

SUNOPTA INC  
Form DEF 14A  
April 17, 2006

**SCHEDULE 14A**

(Rule 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant    
Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to 14a-12

**SunOpta Inc.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required
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(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**SunOpta Inc.**

2838 Bovaird Drive West

Brampton, Ontario, Canada L7A 0H2

T:(905) 455-1990 F:(905) 455-2529

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD MAY 17, 2006**

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To the holders of the Common Shares of SunOpta Inc.:

Notice is hereby given that the Annual Meeting of Shareholders of SUNOPTA INC. (the Company) will be held on Wednesday, May 17, 2006 at 4:00 p.m. local time, in the Windsor Ballroom at Le Royal Meridien, King Edward Hotel, 37 King Street East, Toronto, Canada for the following purposes:

1. to receive the Audited Consolidated Financial Statements of the Company for the year ended December 31, 2005 and the Auditors Report thereon;
2. to elect nine Directors;
3. to appoint Auditors of the Company for 2006 and to authorize the Directors to fix their remuneration; and
4. to consider and take action upon such other matters as may properly come before the meeting or any adjournment or adjournments thereof.

This Notice is accompanied by a Form of Proxy, Information Circular, the Annual Report of the Company which includes the Audited Consolidated Financial Statements for the year ended December 31, 2005, a Return Card for shareholders to request continued information plus an envelope to return the Proxy and Return Card.

All shareholders are cordially invited to attend the meeting.

DATED this 28<sup>th</sup> day of March, 2006

By Order of the Board of Directors

Jeremy N. Kendall  
Chairman and Chief Executive Officer

**In order to be represented by proxy at the Annual Meeting, you must complete and submit the enclosed Form of Proxy or other appropriate Form of Proxy.**

**SUNOPTA INC.**

2838 Bovaird Drive West

Brampton, Ontario, Canada

L7A 0H2

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**INFORMATION CIRCULAR and PROXY STATEMENT**

**SOLICITATION AND REVOCATION OF PROXIES**

THIS INFORMATION CIRCULAR AND PROXY STATEMENT ( Information Circular ) IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF SUNOPTA INC. ( the Company ) OF PROXIES FOR USE at the Annual Meeting ( the Meeting ) of Shareholders to be held on May 17, 2006 at 4:00 p.m. local time, in the Windsor Ballroom at Le Royal Meridien King Edward Hotel, 37 King Street East, Toronto, Ontario, Canada and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders.

The Company expects to mail this Information Circular and the accompanying form of Proxy on or about April 11, 2006.

Any shareholder giving a Proxy may revoke it at any time before it is exercised. A Proxy given pursuant to this solicitation may be revoked by instrument in writing executed by the shareholder or his or her attorney duly authorized in writing and deposited either at the corporate office of the Company at 2838 Bovaird Drive West, Brampton, Ontario, Canada L7A 0H2, at any time prior to the date of the meeting at which the proxy is to be used, or by delivering it prior to a vote to the Chairman of the meeting on the day of the meeting or any adjournment thereof.

The persons named in the form of Proxy are Directors and Officers of the Company and will vote the shares in respect of which they are appointed Proxy holders in accordance with the directions of the shareholder appointing them. **IN THE ABSENCE OF SUCH DIRECTION, SUCH SHARES WILL BE VOTED FOR THE ELECTION OF DIRECTORS AND FOR THE APPOINTMENT OF PRICEWATERHOUSECOOPERS AS AUDITORS OF THE COMPANY.**

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If a shareholder appoints some person other than the persons named in the form of Proxy to represent him or her, such person will vote the shares in respect of which he or she is appointed proxy holder in accordance with the directions of the shareholder appointing him or her. In the absence of such direction, such person may vote such shares at his or her discretion.

The enclosed form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting, or other matters, which may properly come before the Meeting. At the time of printing this Information Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

The Company will bear the cost of preparing, assembling and mailing all proxy materials that may be sent to the Shareholders in connection with this solicitation. In addition to the solicitation of proxies by use of the mails, officers and regular employees of the Company may solicit proxies without additional compensation, by telephone, fax or e-mail. The Company does not expect to pay any additional compensation for the solicitation of proxies.

The Annual Report of the Company, which contains the Audited Consolidated Financial Statements for the fiscal year ended December 31, 2005, accompanies this Information Circular. Receipt at the Meeting of the Audited Consolidated Financial Statements of the Company for the year ended December 31, 2005 and the auditors' report thereon will not constitute approval or disapproval of any of the matters referred to in such reports and statements.

Unless otherwise indicated, all dollar amounts herein are expressed in US dollars.

### **VOTING SECURITIES**

The Board of Directors has fixed March 28, 2006 as the record date for determining shareholders entitled to Notice of the Meeting.

Shareholders of Common Shares of record on March 28, 2006 are entitled to one vote for each share registered in the name of the shareholder on each matter properly brought before the Meeting. As of March 28, 2006 there were 56,849,669 common shares issued and outstanding.

Nine directors will be elected to serve until the next Annual Meeting or until their successors are elected. There are no family relationships among the Directors. The accompanying form of proxy will be voted for the election as Director of the nominees listed below, unless the proxy contains contrary instructions. Each of the nominees has consented to be named herein and to serve as a Director. Management has no reason to believe that any of the nominees will not be a candidate or will be unable to serve as a Director. However, in the event that any of the nominees should become unable to serve as a Director, the persons named in the accompanying form of proxy reserve the right to vote for another person at their discretion. The Board of Directors of the Company has been established at a minimum of five and a maximum of fifteen and presently consists of ten directors with nine directors serving for re-election.

