

## SUNOPTA INC.

### COMPENSATION COMMITTEE CHARTER

(Approved August 9, 2016)

#### 1. Overall Purpose / Objectives

The Compensation Committee (“Committee”) of SunOpta Inc. (“Company”) is appointed by the Board of Directors (“Board”) to assist the Board in fulfilling its oversight responsibilities. The Committee will have responsibility to advise and consult with management regarding compensation policies and practices designed to align compensation with the Company’s overall business strategy, values and management initiatives. These policies are intended to (1) reward executives for long-term strategic management and enhancement of shareholder value; (2) support 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; (3) attract and retain executives whose abilities are considered essential to the long-term success and competitiveness of the Company through the Company’s salary administration program; (4) align the financial interest of the Company’s executives with those of the shareholders; and (5) ensure fair and equitable treatment for all employees.

#### 2. Authority

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

- Seek any information it requires from:
  - Any employee (and all employees are directed to co-operate with any request made by the Committee).
  - External parties.
- Whenever it considers it necessary or advisable, retain outside consultants, legal counsel or other advisors at the Company’s expense to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain and terminate such consultants or advisors, including the sole authority to approve the fees and other retention terms for such persons.
- Ensure the attendance of Company officers at meetings as appropriate.
- Pre-authorize services as required for the purpose of fulfilling the objectives of the Charter.
- Ensure that any compensation consultants or other legal or professional advisors advising the Committee shall report to the Committee and the Committee will be responsible for all aspects of the relationship including retention, scope of work, oversight and ongoing monitoring of work performed and the termination of the relationship when deemed appropriate. In addition, the Committee shall ensure that outside consultants, legal counsel or other advisors engaged are independent after considering the factors specified in Rule 5605(d)(3) of the Nasdaq Stock Market.
- Delegate any of its responsibilities to subcommittees as the Committee may determine in its sole discretion.
- Establish ongoing priorities to effectively address and execute the specific responsibilities as detailed in this Charter.
- Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval, and to annually review its own performance.

#### 3. Membership

- 3.1 The Committee will be comprised of no less than three (3) members of the Board all of whom will be non-executive directors, “independent” directors as determined by the Board within the meaning of the NASDAQ rules as well as those of the United States Securities Exchange Act of 1934 (the “1934 Act”) and National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”), “outside directors” within the meaning of Section 162(m) of the United States Internal Revenue Code and “non-employee directors” within the meaning of Section 16 of the 1934 Act.
- 3.2 The members of the Committee shall be appointed by the Board on the recommendation of the Corporate Governance Committee and the independent members of the Board. The members of the Committee shall be appointed annually at the first Board meeting following the annual meeting of shareholders, and shall hold office

for a one year period, or until they are removed by the Board or until they cease to be directors of the Company.

- 3.3 Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Corporate Governance Committee, and shall be filled by the Board as soon as reasonably practicable if the membership of the Committee is fewer than three directors. The Board may remove and replace any member of the Committee.
- 3.4 Each member should be capable of making a valuable contribution to the committee and shall have an adequate understanding of management resources and compensation principles and practices. Each member of the Committee shall have, or shall acquire within a reasonable period of time after their appointment, human resources literacy, meaning an understanding of compensation theory and practice, personnel management and development, succession planning and executive development as determined by the Committee.
- 3.5 The Chair of the Committee will be appointed by the Board from time to time upon the recommendation of the Corporate Governance Committee. The Chair may be removed and replaced by the independent members of the Board.
- 3.6 The Chief Human Resources Officer, Corporate Secretary or such other person acceptable to the members shall act as Secretary to the Committee.
- 3.7 A quorum for any meeting will be no less than two (2) members. It is acceptable for members to attend by telephone or some other electronic means to be considered in attendance at a meeting.
- 3.8 It is the objective of the Company that none of its executives serve as members of a compensation committee (or equivalent committee) of any other entity that employs a member of the Committee. Management shall keep the Committee apprised in a timely manner of the appointment of the Chief Executive Officer or any of the other of the Company's executives to the board of directors of any other public company.

