DUSA PHARMACEUTICALS INC
Form 4
June 28, 2001

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 FORM 4                                          OMB APPROVAL
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----- Check this box if no longer       OMB Number:       3235-0287
      subject to Section 16. Form 4
----- or Form 5 obligations may         Estimated average burden
      continue. SEE Instruction 1(b).   hours per response .... 0.5
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                UNITED STATES SECURITIES AND EXCHANGE COMMISSION
                             WASHINGTON, D.C. 20549

                  STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

     Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
       Section 17(a) of the Public Utility Holding Company Act of 1935 or
               Section 30(f) of the Investment Company Act of 1940

(Print or Type Responses)

- ------------------------------------------------------------------------------
1. Name and Address of Reporting Person*

   Cooper Hill Partners, LLC
- ---------------------------------------------------
   (Last)          (First)              (Middle)

  230 Park Avenue
- ----------------------------------------------------
                   (Street)

   New York,          NY                  10169
- ----------------------------------------------------
   (City)           (State)               (Zip)

- ------------------------------------------------------------------------------
2. Issuer Name and Ticker or Trading Symbol

   DUSA Pharmaceuticals Inc.   DUSA
- ------------------------------------------------------------------------------
3. IRS or Social Security Number of Reporting Person (Voluntary)

- ------------------------------------------------------------------------------
4. Statement for Month/Year

   5/01
- ------------------------------------------------------------------------------
5. If Amendment, Date of Original (Month/Year)


- ------------------------------------------------------------------------------




6. Relationship of Reporting Person(s) to Issuer (Check all applicable)
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[ ] Director
[X] 10% Owner
[ ] Officer (give title below)
[ ] Other (specify below)

7. Individual or Joint/Group Filing (Check Applicable Line)

[ ] Form filed by One Reporting Person
[X] Form filed by More than One Reporting Person

TABLE I--NON-DERIVATIVE SECURITIES ACQUIRED, DISPOSED OF, OR BENEFICIALLY OWNED

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | |
|---|---|---|---|---|---|---|
| | | Code | V | Amount | (A) or (D) | Price |
| Common Stock, par value $.01 per share | 4/4/01 | P | | 13,100 | (A) | $11.3125 |
| Common Stock, par value $.01 per share | 4/4/01 | S | | 87,100 | (D) | $11.3125 |
| Common Stock, par value $.01 per share | 5/16/01 | P | | 41,400 | (A) | $13.52 |
| Common Stock, par value $.01 per share | 5/29/01 | P | | 81,100 | (A) | $12.10 |
| Common Stock, par value $.01 per share | 6/4/01 | P | | 20,600 | (A) | $11.70 |
| Common Stock, par value $.01 per share | 6/4/01 | S | | 25,200 | (D) | $11.70 |

| 5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|
| 1,726,800 | (I) | See Explanation of Responses |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, SEE Instruction 4(b)(v).

(Over)
SEC 1474 (7-96)
Page 1 of 2

FORM 4 (continued)

TABLE II - DERIVATIVE SECURITIES ACQUIRED, DISPOSED OF, OR BENEFICIALLY OWNED (E.G., PUTS, CALLS, WARRANTS, OPTIONS, CONVERTIBLE SECURITIES)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | |
|---|---|---|---|---|---|---|
| | | | Code | V | (A) | (D) |
| | | | | | | |
| | | | | | | |
| | | | | | | |

| 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned at End of Month (Instr. 4) |
|---|---|---|---|---|---|
| Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | |
| | | | | | |
| | | | | | |

| 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
| --- | --- |
| | |
| | |
| | |
| | |
| | |

Explanation of Responses

As the sole general partner of CLSP, L.P.; CLSP II, L.P.; CLSP/SBS I, L.P. and CLSP/SBS II, L.P., each a private investment partnership, Cooper Hill Partners, LLC has the power to vote and dispose of the securities owned by each of these partnerships and, accordingly, may be deemed the "beneficial owner" of such securities. Jeffrey Casdin is the managing member of Cooper Hill Partners, LLC.

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations. SEE 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this form, one of which must be manually signed. If space is insufficient, SEE Instruction 6 for procedure.

/s/ Jeffrey Casdin — 6/27/01

By: Jeffrey Casdin
For Cooper Hill Partners, LLC,
the general partner of CLSP,
L.P.; CLSP II, L.P.; CLSP/SBS
I, L.P. and CLSP/SBS II, L.P.,
and Individually
**Signature of Reporting Person

Date

Page 2 of 2

n acquired, or the market closing price on the last trading day of each fiscal quarter. 5.

All participants are provided a five-year transition period to be in compliance with the ownership target. At the end of that period, all those not in compliance will receive 50% of all subsequent short-term incentive payments in the form of equity until such time as the minimum holding is established. Effective January 1, 2014, all directors not in compliance must receive 50% of their retainer payments in stock of the Company until such time as applicable target insider ownership levels are achieved. As at January 3, 2015, seven of ten directors were in compliance and, as at March 31, 2015, all director nominees are in compliance other than Margaret Shan Atkins who has recently joined the Board.

**Compensation of Directors**

Annual compensation for non-employee directors is comprised of cash and equity-based compensation. Cash compensation consists of an annual retainer and supplemental retainers for the chairs and members of Board committees. Equity compensation traditionally consisted of options granted under the Stock Incentive Plans but commencing in 2014 the Company began granting RSUs instead of options. In addition, Victor Hepburn, Jeremy Kendall and Steven Bromley receive certain fees and incentives from Opta Minerals Inc. as compensation for serving on the board of directors and certain committees of the board of Opta Minerals Inc., one of our subsidiaries, and Jeremy Kendall receives additional compensation in the form of a retirement allowance under a contract with the Company, all of which is set forth in more detail in the table below. Steven Bromley, our Chief Executive Officer is not included in this table since he was an employee of the Company during 2014 and received no additional compensation for his service as a director of SunOpta; thus, his compensation is shown in the Summary Compensation Table.

In 2014 the Board of Directors adopted a Stock Deferral Plan for Non-Employee Directors for the purpose of providing a mechanism for non-employee directors to defer the receipt of common shares issued under RSUs granted under the 2013 Stock Incentive Plan. The receipt of shares is deferred until up to five years after the director ceases to be a director, as elected in advance by the director. Four directors chose to defer their stock upon commencement of the plan in 2014.

In January 2014, the Company also provided the option to Directors to receive stock in lieu of cash compensation. In the event the Director has not reached the Insider Ownership Guidelines, the Director will automatically receive 50% of his or her annual retainer in common shares. As of March 31, 2015 four Directors are participating.

Each non-employee director receives the following compensation (as applicable):

i. Annual cash retainer of:
- ◊ Cdn $40,000 for serving as a director;
- ◊ Cdn $60,000 for serving as the Chair of the Board;
- ◊ Cdn $20,000 for serving as the Chair of the Audit Committee; and
- ◊ Cdn $10,000 for serving as the Chair of the Compensation Committee or Corporate Governance Committee

ii. Meeting attendance fees of:
- ◊ Cdn $1,500 for each in-person meeting of the Board of Directors;
- ◊ Cdn $1,500 for each meeting of the Audit Committee;
- ◊ Cdn $750 for each meeting of the Compensation Committee and Corporate Governance Committee;
- ◊ Cdn $750 for each telephonic meeting of the Board of Directors, Compensation Committee or Corporate Governance Committee; and
- ◊ Cdn $1,500 for other fees such as travel days.

The annual retainer amounts set forth above reflect the adjustment approved by the Board of Directors in August 2014. The total 2014 compensation for our non-employee directors is shown in the following table (Canadian dollar amounts have been converted to U.S. dollars using the average exchange rate for the year of Cdn $1.00 = $0.9054):

| Name | Fees Earned or Paid in Cash ($)(1) | Stock Awards ($)(2) | Other Compensation ($)(3) | Opta Minerals Inc. Board of Directors Fees ($)(4) | Total ($) |
|---|---|---|---|---|---|
| Jay Amato | 55,720 | 88,434 | 4,074 | - | 148,228 |
| Margaret Shan Atkins | 10,425 | 48,828 | 1,358 | - | 60,611 |
| Michael Detlefsen | 51,004 | 88,434 | 1,358 | - | 140,796 |
| Peter Fraser | 53,721 | 88,434 | 1,358 | - | 143,513 |
| Doug Greene | 47,609 | 88,434 | 1,358 | - | 137,401 |
| Victor Hepburn(5) | 72,508 | 88,434 | 1,358 | 32,142 | 194,442 |
| Katrina Houde | 59,115 | 88,434 | 1,358 | - | 148,907 |
| Jeremy Kendall(6) | 70,951 | 108,085 | 46,628 | 42,101 | 267,765 |
| Alan Murray | 85,155 | 88,434 | 4,074 | - | 177,663 |
| Allan Routh(7) | 27,917 | 88,434 | 279,074 | - | 395,425 |

(1) Includes common shares issued in lieu of cash for annual retainers valued at market value at the time of receipt.

(2) Consists of the aggregate grant-date fair value of RSUs granted to directors under the Stock Incentive Plans, calculated in accordance with FASB ASC Topic 718. The fair value of each RSU is estimated based on the closing price of the Company s common shares on the date of grant. The RSUs vest one- third annually beginning on the first anniversary of the grant date. At the end of fiscal 2014, the non- employee directors held total stock options and RSUs as follows:

| Name | Stock Options | RSUs | Total |
|---|---|---|---|
| Jay Amato | 95,000 | 7,826 | 102,826 |
| Margaret Shan Atkins | - | 3,585 | 3,585 |
| Michael Detlefsen | 15,000 | 7,826 | 22,826 |
| Peter Fraser | 40,000 | 7,826 | 47,826 |
| Doug Greene | 85,000 | 7,826 | 92,826 |
| Victor Hepburn | 48,000 | - | 48,000 |
| Katrina Houde | 85,000 | 7,826 | 92,826 |
| Jeremy Kendall | 97,000 | 9,565 | 106,565 |
| Alan Murray | 70,000 | 7,826 | 77,826 |
| Allan Routh | 207,000 | 7,826 | 214,826 |

(3) Other compensation includes travel fees for all directors.

(4) For serving on the Board of Directors of Opta Minerals Inc., Mr. Hepburn was paid director fees of $32,142 (Cdn $35,500) and Mr. Kendall was paid director fees of $42,101 (Cdn $46,500).

(5) Effective December 31, 2014, Mr. Hepburn retired from the Board of Directors of the Company and of Opta Minerals Inc.

(6) For Mr. Kendall, other compensation also reflects a retiring allowance in the amount of $45,270 (Cdn $50,000) paid under a contract with the Company.

(7) For Mr. Routh, other compensation also reflects an amount of $275,000 paid under a consulting contract with the Company.

The Board believes that compensation for non-employee directors should be competitive and should fairly compensate directors for the time and skills devoted to serving our Company but, for independent directors, should not be so great as to compromise independence.

All of our directors are reimbursed for reasonable out-of-pocket expenses incurred for attending meetings of our Board or its committees and for other reasonable expenses related to the performance of their duties as directors. The Board believes that our total director compensation package is competitive with the compensation offered by other companies and is fair and appropriate in light of the responsibilities and obligations of our directors.