The following are Management's nominees:

**a) Identification of Directors:**

The following table shows certain information as of March 28, 2006 with respect to the Company's nominees as Directors, all of whom are currently Directors:

<b>Name</b>	<b>Age</b>	<b>Year First Elected</b>	<b>Position with Company</b>
<b>Directors: **</b>			
Jeremy N. Kendall	66	1978	Chairman of the Board, CEO & Director
Cyril A. Ing	73	1984	Secretary and Director
Joseph Riz	58	1986	Director
James Rifenberg	75	1996	Director
Allan Routh	55	1999	Director and President of the SunOpta Grains & Foods Group
Katrina Houde-Lovas	46	2000	Director
Stephen Bronfman (A)	42	2001	Director
Robert Fetherstonhaugh (A)	50	2001	Director
Steven Townsend	53	2005	Director

\*\* Camillo Lisio, who is currently a director, will not be standing for re-election and his term on the board will end on the day of the annual meeting, May 17, 2006.

(A) Pursuant to a subscription agreement between the Company and Claridge and the Claridge Group dated September 28, 2001, so long as a member of the Claridge Group remains the beneficial owner of at least five percent (5%) of the Company's issued and outstanding common shares, the Company will nominate for election and recommend to its shareholders a person designated by Claridge to serve on the Company's Board of Directors. For so long as the beneficial holdings of Claridge shall be at least fifteen percent (15%) of the Company's issued and outstanding common shares, the Company shall nominate a second designee of Claridge. Claridge currently beneficially owns more than five percent (5%) of the Company's issued and outstanding common shares. Messrs. Bronfman and Fetherstonhaugh presently serve on the Company's Board of Directors pursuant to this agreement.

**b) Committees of the Board:**

The Company presently has two Committees (1) Audit Committee; and (2) Corporate Governance Committee (which also acts as the Compensation Committee, and in effect, the Nominating Committee). The Company is not required to have an Executive Committee. The Board has appointed individuals from its members to serve on these Committees. The membership of these two Committees is composed entirely of independent directors.

(c) **Set forth below is a biographical description of each Director of the Company:**

**Jeremy Kendall** has served as a Director of the Company since September 1978. In June 1983, he was elected Chairman of the Board and Chief Executive Officer of the Company. He is also Chairman of Jemtec Inc. (6/91 to present) and Easton Minerals Ltd. (1/95 to present). In the past 5 years, Mr. Kendall has served on the Board of Directors of Wisper Inc. (6/95 to 3/02). In July 2004, Mr. Kendall was elected Chairman of the Board of Opta Minerals, which is approximately 70% owned by the Company. He is also a Director of a number of private and charitable organizations.

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**Cyril Ing** is a retired Professional Engineer and was elected a Director in January 1984 and became an employee in August 1985. He was an independent consultant specializing in engineering projects involving the combustion of biomass from May of 1982 to August 1985. Mr. Ing retired from full time employment in March 1990. For the 10 years prior to retirement he was President of the Conat Group, a holding company, whose major subsidiary, Westair Systems Inc., is a distributor and manufacturer of industrial dehumidification equipment. In the past 5 years, Mr. Ing has served on the following Boards of Directors: Jemtec Inc. (11/99 to present) and Easton Minerals Ltd. (11/99 to present).

**Joseph Riz** was elected a Director of the Company in July 1986 and currently serves as Chairman of the Company's Audit Committee and as a member of the Corporate Governance Committee. From 1985 to present Mr. Riz has served as Managing Director of Tricapital Management Ltd., a merchant banking and financial advisory firm. In November 2004, Mr. Riz was elected a Director of Opta Minerals which is approximately 70% owned by the Company. He is also a Director of a number of private companies.

**James Rifenberg** was elected to the Board of Directors in April 1996 and currently serves on the Corporate Governance Committee. Mr. Rifenberg is Past President and Chairman and CEO of Brown Printing Company of Waseca, Minnesota, a large printing company with plants throughout the United States. He is also a past Director of a number of other private companies and organizations. In the past 5 years, Mr. Rifenberg has not served on any other reporting issuers.

**Allan Routh** was elected to the Board of Directors in September 1999. Mr. Routh is President of the Company's Grains and Foods Group and prior to March 2003 was President and Chief Executive Officer of the SunRich Food Group, Inc., a wholly-owned subsidiary of the Company. Mr. Routh has been involved in the soy industry and soy industry organizations since 1984. He is also a Director of other private companies. In the past 5 years, Mr. Routh has not served on any other reporting issuers Board of Directors.

**Katrina Houde-Lovas** was elected to the Board of Directors in December 2000 and also serves as a member of the Audit Committee. Ms. Houde-Lovas has been an independent consultant since March 2000. From January 1999 to March 2000, Ms. Houde-Lovas was President of Cuddy Food Products, a division of Cuddy International Corp., a large international poultry company with 2,200 employees worldwide. Ms. Houde-Lovas was Chief Operating Officer of Cuddy International Corp. from January 1996 to January 1999 and held progressively more senior positions with Cuddy since joining them in September 1991. In the past 5 years, Ms. Houde has not served on any other reporting issuers Board of Directors.

**Stephen Bronfman** was elected to the Board of Director in October 2001. Mr. Bronfman is Chairman of Claridge Inc., a privately held company with worldwide investments. For the past five years Mr. Bronfman has not served on the Board of any other reporting issuers. Mr. Bronfman sits on the Board of Directors of The David Suzuki Foundation; The Saidye Bronfman Centre for the Arts; The Samuel and Saidye Bronfman Family Foundation; and The Summit School Foundation.

**Robert Fetherstonhaugh** was elected to the Board of Directors in December 2001 and serves on the Corporate Governance Committee. Mr. Fetherstonhaugh is a Chartered Accountant and has been the President of Claridge Inc. since December 2002. Mr. Fetherstonhaugh joined Claridge Inc. in May 2001 as Executive Vice President. Mr. Fetherstonhaugh has a broad business background both in North America and internationally, previously serving as Deputy Chairman of Trader Classified Media, an international publishing company from 1998 to 2001 and as a partner at KPMG. He is also currently a Director of Trader Classified Media.

