executive Compensation at High Liner Foods

The Committee reviews and approves the total compensation for the CEO and reviews compensation paid to the other NEOs, taking into account performance against financial and individual goals that are directly linked to the Company's strategic objectives. The Company ensures that salary, short- and long-term incentive compensation are: competitive relative to practices of the Compensation Peer Group; are equitable throughout the organization; and provide appropriate rewards for the achievement of these goals. The Company considers market data along with internal equity, incumbent experience, skills required and the scope of roles when setting compensation. This philosophy allows the Company to recruit and retain talented, results-oriented employees who can meet the Company's expectations for performance and are aligned with Company values.

What We Reward

A significant proportion of compensation paid to executives is at-risk in the form of short- and long-term incentives to ensure alignment with the interests of our Shareholders. The proportion of pay-at-risk is higher for senior executives who can greater influence short- and long-term business results. Total compensation packages for the NEOs are compared to the market to ensure they reflect the Company's pay-for-performance philosophy. Benchmarks incorporated into the elements of compensation are periodically re-examined to maintain the appropriate relationship between pay and performance for each individual. As well, total compensation is modeled and stress-tested under various scenarios to ensure that compensation is always reasonable and performance-based, and that various performance outcomes and their impact on compensation are well understood.

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

RISK ANALYSIS

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

Enterprise Risk

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

Compensation Related Risk Review

The Company has identified each NEO as well as other senior executives in the Company as its material risk-takers. A description of the principal identified risks are included in the Company's annual MD&A under the section *Risk Factors*.

The Company uses the following practices to discourage or mitigate excessive risk-taking:

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

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

Claw Back

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

Prohibition on Hedging

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

ELEMENTS OF COMPENSATION - WHAT, WHY AND HOW?

Compensation Benchmarking

The following companies are the comparator companies used to benchmark executive compensation (the "Compensation Peer Group"):

- AGT Food and Ingredients
- B&G Foods
- Cal-Maine Foods Inc.
- Calavo Growers
- Hain Celestial Group Inc.
- J&J Snack Foods Corp.
- John B Sanfilippo & Son Inc.
- Lancaster Colony Corp.
- Lassonde Industries Inc.
- Premium Brands Holdings Corp.
- Sanderson Farms Inc.
- Seneca Foods Corp.
- SunOpta Inc.

These companies are a mix of U.S. and Canadian companies in the food industry. Meridian reviewed the group in 2016 and, at that time, the companies in the group ranged from about one-half to two times the Company's revenue size, with High Liner Foods positioned at approximately the median of the group.

Base Compensation

When assessing base compensation, the Committee considers information gathered from the Compensation Peer Group, together with the Company's pay philosophy, financial results, individual performance, skills and experience, internal equity and outside competitive conditions. In 2018, adjustments to base salaries for NEOs were based on general wage increases as provided throughout the organization and consistent with the market, with the exception of one promotion-related increase. Beginning in 2019, the Committee will review base compensation changes for the NEOs as part of a comprehensive review of executive compensation (every two to three years), or if there are notable changes to a NEO's role or responsibilities during the year.

SHORT-TERM INCENTIVE COMPENSATION

Design of Short-Term Incentive Program

The Short-Term Incentive ("**Bonus**") Plan for the NEOs is paid as a percentage of eligible annual earnings, which is generally equal to the base salary paid to an individual in the particular year. When determining the percentage ("**Target Bonus %**") amount for each NEO, the Committee considers several factors such as the Company's pay structure and philosophy as well as benchmarking to similar roles within the Compensation Peer Group. The Target Bonus % is applied to eligible earnings to establish a target bonus amount ("**Target Bonus**").

Actual Bonus payouts are determined based on performance against two key components: (1) goals relating to financial performance of the Company and/or an operating unit of the Company ("**Financial Performance**"); and (2) individual goals related specifically to the individual's responsibilities and areas of influence ("**Individual Performance**"). Together, these two components make up the "**Performance Factor**", which when applied to the Target Bonus amount, results in the Actual Bonus payout. The Performance Factor can vary from 50%, if threshold performance is met, up to 200% if maximum performance levels are achieved. If threshold performance is not met, the Performance Factor will equal 0%.

The following table outlines the approximate Financial and Individual Performance weightings that make up the Performance Factor for the NEOs:

	Financial Performance	Individual Performance	Total Performance
CEO(1)	85%	15%	100%
Remaining NEOs	78%	22%	100%
Payout Opportunity(2)	0; 50% - 214%	0; 50% - 150%	0; 50% - 200%

(1) Applies to Mr. Hepponstall only. Mr. Demone did not participate in a Short-Term Incentive plan in 2018.
(2) Mr. Hepponstall's maximum payout for the Financial Performance component is 208%. All other NEOs' maximum payout for the Financial Performance component is 214%.

Bonus Payout Calculation

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

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

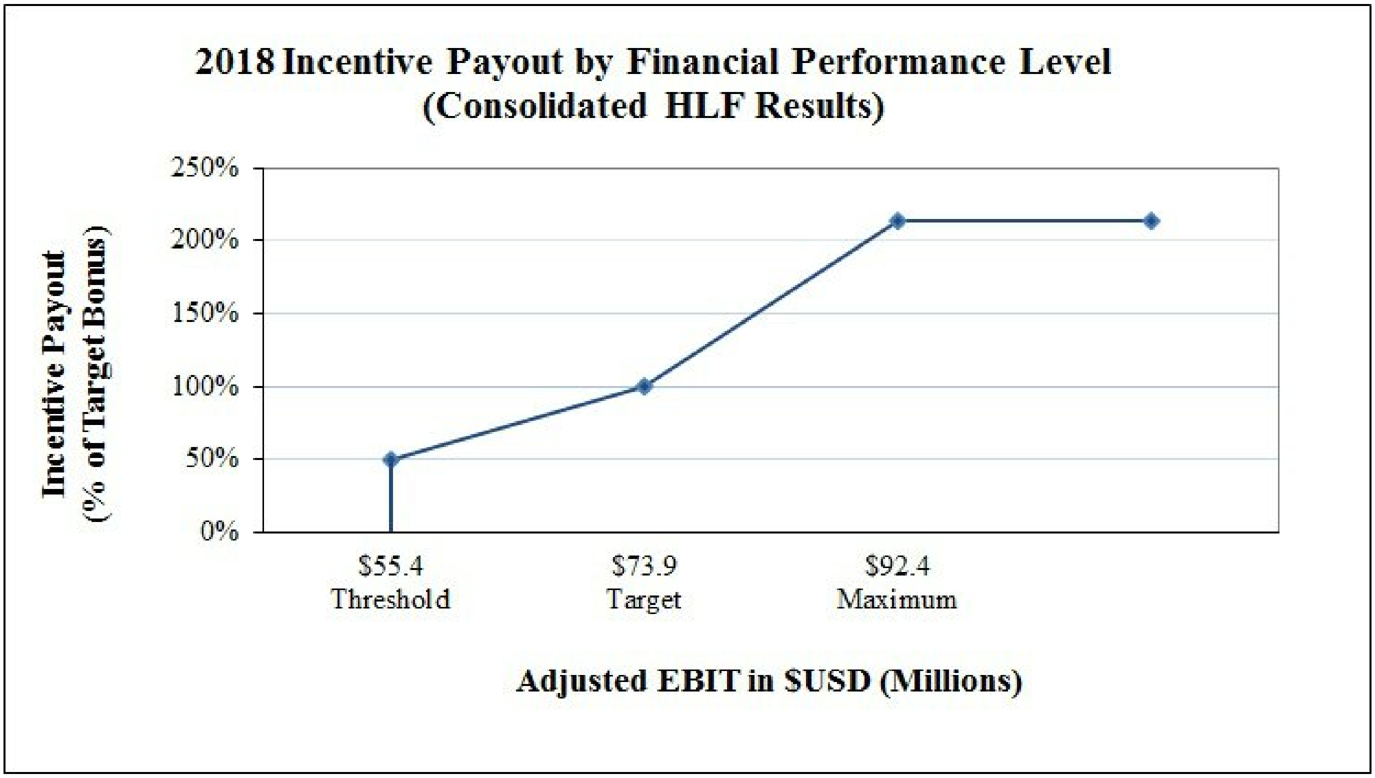
The Performance Factor % is comprised of Financial Performance and Individual Performance

Setting Company Financial Performance

The Committee approves the Bonus metrics and performance targets for Financial Performance. The current target is based on adjusted earnings before interest and taxes ("**Adjusted EBIT**"). The Committee approves a target that represents an acceptable level of Adjusted EBIT which considers the Company's strategic goals, business plan and budgeted financial results for the year and the previous year's financial performance. A threshold level of performance is set below which no incentive is paid, along with a maximum performance level where a cap on compensation is applied (no additional Bonus payment for performance beyond this level). Once the Adjusted EBIT target is set, the threshold and maximum performance levels are determined at 75% of target and 125% of target, respectively.