**Penalties and Sanctions and Personal Bankruptcies**

The information related to cease trade orders and bankruptcies, not being within the knowledge of the Company, has been furnished by the directors. Other than set out below, none of the proposed nominees for election to the Board of Directors:

1) is, as at the date of this Proxy Statement, or was within 10 years before the date of the Proxy Statement, a director or chief executive officer or chief financial officer of any company (including the Company) that:

   (i) was the subject of an order (as defined in Form 51-102F5 made under National Instrument 51-102 of the CSA) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

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(ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer, or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer, or chief financial officer; or

2) is at the date hereof, or has been within 10 years before the date of this Proxy Statement, a director or executive officer of any company (including the Company) that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

3) has, within the 10 years before the date of this Proxy Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

In 2008 the Company received letters from the SEC requesting additional information in connection with the restatement of the Company s filings for each of the quarterly periods ended March 31, 2007, June 30, 2007, and September 30, 2007. The SEC concluded its investigation in the quarter ended October 2, 2010 and came to a settlement with the Company, Mr. Bromley, President and Chief Executive Officer at the time, and John Dietrich, the former Chief Financial Officer of the Company. Under the settlement, the Company agreed to an administrative order ( *Order* ) directing that the Company cease and desist from committing or causing any violations and any future violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, and Rules 12b 20, 13a 11 and 13a 13 thereunder. The Order did not require the Company to make any payment. Mr. Bromley and Mr. Dietrich also agreed to the Order, which directed that they cease and desist from committing and causing any violations and any future violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b 20, 13a 11, 13a 13 and 13a 14 thereunder. In addition, Mr. Bromley agreed to pay disgorgement of $40,905 and prejudgment interest of $5,295, and Mr. Dietrich agreed to pay disgorgement of $5,780 and prejudgment interest of $1,012. Those amounts represented a portion of the proceeds that each of them received in connection with properly approved option exercises and sales of the Company s common stock that occurred before the Company s quarterly financial statements for 2007 were restated. The Company, Mr. Bromley and Mr. Dietrich each consented to the issuance of the Order without admitting or denying the Commission s findings. The settlement concluded the SEC s inquiry.

Colorado Mills LLC ( *Colorado Mills* ) and SunOpta Grains and Foods Inc. (formerly Sunrich LLC, herein *Grains and Foods* ), a wholly owned subsidiary of the Company, organized a joint venture in 2008 to construct and operate a vegetable oil refinery adjacent to Colorado Mills sunflower seed crush plant located in Lamar, Colorado. The joint venture involved the creation of a jointly-owned entity, Colorado Sun Oil Processors, LLC ( *CSOP* ). Allan Routh, one of our directors, served as President of CSOP, and John Ruelle, our Chief Administrative Officer and Senior Vice President, served as Secretary of CSOP. During the relationship, disputes arose between the parties concerning management of CSOP, record keeping practices, certain unauthorized expenses incurred on behalf of CSOP by Colorado Mills, procurement of crude oil by Sunrich from Colorado Mills for processing at the CSOP refinery, and the contract price of crude oil offered for sale under an output term of the joint venture agreement. The parties initiated a dispute resolution process as set forth in the joint venture agreement, which Colorado Mills aborted through the initiation of suit in Prowers County District Court on March 16, 2010. Subsequent to the filing of that suit, Colorado Mills acted with an outside creditor of CSOP to involuntarily place CSOP into bankruptcy. As part of the bankruptcy proceeding filed on June 10, 2010 in the U.S. Bankruptcy Court, District of Colorado, Colorado Mills purchased substantially all of the assets of CSOP.

[Remainder of page left intentionally blank]

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## PROPOSAL TWO APPOINTMENT AND REMUNERATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AND AUDITOR

### Appointment of Independent Registered Public Accounting Firm and Auditor

The Audit Committee of the Board has recommended that Deloitte LLP ( *Deloitte* ) be reappointed as the Company s independent registered public accounting firm and auditor until the close of the next annual meeting of shareholders. Shareholders will be asked to vote at the Meeting to appoint Deloitte as the Company s independent registered public accounting firm and auditor until the close of the next annual meeting of shareholders and to authorize the Audit Committee to fix their remuneration. Deloitte has served as our auditors since 2008. One or more representatives of Deloitte will attend the Meeting and will have the opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions from shareholders in attendance.

### Recommendation of the Board of Directors; Vote Required

**The Board of Directors recommends that the shareholders vote FOR the appointment of Deloitte as the Company s independent registered public accounting firm and auditor until the close of the next annual meeting of shareholders and FOR authorizing the Audit Committee to fix their remuneration**. In the event that shareholders do not appoint Deloitte as the Company s auditors at the Meeting and another accounting firm is not appointed, the Audit Committee will reconsider its recommendation and the Board will select another accounting firm to serve as the Company s independent registered public accounting firm and auditor.

This proposal will be approved if a quorum is present at the Meeting and the votes cast in favor of the proposal constitute a majority of the total votes cast on the proposal. Abstentions and broker non-votes are counted for purposes of determining whether a quorum exists at the Meeting, but will have no effect on the results of the vote. Brokers and other nominees will have discretionary authority to vote your shares if you hold your shares in street name and do not provide instructions as to how your shares should be voted on this proposal.

### Auditor Fees

The following table sets forth the aggregate fees billed by Deloitte for each of the last two fiscal years (including out-of-pocket expenses):

| Fee Category | Fiscal 2014 ($) | Fiscal 2013 ($) |
|---|---|---|
| Audit Fees | 2,137,590 | 1,802,119 |
| Audit-Related Fees | 130,875 | 17,136 |
| Tax Fees | - | - |
| Other Fees | - | - |
| Total Fees | 2,268,465 | 1,819,255 |

Following is a description of the nature of services comprising the fees disclosed under each category.

*Audit Fees.* These amounts relate to the annual audit of the Company s consolidated financial statements included in the Company s Annual Reports on Form 10-K, annual audits of the effectiveness of the Company s internal control over financial reporting, reviews of interim financial statements included in the Company s Quarterly Reports on Form 10-Q, and services provided in connection with statutory audits or regulatory filings.

*Audit-Related Fees:* These amounts relate to due diligence procedures and accounting consultations in connection with acquisitions or divestitures, and other audit-related projects.

*Tax Fees:* Amounts paid related to tax compliance, tax advice and tax planning.

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*Other Fees:* Amounts paid related to miscellaneous matters other than reported above.

**Pre-Approval of Audit and Non-Audit Services**

The Audit Committee has a policy for the pre-approval of audit and non-audit services that may be provided by the Company s independent registered public accounting firm. The Committee s policy is to require pre-approval for all audit and permissible non-audit services provided by Deloitte prior to the engagement with the exception that management is authorized to engage Deloitte in respect of services to the extent that (a) each individual engagement is not more than $50,000, and (b) the aggregate for all engagements does not exceed $100,000. These services are subsequently approved at the next scheduled Audit Committee meeting. Any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The Audit Committee has delegated to its Chair authority to pre-approve proposed audit and non-audit services that arise between Audit Committee meetings, provided that the decision to approve the service is presented at the next scheduled Audit Committee meeting. All audit and non-audit services performed by Deloitte during the fiscal year ended January 3, 2015 were approved in accordance with this policy.

**Financial Information Systems Design and Implementation Fees**

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

[Remainder of page left intentionally blank]

**REPORT OF THE AUDIT COMMITTEE**

The Audit Committee of the Board of SunOpta assists the Board in fulfilling its oversight responsibilities with respect to the external reporting process and the adequacy of SunOpta s internal controls. Specific responsibilities of the Audit Committee are set forth in the Audit Committee Charter, a copy of which can be found on SunOpta s website at www.sunopta.com. The members of the Audit Committee are Margaret Shan Atkins (Chair), Michael Detlefsen, Peter Fraser and Katrina Houde, each of whom meets the independence requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended, and applicable independence requirements of the NASDAQ listing rules and National Instrument 52-110 *Audit Committees* of the CSA.

The Audit Committee has reviewed and discussed SunOpta s audited financial statements for the year ended January 3, 2015 with SunOpta s management. The Audit Committee has discussed with Deloitte, SunOpta's independent registered public accounting firm and auditor, the matters required to be discussed by the statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee has received the written disclosures and the letter from Deloitte required by applicable requirements of the Public Company Accounting Oversight Board regarding Deloitte communications with the Audit Committee concerning independence, and has discussed with Deloitte its independence.

In reliance on the review and the discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended January 3, 2015, for filing with the SEC and applicable Canadian securities regulators.

This report has been submitted by Margaret Shan Atkins (Chair), Michael Detlefsen, Peter Fraser and Katrina Houde, all members of the Audit Committee.

*The information contained in this report 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 Securities Exchange Act of 1934, as amended, except to the extent that SunOpta specifically incorporates it by reference in such filing.*

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## PROPOSAL THREE ADVISORY VOTE REGARDING THE COMPENSATION OF NAMED EXECUTIVE OFFICERS

### Background

In order to ensure an appropriate level of director accountability to the Company s shareholders and to ensure that shareholders have an opportunity to engage with the Board of Directors about executive compensation matters, the Company has had a policy since 2010 to seek an advisory vote on an annual basis from shareholders on the Company s executive compensation practices. Shareholders have previously voted on an advisory basis for the Company to hold an advisory vote regarding the compensation of Named Executive Officers on an annual basis. The Board understands that our shareholders have a meaningful interest in our executive compensation policies, and believes that shareholders should have the opportunity to fully understand the objectives, philosophy and principles the Board has used to make executive compensation decisions. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, now mandates that the Company enable shareholders to vote to approve, on an advisory, non-binding basis, the compensation of the executive officers named in the Summary Compensation Table set forth in this Proxy Statement (referred to in this Proxy Statement as the NEOs).

### Discussion and Resolution

In accordance with Company policy and Section 14A of the Exchange Act, we are asking shareholders to indicate their support for the compensation of the NEOs. This proposal, commonly known as a say-on-pay proposal, gives shareholders the opportunity to express their views on the NEOs compensation. Accordingly, we will ask shareholders to vote FOR the following resolution at the Meeting.

As described in detail under the heading Executive Compensation-Compensation Discussion and Analysis, the Company s executive compensation objectives are to (a) attract and retain key executive officers who contribute to the Company s long-term success, (b) align the executive officers interests with the interests of shareholders, (c) promote an ownership mentality among key leadership and the Board, (d) enhance the overall performance of the Company and (e) recognize and reward individual performance and responsibility.

In order to meet the Company s executive compensation objectives, the Board realizes that the perspectives of our shareholders are important. Therefore, on an annual basis we seek input from our shareholders on our executive compensation programs and practices. Shareholder feedback is incorporated into the design of our arrangements. Further, since we annually hold a say-on-pay vote, we have the opportunity to understand and communicate the results to shareholders. At our 2014 annual meeting 96.7% of the votes cast were voted for approval of the compensation of our NEOs. The Compensation Committee believes that the results of this vote affirmed shareholders support of SunOpta s approach to executive compensation, and therefore we did not substantially change our approach to executive compensation in fiscal 2014. The Compensation Committee will continue to consider the outcome of the Company s say-on-pay votes when making future compensation decisions for its executive team.

| **2014 Say on Pay Vote** | |
|---|---|
| For | 33,998,194 |
| Against | 514,007 |
| Abstain | 634,898 |
| **Total** | **35,147,099** |

RESOLVED, that the Company s shareholders approve, on an advisory basis, the compensation of the NEOs, as disclosed in the Company s Proxy Statement for the 2014 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the Summary

Compensation Table and other related tables and narrative discussion under the Executive Compensation caption.

The say-on-pay vote is advisory, and therefore not binding on the Company, the Compensation Committee or our Board of Directors. The Board of Directors and the Compensation Committee value the opinions of our shareholders and to the extent there is any significant vote against the NEO compensation as disclosed in this Proxy Statement, we will consider our shareholders concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

**Recommendation of the Board of Directors; Vote Required**

**The Board of Directors recommends that the shareholders vote FOR the advisory resolution regarding the compensation of the Company s NEOs**.