**Steven Townsend** was elected to the Board of Directors in December 2005. Mr. Townsend served for nearly 25 years at United Natural Foods, Inc., the leading natural and organic food distributor in the United States. Mr. Townsend was Chairman and CEO from 2003 until his recent retirement from the Company. He joined UNFI in 1981 as Controller and held progressively advancing executive positions, including President, Chief Operating Officer and Chief Financial Officer and a five-year tenure as President, CEO and Chairman. Earlier in his career he held management positions at Harris Corporation and Tupperware Corporation. In the past 5 years, Mr. Townsend served as a director of Savings Institute Financial Group, a publicly traded bank in the United States as well as United Natural Foods Inc.. Mr. Townsend is also a Director of a number of private companies.

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**SECURITY OWNERSHIP OF CERTAIN OWNERS, DIRECTORS AND EXECUTIVE OFFICERS**

The following table sets forth certain information concerning share ownership of all persons as known by the Company to own beneficially 5% or more of the Company's outstanding Common Shares and all directors and officers of the Company as a group as of March 28, 2006.

<b>Name and Address of Holder</b>	<b>Class of Share</b>	<b>Amount of Ownership</b>	<b>Percent Ownership <sup>(1)</sup></b>
Stephen R. Bronfman c/o Johnny Thomas	Common	5,391,088	9.48%

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Claridge Inc.

1170 Peel Street, Suite 800

Montreal, QC H2B 2T5 (2)

The Charles Bronfman Trust

Franklin Resources Inc.

All Directors and Executive Officers

Common	3,410,906	6.0%
Common	2,958,281	5.2%
Common (3)	7,391,745	13.0%

as a group (twelve)

- (1) Percentage ownership is calculated based on total Common Shares outstanding at March 28, 2006 of 56,849,669. This total does not include warrants or options that have vested or have not yet vested.
- (2) Record and beneficial holder. Mr. Bronfman as Chairman of Claridge Inc. has voting and investment decision power.
- (3) For details of shares owned by Executive Officers and Directors, see Share Ownership of Directors and Executive Officers below.

**Share Ownership of Directors and Executive Officers as at March 28, 2006 is set forth below:**

Name	Class of	Number of Shares Beneficially Owned/Number of Vested Options (2)	Percentage of Class (1)
<b>Directors:</b>			
Jeremy N. Kendall	Common	775,764 / 106,697	1.49%
Cyril A. Ing	Common	51,085 / 29,250	0.14%
Joseph Riz	Common	51,100 / 27,000	0.13%
James Rifenberg	Common	413,948 / 21,000	0.73%
Allan Routh	Common	643,781 / 55,000	1.18%
Katrina Houde-Lovas	Common	16,000 / 27,000	0.07%
Stephen Bronfman	Common	5,391,088 / 27,000	9.14%
Robert Fetherstonhaugh	Common	10,000 / 27,000	0.06%
Steven Townsend	Common	6,000 / 10,000	0.03%
All Directors and Executive Officers as a group (twelve)	Common	7,391,745 / 604,947	13.49%

- (1) Percentage ownership is calculated based on 56,849,669 total common shares outstanding at March 28, 2006, plus all common shares subject to options currently exercisable, which at March 28, 2006 totaled 2,407,992 and of which 329,947 are related to Directors and Officers noted above. The remaining 2,078,045 are options vested to other officers and employees of the Company. This calculation does not include options that have not vested or warrants currently outstanding. Therefore, the Percentage of Class column is based on 59,257,661 common shares.
- (2) The exercise price of vested options range from \$1.41 to \$9.90

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires our Directors and Executive Officers to file reports of holdings and transactions in the Company's shares with the SEC and NASDAQ. Based on our records and other information, we believe that in 2005 our Directors and Executive Officers met, on a timely basis, all applicable SEC filing requirements.

**EXECUTIVE COMPENSATION**

The following tables set forth all remuneration paid by the Company and its subsidiaries during the last three years ended December 31, 2005, 2004, and 2003 to its CEO and top four Executive Officers/Divisional Presidents:

**SUMMARY COMPENSATION TABLE**

Name and Principal Occupation	Year	Annual Compensation			Restricted Stock Awards	Awards		Payouts
		Salary	Bonus	Other Annual Compensation (1)		Option SARs	LTIP Pay-outs	All Other Compensation (2)
Jeremy N. Kendall (3) <i>Chairman &amp; CEO</i>	2005	\$330,133		\$23,484			\$3,534	
	2004	\$299,937	\$60,398	\$14,323				
	2003	\$254,516	\$115,675	\$13,829			\$835,748	
Steven R. Bromley (3) <i>President &amp; COO</i>	2005	\$268,233		\$21,467			\$2,592	
	2004	\$222,820	\$44,896	\$25,100				
	2003	\$188,894	\$50,061	\$18,741			\$87,140	
Allan Routh <i>Director and President, SunOpta Grains &amp; Foods Group</i>	2005	\$200,000		\$7,713				
	2004	\$185,865	\$19,260	\$6,682				
	2003	\$149,538	\$26,000	\$2,408			\$891,700	
Arthur J. McEvily <i>President, SunOpta Ingredients Group</i>	2005	\$240,875						
	2004	\$235,000	\$112,500					
	2003	\$225,000	\$85,600					
David Kruse (3) <i>President, Opta Minerals Group</i>	2005	\$206,333	\$3,967	\$15,149			\$76,931	
	2004	\$155,353	\$2,881	\$10,965				
	2003	\$141,943	\$2,540	\$9,138			\$29,477	

- (1) Other Annual Compensation represents taxable benefits for automobile personal use or reimbursement of costs, life insurance, retirement savings contributions.
- (2) All Other Compensation is the value received over exercise price of stock options exercised.
- (3) These officers are paid in Canadian dollars. The compensation has been converted to U.S. dollars using the average annual exchange rate applicable for each year.