Adjusted EBIT is defined as EBIT that is adjusted by amounts recorded for incentives (other than the non-executive sales and marketing incentive plans), stock option expense, all non-operating gains and losses (mostly related to acquisition and integration costs), and other extraordinary items that may arise due to certain strategic decisions made during the year that cause variances in EBIT as compared to the target.

The following graph shows the 2018 Financial Performance levels for consolidated operations (threshold, target and maximum) for each NEO, and the respective incentive or Bonus payouts at each level. The same payout curve was established for the operating units (Canada; U.S. & Rubicon) based on each operating unit's Adjusted EBIT target.



The Financial Performance component for the NEOs is based solely on consolidated results as shown in the graph above, with the exception of Mr. Mulder, whose Company Financial Performance component was based 70% on the U.S. region and 30% on the consolidated results, for the period of time in 2018 that he was in the role of Senior Vice President, U.S. Sales & Marketing (January - June) and Mr. Hepponstall, whose short-term incentive amount was guaranteed at the time of his appointment in May 2018. Mr. Wynn's incentive was initially based solely on Company Financial Performance (45% consolidated and 55% Rubicon division results) but aligned with the other NEOs in August 2018 to include Individual Performance.

Setting Individual Performance
The second component of the short-term incentive plan rewards Individual Performance. Each year, the Committee reviews and approves the expected individual goals for senior executives, including the NEOs, ensuring they are aligned to the Company's overall strategic goals. The Committee evaluates the CEO's performance against Individual Performance targets. However, for 2018, as a condition of Mr. Hepponstall's employment agreement, his bonus was guaranteed to be paid at no less than target. For the remaining NEOs, the CEO evaluates each of their performance and reviews the results with the Committee. If a NEO is assessed as *"Successfully Met Expectations"* on each of the goals, the target payout is earned at 100% for this component. A NEO may achieve up to 150% of this component if they exceed target level performance or may receive less than 100%, including a 0% payout, if goals are partially met or not met. The Individual Performance objectives are weighted based on strategic importance, difficulty, and required effort to achieve. The aggregate value of achievement on goals determines the percentage of incentive earned for Individual Performance.

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

NEO	Eligible Earnings ($)	Target Bonus (%)	Target Bonus ($)	Maximum Bonus ($)
Rod Hepponstall[(1)]	468,411	85%	398,149	796,299
Paul Jewer[(2)]	340,619	50%	170,309	340,619
Paul Snow[(2)]	283,160	45%	127,422	254,844
Chris Mulder	336,213	45%	151,296	302,592
Brian Wynn[(3)]	275,000	42%	115,274	230,548
Henry Demone[(4)]	N/A	N/A	N/A	N/A

(1) Mr. Hepponstall's eligible earnings represent base salary paid from his start date of May 1, 2018.
(2) Messrs. Jewer and Snow's eligible earnings were converted to USD using the average daily foreign exchange rate for the fiscal year end December 29, 2018 being 1.2956.
(3) Mr. Wynn's 2018 incentive target was prorated January 1 - August 13 at 40% and August 14 - December 31 at 45%.
(4) As part of his employment agreement and role as interim CEO, Mr. Demone was not eligible for bonus in 2018.

2018 Results from Short-Term Incentive Program

Early in 2019, the Committee reviewed actual 2018 Financial Performance against targets and reviewed achievement of Individual Performance objectives. The Company did not achieve the threshold Financial Performance level on a consolidated basis or for any individual segment and as a result, a 0% payout factor was determined for these components.

Details of the NEOs 2018 individual goals and performance achievement, as measured by the Committee, are summarized below.

Mr. Jewer’s individual goals focused on: completing the Enterprise One (ERP system) upgrade; reorganizing the forecasting process; managing spending and working capital; and other leadership objectives identified by the Committee.

Mr. Snow’s individual goals focused on: supporting the completion of the Enterprise One (ERP system) upgrade; aquaculture growth; customer service improvement; and other leadership objectives identified by the Committee.

Mr. Mulder's individual goals focused on: commercial excellence; profitable growth; aquaculture expansion; and other leadership objectives identified by the Committee.

Mr. Wynn's individual goals focused on: profitable growth; developing a shrimp growth strategy; and other leadership objectives identified by the Committee.

The final determination and resulting 2018 bonus payouts are outlined in the *Summary Compensation Table*. The Committee approved all incentive payments to NEOs.

LONG-TERM INCENTIVE COMPENSATION

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

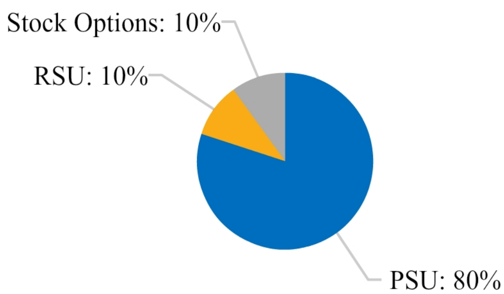
The Committee reviews and determines option awards annually. In accordance with the terms of the Option Plan, the Committee determines the grant or exercise price by calculating the fair market value. This is defined as the volume-weighted average trading price of the Shares for the last five days on which the Shares traded on the TSX within the previous 20 days on which the TSX was open for trading, calculated by dividing the total value by the total volume of Shares for the relevant period. The Committee reviews the terms and performance conditions of the PSU awards annually and is satisfied that the PSU Plan increases the performance orientation and reduces inherent dilution, while maintaining a competitive compensation approach.

The Committee accepts that the Company stock price is a logical benchmark for the evaluation of management performance over the long-term and so includes stock options as part of its long-term compensation. The Committee also believes improvement in measures such as sales growth, earnings and return on assets managed ("**ROAM**") are aligned with long-term Shareholder value creation and has considered these performance metrics for the PSU awards. Over the longer-term, the directors are confident that if management performs well on these measures, then the stock market should value the Shares accordingly.

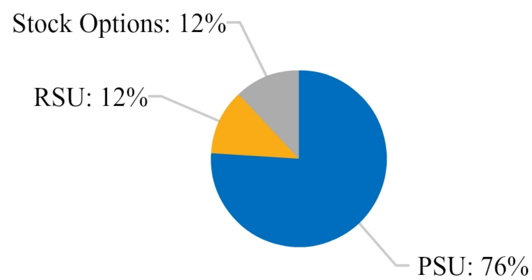
Beginning in 2017, the Company included RSUs as part of the LTI compensation awarded to the NEOs after a review of the High Liner Foods LTI plan structure versus the external market. The results of the review indicated that RSUs are prevalent and represent a significant weighting among the Company's peer group. In addition, RSUs continue to align with Shareholder interests, introduce a retention element to the LTI mix, and assist executives in meeting their share ownership guidelines.

The combination or mix of annual LTI granted to the NEOs, typically in February, is comprised of 50% PSUs, 25% RSUs, and 25% stock options. However, with the one-time award of supplemental PSUs in November, the LTI mix for 2018 was significantly weighted towards PSUs as outlined in the charts below:

Chief Executive Officer[(1)]



Remaining NEOs[(2)]



(1) Does not include one-time sign-on LTI awards granted upon hire (see below for details).
(2) Represents an average mix of LTI awards for the remaining NEOs, excluding Mr. Demone.

Supplemental Performance Share Unit Award

In addition to the annual LTI granted to the NEOs in February, the Board approved a supplemental, one-time PSU award in November, equal to each NEO's annual grant value as described above. The awards are designed to focus management on the achievement of the five critical strategic initiatives being: Organizational Realignment, Business Simplification, Supply Chain Excellence, Rubicon Alignment and Shrimp Growth and Profitable Organic Growth. The PSUs will vest at the end of 2019 to the extent the initiatives are achieved. The Committee believes that achievement of the five critical strategic initiatives by the end of 2019 is important to realign the business. Further details of the award are provided in the *Summary Compensation Table and Incentive Plan Awards Table*.