This proposal will be approved if a quorum is present at the Meeting and the votes cast in favor of this proposal constitute a majority of the total votes cast on this proposal. While this vote is required by law, it will neither be binding on the Company or the Board of Directors, nor will it create or imply any change in the fiduciary duties of, or impose any additional fiduciary duty on, the Company or the Board of Directors. Abstentions and broker non-votes are counted for purposes of determining whether a quorum exists at the Meeting, but will have no effect on the results of the vote. Brokers and other nominees will not have discretionary authority to vote your shares if you hold your shares in street name and do not provide instructions as to how your shares should be voted on this proposal.

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## EXECUTIVE COMPENSATION

**Compensation Committee Report**

The Compensation Committee has reviewed and discussed with management the following Compensation Discussion and Analysis. Based on that review and discussion, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

The Compensation Committee:
Katrina Houde - Chair
Margaret Shan Atkins
Alan Murray

**Compensation Discussion and Analysis**

This Compensation Discussion and Analysis describes, among other things, the key principles and approaches used to determine material elements of compensation awarded to, earned by and/or paid to our Chief Executive Officer, Chief Financial Officer, and the three most highly compensated executive officers other than the Chief Executive Officer and Chief Financial Officer who were serving as executive officers on January 3, 2015 (referred to in this Proxy Statement as the NEOs ). This discussion addresses our compensation policies for the fiscal year ended January 3, 2015 as they affected the NEOs, and should be read in conjunction with the tables set forth in this Executive Compensation section.

**Executive Summary**

In 2014 SunOpta achieved a record year with greater than 10% revenue and 20% operating income growth over the prior year. We finished the year with a strong balance sheet and remain focused on our core strategies to continue driving profitable growth. With our core strategies in mind, our executive compensation philosophy and the policies that support it are intended to reward our executives for long-term strategic management and their efforts to enhance shareholder value. The philosophy also supports a performance-oriented environment that rewards achievement of internal Company goals and recognizes the Company s performance compared to the performance of similarly situated companies. The objectives of our executive compensation program are to:

- attract and retain key executive officers critical to our long-term success;
- align the executive officers interests with the interests of shareholders, through long-term and annual incentives and opportunities for long-term value creation;
- promote an ownership mentality among key leadership;
- enhance the overall performance of the Company; and
- recognize and reward individual performance and responsibility.

Our executive total compensation program is targeted at 50$^{th}$ percentile peer group levels, and is administered in a manner intended to provide above 50$^{th}$ percentile pay for outstanding performance, and below 50$^{th}$ percentile performance for less than expected performance. The compensation incentive structure is directly tied to business outcomes. The short term incentive awards are based upon key financials metrics such as Return on Net Assets, Net Income and Return on Equity. In 2014 the long term incentive award was comprised of a combination of stock options awards and three-year term performance-based share units ( PSUs ).

**The Composition and Role of Our Compensation Committee**

The Compensation Committee consists entirely of non-employee directors, within the meaning of Rule 16b-3 under the Exchange Act, outside directors within the meaning of Section 162(m) of the Internal Revenue Code and independent directors within the meaning of NASDAQ listing rules and National Policy 58-201 *Corporate Governance Guidelines* of the CSA. Pursuant to the SunOpta Inc. Compensation Committee Charter, the Compensation Committee of the Board of Directors is responsible for determining salaries and incentive compensation for officers, including the NEOs, and administering the Stock Incentive Plans and the Employee Stock Purchase Plan. The Compensation Committee is also responsible for reviewing the Company s leadership programs, human resources policies and procedures and diversity programs and metrics. The Compensation Committee delegates authority for expense authorization, administrative matters and various follow-up and miscellaneous items to senior management of the Company.

The Compensation Committee assesses and determines the level of compensation for the Chief Executive Officer. Our Chief Executive Officer assesses and recommends to the Compensation Committee compensation levels for the other executive officers based on the performance of the business and/or certain business units, third-party compensation data from Mercer Executive Compensation Study, Towers Watson Top Management Compensation Survey and ERI Executive Salary Assessor, external and internal equity, changes in responsibility and the individual s overall contribution to the Company s success. These recommendations are submitted to the Compensation Committee for decision and final approval. The Chief Executive Officer plays an administrative role in setting director compensation. He assists the Board in selecting and working with advisors who provide guidance and comparable market data with regards to director s compensation levels and practices. The Board has ultimate responsibility and authority for approving and setting director compensation levels and practices.

**Overview of Executive Total Compensation Program**

Our executive compensation program generally consists of base salary, annual short-term cash incentive compensation (annual bonuses), long-term incentive compensation in the form of stock options and performance-based stock awards. The Company s target compensation mix indicates our preference for total compensation to reflect approximately 60% of pay linked to performance versus 40% for fixed compensation. The Company generally emphasizes long-term incentive opportunities more than annual incentives, in order to reward primarily for the creation of long-term shareholder value. Combined with our current stock ownership guidelines, we believe our compensation program places the appropriate emphasis on recruitment/retention considerations; incentive pay tied to annual operating performance; and long-term incentives with both downside risk and upside potential aligned with the interests of our shareholders.

Our executive officers also participate in benefit programs that are generally available to all our employees, including medical benefits, the Stock Incentive Plans, the Employee Stock Purchase Plan and a registered retirement savings plan (RRSP) or 401(k) plan. The following chart outlines the primary elements of our executive compensation program. The table below summarizes our current approach to total compensation, and the individual components.

| **Component** | **Definition** | **Comments** |
|---|---|---|
| Base Salary | Annualized base salary | Based on external benchmarks for the specific position and performance in the position and is generally targeted to make up 30% to 60% of total direct compensation to NEOs. The base salary of executive officers including NEOs is reviewed on an annual basis and determined by the Compensation Committee. |
| Short Term Incentive (Annual Bonus) | An annual cash reward (annual incentive) is paid to executives based on specific financial metrics. Fiscal 2014 metrics included consolidated net income, consolidated return on equity and group return on net assets. | The incentive rewards the achievement of the Company s annual fiscal targets chosen to have the greatest impact on shareholder value and is generally targeted to make up 20% to 30% of total direct compensation to NEOs. The specific metrics are reviewed on an annual basis and determined by the Compensation Committee. |

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| **Component** | **Definition** | **Comments** |
|---|---|---|
| Long Term Incentive (LTI) | Long-term incentives are granted to provide value over a multi-year period while aligning the interests of executives with the shareholders. Utilizing the 2013 Stock Incentive Plan program, the 2014 long-term incentive was amended to include a combination of stock options and performance based share unit awards. | Aligns the executive officers interests with the shareholders interests and rewards the executives over a longer period of time in line with shareholder value and is generally targeted to make up 30% to 50% of total direct compensation to NEOs. The plan also allows for using equity as a form of payment versus cash for directors. Performance Share metrics are determined by the Compensation Committee. |
| Total Direct Compensation | The sum of base salary, annual bonus and LTI. | A commonly used measure of comparative value. |
| Other Compensation | Any other compensation paid to the executive other than those listed above which includes our 401(k) or registered retirement savings plan matches, automobile benefits, health care benefits and other benefits. | These are necessary to be competitive in the marketplace and are generally provided as part of a broad-based set of employee benefit plans. |
| Stock Ownership Guidelines | Three times salary for Chief Executive Officer and two times salary for other NEOs. If guidelines are not met by May 2017 for those employed as of May 2012, and five years following commencement of employment for those employed after May 2012, then 50% of the annual bonus is paid in stock until target ownership levels are achieved. | Furthers alignment with shareholders, by requiring mandatory stock holdings by executives, and providing both upside opportunities and downside risk. |

The Compensation Committee believes that the Company s executive compensation program has been appropriately designed to provide a level of incentives that do not encourage our executive officers to take unnecessary risks in managing their respective business units or functions. As discussed below, a meaningful portion of our executive officers compensation is performance-based. Our annual incentive compensation program is designed to reward annual financial and/or strategic performance that represents interim outcomes towards the long-term success of our Company. We specifically evaluate our annual performance goals to ensure avoidance of risk-taking that focuses excessively on short-term profits at the sacrifice of the long-term health of our Company. Likewise, we use long-term equity incentive awards that we believe provide the appropriate link to long-term shareholder interests through their link to our strategic targets, our stock price and multi-year vesting requirements. The primary equity vehicle historically used has been stock options in order to align executives with stock price appreciation. Under our 2013 Stock Incentive Plan, we have the flexibility to use performance shares and restricted stock units/restricted stock, and in 2014 we began moving towards using a blend of stock options, PSUs and RSUs. In combination, the Compensation Committee believes that the various elements of our executive compensation program sufficiently tie our executives compensation opportunities to our focus on sustained long-term growth and performance.

**Base Salary**

The base salary is designed to be a secure base of compensation sufficient to attract and retain a high caliber talented individual for a specific role. The base salary is targeted at the 50$^{th}$ percentile of the peer group, with any positioning below or above the target based on experience, performance, and/or special recruitment/retention considerations.

The Compensation Committee determines the base salary for the Chief Executive Officer, and any adjustment is effective as of the first pay period of the second quarter of each fiscal year. The Chief Executive Officer recommends the base salary for executive officers to the Compensation Committee based on the above stated factors, with the Compensation Committee having ultimate approval authority.

For fiscal 2014, compensation for executive officers was assessed based on a review of executive officers with comparable qualifications, experience and responsibilities at the peer group of companies, as well as current economic factors impacting the market. Base compensation was also assessed in light of a particular individual s contribution as a whole, including the ability to motivate others, develop the necessary skills to grow, recognize and pursue new business opportunities and initiate programs to enhance the Company s growth and improve shareholder value.

Mr. Bromley s base salary increased in 2014 to \$516,078 (Cdn \$570,000), an increase of 3.64% . Mr. McKeracher s base salary increased in 2014 to \$327,302 (Cdn \$361,500), an increase of 4.03% . Mr. Jacobs base salary increased in 2014 to \$495,707 (Cdn \$547,500), an increase of 6.31% . Mr. Ruelle s base salary increased in 2014 to \$359,000, an increase of 4.06% . Mr. Versteegh s base salary increased in 2014 to \$351,982 (€264,987), an increase of 2.0% . These increases were based on a combination of organizational performance improvement, individual performance in their respective positions, and to position their salaries closer to the 50$^{th}$ percentile of the peer group. These increases were effective April 5, 2014 for Messrs. Bromley, McKeracher and Jacobs; April 6, 2014 for Mr. Ruelle; and April 1, 2014 for Mr. Versteegh.

**Short-Term Incentives**

*General*. Short-term incentives for executives and management are provided through annual bonus plans based on the performance of the business. The annual short-term incentive target is established by the Compensation Committee for each executive officer based on comparative data for the peer group and is reviewed annually to ensure structure and metrics are optimally tied to the strategic objectives of our Company. Objectives for the Chief Executive Officer are established by the Compensation Committee. Objectives and targets established for executive officers other than the Chief Executive Officer are also established by the Compensation Committee, taking into account the recommendations of the Chief Executive Officer. The objective of our short-term incentive is to align the behavior of executives and management with the overall strategy of the business and shareholder interests.

For fiscal 2014, eligible executives annual incentive is based on a combination of the following performance components:

| Annual Incentive Measures and Weightings by Role | | |
|---|---|---|
| **Annual Incentive Measures** | **Corporate NEO** | **Operating Segment Executives** |
| SunOpta Foods Return on Net Assets (RONA) | 50% | 50% |
| SunOpta Foods Net Income (NI) | - | 20% |
| SunOpta Consolidated NI | 25% | - |
| SunOpta Consolidated ROE | 25% | - |
| Operating Segment Financials | - | 30% |

ROE is calculated by dividing consolidated net income by closing 2013 shareholders equity.

RONA is calculated by taking the sum of operating income plus items of other income and expense incurred in the normal course of business, and dividing it by the average net assets within the defined group. Average Net Assets is defined as total assets, excluding cash and intercompany receivables, less total liabilities, excluding intercompany and external debt, calculated as an average of fiscal 2014 monthly closing balances.