The following table contains information concerning individual grants of stock options made during the last completed fiscal year, to the following Executive Officers:

**OPTION GRANTS IN PAST FISCAL YEAR TO EXECUTIVE OFFICERS**

Name	Options Granted (1)	% of Total Options Granted to Employees in Fiscal Year	Exercise on base price (US\$/Share)	Expiration Date	Potential Realizable Value at Assumed Annual rates of Stock Price Appreciation for Option term (2)	
					5%	10%
Jeremy N. Kendall <i>Chairman &amp; CEO</i>	10,000	1.2%	\$5.71	08/08/2010	\$15,631	\$34,860
	25,000	3.0%	\$5.50	12/08/2010	\$37,641	\$83,945
	<b>35,000</b>	<b>4.2%</b>			<b>\$53,272</b>	<b>\$118,805</b>
Steven R. Bromley <i>President &amp; COO</i>	50,000	6.0%	\$6.54	01/21/2010	\$89,516	\$199,637
	10,000	1.2%	\$5.71	08/08/2010	\$15,631	\$34,860
	25,000	3.0%	\$5.50	12/08/2010	\$37,641	\$83,945
	<b>85,000</b>	<b>10.2%</b>			<b>\$142,788</b>	<b>\$318,442</b>
Allan Routh <i>President, Grains &amp; Foods Group</i>	10,000	1.2%	\$5.71	08/08/2010	\$15,631	\$34,860
	15,000	1.8%	\$5.50	12/08/2010	\$22,584	\$50,367
	<b>25,000</b>	<b>3.0%</b>			<b>\$38,215</b>	<b>\$85,227</b>
Art McEvily <i>President, SunOpta Ingredients Group</i>	10,000	1.2%	\$5.71	08/08/2010	\$15,631	\$34,860
	15,000	1.8%	\$5.50	12/08/2010	\$22,584	\$50,367
	<b>25,000</b>	<b>3.0%</b>			<b>\$38,215</b>	<b>\$85,227</b>

(1) 100% of options granted are exercisable immediately on the grant date.

(2) The potential realizable value is calculated based upon the term of the option at its time of grant. It is calculated assuming that the stock price on the date of grant appreciates at the indicated annual rate, compounded annually for the entire term of the option, and that the option is exercised and sold on the last day of its term for the appreciated stock price.

**Aggregate Option Exercises in 2005 and Year-End Option Values**

The following table details certain information concerning stock options held by the named Executive Officers during fiscal year ended December 31, 2005 and the value of unexercised options at December 31, 2005:

**DECEMBER 31, 2005 OPTION VALUES**

(a) Name	(b) Number of Unexercised Options at 12/31/05 Vested/Not Yet Vested	(c) Value of Unexercised in the Money Options at 12/31/05 Vested/Not Yet Vested (1)
Jeremy N. Kendall <i>Chairman &amp; CEO</i>	117,000 / 8,000	\$96,000 / \$24,000
Steven R. Bromley <i>President &amp; COO</i>	210,000 / 15,000	\$206,620 / \$40,180
Allan Routh <i>Director and President SunOpta Grains &amp; Foods Group</i>	55,000 / 0	\$0 / \$0
Art McEvily <i>President, SunOpta Ingredients Group</i>	79,000 / 11,000	\$122,760 / \$81,840
David Kruse <i>President, Opta Minerals Group</i>	10,000 / 2000	\$0 / \$6,120

- (1) These amounts represent the difference between the exercise price of the stock options and the closing price of the Company's common shares on the last trading day of the year on the NASDAQ Small Cap Market. On December 31, 2005, the closing price was U.S. \$ 5.26.

**Executive employment contracts**

Mr. Jeremy Kendall, Chairman & CEO, entered into an employment contract with the Company in October 2001 for a period through February 26, 2020. The contract provides for consulting fees to be paid on a sliding scale over time until February 20, 2020 to Mr. Kendall or his spouse. These consulting fees are to be paid even if Mr. Kendall retires fully, the Company no longer requires his services or if Mr. Kendall passes away before February 26, 2020.

None of the other executives listed in the Summary Compensation Table above have employment contracts.

**INDEBTEDNESS OF DIRECTORS/OFFICERS**

None

**COMPENSATION OF DIRECTORS**

In addition to annual grants of options, Directors who are not Company employees receive an annual retainer of CDN \$7,500, a directors fee of CDN \$1,500 for each board meeting attended in person as well as CDN \$750 for participating in Committee meetings and telephone meetings. In addition, all Directors are reimbursed for travel and administrative expenses to attend meetings and manage their Board responsibilities. Each Committee Chairman also receives an annual fee, board governance \$2,500 and audit \$5,000 for their additional responsibilities.

#### **DIRECTORS AND OFFICERS LIABILITY INSURANCE**

The Company's comprehensive insurance policies include coverage, which indemnifies the directors and officers of the Company. The approximate annual cost of this coverage is \$147,000 and the policy contains a deductible of up to \$100,000 except for security claims which has a deductible of up to \$250,000.

The Company has also provided run-off insurance to the Board of Directors of Opta Food Ingredients Inc. (now SunOpta Ingredients, Inc.) for actions taken prior to the acquisition by the Company in 2002. This insurance provides coverage for a period of six years from the date of the acquisition for any undisclosed claims that may still arise during the former Boards tenure.

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#### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

The President of the SunOpta Grains and Foods Group purchased \$69,000 of seed, fertilizer and related products from the Group during 2005, and had a balance receivable outstanding as at December 31, 2005 of \$33,000. In addition, the President of the SunOpta Grains and Foods Group sold through a family farming business \$178,000 of soybeans and corn to the SunOpta Grains and Foods Group at market rates. The balance payable by SunOpta as at December 31, 2005 was \$nil.

#### **ATTENDANCE AND COMMITTEES OF THE BOARD**

##### **Board Meetings and Attendance**

During 2005 the Board of Directors held five regularly scheduled meetings and four special telephonic meetings. All board members attended 75% of the meetings of the Board and Committees in which they served, with the exception of Mr. Stephen Bronfman.

### **Corporate Governance Committee**

The following three independent Directors were members of the Corporate Governance Committee: Camillo Lisio (Chairman), Joseph Riz and Robert Fetherstonhaugh. This Committee also acts as the Company's Compensation Committee and performs similar functions to that of a Nominating Committee. This Committee held eight meeting during 2005. Effective 2006, James Rifenberg has replaced Camillo Lisio on this committee.