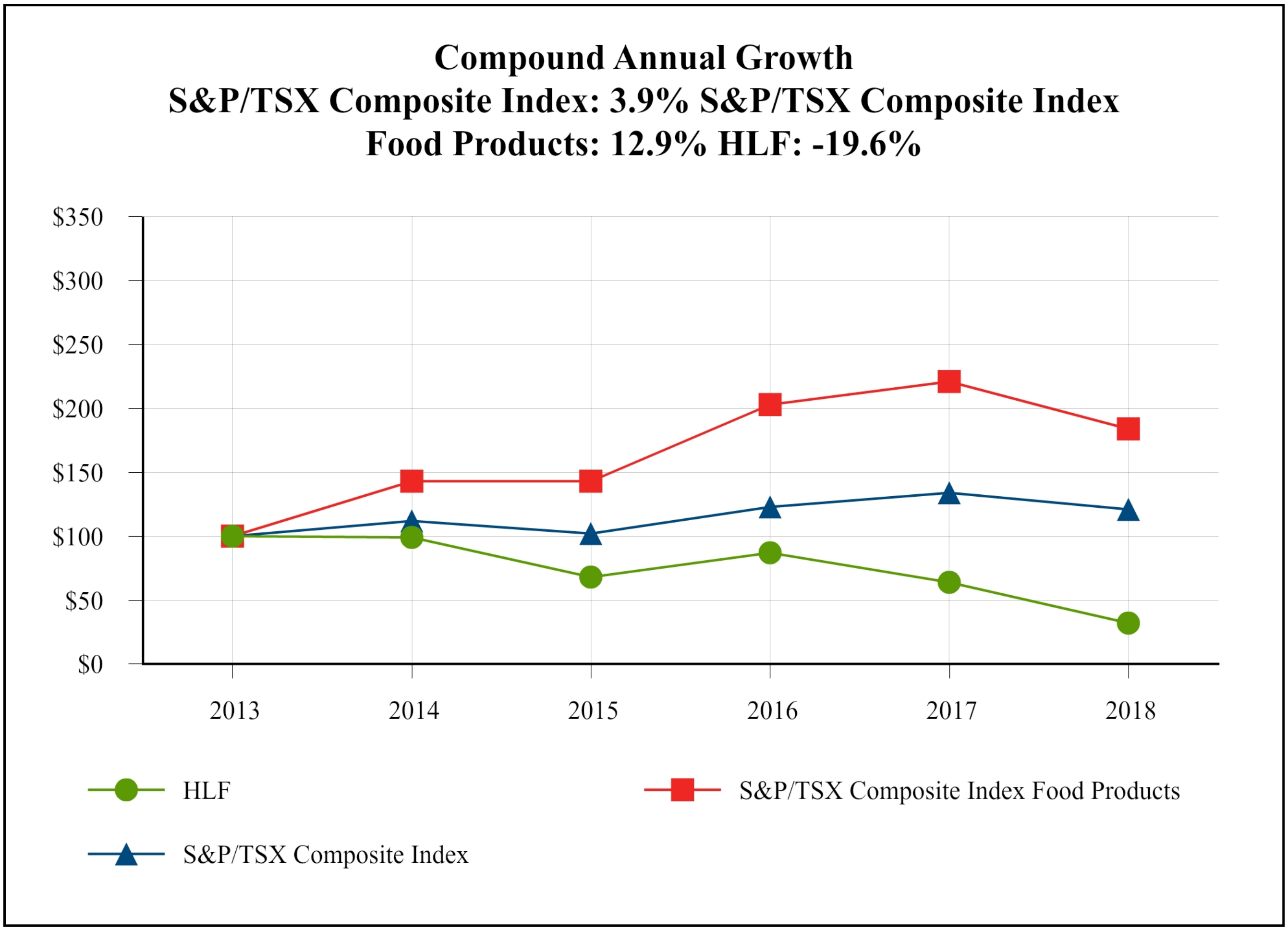
CEO New Hire Awards

The Committee approved the issuance of two special one-time long-term incentive awards for the CEO to replace equity compensation from his previous employer that was forfeited upon joining High Liner Foods. The awards totaling $1,850,000 are comprised of 50% stock options and 50% RSUs and approximately match the vesting of the original awards. Further details of the awards are provided in the *Summary Compensation Table and Incentive Plan Awards Table*.

PERFORMANCE GRAPH

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

5-YEAR CUMULATIVE TOTAL RETURN ON CAD$100 INVESTMENT ASSUMING DIVIDENDS ARE REINVESTED



The table below depicts what CAD$100 invested in Shares on January 1, 2014 would represent in each consecutive year, showing compound annual growth over the five-year time frame. Long-term incentives, which represent a significant portion of executive compensation, create a direct link between Share price performance and executive compensation. As outlined further in the CD&A, stock options awards are out-of-the-money and the 2016 PSU grant did not meet performance thresholds, both resulting in no payouts for the NEOs. This ensures that the compensation value ultimately realized by executives is aligned with Company performance and Shareholder experience.

	01/01/2014	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	Compound Annual Growth Over Five Years
High Liner Foods Incorporated	$ 100	$ 99	$ 68	$ 87	$ 64	$ 32	(19.6)%
S&P/TSX Composite Index Food Products	$ 100	$ 143	$ 143	$ 203	$ 221	$ 184	12.9 %
S&P/TSX Composite Index	$ 100	$ 112	$ 102	$ 123	$ 134	$ 121	3.9 %

EQUITY COMPENSATION PLAN INFORMATION

Plan category	Shares to be Issued Upon Exercise of Outstanding Options or Awards at Fiscal 2018 Year End (a)		Weighted Average Exercise Price of Outstanding Options at Fiscal 2018 Year End (b)	Shares Remaining Available for Future Issuance Under Equity Compensation Plans at Fiscal 2018 Year End (Excluding Securities in Column (a)) (c)		Total Shares Issuable under Equity Compensation Plans (Column (a) + Column (c))	
	Number	Percentage of outstanding shares		Number	Percentage of outstanding shares	Number	Percentage of outstanding shares
Option Plan approved by Shareholders	1,624,681	4.9%	CAD$15.03	1,026,357 (1)	3.1%	2,651,038	7.9%
PSU Plan approved by Shareholders	—	—	n/a	400,000 (2)	1.2%	400,000	1.2%

(1) Of this number, 444,844 options were granted subsequent to fiscal 2018 year end.
(2) There are 879,757 PSUs and 280,567 RSUs outstanding payable in cash of which 85,013 PSUs vested on December 31, 2018 and were exercised or forfeited in accordance with their terms on February 27, 2019. Also granted subsequent to fiscal 2018 year end were 240,855 PSUs and 160,951 RSUs awards payable in cash.

OPTION-BASED AWARDS

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

Under the terms of the Option Plan, the Committee designates "**Eligible Participants**" to whom options will be granted, and the number and type of Shares to be optioned to each. Eligible Participants are directors, executives including the NEOs and certain senior leaders reporting directly to the NEOs. Shares to be optioned shall not exceed the aggregate number of 3,800,000 as of May 7, 2013 (updated to include the effects of the May 30, 2014 stock split). There are 2,069,525 options issued representing approximately 6.2% of the issued and outstanding Shares as of March 25, 2019 with exercise prices ranging from CAD$8.25 to CAD$24.80 per Share. There remains 1,026,357 Shares available for issuance under the Option Plan as at December 29, 2018, representing approximately 3.1% of the issued and outstanding Shares as of March 25, 2019. The Company's annual burn rate under the Option Plan, calculated as described in Section 613(p) of the TSX Company Manual was 2.43% in 2018, 0.42% in 2017 and 2.12% in 2016.

The option price for the Shares is determined by the Committee at the time of granting of the option but cannot be less than the Fair Market Value of the Shares underlying the option at the time of grant. The term during which any option granted may be exercised is determined by the Committee at the time the option is granted but may not exceed ten years from the date of grant. The Option Plan provides that an expiry date falling within a blackout period will be extended to the date that is ten business days after the blackout period expires. The purchase price is payable in full at the time the option is exercised. The number of Shares issuable to insiders, at any time, shall not exceed 10% of the issued and outstanding Shares, and the number of Shares issued to insiders, within a one-year period, shall not exceed 10% of the issued and outstanding Shares.

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

High Liner Foods does not receive consideration when options are granted. The Committee determines the term of each option and the vesting schedule. Typically, options have a vesting period ranging from one to three years and have a term of five years.

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

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

i. reduce the number of securities issuable under the Option Plan;
ii. increase or decrease the maximum number of Shares any single Eligible Participant is entitled to receive under the Option Plan;
iii. any amendment pertaining to the vesting provisions of each option set out in any option agreement;
iv. any amendment to the terms of the Option Plan or any option agreement relating to the effect of termination, cessation or death of an Eligible Participant on the right to exercise options;
v. any amendment pertaining to the assignability of grants required for estate planning purposes;
vi. increase the option period referred to in regard to blackout periods and an event of death as discussed in the Option Plan;
vii. increase the exercise price or purchase price of any option;
viii. amend the process by which an Eligible Participant can exercise his or her option, including the required form of payment for the Shares, the form of exercise notice and the place where such payments and notices must be delivered;
ix. add and/or amend any form of financial assistance provision to the Option Plan;

x. add and/or amend a cashless exercise feature, payable in cash or Shares;
xi. amend the eligibility requirements for participants in the Option Plan;
xii. any amendment as may be necessary or desirable to bring the Option Plan into compliance with securities, corporate or tax laws and the rules and policies of any Stock Exchange upon which the Shares are from time to time listed;
xiii. any amendment to add covenants of the Company for the protection of Eligible Participants, provided that the Committee shall be of the good faith opinion that such additions will not be prejudicial to the rights or interest of the Eligible Participants;
xiv. any amendments not inconsistent with the Option Plan as may be necessary or desirable with respect to matters or questions, which in the good faith opinion of the Committee, having in mind the best interests of the Eligible Participants, it may be expedient to make, provided that the Committee shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Eligible Participants;
xv. any such changes or corrections which, in the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Committee shall be for the opinion that such changes or corrections will not be prejudicial to the rights and interest of the Eligible Participants; and
xvi. any re-allocation of the number of Shares that may be issued from treasury as between the Option Plan and the PSU Plan.