The target bonuses, as a percentage of salary increased to 75% (from 60%) for Mr. Bromley and remained unchanged from 2013 for Messrs. McKeracher, Jacobs, Ruelle and Versteegh.

| **Title** | **SunOpta Target Annual Bonus as a Percentage of Base Salary** | **Median Target Annual Bonus as a Percentage of Base Salary** |
|---|---|---|
| Chief Executive Officer (Bromley) | 75% | 94% |
| Vice President and Chief Financial Officer (McKeracher) | 50% | 65% |
| President and Chief Operating Officer (Jacobs) | 50% | 64% |
| Chief Administrative Officer and Senior Vice President (Ruelle) | 50% | 63% |
| President, International Sourcing and Supply (Versteegh) | 40% | 49% |

Incentives for Messrs. Bromley, McKeracher, Jacobs and Ruelle were based 25% on achieving consolidated net income targets, 25% on achieving consolidated ROE targets and 50% on achieving SunOpta Foods RONA targets. The incentive for Mr. Versteegh (as an operating segment executive) was based 20% on achieving SunOpta Foods net income target, 50% on achieving SunOpta Foods RONA target and 30% on achieving the applicable operating segment financial target.

The following table summarizes the performance components upon which each NEO s short-term incentive opportunity is based and the corresponding weightings for such components. Although all metrics are strategically important, the weights reflect the relative importance for the organization and specific executive performance. All performance components have a minimum threshold of 90% of the related performance target. If performance is 90% of the performance target or below, no incentive will be paid for that specific performance component. Incentive payouts begin to accrue at the first dollar of achievement over 90% of the applicable performance target, are paid 100% when performance target levels are met and can be paid to a maximum of 200% based on 120% of performance target levels.

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| Named Executive Officer | Target Incentive Award ($) | Maximum Incentive Award ($) | Performance Components | Weightings |
|---|---|---|---|---|
| Steven Bromley(1) | 387,059 | 774,117 | Consolidated net income<br>Consolidated ROE<br>SunOpta Foods RONA | 25%<br>25%<br>50% |
| Robert McKeracher(1) | 163,651 | 327,302 | Consolidated net income<br>Consolidated ROE<br>SunOpta Foods RONA | 25%<br>25%<br>50% |
| Hendrik Jacobs(1) | 247,853 | 495,707 | Consolidated net income<br>Consolidated ROE<br>SunOpta Foods RONA | 25%<br>25%<br>50% |
| John Ruelle | 179,500 | 359,000 | Consolidated net income<br>Consolidated ROE<br>SunOpta Foods RONA | 25%<br>25%<br>50% |
| Gerard Versteegh(2) | 140,793 | 281,586 | SunOpta Foods net income<br>SunOpta Foods RONA<br>International Sourcing and Supply ( ISS ) Segment RONA, Gross Margin and Inventory Turns | 20%<br>50%<br>30% |

(1) Paid in Canadian dollars. Awards have been converted to U.S. dollars using the average exchange rate for the year of Cdn $1.00 = $0.9054.

(2) Paid in euros. Awards have been converted to U.S. dollars using the average exchange rate for the year of €1 = $1.3283.

*Performance Targets*. The performance targets for the 2014 fiscal year for each of the performance components and a description of the level of achievement of such performance targets, are set forth below. As a matter of practice, the Compensation Committee sets an initial performance target for each performance component and these targets are adjusted by the Compensation Committee for acquisitions/divestitures that occur throughout the year. The targets are also evaluated by the Compensation Committee at the end of the year to determine whether the targets need to be adjusted due to any other extraordinary transactions during the year.

The following table sets forth the consolidated net income and ROE and SunOpta Foods RONA and net income targets, achievement and preliminary payout percentage for the corporate bonus plan (in millions of U.S. dollars).

| Parameter | Target | Actual | Achievement | Payout |
|---|---|---|---|---|
| Consolidated Net Income | $25.2 | $25.2 | 100.0% | 100.0% |
| Consolidated ROE | 8.6% | 8.3% | 96.7% | 67.0% |
| SunOpta Foods RONA | 11.7% | 11.3% | 96.5% | 65.0% |
| SunOpta Foods Net Income | $26.1 | $26.1 | 100.0% | 100.0% |

A portion of Mr. Versteegh s annual incentive is based on achievement of target goals for RONA, gross margin and inventory turns for the ISS operating segment. We consider target goals relating to the ISS operating segment to be confidential financial information, the disclosure of which would result in competitive harm to us because it would give our competitors sensitive information relating to this operating segment that is not otherwise made public and this information could cause competitors to adjust their pricing and take other measures that would put us at a competitive disadvantage. The target goals for the ISS operating segment were set at levels that the Compensation Committee considered challenging but achievable, with the expectation that it would take extraordinary performance on the part of management to exceed the target goals to the extent necessary to obtain maximum payouts under the annual incentive plan. The target goals for the ISS operating segment were achieved in the aggregate at the 133% level, resulting in a payout of 166%.

The Compensation Committee has approved Messrs. Bromley, Jacobs, McKeracher and Ruelle 2014 annual incentive award at 74.3% of target payout and Mr. Versteegh s 2014 award at 102.0% payout of target.

*Clawback.* In the event of material non-compliance with any financial reporting requirements that leads to an accounting restatement, the Company has established authority as part of the short-term incentive plan to recover from current and former executives any incentive-based compensation, for the three years preceding the restatement, which would not have been awarded under the restated financial statements.

**Long-Term Incentives**

Long-term incentives for executive officers and key employees in 2014 were provided through the Stock Incentive Plans. The objectives of these plans are to align executive and shareholder long-term interests by creating a strong and direct link between executive compensation and shareholder return, to enable executives to develop and maintain a long-term ownership position in our common shares, to attract, retain and motivate qualified employees, directors, officers and consultants in order to achieve the Company s long-term growth and profitability objectives, to provide competitive levels of remuneration and to recognize individual initiatives and achievements. Long-term incentives are usually granted annually to our executive officers and certain key employees. In selecting executives eligible to receive long-term incentives and determining the amount and frequency of such grants, the Compensation Committee evaluates a variety of factors, including the following:

- the job level of the employee;
- the grant-date fair value of equity grants and other equity awards provided by peer group companies to employees at comparable job levels;
- past, current and prospective service rendered, or to be rendered, by the applicable employee;
- historical grants to the applicable employee;
- recruitment and retention considerations; and
- significant promotions, especially to a Vice President or executive officer position.

Long-term incentives are awarded annually by the Compensation Committee at the Board of Directors meeting following the annual salary review and as part of the annual compensation analysis, or at other times throughout the year if deemed appropriate by the Compensation Committee. The long-term incentive awards to executive officers other than the Chief Executive Officer take into account recommendations by the Chief Executive Officer.

In 2014, the Compensation Committee approved a change to the long term incentive award for the executive officers to include a performance-based element. Half of the long term incentive award is granted in the form of stock options that vest over a five-year period, with 20% of the total grant vesting annually on the anniversary date of the original grant and expiring on the tenth anniversary of the grant date. Half of the long term incentive is granted in PSUs. The PSUs will be paid out in shares after three years based upon performance against the financial target established at the time of the 2014 grant. The Compensation Committee established 15% as the target goal for SunOpta Foods RONA for the year ending December 31, 2016 to achieve a 100% payout under the PSUs. The PSUs will be paid out on a sliding scale based on performance against the target, with a 50% payout at achievement of 86.6% of the target level and a maximum payout of 200% for achievement of 113.3% of the target level. No payout will be made if performance is less than 86.6% of the target.

The following table provides the grant-date fair value for stock options granted in 2013 and stock options and PSUs) granted in 2014 as well as peer group long-term incentive values for each NEO:

| Title | 2014 Fair Value for Stock Options | 2014 Fair Value for PSUs | Total 2014 LTI Value | 2013 Fair Value for Stock Options | Peer Group 50th Percentile |
|---|---|---|---|---|---|
| Chief Executive Officer (Bromley) | $217,143 | $218,429 | $435,572 | $439,000 | $1,284,000 |
| Vice President and Chief Financial Officer (McKeracher) | $127,123 | $127,882 | $255,005 | $263,400 | $390,000 |
| President and Chief Operating Officer (Jacobs) | $208,576 | $209,807 | $418,383 | $395,100 | $383,000 |
| Chief Administrative Officer and Senior Vice President (Ruelle) | $126,240 | $126,989 | $253,229 | $263,400 | $334,000 |
| President, International Sourcing and Supply (Versteegh) | $71,801 | $72,230 | $144,031 | $153,650 | $70,000 |

**Other Compensation**

Our executive officers are eligible to receive the same types of benefits that we make available to other employees, including:

- Group health benefits, which includes medical, dental, vision and prescription drug coverage, group life insurance and short-term and long-term disability plans; and
- Retirement benefits in the form of a 401(k) plan for U.S. employees and a Registered Retirement Savings Plan match for Canadian employees and a defined benefit pension plan for certain European employees.

In addition, from time to time executive officers receive additional perquisites that are not generally available to other employees, including automobile benefits and club memberships. For additional information regarding other compensation during the most recently completed fiscal year, see the All Other Compensation column in the Summary Compensation Table below. We take a conservative approach to other compensation, given our focus on pay for performance.

**Limitations on Deductions**

Section 162(m) of the Internal Revenue Code limits the deductibility of executive compensation paid to our Chief Executive Officer and the three other most highly compensated executive officers (other than the Chief Financial Officer) to $1,000,000 per year, but contains an exception for certain performance-based compensation. For the fiscal year ended January 3, 2015, grants of stock options and PSUs under the Stock Incentive Plans were intended to satisfy the requirements for deductible compensation for employees residing in the United States. While our general policy is to preserve the deductibility of most compensation paid to executive officers, we may authorize payments that may not be deductible if we believe they are in the best interests of the Company and its shareholders.

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**Executive Compensation Peer Group and Use of Compensation Consultants**

All compensation decisions are determined following a review of many factors that we believe are relevant, including third-party compensation data, our achievements over the past year, the individual s contributions to our success, any significant changes in role or responsibility and the internal equity of compensation relationships.

In general, we intend that the overall total compensation opportunities provided to the executive officers should reflect competitive compensation for executive officers with corresponding responsibilities in comparable industries providing similar products and services. In setting total compensation, we target a mix of base salary, short-term incentives and long-term incentives and retain the flexibility to adjust this mix and compensation levels based on actual performance as well as changes in the market. To the extent determined to be appropriate, we also consider general economic conditions, our financial performance, including corporate net income, return on equity and return on net assets, and individual merit in setting compensation policies for our executive officers.

The Compensation Committee retained the services of Grant Thornton LLP ( *Grant Thornton* ) as its independent executive compensation consultant. We retained Grant Thornton in order to gain perspective on emerging trends, issues, pay levels, and design at peer group organizations. Grant Thornton was also requested to assess the current compensation philosophy, and no changes were made. The Compensation Committee has reviewed the independence of Grant Thornton and has determined that Grant Thornton is independent. Grant Thornton provides services at the direction of the Compensation Committee, the Compensation Committee has specific authority in managing all work by Grant Thornton, and any interaction between Grant Thornton and management is at the direction of the Compensation Committee. The Compensation Committee periodically met with Grant Thornton without management being present. For 2014, the total fees charged by Grant Thornton amounted to $13,832. In 2014, Grant Thornton was in attendance at one telephonic Compensation Committee meeting.