The Company and the Corporate Governance Committee have developed a set of formal Corporate Governance Policies that are monitored on an ongoing basis to ensure that the Company is in compliance with its Corporate Governance Policies (See Corporate Governance Disclosure ).

The function of the Corporate Governance Committee, in its capacity as the Compensation Committee, is to determine the compensation of the CEO as well as to review and approve the compensation recommended by the CEO for all other Senior Officers and employees of the Company. In addition, this Committee oversees the Option Plan and Employee Stock Purchase Plans of the Company.

The Committee, in its capacity as the Nominating Committee, concerns itself with the composition of the Board with respect to depth of experience, balance of professional interests, required expertise and other factors. The Committee evaluates prospective nominees identified on its own initiative or referred to it by other Board members, management, stockholders or external sources and all self-nominated candidates. The Committee uses the same criteria for evaluating candidates nominated by stockholders and self-nominated candidates as it does for those proposed by other Board members, management and search companies. To be considered for membership on the Board, the Committee will consider certain necessary criteria, that a candidate should meet, which would include the following: (a) be of proven integrity with a record of substantial achievement, (b) have demonstrated ability and sound judgment that usually will be based on broad experience but, particularly, industry experience; (c) be able and willing to devote the required amount of time to the Company's affairs, including attendance at Board meetings, Board Committee meetings and annual stockholder meetings; (d) possess a judicious and critical temperament that will enable objective appraisal of management's plans and programs; and (e) be committed to building sound, long-term Company growth. Evaluation of candidates occurs on the basis of materials submitted by or on behalf of the candidate. If a candidate continues to be of interest, additional information about her/him is obtained through inquiries to various sources and, if warranted, interviews.

A stockholder may recommend a person as a nominee for director by writing to the Secretary of the Company. Recommendations must be received by November 1, 2006 in order for a candidate to be considered for election at the 2007 Annual Meeting. Each notice of nomination should contain the following information: (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the stockholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (d) such other information regarding each nominee proposed by such stockholder as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had each nominee been nominated, or intended to be nominated, by the Board of Directors; and (e) the consent of each nominee to serve as a director of the Company if so elected. All the director nominees named in this proxy statement met the Board's criteria

for membership and were recommended by the Corporate Governance Committee for election by the stockholders at this Annual Meeting.

All nominees for election at this Annual Meeting were previously elected by stockholders With the exception of Steven Townsend.

The Governance Committee met formally five times during 2005. In addition, several telephonic meetings were held during the year for administrative matters connected to the responsibilities of this Committee.

#### **Audit Committee**

The following three independent Directors are members of the Audit Committee: Joseph Riz (Chairman), James Rifenbergh and Katrina Houde-Lovas. All three members are financially literate and Joseph Riz is considered the Audit Committee financial expert. Effective 2006, James Rifenbergh has been replaced by Steven Townsend.

The Audit Committee's duties and responsibilities are documented in a formal Audit Committee Charter. These duties include (a) providing oversight of the financial reporting process and management's responsibility for the integrity, accuracy and objectivity of financial reports and related financial reporting practices; (b) recommending to the Board of Directors the appointment of the Company's auditors; (c) providing oversight of the adequacy of the Company's system of internal and related disclosure controls; and (d) providing oversight of management practices relating to ethical considerations and business conduct, including compliance with laws and regulations. A copy of the Audit Committee Charter, adopted in November, 2001, and updated in December 2005, is, attached as Exhibit A.

The Audit Committee meets formally four times a year, once to review the Form 10-K and annual Audited Consolidated Financial Statements and before each quarter's earnings are filed to review interim financial statements and Form 10-Q which is filed with the Securities and Exchange Commission in the U.S. and the Ontario Securities Commission in Canada. Other meetings may be held as at the discretion of the Chair of the Audit Committee. During 2005, the Audit Committee met four times. The Audit Committee has free and unfettered access to PricewaterhouseCoopers LLP, the Company's auditors.

During 2005 the Audit Committee maintained a company wide policy related to reporting of concerns in accounting or internal controls. This policy gives all employees of the Company direct access to the Audit Committee for concerns dealing with accounting practices, internal controls or other matters affecting the Company's well being.

#### **CORPORATE GOVERNANCE DISCLOSURE**

##### **Statement of SunOpta Inc.'s Corporate Governance Practices**

**Guidelines**

**Practices**

1. *The Board of Directors is responsible for the stewardship of the Company, and specifically for* In accordance with the Canada Business Corporations Act, the business of the Company is managed under the direction of its Board of Directors. The Chairman and Chief Executive Officer makes recommendations to the Board of Directors with respect to matters of corporate policy after discussion, when appropriate, with the members of Senior Management. The Board of Directors then takes the decisions which it deems appropriate and supervises the execution of such decisions and reviews the results obtained.
- a. *adoption of a strategic planning process* The duties of the Board of Directors include the review on an annual basis of the strategic plan for each operating group of the Company.

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- b. *identification of principal risks, and implementing risk managing systems* The Board of Directors duties includes the review of overall business risks and of the Company s practices and policies for dealing with these risks.
- In addition, the Audit Committee assesses principal risks which the Company faces and, where appropriate, proposes the implementation of risk management systems.
- c. *succession planning and monitoring senior management* The Corporate Governance Committee reviews, reports, and where appropriate, provides recommendations to the Board of Directors on succession planning matters and, with the Audit Committee and the Board of Directors, monitors the performance of senior management.
- d. *communications policy* Each of the Board of Directors and the Audit Committee reviews, and where required, approves statutory disclosure documents prior to their distribution to shareholders.
- In addition, the Company has a shareholder relations process to respond to shareholder questions and concerns. All communications from shareholders are referred to the Chairman or the appropriate Corporate Officer for response. Management promptly advises the Board of Directors if any significant issues are raised by shareholders. In addition, the Company communicates with its

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shareholders, securities analysts and the media regularly on developments in its business and results, through the annual report, interim financial statements and reports to shareholders, press releases and material change reports, as per the Communications Policy.