#### **4. Meetings**

- 4.1 The Committee may invite such other persons (e.g. the CEO, CFO, COO, CAO, CHRO, etc.) to its meetings, as it deems necessary, but the Chief Executive Officer may not be present during voting or deliberations regarding the Chief Executive Officer's compensation.
- 4.2 Meetings may be called at the request of the Chair of the Committee or any Committee member. Meetings shall be held regularly and in any event not less than four (4) times a year. Special meetings may be convened as required. At least forty-eight hours prior notice of such meetings will be given to Committee members, unless otherwise agreed to by all members of the Committee or if all members are present at a meeting.
- 4.3 The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.
- 4.4 The Committee shall periodically hold "committee only" discussions and in such event all members of management will not be in attendance.
- 4.5 The proceedings of all meetings will be recorded in minutes for approval and signature.
- 4.6 A written resolution signed by all Committee members is as valid as one passed at a Committee meeting.
- 4.7 The Committee, through its Chair, shall report after each Committee meeting to the Board, at the Board's next regular meeting. A copy of the minutes of each meeting of the Committee shall be provided to each Committee member in a timely fashion.

- 4.8 In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel of the Company.

## **5. Specific Responsibilities**

In carrying out its responsibilities, the Committee will:

- 5.1 Review at least annually the Company's overall compensation philosophy and the general design and make-up of applicable benefit programs for executive officers and other members of the senior leadership team employees as to their general adequacy, competitiveness, internal equity and cost effectiveness. In its review the Committee will assess the linkage of executive compensation philosophy and executive incentive plans to the Company's business strategy, alignment with the Company's employee compensation philosophy and creation of shareholder value. Jointly with the Audit Committee, the Committee will also assess whether the overall compensation philosophy encourages executive officers and other participating employees to engage in unnecessary or excessive risk taking that could have a material adverse effect on the Company.
- 5.2 Regularly review the Company's leadership programs and initiatives and discuss ongoing performance, development, and succession planning for key officers in the Company.
- 5.3 Regularly review reports from management on the effectiveness of the Company's compensation programs as they affect all employees.
- 5.4 Review periodically key human resources policies and practices of the Company related to organizational engagement and effectiveness, talent sourcing strategies and employee development programs.
- 5.5 Review annually the Company's 401(k) administration and periodically review diversity programs and key metrics.
- 5.6 Review on a regular basis the management of the Company's Stock Purchase Plan.
- 5.7 At least annually, (i) review and approve corporate goals and objectives relevant to the total compensation of the Chief Executive Officer including base salary, short-term incentive and long-term incentive (equity compensation), benefit programs and any relevant severance and change-in-control provisions, and taking into account the Board's evaluation of the overall performance of the Chief Executive Officer as well as relevant industry data and the Committee's evaluation of the achievement of the goals and objectives, set the Chief Executive Officer's total compensation level based on that evaluation; and (ii) recommend to the independent members of the Board for approval the Chief Executive Officer's total compensation based on the Committee's evaluation of his or her performance and, where appropriate, with reference to competitive market data regarding compensation paid to chief executive officers of peer companies. In determining the long-term incentive component of the compensation of the Chief Executive Officer, the Committee shall also consider the Company's financial and non-financial performance and shareholder return relative to peer companies, the value of similar incentive awards to chief executive officers at peer companies and the long-term incentive awards given to the Chief Executive Officer in past years.
- 5.8 At least annually, in consultation with the Chief Executive Officer, (i) review and approve the goals and objectives relevant to the total compensation packages of the Company's executive officers and senior leadership team other than the Chief Executive Officer, review the performance evaluation process for the Company's senior leadership team other than the Chief Executive Officer and consider such other factors as the Committee considers appropriate and in the best interests of the Company; and (ii) review and approve the total compensation packages of the Company's senior leadership team other than the Chief Executive Officer with reference to their performance, comparative compensation surveys, Company-specific factors and such other factors as the Committee considers appropriate in its discretion in determining total executive compensation packages for the Company's senior leadership team other than the Chief Executive Officer.