The Compensation Committee takes steps to monitor and manage the independence of its compensation consultant and annually reviews the role of the compensation consultant. As a result of the policies and procedures in place with respect to the compensation consultant, the Compensation Committee believes that the compensation consultant is able to provide candid, direct and objective advice to the Compensation Committee that is not influenced by management or any other services provided to us by Grant Thornton. As a result, the Compensation Committee believes that Grant Thornton is fully independent for purposes of serving as the Compensation Committee s compensation consultant. The Compensation Committee considered the following six factors with respect to Grant Thornton: (i) the provision of other services to the Company by Grant Thornton; (ii) the amount of fees received from the Company by Grant Thornton , as a percentage of the total revenue of Grant Thornton; (iii) the policies and procedures of Grant Thornton that are designed to prevent conflicts of interest; (iv) any business or personal relationship of Grant Thornton with a member of the Committee; (v) any stock of the Company owned by Grant Thornton; and (vi) any business or personal relationship of Grant Thornton with an executive officer of the Company. After considering the foregoing factors, the Compensation Committee determined that the work of Grant Thornton with the Compensation Committee for fiscal 2014 did not raise any conflict of interest.

Notwithstanding the foregoing, Grant Thornton is a full service public accounting and consulting firm, and management has from time to time engaged a unit of Grant Thornton, which is separate and distinct from the unit thereof providing compensation consulting services to the Compensation Committee, to provide certain services to the Company, namely, tax services. Management of the Company believes that the unit of Grant Thornton is exceptionally qualified to provide such tax services. Neither the primary compensation advisor nor any member of the compensation consulting advisory team participates in any of these other services provided to us. Instead, with full knowledge of the Compensation Committee, in and for 2014, the tax management function for the Company engaged a distinct unit of Grant Thornton to provide these tax consulting services to us. Fees for these services totalled $425,559 for 2014. Grant Thornton provides the Compensation Committee with an annual update on its services and related fees, and the Compensation Committee determines whether the compensation consulting services can be performed objectively and free from the influence of management. The Compensation Committee has determined that the provision of these separate services did not result in a conflict of interest, or otherwise impair the independence, of Grant Thornton to provide compensation consulting services to the Compensation Committee.

The Compensation Committee worked with Grant Thornton to provide perspective specifically regarding potential improvements to its executive compensation program that will enhance and optimize the relationship between pay and performance.

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Grant Thornton and the Compensation Committee used the following peer group companies for comparability purposes (in millions of U.S. dollars):

| Peer Organization | Industry | Total Revenues | Total Assets | Market Capitalization |
|---|---|---|---|---|
| B&G Foods Inc | Packaged Foods & Meats | $634 | $1,192 | $1,798 |
| Boston Beer Inc | Brewers | $580 | $359 | $3,098 |
| Calavo Growers Inc | Packaged Foods & Meats | $551 | $208 | $452 |
| Cal-Maine Foods Inc | Packaged Foods & Meats | $1,288 | $746 | $1,272 |
| Coca-Cola Bottling | Soft Drinks | $1,614 | $1,283 | $589 |
| Cott Corp | Soft Drinks | $2,251 | $1,566 | $768 |
| Darling International Inc | Agricultural Products | $1,701 | $1,552 | $2,797 |
| Diamond Foods Inc | Packaged Foods & Meats | $864 | $1,172 | $534 |
| Farmer Brothers Co | Packaged Foods & Meats | $510 | $244 | $281 |
| Hain Celestial Group Inc | Packaged Foods & Meats | $1,735 | $2,258 | $4,036 |
| J & J Snack Foods Corp | Packaged Foods & Meats | $831 | $603 | $1,608 |
| Lancaster Colony Corp | Packaged Foods & Meats | $1,166 | $620 | $2,319 |
| Monster Beverage Corp | Soft Drinks | $2,061 | $1,043 | $9,732 |
| Sanderson Farms Inc | Packaged Foods & Meats | $2,386 | $896 | $1,453 |
| Sanfilippo Bohn B & Son Inc | Packaged Foods & Meats | $734 | $375 | $267 |
| Seneca Foods Corp | Packaged Foods & Meats | $1,276 | $803 | $324 |
| Snyders-Lance Inc | Packaged Foods & Meats | $1,619 | $1,747 | $2,053 |
| Tootsie Roll Industries Inc | Packaged Foods & Meats | $550 | $847 | $1,923 |
| Treehouse Foods Inc | Packaged Foods & Meats | $2,182 | $2,526 | $2,681 |
| | **25th Percentile** | $684 | $612 | $562 |
| | **Average** | $1,291 | $1,055 | $1,999 |
| | **Median** | **$1,276** | **$896** | **$1,608** |
| | **75th Percentile** | $1,718 | $1,418 | $2,500 |
| | **90th Percentile** | $2,196 | $1,849 | $3,286 |

| | Industry | Total Revenues | Total Assets | Market Capitalization |
|---|---|---|---|---|
| SunOpta Inc. | Packaged Foods & Meats | **$1,091** | **$707** | **$640** |

Grant Thornton advised the Compensation Committee that the above food and beverage peer group represents a best practice peer group for executive compensation purposes, given comparability of peers to SunOpta based on the following factors: industry, revenue, market capitalization, and assets.

Beginning in fiscal year 2015, the Compensation Committee retained the services of Towers Watson, an independent executive compensation advisory firm.

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**Compensation of Named Executive Officers**

**Summary Compensation Table**

| Name and Principal Position | Year | Salary ($) | Stock Awards ($)(1) | Option Awards ($)(2) | Non-Equity Incentive Plan Compen-sation ($)(3) | All Other Compen-sation ($)(4) | Total ($) |
|---|---|---|---|---|---|---|---|
| Steven Bromley(5) | 2014 | 511,202 | 218,429 | 217,143 | 293,739 | 70,991 | 1,311,504 |
| Director and | 2013 | 519,493 | - | 439,000 | - | 70,946 | 1,029,439 |
| Chief Executive Officer | 2012 | 476,538 | - | 532,380 | 74,358 | 76,557 | 1,159,833 |
| Robert McKeracher(5) | 2014 | 323,890 | 127,882 | 127,123 | 121,511 | 31,061 | 731,467 |
| Vice President and | 2013 | 328,324 | - | 263,400 | - | 36,011 | 627,735 |
| Chief Financial Officer | 2012 | 302,885 | - | 248,444 | 39,206 | 33,140 | 623,675 |
| Hendrik Jacobs(5)(6) | 2014 | 487,784 | 209,807 | 208,576 | 184,030 | 47,817 | 1,138,014 |
| President and | 2013 | 496,499 | - | 395,100 | - | 93,965 | 985,564 |
| Chief Operating Officer | 2012 | 207,692 | - | 764,025 | 26,481 | 70,601 | 1,068,799 |
| John Ruelle | 2014 | 355,360 | 126,989 | 126,240 | 133,279 | 16,380 | 758,248 |
| Chief Administrative Officer | 2013 | 335,909 | - | 263,400 | - | 15,959 | 615,268 |
| and Senior Vice President | 2012 | 300,612 | - | 248,444 | 38,977 | 37,809 | 625,753 |
| Gerard Versteegh(7) | 2014 | 351,984 | 72,230 | 71,801 | 144,488 | - | 640,503 |
| President, International | 2013 | 334,271 | - | 153,668 | 40,302 | - | 528,241 |
| Sourcing and Supply | 2012 | 287,679 | - | 230,045 | - | - | 517,724 |

(1) Consists of the aggregate grant-date fair value of PSUs granted to our NEOs under the Stock Incentive Plans, calculated in accordance with FASB ASC Topic 718. Please see Note 12, Capital Stock, to SunOpta Inc. s consolidated financial statements included in our Annual Report on Form 10-K for a detailed description of the assumptions used to calculate the fair value of PSUs. The amounts reflect the value of the PSUs at the probable outcome of Company performance at the grant date, which was the target level. The grant-date fair values of such awards at the maximum level of payout for each of the awards is as follows: Mr. Bromley - $436,858; Mr. McKeracher - $255,764; Mr. Jacobs - $419,614; Mr. Ruelle - $253,978; and Mr. Versteegh - $144,460. For additional information on our long-term equity incentive awards, see -Compensation Discussion and Analysis-Long Term Incentives.

(2) Consists of the aggregate grant-date fair value of stock options granted to our NEOs under the Stock Incentive Plans, calculated in accordance with FASB ASC Topic 718. Please see Note 12, Capital Stock, to SunOpta Inc. s consolidated financial statements included in our Annual Report on Form 10-K for a detailed description of the assumptions used to calculate the fair value of options. For additional information on our long-term equity incentive awards, see -Compensation Discussion and Analysis-Long Term Incentives.

(3) Consists of payments awarded to our NEOs under our short-term incentive annual bonus plan. These amounts were earned in the years indicated and paid in the following April. For additional information on our short-term incentive annual bonus plans, see -Compensation Discussion and Analysis-Short Term Incentives.

(4) Represents, life insurance and critical illness benefits, retirement savings contributions, automobile benefits, and club membership benefits. Amounts also include for Mr. Bromley, director fees and options received as compensation for serving as a director of Opta Minerals Inc., a subsidiary of the Company. See table below.

(5) These officers are paid in Canadian dollars. Their compensation has been converted to U.S. dollars using the average annual exchange rate applicable for each year. For 2014, 2013, and 2012, these rates were 0.9054, 0.9706 and 1.000 Canadian dollars for each U.S. dollar, respectively.

(6) Mr. Jacobs commenced employment as President and Chief Operating Officer effective August 1, 2012.

(7) Mr. Versteegh is paid in euros. His compensation has been converted to U.S. dollars using the average annual exchange rate applicable for each year. For 2014, 2013 and 2012, these rates were 1.3283, 1.3282 and 1.2856 euros for each U.S. dollar, respectively.

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The following table details the various components included in the All Other Compensation column for 2014.

**All Other Compensation**

| Name | Retirement Plan/401(k) Contribu-tions ($) | Auto ($) | Life and Critical Illness Insurance ($) | Member-ships ($) | Other ($)(1) | Directors Fees for Opta Minerals Inc. ($)(2) | Total ($) |
|---|---|---|---|---|---|---|---|
| Steven Bromley(3) | 10,987 | 18,332 | 9,078 | 2,716 | - | 29,878 | 70,991 |
| Robert McKeracher(3) | 10,987 | 17,701 | 2,373 | - | - | - | 31,061 |
| Hendrik Jacobs(3) | 10,987 | 15,896 | 2,373 | 2,264 | 16,297 | - | 47,817 |
| John Ruelle | 11,015 | 5,365 | - | - | - | - | 16,380 |
| Gerard Versteegh | - | - | - | - | - | - | - |

(1) For Mr. Jacobs, represents an international living allowance in the amount of $16,297 (Cdn $18,000).

(2) For serving on the Board of Directors of Opta Minerals Inc., Mr. Bromley was paid director fees of $29,878 (Cdn $33,000).

(3) Amounts paid in Canadian dollars.

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The following table summarizes grants of long-term equity incentive awards to our NEOs in fiscal 2014, and the estimated possible payouts under our short-term incentive annual bonus plan for fiscal 2014.