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

i. amendments which would increase the number of Shares issuable under the Option Plan, otherwise than in accordance with the Option Plan;
ii. amendments which would result in a reduction in the exercise price, or cancellation and reissue, of options, otherwise than in accordance with the Option Plan;
iii. any amendment to increase the maximum limit of the number of Shares that may be issued to insiders within any one-year period, or issuable to insiders, at any time;
iv. any amendment that extends the option period beyond the original expiry date, otherwise than as allowed by the Option Plan;
v. any amendment adding participants that may permit the introduction or re-introduction of non-employee directors on a discretionary basis;
vi. any amendment allowing awards granted under plans to be transferable or assignable other than for normal estate settlement purposes; and
vii. any amendment to the amending provisions of the Option Plan.

PERFORMANCE SHARE UNIT PLAN

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

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

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

The form of payment under the PSU Plan shall be one or more of the following forms: (i) cash; or (ii) Shares. Shares may be purchased on the market or issued from treasury of the Company in order to pay out Units in accordance with their terms. Approval was granted for 400,000 Shares in aggregate to be reserved for issuance from treasury of the Company under the PSU Plan, which, as of March 25, 2019, represents 1.2% of the aggregate of the issued and outstanding Shares of the Company. In addition, issuances of Units may not result in the following limitations being exceeded: (a) the aggregate number of Shares issuable to insiders pursuant to the PSU Plan, the Option Plan or any other security-based compensation arrangement of the Company exceeding 10% of the aggregate of the issued and outstanding Shares at any time; and (b) the issuance from treasury to insiders, within a 12-month period, of an aggregate number of Shares under the PSU Plan, the Option Plan and any other security-based compensation arrangement of the Company exceeding 10% of the aggregate of the issued and outstanding Shares. The Company's annual burn rate under the PSU Plan (including both PSUs and RSUs), calculated as described in Section 613(p) of the TSX Company Manual was 2.78% in 2018, 0.50% in 2017 and 0.27% in 2016. With respect to the Units, the number of Shares to be settled will vary from 0% to 150% of the award, with the exception of the November 2018 supplemental PSU award which will vary from 0% to 200%, and will settle as a cash payout.

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

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

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

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

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

During 2016 the Board made the following amendments to the PSU Plan, which were approved by the TSX:

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

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

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

SHARE OWNERSHIP REQUIREMENTS

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

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

The following table represents the share ownership for the NEOs as of March 25, 2019.

Name	Share Ownership Requirement(1)	Interest in the Company(2)	Acquire By Date
Rod Hepponstall	327,394	132,828	May 1, 2025
Paul Jewer	34,587	19,937	February 21, 2021
Paul Snow	26,730	47,221	Met
Chris Mulder	57,239	7,983	January 16, 2025
Brian Wynn(3)	38,149	815,339	Met
Henry Demone	10,526	537,874	Met

(1) Calculated using the base salary and the closing price of the Shares of the Company on the date of appointment to their current position, with the exception of Mr. Snow, the Executive Vice President, Chief Supply Chain Officer, whose share ownership requirement was calculated using the closing price of the Shares of the Company on December 17, 2013.
(2) Interest in the Company includes actual Shares owned as well as RSUs outstanding for all executives excluding Mr. Demone who did not receive RSUs. For Mr. Demone, DSUs granted to him in his role as Chairman have been included.
(3) Mr. Wynn's shareholdings include Shares issued as part of the acquisition of Rubicon Resources LLC in 2017.

SUMMARY COMPENSATION TABLE

The following Compensation Table includes the compensation of the President & CEO, the CFO, the former CEO, and the three other most highly-compensated executive officers (collectively the NEOs) of the Company for each of the Company's three most recently completed financial years. Any compensation which has been paid in CAD is reported in USD in this table.

Name and Position	Year	Salary[1] ($)	Share-Based Awards[2] ($)	Option-Based Awards[3] ($)	Non-Equity Incentive Plan Compensation[1] ($)	Pension Value[1] ($)	All Other Compensation [1] ($)	Total Compensation[1] ($)
Rod Hepponstall President & CEO (from May 1, 2018)[4]	2018	454,423	2,228,721	1,069,990	398,149	—	712,351	4,863,634
	2017	—	—	—	—	—	—	—
	2016	—	—	—	—	—	—	—
Paul Jewer Executive Vice President & CFO	2018	340,619	445,658	62,946	44,553	17,031	—	910,807
	2017	331,964	188,446	62,815	22,606	16,598	—	622,429
	2016	315,775	116,621	116,621	183,308	15,789	—	748,114
Chris Mulder Senior Vice President North American Sales[5]	2018	336,213	351,372	49,350	6,590	11,000	—	754,525
	2017	316,962	77,250	—	81,745	10,800	—	486,757
	2016	306,923	—	41,572	135,537	6,757	—	490,789
Paul Snow Executive Vice President, Chief Supply Chain Officer[6]	2018	283,160	304,865	39,874	33,300	154,669	—	815,868
	2017	263,195	119,374	39,791	11,291	68,933	—	502,584
	2016	251,254	74,234	74,234	128,793	55,621	—	584,136
Brian Wynn President, Rubicon Resources[7]	2018	275,000	278,437	37,812	—	—	—	591,249
	2017	156,538	66,819	22,273	—	—	—	245,630
	2016	—	—	—	—	—	—	—
Henry Demone CEO (August 14, 2017-April 30, 2018)[8]	2018	469,538	—	—	—	—	—	469,538
	2017	370,998	—	192,560	—	—	—	563,558
	2016	—	—	—	—	—	—	—

(1) Mr. Hepponstall, Mr. Mulder and Mr. Wynn's compensation is paid and reported in USD. Compensation for the remaining NEOs is paid in CAD and is being reported in USD. The rate of exchange used to convert CAD to USD is the average daily foreign exchange rate for the fiscal year ends being: December 29, 2018: 1.2956; December 30, 2017: 1.2983; December 31, 2016: 1.3248.

(2) The share-based award value is determined by using the Fair Market Value of the Share on the date of issue. The 2018 share-based awards for all NEOs except Mr. Hepponstall were issued on February 21, 2018 at a Share price of CAD$12.57. Mr. Hepponstall's share-based awards issued to him at the time of his appointment being May 1, 2018, were valued using the Fair Market Value of the Share on that date being CAD$10.92. Mr. Hepponstall's share-based awards include an annual (prorated to his start date) PSU award value of $298,981, an annual RSU award value of $144,990 and a special one-time sign-on RSU award totaling $925,000 to replace compensation from his previous employer that Mr. Hepponstall forfeited upon joining the Company. A supplemental share-based award contingent on the achievement of strategic critical initiatives was issued on November 19, 2018 at a Share price of CAD$6.51 to all NEOs. The amounts in this column reflect the grant date fair value of awards issued as approved by the Committee and are converted from CAD to USD for the Canadian NEOs at the average daily foreign exchange rate for the fiscal year ends being: December 29, 2018: 1.2956; December 30, 2017: 1.2983; December 31, 2016: 1.3248. The following table provides a breakdown, by NEO, of the total share-based awards value between annual and special one-time awards:

	Annual Awards		One-Time Award	One-Time Award	Total
NEO	PSU	RSU	Supplemental PSU	New Hire RSU	Share Awards
Rod Hepponstall	$289,981	$144,990	$868,750	$925,000	$2,228,721
Paul Jewer	$125,892	$62,946	$256,820	$0	$445,658
Chris Mulder	$98,700	$49,350	$203,322	$0	$351,372
Paul Snow	$79,748	$39,874	$185,242	$0	$304,865
Brian Wynn	$75,625	$37,812	$165,000	$0	$278,437