- e. *integrity of internal control and management information systems* The Board of Directors' duties includes the assessment of the integrity of the Company's internal controls and information systems. In addition, the Audit Committee has oversight responsibility of internal controls and management information systems.
2. *Majority of Directors should be unrelated (independent of management and free from conflicting interest) to the Company and the Company's significant shareholders, if any.* The Board of Directors is composed of nine persons. Of the nine Directors, seven are unrelated under the Guidelines and two are Senior Officers. The composition of the Board of Directors fairly reflects, therefore, the investment in the Company by the shareholders.
3. *Disclose for each Director whether he is related, and how that conclusion was reached*
- |                        |           |  |
|------------------------|-----------|--|
| Jeremy N. Kendall      | Related   | <i>Chairman and Chief Executive Officer<br/>Director and President of the SunOpta Grains and Foods Group</i> |
| Allan Routh            | Related   |  |
| Robert Fetherstonhaugh | Unrelated |  |
| Stephen Bronfman       | Unrelated |  |
| Cyril A. Ing           | Unrelated |  |
| Joseph Riz             | Unrelated |  |
| James Rifenberg        | Unrelated |  |
| Katrina Houde-Lovas    | Unrelated |  |
| Steven Townsend        | Unrelated |  |
4. *Propose to the full Board of Directors new nominees to the Board and assess Directors on an ongoing basis* The Corporate Governance Committee acts as the Nominating Committee and assesses candidates for the Board as described on page 10. If the candidacy is endorsed by the Corporate Governance Committee, it is then submitted to the approval of the Board of Directors. New Directors are then included in an orientation and education program (see Item 6).

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5. The three members of the Governance Committee are all unrelated Directors.

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*The Corporate Governance Committee is composed exclusively of unrelated Directors*

6. *Implement a process for assessing the effectiveness of the Board of Directors, its Committees and individual Directors in accordance with overall Governance Policy*

An annual review of Board members is undertaken by the Corporate Governance Committee with advice from the Chairman and CEO.
7. *Provide orientation and education programs for new Directors*

New Directors participate in an initial information session on the Company in the presence of Management representatives. In addition, they are furnished with appropriate documentation relating to the commercial activities of the Company and the internal organization of the Company. Monthly reports detailing the commercial activities of the Company and the internal organization of the Company are supplied to all Directors. The meetings in which new Directors participate (including annual strategic planning sessions) as well as discussions with other Directors and with management permit new Directors to familiarize themselves rapidly with the operations of the Company. Facility visits can also be arranged for new Directors.
8. *Consider the size of the Board of Directors, with a view to continually improving effectiveness*

The current size of the Board of Directors is appropriate with nine members.
9. *The Board of Directors should review compensation of Directors in light of risks and responsibilities*

The Corporate Governance Committee, which also acts as the Compensation Committee of the Board of Directors periodically reviews compensation policies in light of market conditions and practices and in light of risks and responsibilities.
10. *Committees of the Board of Directors should be composed of a majority of unrelated (non-management) Directors*

The Corporate Governance Committee is composed of three unrelated Directors. This Committee also acts as the Compensation Committee and the Nominating Committee. The Corporate Governance Committee has the responsibility, upon the recommendation of the Chairman and Chief Executive Officer, for defining salary classes and levels and extent of participation in incentive programs. In addition, this Committee determines, based on the proposal of the Chairman of the Board, the persons eligible to benefit from the stock option plan and in which proportion, according to their position. The Corporate Governance Committee also assesses the performance of the Chairman and Chief Executive Officer and the Committee's recommendations in this regard are then presented to the Board of Directors. When a vacancy on the Board of Directors needs to be filled, the Committee considers candidates from a variety of sources, including management, stockholders and other Board members. The Corporate Governance Committee can then endorse such recommendations, which, if endorsed, are presented to the Board of Directors.
11. *The Board of Directors should expressly assume responsibility for, or assign to a Committee the general responsibility for approach to corporate governance issues*

The Corporate Governance Committee is responsible for developing and monitoring the Company's approach to governance issues, the Company's response to the required Guidelines and recommending these policies to the Board of Directors.

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- 12.a. *Define limits to Management's responsibilities by developing mandates for:*
- (i) *the Board of Directors* The Board of Directors is, by law, responsible for managing the business and affairs of the Company. Any responsibility which is not delegated to either Management or a Committee remains with the Board of Directors. In general, all matters of policy and all actions proposed to be taken which are not in the ordinary course of business require the prior approval of the Board of Directors or of a Board Committee to which approval authority has been delegated.
- (ii) *the CEO* The corporate objectives which the Chairman and Chief Executive Officer is responsible for meeting along with Management which is directly under his supervision, are determined by the strategic plans and the budget. These plans are approved each year by the Board of Directors. Performance of the Chairman and Chief Executive Officer and Management is assessed against the achievement of the strategic plans and the annual budget.
- b. *the Board of Directors should approve CEO's corporate objectives* The Board of Directors governs the strategic plan and budgets for the Company.
12. *Establish procedures to enable the Board of Directors to function independently of management* The Board of Directors can function independently of Management, as the Board of Directors is free to ask one or more members of Management to withdraw during certain discussions. The independent Directors of the Company also meet at each board meeting without the presence of the members of Management who are also Directors, including the Chairman and Chief Executive Officer.
- 13.a. *establish an Audit Committee with a specifically defined mandate* The roles and responsibilities of the Audit Committee have been specifically defined and approved by the Board of Directors and include the review of the annual and interim financial statements and related statutory filings of the Company. The Audit Committee has direct communication channels with both the internal financial management and external auditors to discuss and review specific issues, as appropriate.
- b. *all members should be non-management Directors* The Audit Committee is composed of three unrelated Directors and are advised by the Vice President and Chief Financial Officer.
14. *Implement a system to enable individual Directors to engage outside advisors, at the Company's expense* Individual Directors may, if required, retain outside advisors at the Company's expense.