**Grants of Plan-Based Awards**

| Name | Grant Date | Estimated Possible Payouts Under Non- Equity Incentive Plan Awards(1) | | | Estimated Possible Payouts Under Equity Incentive Plan Awards(2) | | | All Other Option Awards: Number of Securities Under- lying Options (#)(3) | Exerci or Ba Price Optio Awar ($/Sha |
|---|---|---|---|---|---|---|---|---|---|
| | | Threshold Minimum ($) | Target ($) | Maximum ($) | Threshold Minimum (#) | Target (#) | Maximum (#) | | |
| Steven Bromley | N/A | - | 387,059 | 774,117 | - | - | - | - | |
| | 05/13/2014 | - | - | - | 9,665 | 19,330 | 38,660 | - | |
| | 05/13/2014 | - | - | - | - | - | - | 32,217 | 11 |
| Robert McKeracher | N/A | - | 163,651 | 327,302 | - | - | - | - | |
| | 05/13/2014 | - | - | - | 5,659 | 11,317 | 22,634 | - | |
| | 05/13/2014 | - | - | - | - | - | - | 18,861 | 11 |
| Hendrik Jacobs | N/A | - | 247,853 | 495,707 | - | - | - | - | |
| | 05/13/2014 | - | - | - | 9,284 | 18,567 | 37,134 | - | |
| | 05/13/2014 | - | - | - | - | - | - | 30,946 | 11 |
| John Ruelle | N/A | - | 179,500 | 359,000 | - | - | - | - | |
| | 05/13/2014 | - | - | - | 5,619 | 11,238 | 22,476 | - | |
| | 05/13/2014 | - | - | - | - | - | - | 18,730 | 11 |
| Gerard Versteegh | N/A | - | 140,793 | 281,586 | - | - | - | - | |
| | 05/13/2014 | - | - | - | 3,196 | 6,392 | 12,784 | - | |
| | 05/13/2014 | - | - | - | - | - | - | 10,653 | 11 |

(1) Reflects each NEO s possible payouts under our short-term incentive annual bonus plan for fiscal 2014. Amounts shown indicate each NEO s potential bonus assuming successful completion of the NEO s performance objectives. All performance components of short-term incentive have a minimum requirement of 90% achievement before the incentive plan begins to payout.

(2) Reflects the potential number of PSU awards that may vest and convert into common shares if the predetermined performance measure meets or exceeds established thresholds for the year ending December 31, 2016. If the predetermined performance measure is below the established minimum threshold, no PSUs will vest.

(3) Represents grants of stock options to purchase common shares, which vest at a rate of 20% annually beginning on the first anniversary of the grant date and expire on the tenth anniversary of the grant date.

(4) Consists of the aggregate grant-date fair value of equity incentive awards granted to our NEOs under the Stock Incentive Plans, calculated in accordance with FASB ASC Topic 718. Please see Note 12, Capital Stock, to SunOpta Inc. s consolidated financial statements included in our Annual Report on Form 10-K for a detailed

description of the assumptions used to calculate the fair value of stock-based awards. The amounts reflect the value of the PSUs at the probable outcome of Company performance as of the grant date.

The following table summarizes the outstanding equity award holdings of our NEOs as of January 3, 2015. This table incudes unexercised and unvested option awards and unvested PSUs.

**Outstanding Equity Awards at Fiscal Year End**

| | Option Awards | | | | | Stock Awards | |
|---|---|---|---|---|---|---|---|
| **Name** | **Date of Grant** | **Number of Securities Underlying Unexercised Options (#) Exercisable** | **Number of Securities Underlying Unexercised Options (#) Unexercisable** | **Option Exercise Price ($)** | **Option Expiration Date** | **Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(1)** | **Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(1)** |
| Steven Bromley | 05/14/2009 | 90,000 | - | 1.64 | 05/14/2015 | - | - |
| | 05/12/2010 | 48,000 | 12,000 | 4.45 | 05/12/2016 | - | - |
| | 01/03/2011 | 160,000 | 40,000 | 7.72 | 01/03/2017 | - | - |
| | 05/08/2012 | 60,000 | 90,000 | 5.73 | 05/08/2022 | - | - |
| | 05/07/2013 | 20,000 | 80,000 | 7.36 | 05/07/2023 | - | - |
| | 05/13/2014 | - | 32,217 | 11.30 | 05/13/2024 | - | - |
| | 05/13/2014 | - | - | - | - | 19,330 | 228,094 |
| Robert McKeracher | 05/07/2009 | 200 | - | 1.92 | 05/07/2015 | - | - |
| | 05/14/2009 | 2,000 | - | 1.64 | 05/14/2015 | - | - |
| | 05/12/2010 | 6,400 | 1,600 | 4.45 | 05/12/2016 | - | - |
| | 05/11/2011 | 6,000 | 4,000 | 7.35 | 05/11/2017 | - | - |
| | 11/08/2011 | 30,000 | 20,000 | 5.05 | 11/08/2017 | - | - |
| | 05/08/2012 | 28,000 | 42,000 | 5.73 | 05/08/2022 | - | - |
| | 05/07/2013 | 12,000 | 48,000 | 7.36 | 05/07/2023 | - | - |
| | 05/13/2014 | - | 18,861 | 11.30 | 05/13/2024 | - | - |
| | 05/13/2014 | - | - | - | - | 11,317 | 133,541 |
| Hendrik Jacobs | 08/09/2012 | 50,000 | 150,000 | 5.14 | 08/09/2022 | - | - |
| | 05/07/2013 | 18,000 | 72,000 | 7.36 | 05/07/2023 | - | - |
| | 05/13/2014 | - | 30,946 | 11.30 | 05/13/2024 | - | - |
| | 05/13/2014 | - | - | - | - | 18,567 | 219,091 |

| Name | Option Awards | | | | | Stock Awards | |
|---|---|---|---|---|---|---|---|
| | Date of Grant | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Option Exercise Price ($) | Option Expiration Date | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(1) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(1) |
| John Ruelle | 05/12/2010 | - | 2,000 | 4.45 | 05/12/2016 | - | - |
| | 05/11/2011 | 6,000 | 4,000 | 7.35 | 05/11/2017 | - | - |
| | 11/08/2011 | 30,000 | 20,000 | 5.05 | 11/08/2017 | - | - |
| | 05/08/2012 | 28,000 | 42,000 | 5.73 | 05/08/2022 | - | - |
| | 05/07/2013 | - | 48,000 | 7.36 | 05/07/2023 | - | - |
| | 05/13/2014 | - | 18,730 | 11.30 | 05/13/2024 | - | - |
| | 05/13/2014 | - | - | - | - | 11,238 | 132,608 |
| Gerard Versteegh | 05/12/2010 | 18,800 | 4,700 | 4.45 | 05/12/2016 | - | - |
| | 05/11/2011 | 13,500 | 9,000 | 7.35 | 05/11/2017 | - | - |
| | 03/05/2012 | 14,000 | 21,000 | 5.15 | 03/05/2018 | - | - |
| | 05/08/2012 | 14,000 | 21,000 | 5.73 | 05/08/2022 | - | - |
| | 05/07/2013 | 7,000 | 28,000 | 7.36 | 05/07/2023 | - | - |
| | 05/13/2014 | - | 10,653 | 11.30 | 05/13/2024 | - | - |
| | 05/13/2014 | - | - | - | - | 6,392 | 75,426 |

(1) Represents PSUs, granted in 2014. The number of shares shown is based on the number of shares that would be issued at the end of the performance period at the target level of performance subject to continued employment. The PSUs become vested at the end of a three-year performance period ending on December 31, 2016 based on the Company s performance against the performance goal. See prior table for the maximum number of shares that could become vested. The market value of the stock awards is based on the closing market price of the Company s common shares on the last trading day of fiscal 2014 of $11.80.

[Remainder of page left intentionally blank]

The following table provides information with respect to the vesting of each NEO s stock options that were unexercisable at January 3, 2015.

| Name | Grant Date | Year in Which Options Vest | | | | | |
|---|---|---|---|---|---|---|---|
| | | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
| Steven Bromley | 05/12/2010 | 12,000 | - | - | - | - | 12,000 |
| | 01/03/2011 | - | 40,000 | - | - | - | 40,000 |
| | 05/08/2012 | 30,000 | 30,000 | 30,000 | - | - | 90,000 |
| | 05/07/2013 | 20,000 | 20,000 | 20,000 | 20,000 | - | 80,000 |
| | 05/13/2014 | 6,443 | 6,444 | 6,443 | 6,444 | 6,443 | 32,217 |
| Robert McKeracher | 05/12/2010 | 1,600 | - | - | - | - | 1,600 |
| | 05/11/2011 | 2,000 | 2,000 | - | - | - | 4,000 |
| | 11/08/2011 | 10,000 | 10,000 | - | - | - | 20,000 |
| | 05/08/2012 | 14,000 | 14,000 | 14,000 | - | - | 42,000 |
| | 05/07/2013 | 12,000 | 12,000 | 12,000 | 12,000 | - | 48,000 |
| | 05/13/2014 | 3,772 | 3,772 | 3,773 | 3,772 | 3,772 | 18,861 |
| Hendrik Jacobs | 08/09/2012 | 50,000 | 50,000 | 50,000 | - | - | 150,000 |
| | 05/07/2013 | 18,000 | 18,000 | 18,000 | 18,000 | - | 72,000 |
| | 05/13/2014 | 6,189 | 6,189 | 6,190 | 6,189 | 6,189 | 30,946 |
| John Ruelle | 05/12/2010 | 2,000 | - | - | - | - | 2,000 |
| | 05/11/2011 | 2,000 | 2,000 | - | - | - | 4,000 |
| | 11/08/2011 | 10,000 | 10,000 | - | - | - | 20,000 |
| | 05/08/2012 | 14,000 | 14,000 | 14,000 | - | - | 42,000 |
| | 05/07/2013 | 12,000 | 12,000 | 12,000 | 12,000 | - | 48,000 |
| | 05/13/2014 | 3,746 | 3,746 | 3,746 | 3,746 | 3,746 | 18,730 |
| Gerard Versteegh | 05/12/2010 | 4,700 | - | - | - | - | 4,700 |
| | 05/11/2011 | 4,500 | 4,500 | - | - | - | 9,000 |
| | 03/05/2012 | 7,000 | 7,000 | 7,000 | - | - | 21,000 |
| | 05/08/2012 | 7,000 | 7,000 | 7,000 | - | - | 21,000 |
| | 05/07/2013 | 7,000 | 7,000 | 7,000 | 7,000 | - | 28,000 |
| | 05/13/2014 | 2,131 | 2,130 | 2,131 | 2,130 | 2,131 | 10,653 |

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**Option Exercises During Fiscal 2014**

The following table details certain information concerning stock options exercised by the NEOs during the fiscal year ended January 3, 2015.

**Option Exercises**

| Name | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise ($)(1) |
|---|---|---|
| Steven Bromley | - | - |
| Robert McKeracher | 14,800 | 115,036 |
| Hendrik Jacobs | - | - |
| John Ruelle | 34,800 | 232,910 |
| Gerard Versteegh | 10,000 | 98,020 |

(1) Value Realized on Exercise is calculated as the difference between the total fair market value of the shares on the date of exercise, less the total exercise price paid for the shares.

**Payments on Termination or Change of Control**

The Company s 2013 Stock Incentive Plan provides that, in the event of a merger, consolidation or plan of exchange involving the Company pursuant to which outstanding shares are converted into cash or other stock, securities or property, or a sale, lease or exchange or other transfer of all or substantially all of the assets of the Company, the Company s board of directors may, in its sole discretion, provide that outstanding awards under the plan shall be treated in accordance with any of the following alternatives: (i) the outstanding award may be converted into a similar award based on the stock of the surviving or acquiring company, taking into account the relative values of the companies involved in the transaction; (ii) the outstanding award may be cancelled by the Company and the holder would receive cash in an amount equal to the value of the award, as determined by the Company s board of directors; or (iii) the outstanding award may become fully exercisable and the Company s board of directors would provide an arrangement pursuant to which the holder would have a reasonable opportunity to exercise any award or otherwise realize the value of the award.

The Company s 2002 Stock Option Plan, as amended and restated in May 2011 provides for immediate vesting of all unvested stock options in the event of a change of control. A change of control is defined as: (i) the acquisition by a person or group of beneficial ownership of 50% or more of the outstanding voting securities of the Company; (ii) a merger or similar transaction between the Company and another entity whereby voting security holders of the Company immediately prior to such event receive less than 50% of the outstanding voting securities of the entity surviving the event; (iii) the liquidation, dissolution or winding up of the Company; or (iv) the sale or other disposition of all or substantially all of the Company s assets.