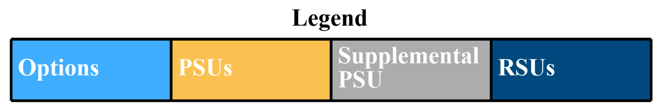
(3) Under the terms of the Option Plan, the options granted to the NEOs in February 2018 were granted at a strike price of CAD$12.57, representing the Fair Market Value of the Shares at the time of grant. Upon joining the Company on May 1, 2018, Mr. Hepponstall was granted options under the terms of the Option Plan at a strike price of CAD$10.92, representing the Fair Market Value of the Shares at the time of grant. Mr. Hepponstall's option award value includes an annual award amount (prorated to his start date) of $144,990 and a one-time sign-on award of $925,000 to replace compensation from his previous employer that Mr. Hepponstall forfeited upon joining the Company. The market value of the Shares at December 29, 2018, the Company's fiscal year end, was CAD$7.30. The units issued, based on the Fair Market Values shown above were calculated using the Black-Scholes method, consistent with the accounting values used in the Company's financial statements, which uses the grant price, the volume weighted-average market price at the time of grant, the expected annual volatility, the risk-free rate, the expected annual dividend rate and time to expiry as the factors in the model. The amounts in this column reflect the grant date Fair Market Value of options granted as approved by the HRCG Committee and are converted from CAD to USD for Canadian NEOs at the average daily foreign exchange rate for the fiscal year ends being: December 29, 2018: 1.2956; December 30, 2017: 1.2983; December 31, 2016: 1.3248.
(4) Mr. Hepponstall was appointed to President & CEO on May 1, 2018 and was not a High Liner Foods' employee in 2017 or 2016. Mr. Hepponstall's 2018 *All Other Compensation* value includes a one-time cash bonus of $489,520 to replace compensation forfeited upon him joining the Company, relocation expenses totaling $211,062 and $11,769 in vehicle allowance.
(5) Mr. Mulder was appointed to Senior Vice President North American Sales on July 9, 2018 and was not a NEO in 2017 or 2016.
(6) Mr. Snow's increase in the compensatory change for his 2018 pension value is due to his recent appointment to EVP & Chief Supply Chain Officer and the impact of a greater than expected increase in pensionable earnings on his final average earnings.
(7) Mr. Wynn was appointed President Rubicon Resources at the time of the Rubicon acquisition in May 2017. Mr. Wynn was not a NEO in 2017 or a High Liner Foods' employee in 2016.
(8) Mr. Demone's 2017 and 2018 compensation is entirely related to his role as CEO from August 14, 2017 to May 1, 2018. Mr. Demone was not a NEO of the Company in 2016 but received compensation only in his role as Chairman.

Long-Term Incentive Awards - Realizable Value

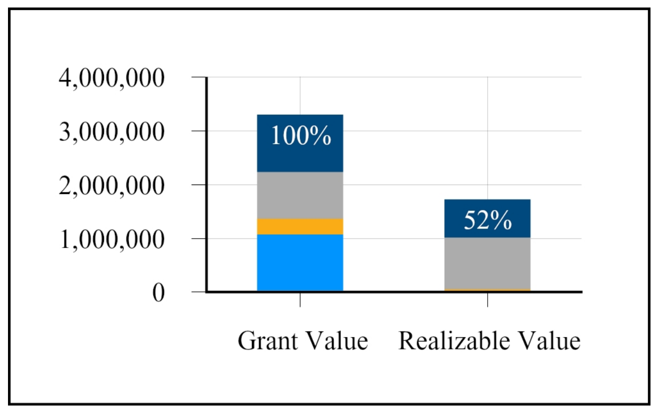
The tables below outline the difference between the grant date and current realizable value of LTI issued to the CEO and the other NEOs. Realizable value represents an estimate of LTI payouts based on the December 29, 2018 Share price and Company performance assumptions inherent in the PSU plan. The figures presented reflect the last three years of awards, except for the CEO where it reflects awards provided since joining the Company (including sign-on awards).

The realizable value of LTI awards amounts to 52% of the grant date value for the CEO and 41% for the remaining NEOs, which is reflective of the recent financial performance of the Company. LTI represents a significant portion of our NEO total compensation and as a result, effectively aligns pay with Company performance.

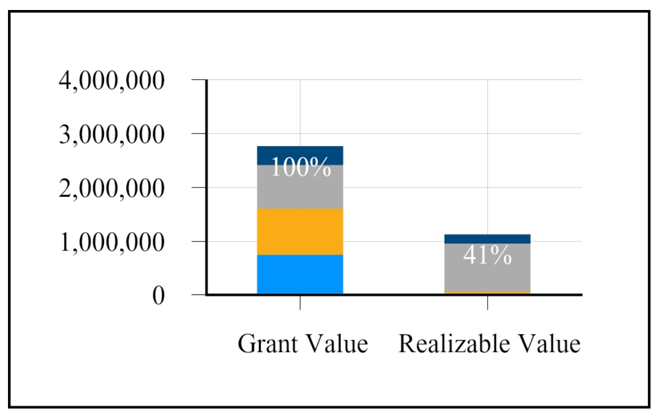
Current LTI Value as a Percentage of Grant Value



CEO (1 Year)	Grant Value[1]	Realizable Value[1]	% of Grant Value
Options[2]	$ 1,069,990	$ —	
PSUs[3]	$ 289,981	$ 50,137	
Supplemental PSU[4]	$ 868,750	$ 964,811	
RSUs[5]	$ 1,069,990	$ 711,535	
Total	**$ 3,298,711**	**$ 1,726,483**	**52%**



Other NEOs (3 Years)	Grant Value[1]	Realizable Value[1]	% of Grant Value
Options[2]	$ 739,848	$ —	
PSUs[3]	$ 859,204	$ 57,438	
Supplemental PSU[4]	$ 810,384	$ 890,517	
RSUs[5]	$ 353,486	$ 174,179	
Total	**$ 2,762,922**	**$ 1,122,134**	**41%**



(1) All values in the above tables for Canadian NEOs were converted to USD using the December 29, 2018 foreign exchange rate of 1.3628 and were calculated using the December 29, 2018 closing Share price on the TSX of CAD$7.30.

(2) The Realizable Value includes the value of in-the-money options granted during this period. As the Share price is below the strike price, the realizable value is zero.

(3) The Realizable Value has been adjusted to reflect the impact of completed performance years. The value of 2016 has been realized at zero due to the Company not meeting its performance threshold under the PSU Plan.

(4) The Realizable Value reflects target performance and the December 29, 2018 Share price assumption mentioned above.

(5) The Realizable Value reflects the December 29, 2018 Share price assumption mentioned above. There are no performance factors associated with RSU awards.

Incentive Plan Awards Table

The following table summarizes all outstanding awards as at December 29, 2018.

	Option-Based Awards				Share-Based Awards		
Name	**Number of Securities Underlying Unexercised Options**	**Option Exercise Price (CAD) ($)**	**Option Expiration Date**	**Value of Unexercised In-the-Money Options(1) ($)**	**Number of Shares or Units of Shares that Have Not Vested**	**Market or Payout Value of Share-Based Awards that Have Not Vested(1) ($)**	**Market or Payout of Vested Share-Based Awards Not Paid Out or Distributed(1) ($)**
Rod Hepponstall	633,909	10.92	May 31, 2023	—	180,109	964,811	149,621
					35,998	50,137	
					104,897	561,914	
Paul Jewer	26,628	23.01	March 31, 2019	—	52,216	279,711	—
	28,771	23.21	March 31, 2020	—	13,861	19,305	
	47,248	15.30	March 31, 2021	—	8,762	—	
	16,343	20.61	March 31, 2022	—	11,487	—	
	30,544	12.57	March 31, 2023	—	11,312	60,596	
Paul Snow	13,334	23.01	March 31, 2019	—	37,663	201,754	—
	18,314	23.21	March 31, 2020	—	8,781	12,230	
	30,075	15.30	March 31, 2021	—	5,550	—	
	10,353	20.61	March 31, 2022	—	7,312	—	
	19,349	12.57	March 31, 2023	—	7,166	38,387	
Chris Mulder	18,000	15.30	March 31, 2021	—	42,153	225,806	—
	23,206	12.57	March 31, 2023	—	10,530	14,666	
					2,718	—	
					7,983	42,763	
Brian Wynn	8,135	15.28	August 31, 2022	—	34,208	183,246	—
	17,780	12.57	March 31, 2023	—	8,068	11,237	
					4,039	—	
					6,055	32,436	
Henry Demone(2)	13,761	15.30	March 31, 2021	—	—	—	—
	74,850	13.68	August 14, 2027	—	—		

(1) Values were converted to USD using the foreign exchange rate as of December 29, 2018, being 1.3628 and were calculated using the December 29, 2018 closing Share price on the TSX being CAD$7.30. For all share-based awards that have not yet vested, the payout value has been adjusted to reflect the impact of completed performance years to align with the accounting valuation of the award. Mr. Hepponstall's RSUs that were issued on May 1, 2018 and vested immediately can be paid out at any time up to December 31, 2020.

(2) Options for Mr. Demone with an expiry date of March 31, 2021 were issued in 2016 in his capacity as Chairman of the Board. Options for Mr. Demone with an expiry date of August 14, 2027 were issued in August of 2017 when he assumed the role of Chief Executive Officer.

2016 PSU Performance and Payout

The performance targets for both measures within the 2016 PSU awards were not achieved and these PSUs did not pay out (0% of PSUs granted will vest). The table below outlines the performance levels established for the 2016 PSU awards and respective actual performance/payout.

