

# SUNOPTA INC.

## COMPENSATION COMMITTEE CHARTER

(Approved November 2019)

The Compensation Committee Charter (this “Charter”) sets forth the purpose and membership requirements of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of SunOpta Inc. (“Company”) and establishes the authority and responsibilities delegated to the Committee by the Board.

This Charter is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Certificate of Incorporation and Bylaws, it is not intended to establish by its own force any legally binding obligations. Except where expressly provided in plan documents or by applicable law, neither the Committee nor any member thereof shall act as a fiduciary with respect to any plans or programs, whether under the Employee Retiree Income Security Act of 1974, as amended, or otherwise.

### 1. Purpose

The Committee is established by the Board to have overall responsibility for evaluating, and recommending to the Board for approval, the compensation plans, policies and programs of the Company. The Committee will have responsibility to (a) advise and consult with management regarding compensation policies and practices, including performance-based and equity-linked compensation; (b) review and approve the compensation of executive officers; (c) review and recommend for Board approval the Compensation Discussion and Analysis (“CD&A”) to 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; and (d) perform such further functions as may be consistent with this Charter or assigned by applicable law, the Company’s charter or bylaws, or the Board. The Committee will ensure that the Company’s compensation policies (1) are aligned with the Company’s long-term business strategy; (2) attract and retain key executives; (3) ensure fair and equitable treatment for all employees; and (4) promote and reward long-term shareholder value creation.

### 2. Authority

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

- Seek any information it requires from any employee of the Company and/or 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.
- 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 that any compensation consultants or other legal or professional advisors advising the Committee report to the Committee, and the Committee will be responsible for the appointment, compensation and oversight of the work of such compensation consultants or other legal or professional advisors.
- When selecting or soliciting advice from such a compensation consultant or other legal or professional advisor, (a) take certain factors affecting independence into account, pursuant to applicable laws, regulations and listing requirements; and (b) evaluate any conflict of interest in accordance with applicable laws, regulations and listing requirements.
- Delegate any of its responsibilities to subcommittees as the Committee may determine in its sole discretion.

### 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 The Chair of the Committee will be appointed by the Board annually upon the recommendation of the Corporate Governance Committee and may be removed and replaced by the independent members of the Board. The Chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to facilitate discussion of significant issues during the meeting as well as pre-meeting materials, and making regular reports to the Board. The Chair will also maintain regular liaison with the Company’s management and/or the Company’s outside compensation consultant.
- 3.5 The Chief Administrative Officer, Corporate Secretary or such other person acceptable to the members shall act as Secretary to the Committee.
- 3.6 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 A quorum for any meeting will be at least two-thirds of the Committee members; however, in no event shall a quorum be 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.
- 4.2 The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, written resolution, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.
- 4.3 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. If the Chair is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.
- 4.4 The Committee shall periodically hold “committee only” discussions and in such event all members of management will not be in attendance. The Chief Executive Officer shall not be present during any voting or deliberations by the Committee regarding his or her compensation.
- 4.5 The proceedings of all meetings will be recorded in minutes for approval and signature.
- 4.6 The Committee, through its Chair, shall report after each Committee meeting to the Board, at the Board’s

next regular meeting.

- 4.7 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 reports from management on the effectiveness of the Company's compensation programs.
- 5.3 Review periodically key human resources policies and practices of the Company related to organizational engagement and effectiveness, talent sourcing strategies and employee development programs.
- 5.4 Review annually the Company's 401(k) administration and periodically review diversity programs and key metrics.
- 5.5 Review on a regular basis the management of the Company's Stock Purchase Plan.
- 5.6 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. In evaluating and determining Chief Executive Officer compensation, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation ("Say on Pay Vote") required by Section 14A of the Exchange Act.
- 5.7 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 results 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. In evaluating and determining executive compensation, the Committee shall consider the results of the most recent Say on Pay Vote.

- 5.8 Periodically review and approve the executive employment agreements for the Company's executive officers and senior leadership team and any termination or change of control arrangements for such senior executives.
- 5.9 Make recommendations to the Board with respect to the establishment of equity-based plans and executive incentive compensation plans.
- 5.10 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.
- 5.11 Review with management and approve award pools under long term incentive-compensation plans and other equity-based plans established by the Company.
- 5.12 Act as the "Stock Option Committee" provided for under any stock option plan or other equity-based incentive plan of the Company.
- 5.13 Establish annual targets and approve awards for performance for purposes of the Company's short-term incentive plans.
- 5.14 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.
- 5.15 Review and discuss with management, and based on such review and discussion, recommend to the Board that the 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 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 shareholders' approval of compensation plans. The Committee shall evaluate all shareholder proposals related to compensation.
- 5.16 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.
- 5.17 Review the results of the stockholder advisory vote on executive compensation and oversee, in conjunction with the Corporate Governance Committee, engagement with stockholders and proxy advisory firms on executive compensation matters.
- 5.18 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.

- 5.19 Review all director compensation and benefits for service on the Board and Board committees with the assistance of an outside compensation consultant and recommend any changes to the Board as necessary.
- 5.20 Undertake other initiatives as considered appropriate to help the Board deliver effective corporate governance.
- 5.21 Apprise the Board regularly of significant developments in the course of performing the above.
- 5.22 On an annual basis, review and assess the adequacy of this Charter taking into account emerging corporate governance recommendations and 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.
- 5.23 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.