We have entered into employment or other agreements with each of our NEOs, most of which provide for certain benefits upon a change of control of the Company or upon a termination of employment by the Company without cause. In our agreements, change of control is generally defined as the acquisition of at least 50% of the common shares of the Company by a person or group. In Mr. Bromley s employment agreement, the definition of change of control also includes certain mergers and similar transactions.

In Mr. Bromley s agreement, cause is defined as cause for termination of employment as recognized at common law by the courts in the Province of Ontario. The agreements with Messrs. McKeracher, Jacobs, Ruelle and Versteegh do not provide a definition of the term cause.

The benefits to be received by the NEOs in connection with a change of control or upon termination of employment under certain circumstances are summarized as follows:

***Steven Bromley***

*Change of Control:* Upon a change of control, all of Mr. Bromley s unvested options will immediately vest. Mr. Bromley will have the option of terminating his employment and receiving in a lump sum payment severance benefits equal to 24 months of base salary and the average of the bonuses paid to him for the last two years of employment, plus continuation of allowable medical and insurance benefits for 24 months.

*Termination by the Company without Cause:* Upon termination of Mr. Bromley s employment by the Company without cause, all of Mr. Bromley s unvested options will immediately vest. In addition, the Company will (a) pay Mr. Bromley in a lump sum his prorated bonus based on results through the date Mr. Bromley s employment ceases; (b) pay Mr. Bromley in a lump sum an amount equal to 24 months base salary plus the amount equal to the average of the bonuses paid to him for last two years of employment; and (c) continue allowable medical and insurance benefits for 24 months following termination of employment. These severance benefits are conditioned upon Mr. Bromley s delivery of a release in favor of the Company.

*Termination upon Death:* In the event Mr. Bromley dies while employed by the Company, the Company has agreed to (a) pay prorated bonus through the date of his death; and (b) provide health benefits to his family for two years following his death.

*Non-Competition and Non-Solicitation Obligations:* Mr. Bromley s employment agreement contains non-competition and non-solicitation covenants that extend for two years following the termination of Mr. Bromley s employment with the Company.

***Robert McKeracher***

*Change of Control:* Upon a Change of Control, all of Mr. McKeracher s unvested options will immediately vest. If material changes are proposed to Mr. McKeracher s position, he will have the option of terminating his employment and receiving a lump sum severance payment equal to 12 months (plus an additional one month per year of service from October 2011 up to a maximum of 18 months) of his base salary and a bonus payment as described below and continuation of his auto allowance and certain medical, dental and insurance benefits for between 12 and 18 months, depending on his length of service. For purposes of calculating the lump sum severance payment, the bonus payment will be based on the higher of (a) the average of his bonus for the year in which termination occurs, on a prorated basis based on year to date results (assuming a minimum of six months have elapsed during the year in which employment termination occurs) and his bonus for the preceding year; or (b) the average of his bonus payouts for the previous two years of employment.

*Termination by the Company without Cause:* Upon a termination of Mr. McKeracher s employment without cause, he would receive similar benefits as described above relating to a Change of Control, except that the vesting of unvested options would not be accelerated.

***Hendrik Jacobs***

*Change of Control:* Upon a Change of Control, all of Mr. Jacobs unvested options will immediately vest. In addition, if material changes are proposed to Mr. Jacobs position, he will have the option of terminating his employment and receiving a lump sum severance payment equal to 18 months of his annual base salary and a bonus payment, plus the continuation of the auto allowance and certain medical, dental and insurance benefits, for a period of 18 months following the date of employment termination. For purposes of calculating the lump sum severance payment, the bonus payment will be based on the higher of (a) the average of his bonus for the year in which termination occurs, on a pro-rated basis based on year to date results (assuming a minimum of six months have elapsed during the year in which employment termination occurs) and his bonus for the preceding year or (b) the average of his bonus payouts for the previous two years of employment.

*Termination by the Company without Cause:* Upon a termination of Mr. Jacobs employment without cause, he would receive similar severance benefits as described above under a Change of Control, except that the vesting of unvested options would not be accelerated.

*Termination by the NEO in Certain Situations:* If Mr. Jacobs decides to terminate his employment as a result of his perceived material inability to execute the responsibilities of his position, he will receive benefits of 12 months base salary and a bonus payment, plus continuation of auto allowance and allowable medical and insurance benefits during the termination period. This right will apply to circumstances whereby, due to decisions taken by Mr. Bromley or the Board of Directors of the Company, Mr. Jacobs is unable to execute key responsibilities of his position such as decisions on hiring or firing, thereby limiting his ability to be effective in his role. Prior to obtaining this benefit, the Chairpersons of both the Compensation Committee and the Corporate Governance Committee must grant final approval, and if such persons do not agree on the matter, the final decision will rest with the Chair of the Board. For purposes of calculating the payment amount, the determination of the bonus payment will be based on the higher of (a) the average of his bonus for the year in which termination occurs, on a pro-rated basis based on year to date results (assuming a minimum of six months have elapsed during the year in which employment termination occurs) and his bonus for the preceding year; or (b) the average of his bonus payouts for the previous two years of employment.

***John Ruelle***

*Change of Control:* Upon a Change of Control, all of Mr. Ruelle s unvested options will immediately vest. In addition, if material changes are proposed to Mr. Ruelle s position, he will have the option of terminating his employment and receiving a lump sum severance payment equal to 12 months (plus an additional one month per year of service from October 2011 up to a maximum of 18 months) of his base salary and a bonus payment as described below and continuation of his auto allowance and certain medical, dental and insurance benefits for between 12 and 18 months, depending on his length of service. For purposes of calculating the lump sum severance payment, the bonus payment will be based on the higher of (a) the average of his bonus for the year in which termination occurs, on a prorated basis based on year to date results (assuming a minimum of six months have elapsed during the year in which employment termination occurs) and his bonus for the preceding year or (b) the average of his bonus payouts for the previous two years of employment.

*Termination by the Company without Cause:* Upon a termination of Mr. Ruelle s employment without cause, he would receive similar severance benefits as described above under a Change of Control, except that the vesting of unvested options would not be accelerated.

*Termination by the NEO without Cause:* Effective January 5, 2015, Mr. Ruelle was appointed Senior Vice President of the Company s Raw Material Sourcing and Supply operating segment, with responsibilities including preparing the organization for integration into a Global Sourcing and Supply organizational structure. This assignment is expected to be completed in 2016. Upon the assignment s completion, if Mr. Ruelle and the Company are unable to agree on a commensurate role, Mr. Ruelle may terminate his employment without cause on the following terms: (a) six months working notice; (b) severance to a total of 18 months in addition to the working notice; (c) continuation of auto allowance, medical, dental and insurance benefits to 18 months; (d) outplacement services paid for by the Company for up to 12 months; and (e) continuation of vesting of all stock options and PSU s during the severance period.

***Gerard Versteegh***

*Change of Control:* Upon a Change of Control, Mr. Versteegh s unvested options will vest in accordance with the provisions of the Company s 2013 Stock Incentive Plan or 2002 Stock Option Plan, as applicable.

*Termination without Cause:* Upon a termination of Mr. Versteegh s employment without cause, he will receive the higher of severance benefits equivalent to 12 months base salary, including holiday allowance and bonus (based on the average amount of the previous two years), or severance benefits calculated as per the formula provided by the

Dutch Cantonal Court formula. The Dutch Cantonal Court Formula fixes the redundancy payment for severance at a number of months salary. The formula includes factoring years of service, age, base salary, and reasonable compensation for the termination circumstance.

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The following table sets forth the estimated benefits that would have been payable to the NEOs if a change in control had occurred and each officer s employment was terminated on January 3, 2015:

**Termination Due to Change in Control**

| Name | Annual Amount for Severance Calculation | | | | Term of Lump Sum Payment (Years) | Lump Sum Severance Payment ($) | Acceler-ated Vesting of Stock Options ($)(2) | Acceler-ated Vesting of PSUs ($)(3) | Tot ($ |
|---|---|---|---|---|---|---|---|---|---|
| | Total Base Salary ($) | Average Bonus Last 2 Years ($) | Contin-uation of Benefits ($)(1) | Sub Total ($) | | | | | |
| Steven Bromley(4) | 516,078 | 146,870 | 41,113 | 704,061 | 2.00 | 1,408,122 | 1,169,009 | 228,094 | 2,805 |
| Robert McKeracher(4) | 327,302 | 60,756 | 31,061 | 419,119 | 1.25 | 523,899 | 642,051 | 133,541 | 1,299 |
| Hendrik Jacobs(4) | 495,707 | 92,015 | 47,817 | 635,539 | 1.50 | 953,308 | 1,334,153 | 219,091 | 2,506 |
| John Ruelle | 359,000 | 66,640 | 16,380 | 442,020 | 1.25 | 552,525 | 644,925 | 132,608 | 1,330 |
| Gerard Versteegh(5) | 351,982 | 92,395 | - | 444,377 | 1.00 | 444,377 | 471,362 | 75,426 | 991 |

(1) Represents group life insurance, RRSP/401(k), auto allowances and critical life/extra life insurance through the severance period.

(2) These amounts represent the difference between the exercise price of the stock options and the closing price of the Company s common shares on January 2, 2015, the last trading day of the fiscal year, of $11.80.

(3) These amounts represent the target payout of PSUs multiplied by the closing price of the Company s common shares on January 2, 2015 of $11.80. This benefit provides that the Company s board of directors will approve for the immediate vesting of these awards under the provisions of the Company s 2013 Stock Incentive Plan.

(4) Calculated based on the average annual exchange rate for the year of Cdn $1.00 = $0.9054.

(5) Calculated based on the average annual exchange rate for the year of €1.00 = $1.3283.

The following table sets forth the estimated benefits that would have been payable to the NEOs if each officer s employment was terminated by the Company without cause (or by Mr. Jacobs as described in his agreement) on January 3, 2015 in the absence of a change in control:

**Termination Without Cause**

| Name | Annual Amount for Severance Calculation | | | | Term of Lump Sum Payment (Years) | Lump Sum Severance Payment ($) | Acceler-ated Vesting of Stock Options ($)(2) | Acceler-ated Vesting of PSUs ($)(3) | Tot ($ |
|---|---|---|---|---|---|---|---|---|---|
| | Total Base Salary ($) | Average Bonus Last 2 Years ($) | Contin-uation of Benefits ($)(1) | Sub Total ($) | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Steven Bromley(4) | 516,078 | 146,870 | 41,113 | 704,061 | 2.00 | 1,408,122 | 1,169,009 | 228,094 | 2,805 |
| Robert McKeracher(4) | 327,302 | 60,756 | 31,061 | 419,119 | 1.25 | 523,899 | - | - | 523 |
| Hendrik Jacobs(4) | 495,707 | 92,015 | 47,817 | 635,539 | 1.50 | 953,308 | - | - | 953 |
| John Ruelle | 359,000 | 66,640 | 16,380 | 442,020 | 1.25 | 552,525 | - | - | 552 |
| Gerard Versteegh(5) | 351,982 | 92,395 | - | 444,377 | 1.00 | 444,377 | - | - | 444 |

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(1) Represents group life insurance, RRSP/401(k), auto allowances and critical life/extra life insurance through the severance period.

(2) These amounts represent the difference between the exercise price of the stock options and the closing price of the Company s common shares on January 2, 2015, the last trading day of the fiscal year, of $11.80.

(3) These amounts represent the target payout of PSUs multiplied by the closing price of the Company s common shares on January 2, 2015 of $11.80. This benefit provides that the Company s board of directors will approve the immediate vesting of these awards under the provisions of the Company s 2013 Stock Incentive Plan.

(4) Calculated based on the average annual exchange rate for the year of Cdn $1.00 = $0.9054.

(5) Calculated based on the average annual exchange rate for the year of €1.00 = $1.3283.