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**REPORT OF THE AUDIT COMMITTEE**

The Audit Committee discussed with the independent auditors, PricewaterhouseCoopers LLP, who are responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, their judgments as to the quality and acceptability of the Company's financial reporting, internal control and such other matters as are required to be discussed with the Committee under generally accepted auditing standards. In addition, the Committee has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, *Communications With Audit Committees*, No. 89, *Audit Adjustments* and No. 90 *Audit Committee Communications*.

The Committee has discussed with the independent auditors the auditors' independence from the Company and its management, including matters in the written disclosures and the letter from the independent auditors required by Independent Standards Board Standard No. 1, *Independence Discussions With Audit Committees*. The Committee also has considered whether the provision by the auditors of non-audit professional services is compatible with maintaining the auditors' independence.

The Committee also discussed with the Company's internal and independent auditors the overall scope and plans for their respective audits. The Committee meets periodically with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting.

In reliance on the reviews and the discussions referred to above, the Committee recommended to the Board of Directors that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2005, for filing with the SEC.

This report has been submitted by Joseph Riz (Chairman), Steven Townsend and Katrina Houde-Lovas, all members of the Audit Committee.

*The information contained in this Audit Committee report to the Board of Directors shall not be deemed to be soliciting material or to be filed with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the 1934 Securities Exchange Act, as amended, except to the extent that the Company specifically incorporates it by reference in such filing.*

### **SHAREHOLDER RETURN PERFORMANCE GRAPH**

The following graph compares the five year cumulative shareholder return on the common shares of the Company to the cumulative total return of the S&P/TSE Composite and the NASDAQ Industrial Indices for the period which commenced December 31, 2000.

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Assumes that \$100.00 was invested in common shares of the Company and in each Index on December 31, 2000.

### **Item 2 - APPOINTMENT OF AUDITORS**

The Board of Directors has reappointed PricewaterhouseCoopers LLP ( PwC ) as independent auditors for the year 2006. The shareholders are being asked to ratify the appointment of PwC for the year 2006 and to authorize the Audit Committee to set their remuneration.

The Board of Directors recommend that the shareholders vote for the appointment of PwC, Chartered Accountants, who have been the Company's auditors since 1975. In the event that the Shareholders fail to ratify the appointment, the Board of Directors will reconsider its selection.

A representative of PwC will attend the Annual Meeting and will have the opportunity to make a statement if he desires to do so and will be available to respond to appropriate questions from shareholders in attendance. During the Company's fiscal year ended December 31, 2005, the Company was billed the following aggregate fees by PwC.

#### **Audit Fees**

The total fees billed by PwC for professional services rendered for the audit of the Company's Consolidated Financial Statements for the fiscal year ended December 31, 2005 and the reviews of the financial statements included in the Company's Forms 10-Q for that fiscal year was \$783,000 including audit fees pursuant to 18 U.S.C. Section 1350 of the Sarbanes Oxley Act.

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Financial Information Systems Design and Implementation Fees

No fees were billed by PwC to the Company for professional services described in Paragraph (c)(4)(ii) of Rule 2-01 of Regulation S-X (financial information systems design and implementation services).

All Other Fees

PwC billed the Company \$243,000 for services related to compliance, tax matters and the IPO of Opta Minerals Inc.

The Audit Committee did consider and conclude that the provision of the non-audit services is compatible with maintaining PwC's independence.

**SHAREHOLDERS PROPOSALS**

All proposals of Shareholders intended to be presented at the Company's Annual Meeting of Shareholders in 2007, must be received at the Company's Executive Office no later than November 1, 2006 for inclusion in the Information Circular and Proxy Statement related to that meeting. The Company's next Annual Meeting of Shareholders is planned for May 2007.

**OTHER MATTERS**

NASDAQ corporate governance rules state that the required quorum for the Annual Meeting of Shareholders cannot be represented by less than 33 1/3% of the outstanding common shares as at March 28, 2006. Therefore shareholders of at least 18,949,870 common shares must participate directly or be present by proxy to validate the quorum requirements.

The Company encourages all of its shareholders to participate in the Annual Meeting.

The Management of the Company does not know of any matters other than those stated in this Information Circular, which are to be presented for action at the meeting. If any other matters should properly come before the meeting, proxies will be voted on the other matters in accordance with the best judgement of the persons voting the proxies.

The Directors of the Company have approved the contents and the sending of this Information Circular.

Dated this 27th day of March, 2006.

By Order of the Board of Directors

\sJeremy N. Kendall  
Jeremy N. Kendall  
Chairman of the Board and Chief Executive Officer

#### FORM 10-K

**The Company will provide without charge to beneficial owners of common shares of the Company, upon written request, a copy of the Company's Annual Report on Form 10-K for the year ended December 31, 2005 including financial statements and schedules thereto, as filed with the Securities and Exchange Commission, Washington, D.C. and the Ontario Securities Commission, Toronto, Ontario. Written requests should be directed to Susan Wiekenkamp, Information Officer of the Company, 2838 Bovaird Drive West, Brampton, Ontario, Canada, L7A 0H2, or by fax at (905) 455-2529 or by e-mail at [susan.wiekenkamp@sunopta.com](mailto:susan.wiekenkamp@sunopta.com).**

**Shareholders should note that the Form 10-K, as well as Form 10-Q and press releases can be directly downloaded from [www.sedar.com](http://www.sedar.com), [www.edgar.com](http://www.edgar.com) or from the Company's web site at [www.sunopta.com](http://www.sunopta.com),**

**Exhibit A**

**SUNOPTA INC.**

**AUDIT COMMITTEE CHARTER**

**1. Overall Purpose / Objectives**

The Audit Committee will assist the board in fulfilling its oversight responsibilities. The Audit Committee will review the financial reporting process, the system of internal and disclosure control and management of financial risks, the audit process, and the company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Audit Committee will maintain effective working relationships with the Board of Directors, management, and the internal and external auditors.

**2. Authority**

The Board authorizes the Audit Committee, within the scope of its responsibilities, to:

Seek any information it requires from:

Any employee (and all employees are directed to co-operate with any request made by the Audit Committee).  
External parties.