Three-Year Average Performance	ROAM (80% weight)	Sales Volume Growth (20% weight)	% Vesting of Initial Grant
Threshold	10.0%	If volume increase of 2% occurs 20% available to be granted	Below threshold no units will vest; at threshold 50% of units will vest
Target	12.0%		100% of units granted will vest
Maximum	14.0%		150% of units granted will vest
Actual Performance (2016 to 2018)	9.2%	(3.6)%	
Payout (Vesting)	0%	0%	0%

2018 PSU Program

In 2018, the Committee decided to replace the Sales Volume Growth metric in the PSU plan with Growth in Adjusted EBITDA to provide a greater emphasis on overall profitability. Adjusted EBITDA is a more appropriate metric as it includes all costs such as distribution and SG&A, and it is a measure that is well understood by plan participants.

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

The table below sets out the measures, weightings and vesting schedule for the 2018 PSU grants.

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

The value of the NEOs' stock options and PSUs awards that vested during fiscal 2018 are shown in the table below.

Value Vested

Name	Option-Based Awards - Value Vested During the Year(1) ($)	Share-Based Awards - Value Vested During the Year(2) ($)
Rod Hepponstall	—	225,000
Paul Jewer	—	—
Paul Snow	—	—
Chris Mulder	—	—
Brian Wynn	—	—
Henry Demone(3)	—	38,592

(1) Calculated using the volume weighted average Share price on the vesting date, less the exercise price, multiplied by the number of options. The value shown in this column does not represent the actual value the individual NEO could receive. The actual gain on exercise, if any, will depend on the value of the Share on the date of exercise. Mr. Hepponstall was awarded options at the date of his appointment, being May 1, 2018, which vested immediately and did not present a benefit at the time of vesting. All other NEO options were not in-the-money at vesting.
(2) Calculated using the volume weighted average Share price on the vesting date, multiplied by the number of PSUs or RSUs that vested. Values for Mr. Hepponstall represent RSUs which were issued to him upon his appointment as President & CEO on May 1, 2018 and vested immediately. All other share-based awards that vested had a zero percent payout and were cancelled.
(3) Share-based awards for Mr. Demone include DSUs issued to him in his capacity as Chairman and vested immediately in May 2018. DSUs are settled at the time of retirement or death in accordance with the terms of the DSU plan and can only be paid in cash. Values were calculated using the volume weighted average Share price at the time of vesting multiplied by the number of share-based awards issued at the time of vesting and converted from CAD to USD using the daily average foreign exchange rate for the fiscal year ending December 29, 2018 being 1.2956. This does not include reinvested dividends.

Perquisites

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

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

RETIREMENT PLAN BENEFITS

Defined Contribution Pension Plan Membership

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

At the time the enhanced pension plan was introduced the Committee approved the introduction of a SERP to be provided to NEOs who are members of the Defined Contribution Plan. This SERP extends benefits beyond the income tax limits for defined contribution pension plans. Employee contributions must be remitted to the pension plan. If employer contributions, when added to the employee contributions, exceed the CRA maximum allowed for the calendar year, the excess employer contributions are remitted to this SERP. The plan has no guaranteed benefit on retirement.

In the U.S., the Company maintains a defined contribution savings plan under the provisions of the Employment Retirement Income Security Act of 1974 (a "**401(k) Savings Plan**"), which covers substantially all employees of the U.S. subsidiary company. Participants are permitted to contribute on a pre-tax basis, 100% of their base salary to a maximum of $18,500. Employees who will attain age 50 by December 31st of the Plan Year, are permitted to contribute an additional $6,000. After one year of eligible service, the Company makes a Safe Harbor matching contribution equal to 100% of employees' salary deferrals that do not exceed 3% of their base salary, plus 50% of their salary deferrals between 3% and 5% of their base salary, for a maximum matching contribution of 4%. Mr. Hepponstall and Mr. Mulder both participate in the 401(k) Savings Plan; Mr. Wynn does not participate. Per the Safe Harbor eligibility rules, Mr. Hepponstall did not receive matching contributions in 2018; he will be eligible for matching contributions in May 2019.

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

Retirement Values for NEOs

Name	Accumulated Value at Start of Year ($)	Compensatory ($)	Accumulated Value at Year-End ($)
Rod Hepponstall (1)	—	—	9,033
Paul Jewer (2)	148,388	17,031	174,509
Chris Mulder	90,199	11,000	118,451
Brian Wynn (3)	—	—	—

(1) In 2018 Mr. Hepponstall participated in the U.S. 401(k) Savings Plan, but was not eligible for Safe Harbor matching contributions.
(2) Mr. Jewer's compensatory retirement value noted above includes employer contributions to the High Liner Executive Defined Contribution Pension Plan (USD $3,427) and SERP contributions (USD $13,608).
(3) In 2018 Mr. Wynn did not participate in the U.S. 401(k) Savings Plan.

Defined Benefit Pension Plan Membership

Effective January 1, 1989, the Company introduced a Management Pension Plan (the "**Pension Plan**"), a defined benefit plan for Canadian management employees. On December 29, 2018, nine persons were enrolled as active members in the Pension Plan, including Mr. Snow. The objective of the Pension Plan for Canadian management is to provide an annual pension (including Canada Pension Plan) of 2% of the average of a member's highest five years' regular earnings while a member of the Pension Plan, multiplied by the number of years of credited service. Annual STI payments and amounts under the PSU Plan or Option Plan are not eligible earnings for pension purposes. Effective December 31, 1999, the Company introduced a new defined contribution pension plan for all salaried employees including executive officers, as described above. The Pension Plan for the NEOs in Canada was grandfathered for individuals who were then employees, and there will be no new entrants to the Pension Plan. Members contribute 3.25% of their earnings up to the Years Maximum Pensionable Earnings ("**YMPE**") and 5% in excess of the YMPE to the maximum that a member can contribute based on income tax rules. The credited service under the Pension Plan for Mr. Snow is 30 years. Mr. Demone was an active member of the Defined Benefit Pension Plan up to his retirement date of December 31, 2015 and did not accrue additional pension entitlement in his interim role as CEO.

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

In Canada, the Company also provides, through a Supplemental Executive Retirement Plan ("**SERP**"), extended Pension Plan benefits to the NEOs who are participants in the Pension Plan. This SERP extends benefits beyond the income tax limits for registered plans but are otherwise similar in terms of accumulation rate. The annual pension amounts derived from the aggregate of Pension Plan and SERP benefits represent 1.3% of the five-year average YMPE plus 2% of the salary remuneration above the five-year average YMPE. The combination of these amounts is multiplied by the years of service to determine the full annual pension entitlement from the two plans. Mr. Snow is eligible to accrue benefits in this SERP. Mr. Demone did not accrue additional benefits in this SERP in his interim role as CEO, although he was paid retirement benefits from his previous participation in this plan.

Name	Number of Years Credited Service[1]	Annual Benefits Payable		Accrued Obligation at Start of Year ($)	Compensatory Change $[2]	Non-Compensatory Change ($)	Accrued Obligation at Year-End ($)
		At Year-End ($)	At Age 65 ($)				
Paul Snow	40.25	167,632	179,101	2,755,937	154,669	(51,778)	2,858,828

(1) The credited service above includes service in the prior executive & management plan (Mr. Snow: 10.25 years).
(2) Mr. Snow's increase in the compensatory change for his 2018 retirement value is due to his recent appointment to Executive Vice President, Chief Supply Chain Officer and the impact of a greater than expected increase in pensionable earnings on the member's final average earnings.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Change of Control Agreements

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

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

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

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

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

The information below outlines estimated payments and other benefits for Mr. Hepponstall, Mr. Jewer, and Mr. Snow assuming termination following a change of control event was triggered as at December 29, 2018.

Change of Control Benefit	**Rod Hepponstall**	**Paul Jewer**	**Paul Snow**
Salary Continuance(1)	1,390,000	456,569	617,475
Short-Term Incentive(2)	796,298	—	—
Benefits - Including Health, Dental, Life Insurance	38,061	16,163	16,152
Retirement Benefit	—	22,708	309,338
Vehicle(3)	23,539	18,115	9,882
Other(4)	—	99,359	92,621
Option-Based Awards(5)	—	—	—
Share-Based Awards(5)	1,576,862	359,612	252,371
Total Amount	3,824,760	972,526	1,297,839

(1) Salary Continuance represents 24 months for Mr. Hepponstall, 16 months for Mr. Jewer and 24 months for Mr. Snow.
(2) Short-Term Incentive represents actual amount paid for current year for Mr. Hepponstall. Mr. Jewer and Mr. Snow are not eligible for this benefit under their change of control agreements.
(3) Vehicle represents a monetary car allowance for Mr. Hepponstall and the annual taxable benefit value incurred in the current year for Messrs. Jewer and Snow, applied to their respective salary continuance period.
(4) Other represents maximum outplacement (up to CAD$40,000) and maximum employment relocation services (up to 20% of base salary) offered by the Company.
(5) Option-Based Awards and Share-Based awards represent the December 29, 2018 value of unvested awards. All stock option awards are currently out-of-the-money.

Employment Agreements

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

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

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

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

The information below outlines estimated severance payments and other benefits as described above for Mr. Hepponstall and Mr. Jewer.