- 5.9 Periodically review and approve the executive employment agreements for the senior leadership team and any termination or change of control arrangements for such senior executives.
- 5.10 Periodically review and recommend to the Board for approval the executive employment agreement for the Chief Executive Officer.
- 5.11 Make recommendations to the Board with respect to the establishment of equity-based plans and executive incentive compensation plans which, among other considerations, reflects an appropriate balance between short and long-term performance.
- 5.12 Designate the participants in the Company's equity-based and material incentive compensation plans, and approve grants made under the Company's equity-based and material incentive compensation plans for executives and senior leaders.
- 5.13 Review with management and, approve award pools under long term incentive-compensation plans and other equity-based plans established by the Company.
- 5.14 Act as the "Stock Option Committee" provided for under any stock option plan or other equity-based incentive plan of the Company.
- 5.15 Establish annual targets and approve awards for performance for purposes of the Company short-term incentive plans.
- 5.16 Maintain a claw-back policy, whereby in the event of material non-compliance with any financial reporting requirements that led to an accounting restatement, the Company will have the authority to recover from current and former executives any incentive-based compensation for the three years preceding the restatement that would not have been awarded under the restated financial statements.
- 5.17 Review and discuss with management, and based on such review and discussion, determine whether or not to recommend to the Board that the Compensation Discussion and Analysis (CD&A) be included in the Company's proxy statement and annual report on form 10-K as required by the rules and regulations of the United States Securities and Exchange Commission (the "SEC") and Form 51-102F6 of the Canadian Securities Administrators. The Committee shall produce (or oversee the preparation of and shall approve annually) the annual Committee report for inclusion in the Company's proxy statement in compliance with the rules and regulations promulgated by the SEC. The Committee has oversight responsibility with respect to shareholder approval of compensation plans. The Committee shall evaluate all shareholder proposals related to compensation.
- 5.18 To the extent that the Committee uses comparative market data to (a) determine compensation awarded to the executives, including the Chief Executive Officer, or (b) measure the performance of the Company for purposes of determining the quantum or vesting of annual or equity-based or long-term incentive compensation, the Committee shall: (i) periodically review the criteria used to select companies to be included in any peer group; (ii) annually review the companies included in any peer group used to review or set the compensation of any executives, including the Chief Executive Officer, with the objective of ensuring that the peer group contains appropriate comparative market data; and (iii) periodically review the companies included in any peer group used to measure the Company's performance, with the objective of ensuring that the companies included provide appropriate comparisons.
- 5.19 Review the results of the stockholder advisory vote on executive compensation.
- 5.20 Review and recommend to the Board for approval any new material employee benefit programs of broad application and any material changes to such benefit programs.
- 5.21 Undertake other initiatives as considered appropriate to help the Board deliver effective corporate governance.
- 5.22 Apprise the Board regularly of significant developments in the course of performing the above.
- 5.23 On an annual basis, review and assess the adequacy of this Charter taking into account all applicable legislative

and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship, and if appropriate, recommend changes to the Charter to the Board for their consideration and approval.

- 5.24 The Committee's performance shall be evaluated regularly, in accordance with a process developed by the Corporate Governance Committee and approved by the Board, and the results of that evaluation shall be reported to the Corporate Governance Committee and to the Board.

The foregoing list of responsibilities is not exhaustive. In addition to the foregoing, the Committee shall have such other responsibilities and may perform such other duties as may be necessary or appropriate under applicable law, the NASDAQ and TSX rules or as may be delegated to the Committee by the Board from time to time or as may be necessary or appropriate for the performance of its responsibilities.