## CERTAIN RELATIONSHIPS AND TRANSACTIONS WITH INSIDERS AND RELATED PERSONS

The Audit Committee reviews any material transactions in which we are or will be a participant and in which any of our 5% shareholders, directors or executive officers, or any of their immediate family members, has a direct or an indirect material interest. After its review the Audit Committee will only approve or ratify those transactions that the Audit Committee determines are in, or are not inconsistent with, our best interests and the Audit Committee, in its sole discretion, may impose such conditions as it deems appropriate on us or the related person in connection with approval of the transaction.

No informed person (as such term is defined in National Instrument 51-102 of the CSA), any proposed director of the Company or any associate or affiliate of the foregoing or any related person (as such term is defined in Item 404(a) of Regulation S-K) has or will have any material interest, direct or indirect, in any transaction since the commencement of the Company s most recently completed fiscal year or in any currently proposed transaction in which the Company was or is to be a participant and the amount involved exceeds $120,000 or which otherwise has materially affected or would materially affect the Company or any of its subsidiaries, except as noted below:

- Pursuant to a Retirement and Consulting Agreement dated January 10, 2014, Mr. Routh is entitled to receive compensation at a rate of $2,000 per day for consulting services according to the following schedule: (i) 150 consulting days in year one, for total yearly compensation of $300,000; (ii) 75 consulting days in year two, for total yearly compensation of $150,000; and (iii) 25 consulting days in year three, for total yearly compensation of $50,000. The Company will also pay certain health insurance benefits on behalf of Mr. Routh for the first 18 months of the consulting period, and Mr. Routh s unvested stock options will continue to vest during the three-year consulting period. In addition, during the fiscal year ended January 3, 2015, Mr. Routh purchased agronomy products for his family farm for $128,000 (reflecting market rates) from the Company. During the same period, Mr. Routh also sold from his family farm corn and soybeans for $435,000 (reflecting market rates) to the Company.
- On February 1, 2007, Mr. Kendall stepped down as the Chief Executive Officer of the Company but remains a member of the Board of Directors. Pursuant to a Retiring Allowance Agreement dated March 8, 2011, Mr. Kendall is entitled to receive Cdn $50,000 per annum until February 25, 2015 and Cdn $25,000 per annum thereafter until February 25, 2020. Subsequent to 2012, Mr. Kendall is no longer required to provide services to the Company although payments will continue under the contract. In the event that Mr. Kendall passes away before February 26, 2020, any remaining amount payable under the contract will be paid to his estate until February 26, 2020.

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## EXECUTIVE OFFICERS

***Steven Bromley*** (Age 55) serves as Chief Executive Officer and a Director of the Company. Mr. Bromley joined the Company in June 2001, was appointed President in January 2005, and subsequently Chief Executive Officer in February 2007. Mr. Bromley was appointed to the Board of Directors of SunOpta on January 26, 2007. From June 2001 through September 2003, Mr. Bromley served as the Company s Executive Vice President and Chief Financial Officer. Mr. Bromley was subsequently appointed as Chief Operating Officer and held this role until his appointment as Chief Executive Officer. In August 2012, Mr. Bromley relinquished the Presidency to Hendrik Jacobs, who joined SunOpta as President and Chief Operating Officer. Prior to joining the Company, Mr. Bromley spent over 13 years in the Canadian dairy industry in a wide range of financial and operational roles with both Natrel Inc. and Ault Foods Limited. From 1997 to 1999 he served on the Board of Directors of Natrel Inc. Mr. Bromley is a Chartered Professional Accountant, Certified General Accountant, is a Director of most of the Company s subsidiaries, and since July 2004 has served on the Board of Directors of Opta Minerals which is approximately 66% owned by SunOpta.

***Robert McKeracher*** (Age 38) serves as Vice President and Chief Financial Officer of the Company overseeing all financial reporting, compliance and corporate treasury activities. He previously served as Vice President of Financial Reporting for SunOpta from June 2008 until October 2011, and as Director of Financial Reporting from August 2007 to June 2008. Prior to joining the Company, Mr. McKeracher was the Manager of Business Planning and Treasury at Magna Entertainment Corp. from May 2003 to August 2007, after spending four years in public accounting in the assurance and business advisory practice at PricewaterhouseCoopers LLP. Mr. McKeracher is a Chartered Professional Accountant, Chartered Accountant, and holds a Bachelor of Commerce degree from the University of Toronto. In the past five years, Mr. McKeracher has not served on any reporting issuer s Board of Directors.

***Hendrik Jacobs*** (Age 54) joined the Company in August 2012 as President and Chief Operating Officer. Mr. Jacobs brings over 20 years of international sales, marketing, innovation, strategic development and general management experience to this role. Over the previous 11 years Mr. Jacobs held a number of progressively responsible positions with Tetra Pak, the world s leading supplier of equipment and materials for the processing and packaging of liquid food products, with revenues of approximately $12 billion in 165 markets worldwide. In his last position with Tetra Pak, Mr. Jacobs served as Cluster Vice President for North Europe with responsibility for the United Kingdom, Ireland, Scandinavia and the Baltic States. Prior to this role, he served as Managing Director Benelux with responsibility for the Netherlands, Belgium and Luxemburg, as Vice President of Strategy and Planning with responsibility for setting long term technology and product development strategies, and as Vice President of Sales for TetraPak USA. Prior to joining Tetra Pak Mr. Jacobs held a number of international sales, marketing and general management positions with PepsiCo, Royal Dutch Ahold and the Coca-Cola Company. Mr. Jacobs holds a Masters of Business Administration degree from the American Graduate School of International Management and a Bachelor of Business Administration from Oregon State University. In the past five years, Mr. Jacobs has not served on any reporting issuer s Board of Directors.

***John Ruelle*** (Age 45) was appointed to the position of Chief Administrative Officer and Senior Vice President of Raw Material Sourcing and Supply in January 2015, after serving as Chief Administrative Officer and Senior Vice President of Corporate Development and Secretary from January 2013. From October 2011 to January 2013, Mr. Ruelle served as Vice President and Chief Administrative Officer. Mr. Ruelle joined SunOpta in November 2007 as Vice President of Finance and Administration and Chief Financial Officer of the SunOpta Grains and Foods Group, the largest operating division of SunOpta at the time. Mr. Ruelle brought over 15 years of progressive food industry senior leadership experience to SunOpta with a focus on building foundational structures to achieve aggressive revenue and profitably growth through driving talent management, business processes and strategy linkage. Prior to joining SunOpta, Mr. Ruelle was Vice President of Finance and Administration, Chief Financial Officer, Treasurer and Corporate Secretary for Restaurant Technologies, Inc. where he was co-founder and managed over 30 Greenfield start-ups. Earlier in his career he held various financial and operational roles with LaserMaster Technologies and was a Certified Public Accountant with Larson Allen, LLP. Mr. Ruelle has a Bachelor of Science degree from St. John s University. In the past five years, Mr. Ruelle has not served on any reporting issuer s Board of Directors.

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***Gerard Versteegh*** (Age 53) serves as President of International Sourcing and Supply. Mr. Versteegh joined SunOpta in April 2008 as President and co-founder of Tradin Organic Agriculture. Mr. Versteegh has over 30 years of expertise in the global sourcing, processing and distribution of organic raw materials in a broad range of categories. In the past five years, Mr. Versteegh has not served on any reporting issuer s Board of Directors.

## INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except insofar as they may be shareholders of the Company or as otherwise disclosed in this Proxy Statement, no person who has been a director or executive officer of the Company at any time since the beginning of its last completed fiscal year, any proposed nominee for election as a director of the Company or any associate or affiliate of such persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## SHAREHOLDER PROPOSALS FOR 2016 ANNUAL MEETING OF SHAREHOLDERS; SHAREHOLDER COMMUNICATIONS

The Company s shareholders may submit proposals on matters appropriate for shareholder action at meetings of shareholders in accordance with Rule 14a-8 promulgated under the Securities Exchange Act of 1934 and Section 137 of the CBCA. For such proposals to be included in the Company s proxy materials relating to its 2016 Annual Meeting of Shareholders, all applicable requirements of Rule 14a-8 and the CBCA must be satisfied and, under the CBCA, such proposals must be received by the Company no later than January 17, 2016. Such proposals should be delivered to SunOpta Inc., Attn: Corporate Secretary, 2838 Bovaird Drive West, Brampton, Ontario, Canada L7A 0H2.

Under SEC rules, notice of a shareholder proposal or nomination for the 2016 Annual Meeting of Shareholders submitted outside the processes of Rule 14a-8 and Section 137 of the CBCA must be received by the Corporate Secretary of the Company at our principal executive offices on or prior to March 3, 2016. The proxy solicited by the Board for the 2016 Annual Meeting of Shareholders will confer discretionary authority to vote on any proposal or nomination submitted by a shareholder at that meeting with respect to which the Company has received notice after such date.

Shareholders may recommend a person as a nominee for director by writing to the Secretary of the Company. Please see Corporate Governance-Board Committees-Corporate Governance Committee (Nominating Committee) in this Proxy Statement for information that each notice of nomination should contain.

Shareholders may communicate with the Board. Communications should be in writing and marked to the attention of the Board of Directors or any of its individual committees, or the Chair of the Board. Any such communications should be delivered to the Company at is principal executive offices located at 2838 Bovaird Drive West, Brampton, Ontario, Canada L7A 0H2.

## SOLICITATION OF PROXIES

Proxies solicited in connection with this proxy statement are being solicited by the Board of Directors of the Company. Proxies may be solicited by officers, directors and regular employees of the Company. The Company does not expect to pay any additional compensation for the solicitation of proxies. These solicitations may be made personally or by mail, facsimile, telephone, messenger, or e-mail. The Company will bear all proxy solicitation costs, including the costs of preparing, assembling, printing and mailing this Proxy Statement, the accompanying proxy card, the Notice and any additional solicitation material that the Company may provide to shareholders.

We will request fiduciaries, custodians, brokerage houses and similar parties to forward copies of proxy materials to beneficial owners of the common shares, and we will reimburse these parties for their reasonable and customary charges for expenses of distribution.

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**FORM 10-K AND OTHER INFORMATION**

**The Company will mail without charge, upon written request, a copy of its Annual Report on Form 10-K for the fiscal year ended January 3, 2015, including the consolidated financial statements, Management s Discussion and Analysis of Financial Condition and Results of Operations ( *MD&A* ), schedules and list of exhibits, and any particular exhibit specifically requested. Requests should be sent to: SunOpta Inc., Attn: Susan Wiekenkamp, 2838 Bovaird Drive West, Brampton, Ontario, Canada L7A 0H2. The Annual Report on Form 10-K and additional information relating to the Company is also available at www.sunopta.com, on EDGAR at www.sec.gov and on SEDAR at www.sedar.com. Financial information is provided in the Company s comparative financial statements and MD&A for the fiscal year ended January 3, 2015.**

**OTHER MATTERS**

The Board knows of no other matters to be presented for shareholder action at the Meeting. However, if other matters do properly come before the Meeting or any adjournments or postponements thereof, the Board intends that the persons named in the proxies will vote upon such matters in accordance with their best judgment.

This proxy statement may include forward-looking statements (as defined in the Private Securities Litigation Reform Act of 1995). These statements are based on our current expectations and involve risks and uncertainties, which may cause results to differ materially from those set forth in the statements. The forward-looking statements may include statements regarding actions to be taken by us. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Forward-looking statements should be evaluated together with the many uncertainties that affect our business, particularly those mentioned in the risk factors in our Annual Report on Form 10-K for the year ended January 3, 2015 and in our periodic reports on Form 10-Q and Form 8-K.

Dated this 17th day of April, 2015.

**By Order of the Board of Directors**

*/s/ Steven Bromley*
Steven Bromley
Chief Executive Officer

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