Severance Benefit	Rod Hepponstall	Paul Jewer
Salary Continuance(1)	1,042,500	456,569
Short-Term Incentive	886,125	228,284
Benefits - Including Health, Dental, Life Insurance	28,545	16,163
Retirement Benefits	—	22,708
Vehicle(2)	17,654	18,115
Other Benefits(3)	—	1,029
Total Benefits	1,974,824	742,868

(1) Salary Continuance represents 18 months for Mr. Hepponstall and 16 months for Mr. Jewer.
(2) Vehicle represents a monetary car allowance for Mr. Hepponstall and the annual taxable benefit value incurred in the current year for Mr. Jewer, applied to their respective salary continuance period.
(3) Other represents annual club membership dues.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

Throughout 2018 and as at March 25, 2019, there was no indebtedness to the Company and its subsidiaries from any executive officers, directors, employees or former executive officers, directors and employees of the Company or its subsidiaries.

APPOINTMENT OF AUDITORS

The Board recommends that Shareholders vote in favour of the resolution reappointing Ernst & Young, LLP, as auditors of the Company for 2019 and permitting directors to fix their remuneration. If Shareholders do not specify how they want their Shares voted, the persons named as Proxyholders will cast the votes represented by Proxy at the Meeting FOR the resolution reappointing Ernst & Young, LLP as auditors of the Company.

ADVISORY RESOLUTION ON THE COMPANY'S APPROACH TO EXECUTIVE COMPENSATION

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

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

The Board recommends that shareholders approve the following advisory resolution:

“Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors that the Shareholders accept the approach to executive compensation disclosed in the Circular delivered in advance of the 2019 Annual General Meeting of Shareholders.”

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

AUDIT COMMITTEE COMPOSITION AND AUDIT FEES

The Composition of the Audit Committee of the Company is detailed in the Company’s Annual Information Form ("**AIF**") for the year ending December 29, 2018 in Section 9.2, and details of fees paid to the Company’s Auditor, Ernst & Young LLP, can be found in Section 9.4. The AIF has been filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at www.sedar.com, a copy of which may be obtained, without charge, by contacting the Company’s Corporate Secretary.

CORPORATE GOVERNANCE PRACTICES

The Board of Directors and management annually review the Company's corporate governance structures and practices. The review is conducted with reference to *National Policy 58-201 Corporate Governance Guidelines* and *National Instrument 58-101 Disclosure of Corporate Governance Practices* (the "**Guidelines**"). High Liner Foods has been committed to continuous evolution of its governance practices since the adoption of the original TSX Guidelines more than a decade ago. The Board believes that this commitment has led to improved organizational effectiveness, and has enhanced the Board's connectivity to the strategic plan, the identification of risk and communications with stakeholders.

The Board's governance program is principally the responsibility of the HRCG Committee, although the Nominating Committee, comprised only of independent members of the Board, is responsible for the nomination of directors of the Company. This report is prepared in accordance with Form 58-101F1 and provides a description of High Liner Foods' approach to each of the guidelines identified in National Policy 58-201 ("**NP 58-201**").

Board Diversity

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

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

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

	Proposed Nominees	2018	2017	2016	2015
Total Board	10	13	13	13	12
Women Directors	4	4	3	2	2
Percentage Women	40%	31%	23%	15%	17%

High Liner Foods does not have targets regarding women in executive officer appointments; however, management is of the view that gender diversity among the senior executive team serves the best interest of the Company in helping to foster a better understanding of the needs of its employees, customers and consumers. As at December 29, 2018, no executive leadership team members were female.

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

NP 58-201 Guideline	High Liner Foods' Approach
COMPOSITION OF THE BOARD	
3.1 The board should have a majority of independent directors. "Independence" is defined in section in section 1.4 of *National Instrument 52-110 Audit Committees.*	A clear majority of the Board is independent, as required by the Board Charter (the "**Charter**"), included in this Circular. The Nominating Committee reviews the independence of each director annually, with reference to the independence definition found in National Instrument 52-110 ("**NI52-110**"). With respect to the Audit Committee, the additional requirements of section 1.5 of NI52-110 are applied. To aid its analysis, each director is required to complete an annual questionnaire, which requires disclosure of all board appointments, and all relationships, if any, with the Company. Mr. Demone and Mr. Hepponstall are not independent. Mr. Demone retired as an executive officer of High Liner Foods in May 2015 and returned as CEO of High Liner Foods in August 2017 with his term as CEO ending in May 2018 at which time Mr. Hepponstall was appointed to the Board and assumed the office of President & CEO of High Liner Foods. Of the remaining directors, none has a direct or indirect material relationship with High Liner Foods that could, in the view of the Board of directors, be reasonably expected to interfere with the exercise of his or her independent judgment. Mr. Hennigar is Executive Chairman of Thornridge Holdings Limited, a shareholder of High Liner Foods as noted in the *Principal Holder of Shares* section of this Circular. Mr. Hennigar brings many years of business experience in various roles of publicly and privately held companies and provides valuable guidance to the Company on all aspects including strategy and governance. Mr. Dexter is counsel in the Company's external legal services firm, Stewart McKelvey but is no longer practicing law. Mr. Dexter provides no direct or indirect legal services to High Liner Foods and his compensation arrangements with the firm are not related to fee income generated from High Liner Foods. Mr. Dexter's full time occupation is Chairman of Maritime Travel Inc. Fees earned by Stewart McKelvey for legal services provided to High Liner Foods in 2018 were not material to High Liner Foods or to Stewart McKelvey. Mr. Dexter's experience serving in various capacities of publicly and privately held businesses, Chairman of Maritime Travel and his long tenure on the High Liner Foods Board provides a deep knowledge to the High Liner Foods Board in managerial and strategy guidance.
3.2 The chair of the board should be an independent director. Where this is not appropriate, an independent director should be appointed to act as "lead director". However, either an independent chair or an independent lead director should act as the effective leader of the board and ensure that the board's agenda will enable it to successfully carry out its duties.	As noted above, the Board intends to appoint Mr. Pace as Chairman immediately following the meeting. Mr. Pace is independent. The current Chairman, Mr. Demone, is not independent, retiring from High Liner Foods in 2015 and returning as CEO in August 2017 until May 2018. The Vice Chairman & Lead Director, Mr. Hennigar, is independent. As Executive Chairman of Thornridge Holdings Limited, High Liner Foods' largest Shareholder, his interests are closely aligned to the interests of Shareholders as a whole. He is also the beneficial owner of 254,882 Shares. The Lead Director role will be eliminated immediately following the Meeting as the position is not required as Mr. Pace is independent.
MEETING OF INDEPENDENT DIRECTORS	
3.3 The independent directors should hold regularly scheduled Meetings at which non-independent directors and members of management are not in attendance.	At every meeting of the Board a closed session without management and non-independent members present takes place as a standing item on regular meeting agendas. This requirement is expressed in the Charter: "However, every meeting of the Board shall be followed by an *in-camera* session at which no executive directors, non-independent members of the Board, or other members of Management are present, to ensure free and open discussion and communication among the non-executive/independent directors."

BOARD MANDATE

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

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

POSITION DESCRIPTIONS

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

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

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

ORIENTATION AND CONTINUING EDUCATION

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

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

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

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

CODE OF BUSINESS CONDUCT AND ETHICS

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

NOMINATION OF DIRECTORS

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

(B) Assess what competencies and skills each existing director possesses. It is unlikely that any one director will have all the competencies and skills required by the board. Instead, the board should be considered as a group, with each individual making his or her own contribution. Attention should also be paid to the personality and other qualities of each director, as these may ultimately determine the boardroom dynamic.	The HRCG Committee is also responsible for the ongoing assessment of directors. In 2018, the HRCG Committee conducted a board effectiveness survey, and asked directors to participate in a self-assessment process. The Committee concluded that the composition of the Board is appropriate, as there is an adequate cross-section of backgrounds, experiences and talents to ensure effective oversight.
The board should also consider the appropriate size of the board, with a view to facilitating effective decision-making. In carrying out each of these functions, the board should consider the advice and input of the nominating committee.	The Nominating Committee reviews the composition and size of the board. Including the President & CEO, the Board is currently composed of 11 members with 10 members being proposed for election. At the 2018 annual general meeting of Shareholders, 13 members were elected to the Board. With attrition during the past year, including the upcoming retirement of Mr. Demone following the Meeting, the Board has made the determination that for 2019 a 10-member Board more accurately reflects and effectively supports the new, streamlined "One High Liner Foods" realignment recently completed by the Company. The Committee has ensured that the 10-proposed nominees have the right mix of experience, industry knowledge, and skills diversity to provide the Company with the expertise and strategic vision required at the Board level.
3.13 The nominating committee should be responsible for identifying individuals qualified to become new board members and recommending to the board the new director nominees for the next annual meeting of Shareholders.	The Board Charter states: "The Nominating Committee shall review and recommend to the Board the candidates for nomination as directors, based on the Criteria adopted by the Nominating Committee from time to time. The Board shall approve the final choice of candidates for nomination and election by the shareholders."
3.14 In making its recommendations, the nominating committee should consider: the competencies and skills that the board considers to be necessary for the board, as a whole, to possess; the competencies and skills that the board considers each existing director to possess; and the competencies and skills each new nominee will bring to the boardroom. The nominating committee should also consider whether or not each new nominee can devote sufficient time and resources to his or her duties as a board member.	Early in each year, the Nominating Committee considers recommendations for Board appointment for the upcoming year, focusing on the competencies and skills necessary for the Board to operate effectively and the amount of time required by each member of the Board to be effective in his or her position.