Obtain outside legal or other professional advisers.

Ensure the attendance of company officers at meetings as appropriate.

Pre authorize non-audit services performed by the Company's auditors.

**3. Organization**

**Membership**

3.1 The Audit Committee will comprise three (3) members all of which will be non-executive directors.

- 3.2 Each member should be capable of making a valuable contribution to the committee.
- 3.3 All members should be independent of management.
- 3.4 The Chairman of the Audit Committee will be nominated by the Board from time to time.
- 3.5 Members will be appointed annually.
- 3.6 A quorum for any meeting will be two (2) members.
- 3.7 The Secretary of the Audit Committee will be the Company Secretary, or such other person as nominated by the Board.

**Attendance at Meetings**

- 3.8 The Audit Committee may invite such other persons (e.g. the CEO, CFO) to its meetings, as it deems necessary.
- 3.9 The internal and external auditors should be invited to make presentations to the Audit Committee as appropriate.
- 3.10 Meetings shall be held not less than four (4) times a year. Special meetings may be convened as required. Internal audit or the external auditors may convene a meeting if they consider that it is necessary.
- 3.11 The proceedings of all meetings will be recorded in minutes for approval and signature.

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**4. Roles and Responsibilities**

*The Audit Committee will:*

**Internal Control**

- 4.1 Evaluate whether management is setting the appropriate control culture by communicating the importance of internal control and the management of risk and ensuring that all employees have an understanding of their roles and responsibilities.
- 4.2 Consider how management is held to account for the security of computer systems and applications, and the contingency plans for processing financial information in the event of a systems breakdown.
- 4.3 Gain an understanding of whether internal control recommendations made by internal and external auditors have been implemented by management.

## **Financial Reporting**

### **a) General**

- 4.4 Gain an understanding of the current areas of greatest financial risk and how management is managing these effectively.
- 4.5 Consider with the internal and external auditors any fraud, illegal acts, deficiencies in internal control or other similar issues
- 4.6 Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- 4.7 Ask management and the internal and external auditors about significant risks and exposures and the plans to minimize such risks.
- 4.8 Review any legal matters which could significantly impact the Consolidated Financial Statements.

### **b) Financial Statements**

- 4.9 Review the annual and quarterly Consolidated Financial Statements and determine whether they are complete and consistent with the information known to committee members; assess whether the Consolidated Financial Statements reflect appropriate accounting principles.
- 4.10 Pay particular attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures.
- 4.11 Focus on judgmental areas, for example those involving valuation of assets and liabilities; warranty, product or environmental liability; litigation reserves; and other commitments and contingencies.
- 4.12 Meet with management and the external auditors to review the Consolidated Financial Statements and the results of the audit.
- 4.13

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Review the other sections of the Annual Report before its release and consider whether the information is understandable and consistent with members' knowledge about the company and its operations.

### c) **Preliminary Announcements, Interim Financial Statements and Analysts Briefings**

- 4.14 Be briefed on how management develops preliminary announcements, interim financial information and analysts briefings; the extent of internal audit involvement; and the extent to which the external auditors review such information.

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- 4.15 Assess the fairness of the preliminary and interim statements and disclosures, and obtain explanations from management and internal and external auditors on whether:

Actual financial results for the interim period varied significantly from budgeted or projected results.

Changes in financial ratios and relationships in the interim financial statements are consistent with changes in the Company's operations and financing practices.

Generally accepted accounting principles have been consistently applied.

There are any actual or proposed changes in accounting or financial reporting practices.

There are any significant or unusual events or transactions.

The company's financial and operating controls are functioning effectively.

The preliminary announcements and interim financial statements contain adequate and appropriate disclosures.

### **Internal Audit (when applicable)**

- 4.16 Review the activities and organizational structure of the internal audit function and ensure no unjustified restrictions or limitations are made.
- 4.17 Review the qualifications of internal audit personnel and concur in the appointment, replacement, reassignment or dismissal of the director of internal audit.
- 4.18 Review the effectiveness of the internal audit function.
- 4.19 Meet separately with the director of internal audit to discuss any matters that the committee or auditors believe should be discussed privately.

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- 4.20 Ensure that significant findings and recommendations made by the internal auditors are received and discussed on a timely basis.
- 4.21 Ensure that management responds to recommendations by the internal auditors.

### **External Audit**

- 4.22 Review the external auditors' proposed audit scope and approach and ensure no unjustified restrictions or limitations have been placed on the scope.
- 4.23 Review the performance of the external auditors.
- 4.24 Consider the independence of the external auditor, including reviewing the range of services provided in the context of all consulting services bought by the Company.
- 4.25 Make recommendations to the Board regarding the reappointment of the external auditors.
- 4.26 Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- 4.27 Ensure that significant findings and recommendations made by the external auditors are received and discussed on a timely basis.
- 4.28 Ensure that management responds to recommendations by the external auditors.

### **Compliance with Laws and Regulations**

- 4.29 Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance.
- 4.30 Obtain regular updates from management and company's legal counsel regarding compliance matters.

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- 4.31 Be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements.
- 4.32 Review the findings of any examinations by regulatory agencies.

### **Compliance with the Company's Code of Conduct**

- 4.33 Ensure that the code of conduct is in writing and that arrangements are made for all employees to be aware of it.
- 4.34 Evaluate whether management is setting the appropriate tone at the top by communicating the importance of the code of conduct and the guidelines for acceptable behavior.
- 4.35 Review the process for monitoring compliance with the code of conduct.
- 4.36 Obtain regular updates from management regarding compliance.

### **Reporting Responsibilities**

- 4.37 Regularly update the Board about committee activities and make appropriate recommendations.
- 4.38 Ensure the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

### **Other Responsibilities**

- 4.39 Perform other oversight functions as requested by the full Board.
- 4.40 If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.
- 4.41 Review and update the Audit Committee Charter annually; receive approval of changes from the Board.
- 4.42 Evaluate the committee's own performance on a regular basis