COMPENSATION

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

REGULAR BOARD ASSESSMENTS

3.18 The board, its committees and each individual director should be regularly assessed regarding his, her or its effectiveness and contribution. An assessment should consider in the case of the board or a board committee, its mandate or charter, and in the case of an individual director, the applicable position description(s), as well as the competencies and skills each director is expected to bring to the board.	The HRCG Committee evaluates the effectiveness of the Board and individual directors. The HRCG Committee also regularly reviews committee mandates to ensure that all areas of Board responsibility are fulfilled. Current standing committees of the Board and their purposes and activities are described below. The Committee uses a Board Effectiveness Survey (the "**Survey**") to obtain feedback from directors on the effectiveness of the Board. The Survey assesses the adequacy of information given to directors, communication with management, and Board structure and composition. The Survey is conducted regularly and was last repeated in 2018. Since its introduction several measures to ensure Board effectiveness have been introduced; including a meeting dedicated to strategic planning. As well, annual work plans for each Board committee were developed based on the mandates to ensure that all required tasks are completed during the annual cycle. The HRCG Committee also uses a director self-assessment survey to assess individual director performance. The HRCG Committee, along with the Nominating Committee, approved a position description for directors, and uses the description, the criteria and the self-assessment survey feedback to ensure the Board is properly constituted to fulfill its responsibilities.

CHARTER OF THE BOARD OF DIRECTORS

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

BOARD COMMITTEES AND 2018 ACTIVITIES

Committee	Mandate	2018 Activities
Executive Committee	The Executive Committee serves in an advisory capacity to management, and during intervals between board meetings, the Board may authorize the Executive Committee to conclude previously authorized transactions in appropriate circumstances. At the time of filing the Circular, the Executive Committee consists of five members, being Mr. Demone, Mr. Hennigar, Mr. Hepponstall, Ms. Jamieson, and Mr. Pace.	The committee met once in 2018 to review a license agreement.
Nominating Committee	The Nominating Committee is comprised of independent directors. The primary purpose of the Nominating Committee is to assist the Board of Directors in fulfilling its responsibilities as they relate to proposing director nominees for the Board.	The committee: • Met twice; • Reviewed the *Skills Matrix*; • Reviewed the Board size and composition; • Reviewed the *Nominating Committee Charter*; • Completed the director recruitment process for 2018; and • Reviewed and proposed nominees to the Board.

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

Human Resources & Corporate Governance Committee	The HRCG Committee must consist of at least four outside directors, a majority of whom are independent. • Reviews and approves all compensation plans related to the CEO; • Reviews the adequacy and recommends the form and amount of compensation of the Board; • Approve all compensation and benefit arrangements relating to senior management if outside normal Company policies; • Reviews and approves bonus or incentive programs in place for the executive management; • Reviews and approves any material changes to pension plans or changes that affect senior management pensions; • Oversees administration and investment strategy related to pension plans and plan assets; • Reviews corporate governance issues on a regular basis to ensure the Company complies with the Guidelines, and with all applicable laws; • Reviews mandates for all committees of the Board; • Reviews and approves this Circular; • Develops and implements a process for assessing board effectiveness and individual director performance; • Reviews and monitors compliance with the Code of Conduct, and the Corporate Disclosure, Confidentiality and Employee Trading Policy; • Reviews with Management and advisers as appropriate, the succession planning for key personnel in the Company and recommend changes in connection therewith; • Reviews and reports to the Board on the Company's compliance with all occupational health and safety laws in areas where the Company carries on business; • Reviews at least annually the Company's Occupational Health and Safety Policy and approves any changes to such policies; • Reviews management's action plans to deal with occupational health and safety management; and • Monitors management's progress in rectifying any situations identified as potential risks.	The committee: • Met eight times; • Approved 2018 short-term incentive plan targets and 2017 incentive payments; • With the assistance of a pension governance checklist, confirmed that the Company's pension plans are administered in accordance with applicable laws; • Reviewed corporate governance developments; • Oversaw succession planning and talent management initiatives; • Reviewed the performance of the Executive Leadership Team; • Oversaw the transition of CEO from Mr. Demone to President & CEO Mr. Hepponstall; • Reviewed the performance of pension investment managers on a quarterly basis; • Reviewed a report from the Company's Privacy Officer; • Reviewed regular reports from the chair of the corporate safety steering committee; • Administered the long-term incentive plans for the Executive Leadership Team and Senior Leadership Team; • Reviewed PSU disbursements for Executive Leadership Team; and • Worked with consultants to assist in the recruitment process for the new CEO and reported to the Board on progress related to the search.

ADDITIONAL INFORMATION

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

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

a. the latest Annual Information Form of the Company together with any document, or the pertinent pages of any document, incorporated by reference therein;
b. the comparative financial statements of the Company for the financial year ending December 29, 2018, together with the accompanying report of the auditors thereon and any interim financial statements of the Company for periods subsequent to December 29, 2018; and/or
c. this Circular,

please send your request to:

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

APPROVAL - BOARD OF DIRECTORS

Except as otherwise indicated; all the information contained in this Circular is given as of March 25, 2019. The directors of the Company have approved the contents and the sending of this Management Information Circular.

(signed)

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

SCHEDULE A - CHARTER OF THE BOARD OF DIRECTORS

High Liner Foods Incorporated

Board of Directors Charter

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

1. Statement of Policy

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

2. Composition and Organization of the Board

(a) Size of the Board

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

(b) Qualification of Directors

A Director must hold at least one common share in the Company and must acquire such share within a reasonable time following appointment.[2] To align the interests of Directors with Shareholders, Directors are further required to hold common shares valued at not less than three times the annual retainer of the Director within five years from January 1, 2017 or the appointment of such Director, whichever is later.

(c) Selection of Members

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

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

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

(d) **Independence**

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

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

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

(f) **Term of Appointment**

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

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

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

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

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

3. **Meetings of the Board**

(a) **Board Agenda**

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

(b) **Board Material Distribution**

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

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

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

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

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

4. **Duties and Responsibilities of the Board**

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

(a) Adopting a strategic planning process, and thereafter reviewing and approving the overall business strategy for the Company developed at first by Management;
(b) Identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;
(c) Appointing the Company's President and Chief Executive Officer, developing his or her position description and ensuring succession preparedness;
(d) Reviewing and approving at least on an annual basis the corporate objectives which the Chief Executive Officer shall be responsible for meeting;
(e) Ensuring that appropriate structures and procedures are in place so that the Board and its committees can function independently of Management;
(f) Providing a source of advice and counsel to Management on critical and sensitive problems or issues;

(g) Reviewing and approving key policy statements developed by Management on various issues such as ethics, compliance, communications, environment and safety, and public disclosures;
(h) Ensuring that its expectations of Management are understood, that the appropriate matters come before the Board and that the Board is kept informed of shareholder perspectives;
(i) Reviewing the competency of members of senior Management to perform their roles, that their performance is continually evaluated, and that planning for their succession is ongoing;
(j) Conducting an annual review of Board practices and Board and Committee performance (including Directors' individual contributions);
(k) Reviewing the adequacy and form of the compensation of non-executive Directors and ensuring their compensation adequately reflects the responsibilities and risks involved in being an effective Director;
(l) Evaluating the performance and compensation of the President and Chief Executive Officer and ensuring that such compensation is competitive and measured according to benchmarks which reward contribution to shareholder value;
(m) Selecting nominees for election of Directors;
(n) Selecting the Chairman, and where necessary the Lead Director, of the Board;
(o) Ensuring that new Directors are provided with adequate education and orientation facilities;
(p) Developing and reviewing from time to time position descriptions for the Board;
(q) Overseeing the quality and integrity of the Company's accounting and financial reporting systems, disclosure controls, and procedures and internal controls;
(r) Approving projects and expenditures or dispositions of a certain threshold, in accordance with the Company's Transaction Approval Policy; and
(s) Discussing and developing the Company's approach to corporate governance in general.

5. **Board Committees**

(a) **Number, Structure and Jurisdiction of Committees**

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

(b) **Independent Committee Members**

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

(c) **Committee Agendas**

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

(d) **Committee Reports to the Board**

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

(e) **Assignment and Rotation of Committee Members**

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

6. **Administrative Matters**

(a) **Board Performance Assessment**

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

(b) **Board Compensation**

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

(c) **Board Confidentiality**

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

(d) **Board Visits**

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

(e) **Orientation and Information**

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

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

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